

CITY OF NEWTON

IN BOARD OF ALDERMEN

LONG RANGE PLANNING COMMITTEE REPORT

Wednesday, June 2, 2010

Present: Ald. Linsky (Chairman), Blazar, Albright, Danberg, Crossley

Also present: Matthew Hills (School Committee Member), David Wilkinson (Comptroller), and Maureen Lemieux (Chief Financial Officer), Representative Kay Khan

#29-06 ALD. JOHNSON AND PARKER requesting creation of a Citizen Financial Advisory Committee to work with city officials and staff to facilitate bench markers, strategic planning, and other initiatives to improve the financial operation of the City.
(President's Note: While not formally referred to the Long Range Planning Committee, this item might usefully be discussed there in light of prior discussions of similar issues.)

**FINANCE REFERRED TO LONG RANGE PLANNING
HELD**

#73-09 PRESIDENT BAKER, ALD. HESS-MAHAN, VANCE, ALBRIGHT, LENNON, SALVUCCI, LINSKY & SCHNIPPER requesting discussion of the recommendations of the Citizen Advisory Group as may be relevant for long-range planning for the City for coming fiscal years.

HELD

This item focuses on a number of areas, many of which touch on the budgeting process. It is the Chairman's hope that the Long Range Committee members will break into smaller groups and work on the Citizen Advisory Group (CAG) recommendations over the summer. Ald. Linsky would like to map out the logistics regarding the budgeting process. It is likely that the Mayor will take a different approach to the budget process this upcoming fiscal year. It seems that in the past the Board and Administration have looked at the school and city side of the budget as almost separate budgets. As the City works towards the development of a capital budget, it could be beneficial to look at both the City and School sides as a whole. The school side compromises a large part of the city's capital needs.

The Finance Committee of the Board of Aldermen has created two subcommittees. One of which, has been working with the City's auditors over the past three or four years to address issues and recommendations that are part of the annual audit. Ald. Linsky felt that the subcommittee provides an opportunity to work hand in hand with the auditors over very concrete issues. The second sub-committee is related to the development and amendment of the City's financial management guidelines including long-range forecasting. Ald. Linsky would like to avoid duplicating the efforts of the Finance Committee and the sub-committees.

The charge of the Long Range Planning Committee is to look at longer-range issues, such as things that are not ready for immediate Board action but which the Committee can work to prepare to move forward for Board action. The Committee does not replace other Board committees, which take docketed items for action and discussion; the Committee's job is to put ideas into shape, get a longer view, and work off-line and on-line to do make ideas come to fruition in the form of docket items for the Board of Aldermen.

Comptroller David Wilkinson and Chief Financial Officer Maureen Lemieux joined the discussion. Ald. Linsky was interested in their thoughts on how to proceed with the recommendations of the CAG. Ms. Lemieux stated that from the perspective of the Mayor's Office, it is important to put together a five-year plan. The Mayor's Office is already well underway with that process. As the Administration has begun to gather the necessary information to create a financial five-year plan, they have noted that the permitting revenues, investment income, state aid and other areas that are related to the economy are down. As a result, the five-year plan will be conservative. The administration hopes to submit the five-year plan with the Capital Improvement Program (CIP), which will be submitted to the Board of Aldermen in the fall as mandated by the Charter.

In conjunction with the five-year plan and CIP, the administration plans to look at expanding the five-year plan to encompass Chapter 90 funds, Community Development Block Grant Funds, and community preservation funds. The inclusion of all the different funding sources gives a sense of how they fit into the longer-range plan for the City. It is important to understand the vision for the City from the Mayor, the Board of Aldermen, the School Committee, and citizens and understand how the City could use the different funds to realize the vision. It was suggested that the Mayor should look at revamping the City's zoning ordinances in an effort to facilitate new growth in the City and address possible air rights.

The completion of a five-year plan is imperative as the City's union contracts are all open and if the City is going to negotiate, it needs to have a five-year plan in place. The City cannot begin to know what it can afford in a negotiation process without a five-year plan. The administration is already working on the general fund piece of the forecast. One of the key numbers is the new growth in the City, as that number compounds over time. The Mayor is looking at economic development within the City. The direction that the City moves in terms of economic development has a direct impact on the five-year plan.

In addition, there needs to be discussion about the overlay funds in order to provide a realistic forecast. There is a significant amount of money in the overlay fund that may be used for other purposes. However, it is crucial that the City never underfund the overlay account and the City is doing a revaluation in the next few years, which creates an increase in the number of abatements.

