



Finance Committee Report

City of Newton In City Council

Monday, November 23, 2020

Present: Councilors Grossman (Chair), Malakie, Humphrey, Kalis, Norton and Noel; 1 vacancy

Absent: Councilor Gentile

City staff present: Chief Financial Officer Maureen Lemieux, Comptroller Sue Dzikowski, Chief of Staff for the Department of Public Works, CPA Program Manager Lara Kritzer, Director of the Planning Department Barney Heath, Public Health Program Specialist Teresa Kett and Assistant Superintendent Liam Hurley

#455-20 **Authorization to expend a Massachusetts Sustainable Materials Recovery Grant**
HER HONOR THE MAYOR requesting authorization to accept and expend a sixty-eight thousand dollar (\$68,000) Recycling Dividends Program Grant from the Massachusetts Sustainable Materials Recovery Program.

Action: **Finance Approved 5-0 (Councilor Norton not voting)**

Note: Shawna Sullivan, Chief of Staff for the Department of Public Works, presented the request to accept and expend a \$68,000 Recycling Dividends program Grant from the Massachusetts Sustainable Materials Recovery Program. The City receives this grant annually from the State and it is used for educational materials regarding recycling and improvements to the Rumford Yard. This year the funds may go towards disposal fees from recycling collections.

Councilor Malakie motioned to approve which passed 5-0 with Councilor Norton not voting.

Referred to Zoning & Planning and Finance Committees

#420-20 **CPC Recommendation to change the purpose of Homebuyer Assistance funding**
COMMUNITY PRESERVATION COMMITTEE recommending a change in the purpose of the remaining seven hundred sixty two thousand, seven hundred and twenty two dollars and ninety cents (\$762,722.90) from the Newton Homebuyer Assistance Program for the creation of new affordable homebuyer units to the preservation of existing homebuyer units.

Zoning & Planning Committee Approved 7-0-1 (Councilor Albright abstaining) on 11/09/20

Action: **Finance Approved 5-0-1 (Councilor Malakie abstaining)**

Note: Lara Kritzer, CPA Program Manager presented the Community Preservation Committee (CPC) recommendation to change the purpose of the remaining \$762,722.90 in the Newton

Homebuyer Assistance Program from the creation of new affordable homebuyer units to the preservation of existing homebuyer units. Ms. Kritzer presented the attached presentation.

Ms. Kritzer explained that if the predetermined resale price of an existing unit in the program is \$350,000, the homeowner is only allowed to receive up to that amount for the property. If a prospective buyer can only afford \$250,000, then the City would cover the gap. Ms. Kritzer noted that if a buyer cannot be found within a set number of days, then the seller can go into the open market, but can still only receive up to \$350,000 for the property. Under the updated program, the department will also hire a consultant to help sell these properties when they come up for resale.

Committee members asked the following questions:

Q: Will these funds allow the City to buy down all the units that have become unaffordable and is this a sustainable model?

A: Ms. Kritzer explained that this is a one-time solution because once the City buys down the home, they will change the restriction on the property to the universal deed rider to ensure that the home stays affordable. These prices are based on the current resale price because it is unknown when the houses will come up for resale. The deed rider can not be put on the property until they are up for resale.

Q: What is the universal deed rider?

A: Ms. Kritzer explained that it puts a restriction on the deed that ensures that once the property is sold, the buyer needs to meet certain income requirements. The resale price is calculated within the affordable housing restriction.

Q: What are the other options that have been evaluated?

A: Ms. Kritzer explained that this program has been discussed for the past couple of years and this change is proposed at the recommendation of the consultants the City hired to evaluate the program.

Q: If the docket item is not approved, would that money go back to the CPC General Fund?

A: Ms. Kritzer explained that she believes they would need to come back to the Council to be able to move the funds. These funds have been in an account earmarked for affordable housing and would stay within CPC funds.

Q: Is there a chart that looks at all the affordable housing units within the City that shows the allowable resale price for the other units?

A: Ms. Kritzer explained that she will further investigate this question.

Q: Has the City been using the universal deed rider since 2006?

A: Ms. Kritzer explained the City began using the universal deed rider in 2007. There were 6 homes that did not have the deed rider even though they became part of the program after 2007, but another kind of restriction was used.

Q: How many units are not listed on the Subsidized Housing Inventory?

A: Ms. Kritzer explained that some of the units that are part of this program are available to those who are at 99% area median income which would not qualify for the Subsidized Housing Inventory.

Q: If the City is not able to find a buyer for one of these properties within the set amount of days, is the property no longer considered part of Newton's affordable housing inventory?

A: Mr. Heath explained that once the home is sold, the City would lose it from its affordable home inventory.

Q: Is there anyone that can help low-income individuals navigate this program?

A: Ms. Kritzer explained that many banks have first-time homebuyer programs that require the applicant to take a class, and the consultants that the City hires can assist homebuyers.

Q: If the homebuyer's income increases after purchasing an affordable home, do they no longer qualify?

A: Ms. Kritzer explained that eligibility is only checked at the time of purchase. Ideally the homebuyer's financial situation will improve and they are able to move on to a new home.

Q: What happens if a homebuyer is no longer able to afford the mortgage?

A: Ms. Kritzer explained that currently the only program available to help homeowners in this situation concerns financial hardship due to the pandemic.

Q: Is there a possibility of getting the units above 80% AMI on the Subsidized Housing Inventory?

A: Ms. Kritzer explained that these can't be listed. The Subsidized Housing Inventory focuses on lower-income individuals.

Q: What prompted this change to the program?

A: Ms. Kritzer explained that the City hired a consultant to review the program in 2018. That study concluded that if these eight units were to go up for resale, the City would have an issue.

Q: How does the City make people aware when these units are for sale?

A: Ms. Kritzer explained that the City does advertise as widely as possible. They would also reach out to the State's housing programs. Mr. Heath explained that the consultant that the City uses also has

contacts that can be used to advertise.

Q: If the funds are not used now because the units are not up for resale, does the City invest the funds?

A: Ms. Kritzer explained that the City earns interest on the account.

Q: Do owners benefit from the appreciation of the property?

A: Ms. Kritzer explained that the homeowner does earn some appreciation but they would not receive the same amount as a market value property would get.

Councilor Noel motioned to approve which passed 5-0-1 with Councilor Malakie abstaining.

Referred to Zoning & Planning and Finance Committees

#437-20

CPC Recommendation to appropriate \$77,900 in CPA funding

COMMUNITY PRESERVATION COMMITTEE recommending appropriation of seventy-seven thousand nine hundred dollars (\$77,900) in Community Preservation Act funding for the Newton Housing Authority to construct the Haywood House Senior Affordable Housing Development on Jackson Road.

Zoning & Planning Committee Approved 8-0 on 11/09/20

Action: Finance Approved 5-0-1 (Councilor Malakie abstaining)

Note: Lara Kritzer, CPA Program Manager presented the request for \$77,900 in CPA funding for the Newton Housing Authority to construct the Haywood House Senior Affordable Housing Development on Jackson Road. Hannah Cross and Vincent O'Donnell from the Newton Housing Authority joined the Committee for this discussion.

Ms. Kritzer explained that approximately \$3 million in CPA funding was allocated to the Haywood House in 2019, which was for the construction of a new building containing 55 affordable one-bedroom units. This request for the additional funds will pay for a new material lift for trash removal. The additional lift is needed because of agreements made during the special permit process to not have a curb cut on Jackson Road. Trash pickup will be on J.F.K Circle which is on a different level than Jackson Street and the first floor of the building. Ms. Kritzer explained that there was also a request for Community Development Block Grant (CDBG) funding to help replace the existing pedestrian cross and to build a new crossing and ADA compliant ramp.

