

CITY OF NEWTON

IN BOARD OF ALDERMEN

PUBLIC FACILITIES COMMITTEE REPORT

WEDNESDAY, OCTOBER 22, 2003

Present: Ald. Schnipper (Chair), Gerst, Linsky, Salvucci, Stewart, Mansfield and Lappin

Absent: Ald. Yates

Also present: Ald. Merrill, Johnson, Gentile, Sangiolo, Coletti, Parker and Fischman

City personnel present: Robert Rooney (Commissioner of Public Works) and Sandy Pooler (Chief Budget Officer)

#416-03      BOSTON EDISON d/b/a NSTAR ELECTRIC petitioning for a grant of location to relocate pole #52/3 and remove existing pole on the northerly side of COURT STREET, approximately 200' north of Washington Street. (Ward 2)

**ACTION:**      **APPROVED 7-0**

**NOTE:**      Maureen Carroll of NStar was present for discussion of the petition. The pole relocation is to provide service to new townhouses on Court Street. The existing pole is located in the proposed driveway. The new pole will be placed 8<sup>1/2'</sup> east of the existing location. The public hearing was opened and no one spoke for or against the petition.

Ald. Stewart questioned whether Ms. Carroll had any information on the sidewalk boxes owned by Verizon. Ms. Carroll stated that she had nothing to do with those boxes. He explained that he has noticed that the boxes contain wires and are left unlocked allowing anyone access to the wires. He has spoken or written to Verizon, the Homeland Security Committee and the state's Public Safety Committee regarding this and has yet to receive a response. Verizon technicians at the site of one of the boxes told Ald. Stewart that they do not lock the boxes unless a box is located in a dangerous area. It was suggested that Ald. Stewart contact Gary Savignano, the Verizon Right of Way Manager for the City of Newton, as he would probably be able to direct the issue to the correct person.

Ald. Salvucci asked if NStar was aware that a new law requiring double poles to be removed within a certain timeframe was in effect. Ms. Carroll said she was somewhat aware of the law but Dennis Galvam of NStar would be the person to speak with regarding the new legislation. Ald. Salvucci asked why the City has not been receiving a monthly list of the double poles NStar has removed in the City. Maureen Carroll explained that Mr. Galvam would be the person to speak

with regarding that list. It was decided that the Clerk's Office would call Mr. Galvam for the list.

Ald. Lappin moved approval of the item, which was voted unanimously.

#417-03 KEYSPAN ENERGY DELIVERY petitioning for a grant of location to install and maintain 450'± of 4" gas main in KAREN ROAD and 50'± of 6" gas main in OAKVALE ROAD from the existing 6" gas main in Oakvale Road at Karen Road southerly to 40 Karen Road. (Ward 5)

**ACTION:** **APPROVED 7-0**

**NOTE:** Francis O'Leary of Keyspan Energy Delivery was present for discussion of the petition. The petition is to provide heat, hot water and cooking gas to 40 Karen Road.

The public hearing was opened and Mr. Claudio Stampi, 18 Karen Road, inquired when the work would begin and end, as he was interested in gas service. Mr. O'Leary explained that construction would commence when the Board had approved the petition and a street opening permit was obtained. He also stated that Mr. Stampi should contact the Keyspan Service Representative for Newton and he would provide him with number.

Ms. Doris Robinson, 28 Karen Road, asked why the conduit is not coming from Montclair Road, as the distance is shorter, how long the work will take and how large the trench would be. Mr. O'Leary responded that the Keyspan Engineering Department determines the best route to take. The work will take about seven working days to complete but every resident will have access to their driveway while the work is in progress. The trench will be approximately 1<sup>1/2</sup>' wide and residents will be notified when Keyspan is going by their home. Ms. Robinson would also like access to somebody during construction in case there is a problem. Commissioner Rooney told Ms. Robinson to contact his office.

The public hearing was closed. Ald. Stewart moved approval, which was voted unanimously.

**REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES**

#427-03 HIS HONOR THE MAYOR requesting authorization to appropriate the sum of \$144,168 from the Parking Meter Receipts Fund to the Department of Public Works street light account prior to the setting of the FY04 property tax rate.

**ACTION:** **APPROVED 7-0**

**NOTE:** Sandy Pooler joined the Committee for discussion of this item. When the budget was presented, there was a transfer of \$847,000 from parking Meter Receipts Fund to the Department of Public Works Street Light Account. At the time, the

Mayor requested that the amount be reduced by \$144,168 until the Comptroller verified that all the receipt funds were available. This request is to rectify the numbers in the street light account as all the funds have been verified.

Several Committee members expressed their hope that this would not occur next year. Sandy Pooler assured the Committee that he would do his best not to let that happen. Ald. Gerst asked how the parking meter receipts fund was doing since the increase in meter fees. Sandy Pooler responded that there has been a large increase in the fund. Ald. Gerst also asked if Mr. Pooler felt that the purchase of the streetlights was beneficial. Mr. Pooler stated that it was a great purchase as it has saved the City approximately 1/2 million dollars. Ald. Salvucci moved approval of the item, which was voted unanimously.