Another piece of both the five-year forecast and the Capital Improvement Program is related to assessment of the capital needs of the City's buildings. One of the first charges for the Public Buildings Commissioner is to assess the capital needs of all of the City's buildings and provide a prioritized plan to address the capital needs of the buildings.

At the last School Committee meeting, there was a review of an initial draft of the School Department's CIP. The draft was formatted in tiers to display what projects were priorities and could be accomplished with the \$1.75 million dedicated to the School's CIP. The goal on a number of fronts is to put together a specific several year plan, not just on the capital side but also on the facilities side. The School Committee is looking to address the key issue that Ms. Lemieux brought up which is when the projections are done given those projections what other changes does the School Department need to make in its operating cost structure in order to make the numbers work. The CIP is complete for the upcoming fiscal year. There are a number of multi-year priority and goal setting projects that the School Committee is planning to work on with the new Superintendent of Schools this fiscal year.

(1) update on ongoing initiatives:

(a) report on Green Communities Act (Ald. Crossley)

The City has earned the Green Community Badge designation. Unexpectedly, thirty-five other communities also earned the designation, which negatively affects what Newton receives in available grant money. The State determined that a base grant of \$125,000 would be provided to each community. Additional funds were allocated based on the size of the communities, whether or not zoning ordinances were in place that allowed as-of-right siting of solar or renewable energy generation projects, which Newton does not, and median income. Newton should be awarded \$179,500 in grant funds. The City also will receive six big-belly solar compactors to put throughout the City and four signs to show that the City has earned a Green Community Badge.

The Green Communities Act is funded by the Regional Greenhouse Gas Initiative Consortium of nine states that have a carbon tax. The tax results in a pot of hundreds of millions of dollars, which is divided up between the nine states. Massachusetts uses some of its money to fund numerous statewide energy-conservation type projects. One could argue that the amount of available grant money ought to be larger if the State wants communities to work on energy reduction.

The next step is to submit the proposal for the use of the grant funds. It has been determined that the money will be best used at the Lower Falls Community Center. The community center already has \$500,000 for energy improvements and the additional funds will allow for a complete energy retrofit. The plan is to cut the energy demand of the Lower Falls Community Center by more than fifty percent.

(b) FY 2011 budget planning

(2) report on other potential initiatives

(a) presentation by Newton Cultural Alliance (Rep. Khan, Tom Concannon, Adrienne Hartzell et. al.)

The Newton Cultural Alliance consists of eleven cultural and arts organizations. The Newton Cultural Alliance has a website and calendar powered by Arts Boston. The web address is www.newtonculture.org and each of the organizations is described on the site. The Cultural Alliance is gearing up for its first fundraiser and the representatives of the alliance provided the Committee with tickets for the June 13 event. The Committee urged the Cultural Alliance to get a link of the City's website to their website and calendar. If the Cultural Alliance can make more people aware of the various cultural programs, it will generate more revenue and create greater interest.

The purpose of the Cultural Alliance is to bring together the non-profit art organizations to work with each other to inform people of the many different cultural and arts related programs and entertainment within the City. The Cultural Alliance would like to work with the City, the Newton/Needham Chamber of Commerce, Newton Villages, the Colleges, and NewTV to promote bringing people to Newton to take advantage of the many cultural programs in the community. There is a large wealth of cultural resources in Newton. It is important that the Cultural Alliance is successful in promoting the events. People tend to dine out when they go to performances, which provides business to Newton restaurants.

The long-range goal of the alliance is to have a performing arts center in the City. It is often difficult for the cultural groups to find places to perform or display their work. The Cultural Alliance has explored various buildings in the City to determine if there is a possibility of establishing a performing arts center in an existing building. The Cultural Alliance has developed a relationship with the President of the Andover Newton Theological College and there is a possibility of establishing a center there. The Alliance has also looked at the proposed Riverside project to determine if it is possible to create a regional performing arts center at that location. The Riverside location is still under discussion. The Cultural Alliance will continue to investigate possible locations for a performing arts center.

Matt Cuddy, co-founder of Newton Villages, related he had been in communication with members of the Cultural Alliance to discuss mutual interests. He requested that the Committee dedicate a future meeting to revisiting further discussion regarding the village centers in Newton.

The meeting adjourned at approximately 9:15 PM.

Respectfully submitted,

Alderman Stephen Linsky, Chair