Committee members asked the following question:

Q: Why do the trash chutes have to go down to the basement and not stop at the first floor where the lift would be?

A: Ms. Cross explained that at the phase of design the project was at when this request was made, there was already space built in to the basement for the trash slopes and dumpsters. The main floor also already has apartments and common spaces along with a foyer which leaves less room for the trash chutes. Ms. Cross noted at this phase it would cause a significant delay and cost to make that change.

Councilor Kalis motioned to approve which passed 5-0-1 with Councilor Malakie abstaining.

#395-20 Request for updates on budget and possible reimbursements at Newton Public Schools
The President of the Council, on behalf of the City Council, requesting updates to the Finance Committee from the Chief Financial Officer regarding budget expenditures and possible reimbursements related to school reopening at each meeting this fall.

Action: Finance Held 6-0

Note: Liam Hurley, Assistant Superintendent presented an update on the budget and possible reimbursements at the Newton Public Schools.

Mr. Hurley noted that the School Department is currently showing an estimated year-end balance of \$300,000 and approximately \$144,000 in Budget Reserve. The salaries and benefits are trending in the right direction and the department has been trying to hire more staff to be able to open up the schools. The utilities currently have a positive balance due to renegotiating the electricity contract and the solar panel projects. Mr. Hurley noted that they are keeping track of the unemployment claims due to the fraud that has occurred.

There is an overage of almost \$200,000 in the maintenance budget due to the HVAC action plan that the City is working on. The City will be applying for CARES Act reimbursement for this project. Mr. Hurley explained that the contracted services are showing a savings due to the fact that the School Department is not using day-to-day substitute teachers. Mr. Hurley explained that the department had overestimated their circuit breaker reimbursement funds, but overall are estimating \$12 million in tuitions.

Mr. Hurley explained that there will be less revenue for transportation due to the COVID-19 pandemic. The department is seeing a deficit in the supplies line item due to the additional materials that have been needed that include the tents that were purchased for the schools. These funds should also be able to be reimbursed through the CARES Act.

There are currently two preschool programs. The program at Newton South is usually self-funded and is projected to be able to just reach breakeven this year. NECP's numbers are down. The department will need to offset the account by approximately \$200,000.

The School Department has been working with the City to be able to provide meals for families that are in need. This is a grab-and-go program, which means that the cost of staffing has decreased. Mr. Hurley

noted that there is less overtime for custodians which has deferred the cost in other areas. The School Department is also not seeing the same revenue in rental fees for after school programs.

Mr. Hurley's complete fiscal operations report is attached.

Maureen Lemieux, Chief Financial Officer, noted that the City and the School department need to further discuss the fraud in unemployment claims. Ms. Lemieux explained that the City is self-insured for unemployment and the City has had hundreds of fraudulent claims that need to be investigated. The unemployment cost due to the pandemic is eligible for reimbursement.

Committee members asked the following questions:

Q: Are there any savings from the over 600 students that are no longer in the school system?

A: Mr. Hurley explained there have been some savings because of aides that were not rehired. But there is still a need for more staff to be able to open up the schools. Mr. Hurley noted that the department is continuing to investigate enrollment reports. There is also a question if these students will return once the schools are back to in-person learning.

Q: Can the tents be used for classroom space and not just for short-term uses?

A: Mr. Hurley explained that once the first snow hit, the elementary schools' tents had to be taken down but the middle school tents are still up. There is a plan to bring the elementary tents back but this question would still need to be investigated. The main priority is to be able to get as many students back into the classroom as possible. There is an issue with not being able to use technology outside in the tents.

Q: Why aren't the optional in-person opportunities at the high school being mandated?

A: Mr. Hurley explained because high schools are doing remote learning, they can't mandate these opportunities.

Q: Is there an opportunity to have one big screen in the classroom when a teacher is remote instead of having every student on their own screen?

A: Mr. Hurley explained that they are currently investigating this option. Ms. Lemieux noted that if this were to be reimbursed by the CARES Act, they would need to purchase any materials by the end of the year. But there are other grants that could potentially pay for this option once it is fully investigated.

Q: How is the department dealing with the safety net of only approximately \$500,000 in this year's budget?

A: Mr. Hurley explained that this has been stressful because of the amount of funds that needed to be spent on technology and PPE due to the pandemic. The School Department usually is more conservative for their first fiscal year report and they are hopeful this will get better. A large portion of the School Department's budget does come from staffing and Mr. Hurley explained that it has been difficult to hire during this time. On the elementary level, the School department has started to hire some classroom aides.

Q: Did the School Department foresee and budget for the fact that they would be earning less money from rentals of the school buildings this year?

A: Mr. Hurley explained that a lot of their budget was completed before the schools had gone to remote learning. The School Department would want people to be able to rent space in the buildings but since that is happening less, they are losing that revenue. Mr. Hurley noted that part of that loss of revenue is being offset by not having to pay the custodians overtime to keep the buildings open for those programs. Ms. Lemieux noted that when the City was making budget cuts due to the pandemic, the School Department was too far in the budget process to make too many changes.

Q: How does the circuit breaker account work?

A: Mr. Hurley explained that all public school districts are eligible to receive reimbursement for high special education costs which includes tuitions. The circuit breaker trips in above approximately \$48,000, so if, for a example, a student's tuition is \$68,000, then the School Department would receive 70% of the \$20,000 that is eligible. The School Department receives about \$5.5 million per year from this program which goes toward special education costs. This is helpful to offset the department's tuition line item. Mr. Hurley noted that they do not know the circuit breaker reimbursement amount until the end of the fiscal year.

Mr. Hurley noted that he can continue to update the Committee as more information is made available.

The Committee voted to hold item #395-20 which passed unanimously.

Chair's Note: *The following two items were discussed together.*

#456-20 **Authorization to expend a Mass Dept of Public Health COVID-19 Grant**
HER HONOR THE MAYOR requesting authorization to accept and expend one hundred thousand dollars (\$100,000) in additional grant funding from the Mass Dept of Public Health COVID-19 Emergency Grant in order to support additional compensation in the form of overtime, additional personnel resources, and the purchase of emergency supplies necessary to help the City of Newton respond to the COVID-19 pandemic.

Action: **Finance Approved 6-0**

#457-20 **Authorization to expend a Massachusetts Department of Public Health Grant**

HER HONOR THE MAYOR requesting authorization to accept and expend a seven thousand four hundred seventy-five and twenty-nine cent (\$7,475.29) grant from the Massachusetts Department of Public Health's Bureau of Infectious Disease and Laboratory Sciences, Immunization Division for local health departments to support influenza vaccine activities for the coming influenza season.

Action: Finance Approved 6-0

Note: Teresa Kett, Public Health Program Specialist explained that item #456-20 is an additional \$100,000 for COVID related spending. The Health Department did add an intern position relying on a portion of these funds. These funds do need to be spent by the end of June 2021. The funds from #457-20 were used for the flu shot clinics, including the addition of a drive-thru model and for a second vaccine fridge.

Committees asked the following question:

Q: Is there a need for more flu shot clinics?

A: Ms. Kett explained that the next group of people that the Health Department will be setting up clinics for are students who need the vaccine to continue school after December. The Health Department is currently investigating different models that they can use for the clinics. The clinic will not happen during school hours so that parents can be present to assist with the vaccination. Ms. Kett explained that for adults, the demand for flu vaccination has decreased significantly.

Councilor Noel motioned to approve item #456-20 and #457-20 which both passed unanimously.