**REFERRED TO PROG. & SERV., PUB. FAC. AND FINANCE COMMITTEES**

#113-01(9A) HIS HONOR THE MAYOR requesting authorization to expend \$80,085 from the High School Debt Reserve fund for the purpose of funding the first year debt service costs of the \$5.7 million permanent bonds issued for the high school renovation projects.

**PROG & SERV 6-0-1 (Gentile abstaining)**

**ACTION: APPROVED 6-0-1 (Linsky abstaining)**

**REFERRED TO PROG. & SERV., PUB. FAC. AND FINANCE COMMITTEES**

#113-01(9B) HIS HONOR THE MAYOR requesting authorization to expend the sum of \$193,206 from the High School Debt Reserve fund for the purpose of funding the first year debt service costs of the two year Bond Anticipation Note (BAN) issued for the high school renovation projects.

**PROG & SERV 6-0-1 (Gentile abstaining)**

**ACTION: APPROVED 6-0-1 (Linsky abstaining)**

**REFERRED TO PROG. & SERV., PUB. FAC. AND FINANCE COMMITTEES**

#113-01(9C) HIS HONOR THE MAYOR requesting authorization to expend the sum of \$23,700 from the High School Debt Reserve fund for the purpose of funding the legal costs associated with the ten year bond issuance for the high school renovation projects. These costs were over and above the funds previously appropriated in the Treasurer/Collector's budget for debt issuance costs.

**PROG & SERV 6-0-1 (Gentile abstaining)**

**ACTION: APPROVED 6-0-1 (Linsky abstaining)**

**REFERRED TO PROG. & SERV., PUB. FAC. AND FINANCE COMMITTEES**

#113-01(9D) HIS HONOR THE MAYOR requesting an appropriation in the amount of \$2,289,771.35 from FY04 estimated revenue (\$1,926,544 School Building Assistance Program funds and \$363,227.35 from recent sale of BANs) for the purpose of adding funds to the High School Debt Reserve in the Capital Stabilization Fund.

**PROG & SERV 6-0-1 (Gentile abstaining)**

**ACTION: APPROVED 6-0-1 (Linsky abstaining)**

**NOTE:**

The above items were discussed jointly with Programs & Services Committee. Sandy Pooler was present for the discussion of these items. Mr. Pooler explained that the plan for financing the high school projects has been altered slightly. The original financing plan was to wait until the City received State reimbursement to start selling bonds and in the meantime sell Bond Anticipation Notes (BANs). This year, interest rates are historically low, so it was decided that the City would do some of the BAN, as a two-year BAN. Therefore, the City would be locked in at that interest rate. The two-year BAN was sold for \$25 million at 1.44%, which is very good. A one-year Ban was also sold for \$20.95 million at .99%. In the original financing plan, the interest rate was assumed to be 2%, so there will be substantial savings to the City.

Every year Mr. Pooler reviews the plan to see if it is advisable to sell a bond for some portion of the outstanding debt. When it was looked at this year it was decided to bond the original \$5.7 million for the design money for the high schools, as interests rates are good right now. It fits within the financing plan and it keeps the City in balance. The first interest payment of \$80,085 on the bond is due six months after it is sold, which is Item A. An appropriation is needed for the interest payment because selling the bond was not part of the plan. The next payment will be due in FY'05 and it will be incorporated in that budget.

The same situation applies to Item B, which is a request for expenditure for the debt service costs of the two-year BAN. The initial payment is due within FY'04. The one-year BAN does not come due until FY'05, which will be incorporated in the FY'05 budget. Item C is a request for a \$23,700 to pay the attorneys and the financial advisor involved in selling the bond.

The City will pay for these expenditures with the premiums from selling the BANs. The City received \$363,000 (Item D) worth of premiums on the bond sales, which has the effect of lowering the interest rate the City has to pay. The other major source of revenue, also included in Item D, is the School Building Assistance Program funds. These funds are from the middle school funding. In addition, this year the City started receiving additional money for the Newton South science labs. Therefore, there is plenty of money to cover the debt cost for the above issuance.

The basic idea of the financing plan is to spend 3% of General Fund revenue on debt. Some of that is going to pay for the old projects such as renovating the police station. The money that is not being used to pay off old debt will go into the high school fund.

Ald. Salvucci asked if the City had any capacity to bond in case of some unforeseen emergency. Mr. Pooler explained that part of the high school funding

plan anticipates starting bonding again for other projects in FY'06. The City does have the capacity at this time to bond, but is choosing not to bond, as the City does not really have the money in the operating budget to cover debt service costs for other things. Ald. Parker asked what the interest rates were on the bond and BANS. Mr. Pooler provided the Committees with a breakdown of the Bond and BANS (attached).

The Committees were pleased with the changes to the financing plan. Ald. Coletti moved approval of the item, which was approved. Ald. Gentile abstained, as he will review the items further in Finance. Ald. Salvucci moved approval of the item, which was approved. Ald. Linsky abstained to review the items further.

Respectfully submitted,

Sydra Schnipper, Chairman