

CITY OF NEWTON

IN BOARD OF ALDERMEN

FINANCE COMMITTEE REPORT

SPECIAL MEETING

WEDNESDAY, MAY 23, 2007

Present: Ald. Coletti (Chair), Lennon, Linsky, Salvucci, Gentile, Parker, Schnipper and Lipof

Also Present: Ald. Albright, Hess-Mahan, Danberg, Baker and Vance; Mike Kruse (Director of Planning & Development), Gayle Smalley (Associate City Solicitor), Ann Lerner (School Committee member)

REFERRED TO CMTE. ON COMM. PRESERV. AND FINANCE COMMITTEE

#120-07 COMMUNITY PRESERVATION COMMITTEE recommending that the sum of \$1.44 M plus \$7,300 in legal fees be appropriated from the CPA fund Historic Preservation Fund Balance; FY 2007 Historic Preservation Reserve; and FY 2007 CPA General Reserve, for phase I funding for the Durant Kenrick Homestead restoration and rehabilitation project, as a grant. The CPC further recommends that the funds be appropriated under the control of the Newton History Museum (Jackson Homestead) and that certain terms included in the CPC recommendation be incorporated in the agreement between the City and the Newton Historical Society. [04-10-07 @4:49 PM]

CMTE. ON COMM. PRES. APPROVED 3-0-5 (Ald. Sangiolo, Linsky, Parker, Lappin and Lennon abstaining) ON 4/24/07

ACTION: PHASE I FUNDING APPROVED 4-1-2 (Ald. Gentile opposed; Ald. Lennon and Parker abstaining; Ald. Lipof not voting)

NOTE: The Chair will provide this brief written summary of the discussion that took place this evening. This is due to the fact that it is expected that this item will be placed on Second Call on the floor of the Board on June 4th in order to discuss details related to this project. At that time, the Chair will give a more detailed oral report.

The Committee reviewed the memo received from Mike Kruse, Director of Planning and Development, dated May 21, 2007 (see attached), as well as a Preliminary Plan: Operations and Programs at Durant-Kenrick Homestead document (attached).

For the purposes of discussion this evening, the Committee focused on the above listed item, which is the first phase of the project. This involves the undertaking of preliminary capital improvements at the site.

The second part that was discussed this evening (which will be docketed as a separate item early on in FY08 will be for funding for the lease or purchase of an historic preservation easement. That request will also provide operating funds for the Durant Kenrick Homestead itself (programs, etc.).

Basically, a presentation was made by Cynthia Stone, Director of the Jackson Homestead. It is anticipated that this newly acquired Homestead will be placed under the jurisdiction and control of the Newton History Museum (and, therefore, Cindy Stone) as well as the Newton Historical Society.

The backup information provided also included a proposed budget, which indicates specifically that there are approximately \$1.8 million of capital improvements (one-time expenditures) which will be necessary to put an addition on the building, upgrading in accessibility, installation of HVAC, and landscaping in order to get the new Homestead ready for use.

In terms of the historic preservation, once those startup funds are invested, they will generate approximately \$125,000 per year to support staffing as well as educational programs, maintenance, utilities and insurance for the Durant Kenrick Homestead.

The proposed budget also shows that the total need for funding for this project (including the historical preservation item for FY08) is estimated at \$4,564,400. Based on the budget, the funds that have already been obtained (\$100,000 grant from the Riley Foundation (2007), \$77,500 in Community Preservation Design funds (2006), \$300,000 Durant Family Foundation endowment) total \$477,500.

The additional funds being sought are under this item as well as the proposed historic preservation easement (FY08), in addition to fundraising targets (for 2007 the target amount is \$635,000 in matching funds; it is requested that these funds be provided in order to award this requested \$1.4 million). The CPA proposed fundraising target for FY08 will be \$265,000, which will be attached to the early FY08 item for the operating costs/preservation restriction item. There is an additional fundraising target of \$476,900; these are the funds that the Historical Commission has indicated it is prepared to seek as donations for the operation of the Durant Kenrick Homestead.

In addition to the cash endowment of \$300,000 from the Durant Family Foundation, it is estimated that this land is valued at approximately \$2.4 million (this figure includes the value of the house itself).

After hearing and viewing Cindy Stone's presentation, the Committee had an additional presentation by Jane O'Hearn (of the Newton Historical Society). Ann Larner was also present from the School Committee.

The Committee reviewed the remaining information contained in the attachments to this report. There will be individual visitors to the homestead from Wednesday thru Sunday (all year round). Tours will also be offered and the house will be furnished with period furniture. The grounds for the homestead will be a park with walking trail and benches for sitting. The classroom will hold educational school programs; the staff of the History Museum has met with the Director of Social Studies for the School Department. Class programs will coincide with curriculums in the 3rd, 8th and 11th grades.

There will also be an active list of public programs and classes (see attached list).

The annual operating budget for this new homestead has been set at \$129,000 per year. (see attached budget for specific figures)

Visitors will be asked to pay an admission fee to visit the Durant Kenrick Homestead. Current rates for visiting the Jackson Homestead are \$5 for adult non-residents, \$3 for non-resident seniors. For Newton residents, the rates are \$2 for adults and \$1 for seniors and students. There will be certain weekends where the Durant Kenrick Homestead will be open free of admission to the public.

After reviewing all of the information provided, the Committee began its discussion of the funding of this phase I portion. There seems to be no problem with the capital program that will be provided to restore this property. It was made clear that, in order for Phase I to become a reality, the City must make a commitment to Phase II (the preservation restriction for FY08) and that these funds will be released when the fundraising targets have been met. It is important to note that, if any one part of the funding mechanism breaks down, then this project cannot move forward.

The Committee also discussed the options (i.e. lease vs. purchase) of the preservation restriction portion of this project (Phase II). The Chair continues to work with the members of the History Museum, the Comptroller and the City Solicitor's office to draft an appropriate funding mechanism for the preservation easement so that the City will have a more appropriate role in the ownership and ultimate control of this property. This seems to be a major interest of members of the Board of Aldermen in order for the City to remain active in participation on this project.

It has been clearly understood that, under the current model, at the request of the current administrators of the Durant Kenrick Trust, custody of this property should be placed in the hands of the Newton Historical Society (as opposed to the City itself). There was concern among members of the Committee that preserving the open lot (which has a market value in excess of \$1 million) seems to be restrictive (because money could still be generated by sale of that property to supplement the appropriation of funds).

The rest of the discussion this evening related to the various viewpoints of Committee members and other Board members as to the appropriateness of using CPA funds for this purpose.

Charles McMillen was present this evening, and he assured the Committee that sufficient funds are available within the CPA fund for FY07 and it is also anticipated that ample funds will be available for the proposed Phase II project (without other major competing interests for projects) during FY08. It was also understood that, even with the cost of the acquisition (recently) of the 20 Rogers Street property, there are still ample funds available for this Durant Kenrick Homestead project.

Again, it is anticipated that issues raised this evening will be reviewed again on June 4th under Second Call, therefore, details of the remaining discussion will not be listed out in this report.

After discussion was concluded, the Committee ultimately voted 4-1-2 (with Ald. Gentile opposed, Ald. Lennon and Parker abstaining, and Ald. Lipof not voting) to approve this request.

All other items were held. The Committee adjourned at approximately 9:50 p.m.

Respectfully Submitted,

Paul E. Coletti, Chairman