Chair's Note: *Chief Financial Officer Maureen Lemieux will provide an update on the expenditure of funds for COVID-19 as related to items #239-20.*

Note: Maureen Lemieux, Chief Financial Officer, first explained the fraudulent unemployment claims that have happened within the State and the City. The City is going through each claim that we receive to make sure that everyone the City is paying unemployment costs for was in fact a City of Newton employee that was furloughed. The Department of Homeland Security has been contacted about these issues in Newton and other communities throughout the State. The City can file appeals for any unemployment claim that should not be there.

Ms. Lemieux explained that the City is in the position of verifying everything that the City has spent during the pandemic. The equipment that the City is ordering needs to be operational by December 30, 2020 to be able to be reimbursed through the CARES Act. Ms. Lemieux explained that they are continuing the HVAC project and the Grab and Go food program. The City will also continue to pay overtime costs for first responders. There are projects that have been finished, which include making City buildings safe for employees. Ms. Lemieux noted that they are still waiting to hear if the CARES Act reimbursement period will be extended.

Chair's Note: *Chief Financial Officer Maureen Lemieux will provide an update regarding the "I-Cubed" program as it relates to the Chestnut Hill Square development.*

Note: Maureen Lemieux, Chief Financial Officer explained that when Chestnut Hill Square was proposed, there was a lot of work that needed to be done on Route 9. The State had the "I-Cubed" program that dealt with bonding infrastructure programs that were for economic development when they knew that the tax revenue of the project would more than offset the bond that the State would issue. For the Wegman's project, the State ended up bonding \$10 million worth of projects on Route 9. However, the City and the developer had to enter into an agreement with the State that if the development did not become successful, then the City would have to pay the difference of the bond. Newton had the developer give the City a cash payment of \$1.1 million which went into a liquidity reserve and those funds are still in that account. The \$10 million that was bonded generated an approximately \$575,000 payment each year for 30 years. Ms. Lemieux noted that as long as the new tax revenue to the State generated by the development is more than \$575,000 a year, then the State considers that tax revenue as paying down the bond. If the site generates more income than that, then it decreases the amount of funds the City needs to pay back the bond. Currently there is approximately \$2 million accrued in credit and the City also still has the \$1.1 million in liquidity.

The State is in the process of refunding the bonds that they initially sold. The refunding will save the project approximately \$1.8 million which reduces the City's liability by that amount. The State has taken all of that savings through 2025, so next year's tax revenue from Chestnut Hill Square only needs to be approximately \$90,000 to cover the City's liability. If Chestnut Hill Square generates more tax revenue than that, it would go toward the City's \$2 million surplus. Then after 2025, the original structure will go back. Ms. Lemieux provided the attached memo.

Committee members asked the following question:

Q: Are there any outstanding risks in case task revenues decrease?

A: Ms. Lemieux explained that the original agreement is still in place, so if the project does go under, the hope is that the City has enough liquidity reserve to pay off the bonds. The City currently has about 5 years' worth of payments in liquidity reserve. Ms. Lemieux noted that any new tax revenue does count towards the payment of the bonds.

The Committee adjourned at 9:38 p.m.

Respectfully submitted,

Rebecca Walker Grossman, Chair



Newton Homebuyer Assistance Program Recommendation for Amendments

Community Preservation Committee
Presentation to Zoning and Planning Committee
November 9, 2020

#420-20

Program Overview

- ▶ Homebuyer Assistance Program initially created in 2003 to assist low and moderate income households (between 80% and 99% AMI) to become first time homebuyers by providing down payment and closing cost assistance
- ▶ In return for program funding, City receives a permanent affordable deed restriction on the property
- ▶ Program received five rounds of CPA funding between 2003 and 2015, totaling just over \$3.2 million
- ▶ Program placed on hold in 2015 due to inability of eligible households to find affordable units in Newton
- ▶ In 2018, portion of unused CPA funding used to hire consultants (ECR Enterprises) to review the program and recommend next steps



#420-20

Results of Consultant Evaluation

- ▶ Newton has 79 deed restricted affordable homebuyer units, 62 of which are monitored by Newton
- ▶ Several different types of restrictions have been used over time - 50 use the Universal Deed Rider preferred today
- ▶ 16 restrictions base the resale price on the Change in AMI between the time of the initial purchase and the resale. These restrictions do not restrict the resale price to maintain affordability
- ▶ Based on current resale price, 8 of the 16 restrictions are no longer affordable to income eligible homebuyers. These units will need Buy Down funding to maintain their affordability

#420-20

Recommended Program Changes

That the program be amended to preserve Newton's existing affordable homebuyer units rather than create new homebuyer units as originally envisioned.

This would be done by:

- ▶ Using the remaining \$762,722.90 already allocated to the Homebuyer Assistance Program to buy down the resale price of those units that are no longer affordable to income-eligible buyers. A new Universal Deed Rider would be placed on the property to insure future affordability.
- ▶ Using up to \$15,000 of this CPA funding to hire professional assistance to maintain the affordable housing program and handle any future resales.

This recommendation is only to reallocate existing program funding. If additional funding is needed in the future, a new application must be submitted

#420-20

Questions & Discussion

► Thank you!





Business, Finance and Planning

TO: David Fleishman, Superintendent

FROM: Liam Hurley, Assistant Superintendent/Chief Financial & Administrative Officer
Sean Mannion, Director of Finance
Stephen Marshall, Director of Business Services
Alyssa Baringer, Budget Analyst

DATE: November 16, 2020

RE: FY21 Fiscal and Operational Update

This is the first FY21 update on the status of the fiscal and operational aspects of the school district. As of October 31, 2020, the district has spent \$68.8 million, or 28% of the annual budget of \$243,145,343. This is compared to 27% of the annual budget spent at this time last year. The financial forecast includes \$5.6 million in grant funding for COVID-19 expenses, made up of \$2 million in City CARES Act funding for HVAC projects and \$3.6 million in School COVID-19 grants. The projections for all areas of spending for the year, including COVID-19 funding, results in a positive balance of \$302,078. Please see Appendix A and B for a detailed projection by account type, and summaries for Student Services, Operations and Utilities. Below is a list of highlights from the current forecast:

- **Salaries:** Salaries are projected to end the year with a positive balance of \$692,000. September step and COLA increases have all been executed, as planned in the budget and collective bargaining agreements. The projections also include estimates for mid-year step and COLA increases, per the bargaining agreements. Hiring for the new school year matches the FY21 plan with a number of shifts between categories and a number of vacant positions which are still in the process of being filled or evaluated for need. A Staffing Reconciliation Report is being developed which will highlight current levels of staffing and staffing shifts for the 2020-21 school year. This report will be shared once it is completed. The positive balance in Salaries is mainly due to savings in Summer Aide Timesheet salaries (\$615,000) due to summer programs that did not run due to the COVID-19 pandemic.
- **Benefits:** Benefits are projected to end the year with a negative balance of \$76,000. Health insurance is projected to end the year with a positive balance of \$83,000. Health insurance enrollment is under the budgeted number of plans for the school year, including a contingency for additional plans to be added throughout the school year. A shift from individual to family plans results in an increase in cost that is countered by the lower than budgeted number of overall plans. Dental insurance is projected to end the year with a balance of \$101,000. This is due to the final dental rates being lower than budgeted. Unemployment costs are expected to be over budget by \$300,000 due to the COVID-19 pandemic. All other benefit lines are conservatively forecasted for the year.
- **Utilities:** Utilities are projected to end the year with a positive balance of \$196,000. This is primarily due to a positive balance of \$125,000 in electricity and \$99,000 in natural gas. The City negotiated new electricity supply rates with the district's electricity vendor with set rates beginning in November 2020, which accounts for \$12,000 of the projected savings. Additionally, usage is lower than projected at Newton North and Newton South high schools due to the buildings being less utilized as many students continue to study remotely. A number of solar projects were planned in the budget, some of which have been delayed due to COVID-19, but are still planned in the future. We will monitor utilities closely as the year progresses. Please see Appendix B for a detailed utilities projection by building.
- **Maintenance:** Maintenance spending is projected to end the year approximately \$2.0 million dollars over the budgeted amount, but will be supplemented by \$2.0 million in City CARES Act funding. The

\$2 million in CARES funding will be used for unanticipated one-time projects due to COVID-19, including a large number of HVAC projects to improve air ventilation in school buildings. In addition, the projection includes savings due to a reduction in summer maintenance projects of \$500,000, which offsets an increase due to capital project spending at Horace Mann and Oak Hill. The overall projection for all Operations accounts is negative by \$625,000, which includes the utilities savings of \$196,000 mentioned previously. Please see the Operations Summary in Appendix A.

- **Contracted Services:** Contracted services are projected conservatively and expected to end the year with a positive balance of \$521,000. This projection includes \$336,000 in savings due to the district deciding to not renew its contract with Kelly Services for outside temporary staffing services. The Contracted Services budget for Student Services is projected to be within plan, showing a surplus of \$172,000.
- **Circuit Breaker:** Preliminary FY21 Circuit Breaker funding was recently released by the State with total funding of \$4,807,755 for Newton. This is approximately \$1.6 million less than the FY21 budget assumption of \$6,389,538 due to four factors. First, the Student Opportunity Act (SOA) will not be implemented in FY21 which results in a loss of \$400,000 in new funding for special education transportation for Newton. Second, the Student Opportunity Act also included a provision which lowered the foundation level set by the State. By not implementing the SOA, the foundation level increases in FY21, resulting in a loss of funding of approximately \$500,000 for Newton. Third, the preliminary Circuit Breaker reimbursement rate is set at 70% versus the budgeted maximum of 75%, resulting in a loss of approximately \$300,000 for Newton. Lastly, the district's final claim submission was lower than projected by \$400,000 due to lower placement costs during the 2019-20 school year. This loss of \$1.6 million is partially covered by an additional \$1.3 million in Circuit Breaker carryforward from FY20. The FY21 budget was developed with a carryforward dependence of \$3.2 million, which includes a budget reduction from the City of \$1.5 million, and the final FY20 carryforward to FY21 was \$4.5 million, as reported in September 2020.
- **Tuition:** There were 122 out-of-district placements as of the end of October 2020, including agreements for unilateral placements. This is 9 fewer than the final number of placements from October 2019 of 131. The gross tuition projection for 2020-21 is \$12.2 million, with an additional contingency of \$250,000 for pending tuition placements. The overall projection for tuition results in a negative balance of \$219,000 due to the loss of Circuit Breaker funding mentioned above, offset by the additional carryforward and savings due to fewer placements as of October.
- **Transportation:** Transportation is projected to be within budget for the year, with a negative balance of \$370,000. This is due to the loss of fee revenue from bus passes to offset the district's transportation expenses. A projected savings of \$157,000 in Special Education transportation is due to much lower than projected transportation needs due to COVID-19.
- **Supplies and Equipment:** Spending for supplies and equipment are projected to be over budget by \$4.4 million dollars. This is almost exclusively due to needs related to COVID-19, including additional laptops, learning materials, and infrastructure needed for Distance Learning; PPE, and other medical supplies. A projected \$3.6 million dollars in School grant funding is projected to offset many of these needed expenses.
- **Athletics and Pre-School:** Every year, the district provides a subsidy to Newton North and Newton South high school athletic programs to cover a portion of their costs. Due to a reduction in the number and scope of athletic activities this year, the high school athletic programs have much lower than projected spending, which is expected to leave a balance in the general fund subsidy of \$526,000. The two preschool programs at Newton Early Childhood Program and Newton South High School typically collect fees to offset the costs of their programs, but will need to be subsidized this year due to lower than projected enrollment. These two programs are expected to end the year with a negative balance of almost \$233,000.
- **Budget Reserve:** A reserve for future liabilities, including maintenance costs, is held within the current projection at \$135,346.

- **Food Service:** Whitson’s Culinary Group is working through its second contractual year as our food service provider. Whitson’s has prepared and helped distribute over 215,000 meals to families in need through the Covid-19 pandemic. In September, Whitson’s began serving students in our elementary schools and began serving meals in our middle schools today. USDA recently announced that all meals served through the FY21 school year will be reimbursed at the free rate of \$3.63 regardless of student eligibility. Revenues generated by governmental reimbursements are expected to offset at least 100% of the costs of the program, including the management fee for FY21.
- **Fees & Revolving Accounts:** The COVID-19 pandemic has significantly impacted fee revenue through the start of FY21. Revolving account fee revenue has historically helped offset district expenses. Table 2 shows revolving account fee revenue down \$2.2 million over prior year. This reduction in revenue is projected to negatively impact the general budget by \$1.6 million due to the loss of fee credits planned in the budget, as seen in Table 1. Many programs are operating at reduced capacity or in a virtual format. Our buildings are currently closed to all outside rentals limiting all use of school building revenue.
- **Fee Recommendations:** Due to COVID-19, we would like to recommend temporary changes in two of our fee programs for this year only. We recommend the Transportation fee be reduced from \$350 to \$100 for middle school students who are not eligible for a financial or a distance waiver. We also recommend that 4th and 5th grade instrumental music program fees be reduced from \$150 to \$50. Financial Assistance will still be readily available for families in need.

Table 1: FY21 General Fund Impact of Revolving Accounts

Revolving Accounts	FY19	FY20	FY21	FY21	Change from Budget	
	\$	\$	Budget \$	Projected \$	\$	%
Use of School Buildings	\$873,399	\$505,851	\$870,000	\$70,000	(\$800,000)	-86%
Bus Transportation	\$535,000	\$510,000	\$580,000	\$45,000	(\$535,000)	-91%
Early Morning Program	\$234,165	\$220,000	\$230,000	\$10,000	(\$220,000)	-95%
Middle School Athletics	\$196,983	\$84,000	\$180,000	\$0	(\$180,000)	-100%
Grade 4/5 Instrumental Music	\$169,000	\$137,000	\$145,000	\$28,800	(\$116,200)	-79%
Newton South Parking	\$31,000	\$44,600	\$45,000	\$14,000	(\$31,000)	-69%
High School Drama	\$27,000	\$11,000	\$25,000	\$0	(\$25,000)	-100%
Middle School Student Activity	\$30,000	\$30,000	\$24,000	\$0	(\$24,000)	-100%
All City Band Chorus	\$11,000	\$15,000	\$11,000	\$0	(\$11,000)	-100%
NECP	\$0	\$0	\$0	(\$109,692)	(\$109,692)	
South PreSchool	\$0	\$0	\$0	(\$122,984)	(\$122,984)	
High School Athletics	(\$1,248,078)	(\$821,539)	(\$1,125,870)	(\$600,000)	\$525,870	-27%
Total	\$859,469	\$735,912	\$984,130	(\$664,876)	(\$1,649,006)	-190%

Table 2: Fee Revenue by Fiscal Year

Fees	FY19	FY20	FY21 Projected	Change from PY	
	\$	\$		\$	%
Fees Subject to the Supercap:					
High School Athletics	\$736,022	\$577,369	\$294,650	(\$282,719)	-49%
Middle School Athletics	\$183,550	\$94,941	\$0	(\$94,941)	-100%
Bus Transportation	\$539,850	\$522,260	\$45,000	(\$477,260)	-91%
Grade 4/5 Instrumental Music	\$227,925	\$137,298	\$28,800	(\$108,498)	-79%
Middle School Student Activity	\$31,890	\$26,350	\$0	(\$26,350)	-100%
All City Band Chorus	\$13,425	\$12,000	\$0	(\$12,000)	-100%
High School Drama	\$31,650	\$5,250	\$0	(\$5,250)	-100%
Total Fees Subject to the Supercap	\$1,764,312	\$1,375,468	\$368,450	(\$1,007,018)	-73%
Fees Not Subject to the Supercap:					
Use of School Buildings	\$1,022,694	\$678,731	\$70,000	(\$608,731)	-90%
Early Morning Program	\$321,389	\$270,869	\$10,000	(\$260,869)	-96%
NECP	\$557,792	\$446,557	\$173,790	(\$272,767)	-61%
South PreSchool	\$469,984	\$403,336	\$347,000	(\$56,336)	-14%
Space Camp	\$220,133	\$43,305	\$36,950	(\$6,355)	-15%
Newton South Parking	\$26,075	\$49,805	\$0	(\$49,805)	-100%
Total Fees Not Subject to the	\$2,618,067	\$1,892,603	\$637,740	(\$1,254,863)	-66%
Total Fees	\$4,382,379	\$3,268,071	\$1,006,190	(\$2,261,881)	-69%

- COVID-19 Expenditures and Relief: COVID-19 has presented numerous challenges leading to many unbudgeted expenses. Table 1 below lists COVID-19 related expenses incurred in FY21. There was also approximately \$500k of COVID-19 related expenses in FY20. HVAC expenses are expected to be covered by the City CARES Act funding. Additional expenses are expected throughout the school year as more students and staff return to buildings. Table 2 shows COVID-19 relief grants and projected uses of grant funds.

	Actual	Encumbered	Total
Electrical Work	\$ 519	\$ -	\$ 519
Covid-19 Planning Stipends	\$ 74,316	\$ -	\$ 74,316
HVAC	\$ 934,738	\$ 12,190	\$ 946,928
YMCA Extended Care	\$ 1,980	\$ 2,400	\$ 4,380
Signage	\$ 1,650	\$ -	\$ 1,650
Instructional Supplies	\$ 21,860	\$ 23,368	\$ 45,228
Building Maint	\$ -	\$ 1,916	\$ 1,916
Outdoor Tents	\$ 219,620	\$ -	\$ 219,620
PPE/Medical Supplies	\$ 418,401	\$ 426,348	\$ 844,749
Instructional Technology	\$ 1,641,680	\$ 53,074	\$ 1,694,753
Classroom/ Outdoor Furniture	\$ 29,810	\$ 3,714	\$ 33,524
Total	\$ 3,344,574	\$ 523,009	\$ 3,867,583

Table 2: FY21 Covid Related Grant Planning

Grant Name	Total Grant Amount	Expected Uses	Amount
Remote Learning Technology Essentials Grant 117/118	\$97,086		
		FY21 Chromebook Matching	\$67,050
		FY20 Chromebook Matching	\$30,036
ESSER 113	\$745,725		
Expires 6/30/2021		Private School Allocation	\$61,800
		Remote Learning Technology	\$683,925
CvRF 102	\$2,886,525		
Expires 12/30/2020		Outdoor tents	\$219,620
		Outdoor furniutre for tents	\$33,524
		Covid-19 Planning Stipends	\$74,316
		PPE/Medical Supplies	\$844,748
		Remote Learning Technology,	\$1,694,753
		Facilities Improvements	\$19,564
Total Grants Awards	\$3,729,336	Total NPS Grant Uses	\$3,667,536
		Total Private School	\$61,800
		Total Uses	\$3,729,336

Thank you to the many individuals and departments that contributed to this report. Their conscientious work is represented by the range of information presented and is truly appreciated.

cc: Susan Dzikowski, Comptroller
 Maureen Lemieux, Chief Financial Officer
 Jonathan Yeo, Chief Operating Officer
 Josh Morse, Commissioner of Public Buildings

FY21 School Expenses by Account

	SC Approved Budget (May 2020)	*Adjusted Budget	Period 4 Exp. a/o 10/31/20	YTD Encumb. + Exp.	Forecast Rest of Year	FY21 Final	Surplus (Deficit)
Salaries Summary							
SALARIES	\$173,295,740	\$173,245,740	\$14,836,402	\$33,939,672	\$138,614,300	\$172,553,971	\$691,769
BENEFITS	\$39,928,116	\$39,928,116	\$2,661,231	\$8,018,514	\$31,986,031	\$40,004,544	(\$76,428)
SUSPENSE (salaries to be charged to grants)			\$179	(\$6,130)	\$6,130		
SUBTOTAL	\$213,223,856	\$213,173,856	\$17,497,813	\$41,952,056	\$170,606,460	\$212,558,516	\$615,341
Expenses Summary							
UTILITIES	\$4,880,604	\$4,880,604	\$354,601	\$644,020	\$4,040,712	\$4,684,732	\$195,872
MAINTENANCE	\$4,225,480	\$5,343,366	\$2,023,275	\$3,654,848	\$3,686,918	\$7,341,766	(\$1,998,401)
CONTRACT SERVICES	\$1,949,212	\$1,884,717	\$122,527	\$260,834	\$1,102,856	\$1,363,690	\$521,027
TUITION	\$5,327,460	\$4,304,175	\$1,258,125	\$11,000,304	(\$6,476,776)	\$4,523,528	(\$219,353)
TRANSPORTATION	\$8,276,885	\$8,276,885	\$366,854	\$6,106,656	\$2,541,037	\$8,647,692	(\$370,807)
SUPPLIES	\$2,454,549	\$2,296,859	\$676,801	\$1,976,286	\$2,487,317	\$4,463,603	(\$2,166,744)
EQUIPMENT	\$1,646,427	\$1,688,666	\$1,132,974	\$2,660,954	\$1,233,262	\$3,894,216	(\$2,205,550)
ATHLETICS	\$1,125,870	\$1,125,870		\$550,000	\$50,000	\$600,000	\$525,870
PRESCHOOL					\$232,676	\$232,676	(\$232,676)
SCHOOL LUNCH	\$35,000	\$35,000			\$35,000	\$35,000	
BUDGET RESERVE		\$135,346			\$135,346	\$135,346	\$0
SUBTOTAL	\$29,921,487	\$29,971,487	\$5,935,157	\$26,853,901	\$9,068,348	\$35,922,249	(\$5,950,762)
TOTAL FY21 Appropriation	\$243,145,343	\$243,145,343	\$23,432,970	\$68,805,957	\$179,674,808	\$248,480,765	(\$5,335,422)
FY21 COVID-19 Associated Incoming Grant Funds							
CARES FUNDS FROM CITY	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000
CVRF	\$ -	\$ 2,886,525	\$ -	\$ -	\$ -	\$ -	\$ 2,886,525
RLTE	\$ -	\$ 67,050	\$ -	\$ -	\$ -	\$ -	\$ 67,050
ESSER	\$ -	\$ 683,925	\$ -	\$ -	\$ -	\$ -	\$ 683,925
SUBTOTAL COVID-19 FUNDS	\$ -	\$ 5,637,500	\$ -	\$ -	\$ -	\$ -	\$ 5,637,500
Final FY21 Appropriation (including COVID-19 Funds)	\$243,145,343	\$248,782,843	\$23,432,970	\$68,805,957	\$179,674,808	\$248,480,765	\$302,078
As of 10/31/20 Percent of Total Budget Expended and Encumbered						28%	
<u>FY21 Adjusted Budget:</u>							
*Note the FY21 report has two columns including the School Committee budget approved in May 2020, and an adjusted budget which includes budget transfers made throughout the year to reflect actual salary and benefits costs.							

FY21 School Expenses by Account

Appendix A

Account name	Account #	SC Approved Budget (May 2020)	*Adjusted Budget	Period 4 Exp. a/o 10/31/20	YTD Encumb. + Exp.	Forecast Rest of Year	FY21 Final	Surplus (Deficit)
Salaries:								
Teacher Salaries	510101	\$101,988,391	\$103,176,058	\$8,572,988	\$17,146,295	\$86,054,763	\$103,201,058	(\$25,000)
Coordinator Salaries	510103	\$2,505,575	\$2,538,400	\$210,889	\$532,209	\$2,006,191	\$2,538,400	
Music/Drama Salaries	510104	\$119,517	\$119,517	\$1,466	\$1,466	\$115,520	\$116,986	\$2,531
Psychologist Salaries	510105	\$3,102,670	\$2,933,836	\$249,326	\$492,254	\$2,441,582	\$2,933,836	
Guidance Counselor Salaries	510106	\$3,613,912	\$3,635,951	\$299,464	\$605,186	\$3,030,765	\$3,635,951	
Counselors Non-Guidance	510107	\$1,614,547	\$1,623,970	\$133,579	\$266,706	\$1,357,264	\$1,623,970	
School Legal Salaries	510109	\$132,804	\$145,000	\$12,083	\$48,333	\$96,667	\$145,000	
Principal Salaries	510110	\$3,309,743	\$3,307,241	\$281,010	\$1,104,573	\$2,202,668	\$3,307,241	
Asst Principal Salaries	510111	\$1,666,802	\$1,723,973	\$146,289	\$482,302	\$1,241,671	\$1,723,973	
Schl Dept Head Salaries	510112	\$1,768,040	\$1,718,394	\$143,780	\$375,405	\$1,342,989	\$1,718,394	
Admin Support Salaries	510114	\$2,874,137	\$2,863,432	\$240,975	\$907,288	\$1,956,143	\$2,863,431	\$1
Central Staff Salaries	510115	\$1,185,943	\$1,171,407	\$96,890	\$381,382	\$790,025	\$1,171,407	
Supervisory Salaries	510116	\$681,854	\$686,090	\$56,418	\$218,205	\$467,885	\$686,090	
Specialist Salaries	510117	\$2,601,306	\$2,528,476	\$211,880	\$422,740	\$2,105,736	\$2,528,476	
Housemaster Salaries	510118	\$1,042,431	\$1,032,995	\$85,244	\$172,409	\$860,586	\$1,032,995	
Asst. Directors Salaries	510119	\$98,399	\$29,467	\$2,396	\$4,791	\$24,676	\$29,467	
Directors Salaries	510120	\$697,739	\$788,957	\$65,479	\$236,985	\$551,972	\$788,957	
Tech Support Assist.Salaries	510121	\$777,916	\$822,257	\$68,952	\$250,747	\$571,510	\$822,257	
Vice Principals Salaries	510123	\$284,344	\$275,001	\$22,798	\$71,480	\$203,521	\$275,001	
Medical Salaries	510133	\$1,136,477	\$1,169,397	\$95,889	\$191,779	\$977,618	\$1,169,397	
Summer Day Salaries	510136	\$70,176	\$70,176	\$338,408	\$368,727		\$368,727	(\$298,551)
Librarian Salaries	510138	\$1,751,745	\$1,700,793	\$138,744	\$277,488	\$1,423,305	\$1,700,793	
Social Worker Salaries	510140	\$1,909,142	\$1,820,096	\$152,767	\$300,774	\$1,519,322	\$1,820,096	
Secretarial Salaries	510221	\$4,681,762	\$4,598,187	\$393,591	\$1,407,737	\$3,250,450	\$4,658,187	(\$60,000)
Summer Aide-Timesheets	510311	\$817,245	\$817,245		\$201,395		\$201,395	\$615,850
Aide-Timesheets	510312	\$224,000	\$224,000	\$3,602	(\$1,976)	\$190,472	\$188,496	\$35,504
Aide Salaries-30 Hrs	510313	\$1,349,985	\$1,317,962	\$77,415	\$196,748	\$1,121,214	\$1,317,962	
Aide Salaries-32 Hrs	510314	\$1,479,713	\$88,769	\$57,306	\$178,385	(\$89,616)	\$88,769	
Aide Salaries-35 Hrs	510315	\$2,657,394	\$947,371	\$185,901	\$448,574	\$498,797	\$947,371	
Aide Salaries-40 Hrs	510316	\$347,765	\$5,398,746	\$545,284	\$580,943	\$4,701,409	\$5,282,352	\$116,394
Aide Specialist-35 Hrs	510317	\$5,988,169	\$1,053,990	\$231,754	\$766,961	\$287,029	\$1,053,990	
Aide Specialist-40 Hrs	510318	\$3,007,930	\$7,364,650	\$640,534	\$875,359	\$6,489,291	\$7,364,650	
Aide Salaries-30.83 Hrs	510319	\$2,870,938	\$723,575	\$147,157	\$426,480	\$297,095	\$723,575	
ISS Salaries	510320	\$1,000,636	\$1,000,636	\$42,471	\$78,171	\$840,000	\$918,171	\$82,465
Aide Salaries- 33.85 Hrs	510321	\$1,413,911	\$1,239,131	\$79,060	\$205,589	\$1,033,542	\$1,239,131	
Custodial/Maint Salaries	510331	\$5,014,219	\$5,014,219	\$370,979	\$1,519,894	\$3,371,531	\$4,891,425	\$122,794
Non-Aligned Salaries	510340	\$751,081	\$868,993	\$66,619	\$282,420	\$586,573	\$868,993	
Timesheet Salaries	510342	\$45,000	\$45,000	\$2,630	\$110,766	(\$61,175)	\$49,591	(\$4,591)
Lunchroom Attendants - Elem	510345	\$129,600	\$129,600	\$3,333	\$3,333	\$124,900	\$128,233	\$1,367
Part Time < 20 Hrs/Wk	511101			\$1,192	\$1,192		\$1,192	(\$1,192)
Elected Offcl W/Benefits	511103	\$62,000	\$62,000	\$5,167	\$20,667	\$41,334	\$62,001	(\$1)
Work Study Wages	512003	\$49,140	\$49,140	\$2,464	\$4,516	\$21,000	\$25,516	\$23,625
Coaches & Officials Wages	512004	\$131,236	\$131,236			\$60,000	\$60,000	\$71,236
Substitute Clerical Wages	512005	\$84,000	\$84,000	\$12,344	\$20,979	\$80,000	\$100,979	(\$16,979)
Substitute Teachers	512006	\$1,420,000	\$1,420,000	\$98,951	\$157,412	\$1,262,588	\$1,420,000	
School Tutors	512007	\$40,628	\$40,628		\$633	\$39,995	\$40,628	\$0
Interns	512008	\$263,000	\$263,000	\$28,340	\$60,760	\$112,736	\$173,497	\$89,503
Music Accompanists	512009	\$52,877	\$52,877	\$25	\$25	\$10,000	\$10,025	\$42,852
School Chaperones	512010	\$10,984	\$10,984					\$10,984
Regular Overtime	513010	\$245,000	\$245,000	\$65,300	\$178,875	\$573,263	\$752,138	(\$507,138)
Work By Other Depts.	513040	\$95,413	\$95,413	\$3,631	\$5,468	\$80,714	\$86,182	\$9,231
Work By Public Buildings	51304B	\$109,483	\$109,483		\$73,532	\$35,951	\$109,483	\$0
Longevity	514001	\$988,186	\$988,186	\$14,162	\$80,446	\$893,731	\$974,177	\$14,009
Education Incentive Pay	514003	\$625,000	\$625,000			\$150,000	\$150,000	\$475,000
Shift Differential	514004	\$266,563	\$266,563	\$19,294	\$77,133	\$168,000	\$245,133	\$21,430
Firing License	514305	\$6,600	\$6,600	\$462	\$1,946	\$4,025	\$5,971	\$629
Other Stipends	514309	\$672,320	\$622,320	\$103,051	\$189,693	\$463,131	\$652,825	(\$30,505)
School Extra Assignments	514310	\$491,437	\$491,437	\$3,188	\$16,871	\$403,169	\$420,040	\$71,397
Summer Other Stipends	514319	\$672,750	\$672,750	\$2,860	\$762,756	\$40,000	\$802,756	(\$130,006)
Other Compensation	515000	\$2,500	\$2,500			\$2,500	\$2,500	
Retirement Incentive	515001	\$55,000	\$55,000		\$3,500	\$51,500	\$55,000	
Sick Leave Buy Back	515004	\$97,000	\$97,000		\$22,500	\$79,500	\$102,000	(\$5,000)
Vacation Buy Back	515006	\$36,000	\$36,000		\$19,849	\$30,000	\$49,849	(\$13,849)
Incentive-Sick Leave	515010	\$35,000	\$35,000	\$621	\$53,867		\$53,867	(\$18,867)
Clothing Allowance	515101	\$49,500	\$49,500		\$46,750	\$6,600	\$53,350	(\$3,850)
Non-Elective 403B Contrib.	515204	\$21,165	\$21,165			\$20,670	\$20,670	\$495
SUBTOTAL SALARIES		\$173,295,740	\$173,245,740	\$14,836,402	\$33,939,672	\$138,614,300	\$172,553,971	\$691,769

FY21 School Expenses by Account

Account name	Account #	SC Approved Budget (May 2020)	*Adjusted Budget	Period 4 Exp. a/o 10/31/20	YTD Encumb. + Exp.	Forecast Rest of Year	FY21 Final	Surplus (Deficit)
<u>Suspense - To be transferred:</u>								
Schl Fund 01 Suspense	51000A			\$179	(\$6,130)	\$6,130		
Refund Payroll Deduc Susp.	51000N							
SUBTOTAL SUSPENSE, ETC.				\$179	(\$6,130)	\$6,130		
<u>Benefits:</u>								
Unemployment Benefits	570200	\$200,000	\$200,000			\$500,000	\$500,000	(\$300,000)
Vehicle Use Reimbursement	571000	\$103,040	\$103,040	\$7,236	\$24,641	\$78,399	\$103,040	
Claims/Settlements	572500	\$75,000	\$75,000		\$299	\$35,000	\$35,299	\$39,701
Workers Comp Insurance	575007	\$400,000	\$400,000		\$400,000		\$400,000	
Dental Insurance	57DENT	\$672,786	\$672,786	\$49,122	\$108,759	\$463,463	\$572,222	\$100,564
Disability Insurance	57DISA	\$13,848	\$13,848			\$13,848	\$13,848	
Health Insurance	57HLTH	\$32,020,504	\$32,020,504	\$2,197,176	\$6,575,223	\$25,361,974	\$31,937,197	\$83,307
Basic Life Insurance	57LIFE	\$50,000	\$50,000	\$1,974	\$4,737	\$45,263	\$50,000	
Medicare Payroll Tax	57MEDA	\$2,496,944	\$2,496,944	\$202,151	\$451,425	\$2,045,519	\$2,496,944	
Medicare Part B Reimb	57MEDB	\$1,346,576	\$1,346,576	(\$3,702)	\$834	\$1,345,742	\$1,346,576	
Other Post Employment Benef	57OPEB	\$2,549,418	\$2,549,418	\$207,274	\$452,596	\$2,096,822	\$2,549,418	
SUBTOTAL BENEFITS		\$39,928,116	\$39,928,116	\$2,661,231	\$8,018,514	\$31,986,031	\$40,004,544	(\$76,428)
<u>Utilities:</u>								
Electricity	521000	\$2,987,535	\$2,987,535	\$326,552	\$534,155	\$2,328,711	\$2,862,866	\$124,669
Natural Gas	521100	\$1,524,149	\$1,524,149	\$10,924	\$13,877	\$1,411,079	\$1,424,956	\$99,193
Heating Oil	541200	\$101,920	\$101,920			\$101,920	\$101,920	
Telephone	534010	\$154,000	\$154,000	\$9,600	\$27,531	\$126,468	\$154,000	\$0
Cellular Telephones	534020	\$54,000	\$54,000	\$3,765	\$19,786	\$62,800	\$82,586	(\$28,586)
Internet Access Charges	534040	\$47,000	\$47,000	\$2,910	\$46,404		\$46,404	\$596
Gasoline	548000	\$7,250	\$7,250	\$849	\$2,266	\$4,984	\$7,250	(\$0)
Diesel Fuel	548100	\$4,750	\$4,750			\$4,750	\$4,750	
SUBTOTAL UTILITIES		\$4,880,604	\$4,880,604	\$354,601	\$644,020	\$4,040,712	\$4,684,732	\$195,872
<u>Maintenance:</u>								
Rental - Vehicles	527300	\$4,000	\$4,000			\$4,000	\$4,000	
Rental - Equipment	527400	\$29,710	\$29,710	\$2,000	\$2,000	\$27,710	\$29,710	
Motor Vehicle Inspections	530300	\$250	\$250			\$250	\$250	
Building Maint Supplies	543000	\$222,644	\$222,644	\$42,238	\$104,422	\$122,887	\$227,309	(\$4,665)
Cleaning/Custodial Supplies	545000	\$185,033	\$185,033	\$4,933	\$19,434	\$165,599	\$185,033	(\$0)
Auto Repair Parts	548400			\$25	\$25		\$25	(\$25)
Chemicals	559700	\$30,700	\$30,700	\$9,800	\$10,309	\$20,391	\$30,700	(\$0)
Office Equipment R&M	524010	\$137,635	\$137,635	\$45,660	\$99,670	\$132,075	\$231,744	(\$94,109)
Motor Vehicle R&M	524030	\$1,500	\$1,500			\$1,500	\$1,500	
Computer Equipment R&M	524050	\$199,000	\$199,000	\$45,840	\$56,064	\$142,536	\$198,600	\$400
Communications Equip R&M	524060	\$2,500	\$2,500			\$2,500	\$2,500	
Public Building R&M	524070	\$2,931,922	\$4,049,808	\$1,718,550	\$3,051,259	\$2,898,549	\$5,949,808	(\$1,900,000)
Departmental Equip R&M	524080	\$23,000	\$23,000	\$10,916	\$12,716	\$10,284	\$23,000	
Software Maintenance	524100	\$403,586	\$403,586	\$136,040	\$282,481	\$121,105	\$403,586	
Instructional Equipment R & M	524140	\$54,000	\$54,000	\$7,275	\$16,468	\$37,532	\$54,000	
SUBTOTAL MAINTENANCE		\$4,225,480	\$5,343,366	\$2,023,275	\$3,654,848	\$3,686,918	\$7,341,766	(\$1,998,401)
<u>Contract Services + Travel:</u>								
Document Shredding	524500	\$3,000	\$3,000		\$1,976	\$1,024	\$3,000	(\$0)
Consultants	530100	\$1,220,593	\$1,253,598	\$84,778	\$177,371	\$861,179	\$1,038,551	\$215,047
Auditing Services	530201	\$18,600	\$18,600			\$18,600	\$18,600	
Tutoring Services	530210	\$20,000	\$20,000		\$484	\$19,516	\$20,000	\$0
Document Preservation	530400	\$3,365	\$3,365			\$3,107	\$3,107	\$258
Photographic Services	530600	\$1,500	\$1,500			\$1,450	\$1,450	\$50
Legal Services	530900	\$25,000	\$25,000	\$275	\$10,275	\$14,725	\$25,000	
Temporary Staffing Services	531300	\$456,000	\$361,400			\$25,000	\$25,000	\$336,400
Training Expenses	531900	\$21,500	\$21,500	\$19,874	\$43,335	\$14,000	\$57,335	(\$35,835)
Fee Instructors	535000	\$23,779	\$23,779			\$22,500	\$22,500	\$1,279
Fee Umpires/Officials	535100	\$22,000	\$22,000		\$124	\$20,000	\$20,124	\$1,876
In-State Conferences	571100	\$102,075	\$102,075	\$17,600	\$20,220	\$74,955	\$95,175	\$6,900
Out-Of-State Travel	572000	\$29,700	\$26,800			\$26,800	\$26,800	
Insurance	575000				\$4,948		\$4,948	(\$4,948)
Employee Honesty Bonds	575005	\$2,100	\$2,100		\$2,100		\$2,100	
SUBTOTAL CONTRACT SVCS.		\$1,949,212	\$1,884,717	\$122,527	\$260,834	\$1,102,856	\$1,363,690	\$521,027

FY21 School Expenses by Account

Appendix A

Account name	Account #	SC Approved Budget (May 2020)	*Adjusted Budget	Period 4 Exp. a/o 10/31/20	YTD Encumb. + Exp.	Forecast Rest of Year	FY21 Final	Surplus (Deficit)
<u>Tuition:</u>								
Tuition Assistance	532100	\$171,500	\$171,500		(\$3,343)	\$171,500	\$168,157	\$3,343
In-District Tuitions	532201	\$105,475	\$105,475			\$105,475	\$105,475	
Out-Of-District Tuitions	532202	\$5,027,157	\$4,003,872	\$1,258,125	\$10,986,197	(\$6,753,751)	\$4,232,446	(\$228,575)
Summer Tuitions	532203	\$17,328	\$17,328		\$17,450		\$17,450	(\$122)
Employee Trans Incentive	538300	\$6,000	\$6,000					\$6,000
SUBTOTAL TUITION		\$5,327,460	\$4,304,175	\$1,258,125	\$11,000,304	(\$6,476,776)	\$4,523,528	(\$219,353)
<u>Transportation:</u>								
Pupil Transportation	538301	\$2,684,300	\$2,684,300	\$326,430	\$2,000,000	\$1,219,300	\$3,219,300	(\$535,000)
Field Trip Transportation	538302	\$82,285	\$82,285			\$75,120	\$75,120	\$7,165
Private School Transportation	538303	\$310,500	\$310,500	\$31,050		\$310,500	\$310,500	
Special Ed. Transportation	538304	\$5,199,800	\$5,199,800	\$9,374	\$4,106,656	\$936,117	\$5,042,772	\$157,028
SUBTOTAL TRANSPORTATION		\$8,276,885	\$8,276,885	\$366,854	\$6,106,656	\$2,541,037	\$8,647,692	(\$370,807)
<u>Supplies, etc.</u>								
Postage	534100	\$74,348	\$74,348	\$669	\$7,309	\$61,513	\$68,821	\$5,527
Printing	534200	\$55,573	\$56,532	\$3,690	\$4,734	\$64,586	\$69,320	(\$12,788)
Advertising/Publications	534300	\$25,200	\$25,200		\$7,785	\$17,215	\$25,000	\$200
Office Supplies	542000	\$109,986	\$115,618	\$20,892	\$30,137	\$79,042	\$109,179	\$6,440
Instructional Supplies	542200	\$1,314,724	\$1,134,819	\$340,969	\$614,321	\$632,998	\$1,247,319	(\$112,500)
Communications Supplies	543400	\$4,000	\$4,000			\$4,000	\$4,000	
Medical Supplies	550000	\$35,000	\$35,000	\$211,023	\$1,071,790	\$1,045,596	\$2,117,386	(\$2,082,386)
Printing Supplies	550100	\$53,500	\$53,500	\$13,507	\$9,393	\$44,107	\$53,500	
Paper Goods & Supplies	552300	\$100,000	\$100,000	\$2,367		\$100,000	\$100,000	
Public Safety Supplies	558000	\$4,490	\$4,490	\$150	\$2,964	\$1,526	\$4,490	\$0
Library Supplies	558300	\$59,561	\$49,695	\$2,484	\$21,492	\$28,203	\$49,695	
Computer Supplies	558500	\$49,945	\$49,945	\$4,459	\$11,735	\$40,129	\$51,864	(\$1,919)
Books/Manuals/Periodicals	559200	\$35,836	\$47,026	\$3,639	\$4,151	\$44,835	\$48,986	(\$1,960)
Textbooks	559201	\$257,042	\$270,742	\$53,600	\$107,325	\$163,417	\$270,742	
Replacement Textbooks	559202	\$10,000	\$10,000	\$1,306		\$8,694	\$10,000	
Awards & Trophies	559300	\$2,000	\$2,000		\$1,000	\$1,000	\$2,000	
Refreshments/Meals	571200	\$20,287	\$20,287	\$20	\$20	\$13,971	\$13,992	\$6,295
Special Event Expenses	571600	\$7,850	\$7,850			\$6,498	\$6,498	\$1,352
Scholarships/Awards	571800	\$4,800	\$4,800		\$2,400	\$2,400	\$4,800	
Moving Expenses	572700	\$64,435	\$64,435		\$25,000	\$39,000	\$64,000	\$435
Dues & Subscriptions	573000	\$165,972	\$166,572	\$18,026	\$53,425	\$88,587	\$142,012	\$24,561
SUBTOTAL SUPPLIES		\$2,454,549	\$2,296,859	\$676,801	\$1,976,286	\$2,487,317	\$4,463,603	(\$2,166,744)
<u>Equipment:</u>								
Printing Equipment	585100	\$600	\$600			\$600	\$600	
Pc Hardware-Admin	585111	\$178,459	\$178,459	\$46,649	\$49,202	\$117,024	\$166,226	\$12,233
Pc Hardware-Instructional	585112	\$768,900	\$768,900	\$848,305	\$2,153,935	\$684,223	\$2,838,158	(\$2,069,258)
Pc Software-Admin	585121	\$51,450	\$101,450	\$39,477	\$62,588	\$39,879	\$102,467	(\$1,017)
Pc Software-Instructional	585122	\$204,844	\$203,794	\$126,697	\$298,251	\$64,949	\$363,200	(\$159,406)
Audio-Visual Equipment	585130	\$9,602	\$2,891					\$2,891
Office Equipment	585140	\$98,025	\$98,025	\$7,034	\$18,580	\$79,381	\$97,961	\$64
Minor Office Equipment	585141	\$3,000	\$3,000			\$2,500	\$2,500	\$500
Office Furniture	585150	\$46,100	\$46,100	\$3,225	\$6,025	\$38,075	\$44,100	\$2,000
Classroom Furniture	585160	\$73,282	\$73,282	\$12,682	\$17,801	\$55,481	\$73,282	
Housekeeping Equipment	585171	\$75,000	\$75,000	\$6,338		\$75,000	\$75,000	
Instructional Equipment	585210	\$137,165	\$137,165	\$42,567	\$54,572	\$76,150	\$130,722	\$6,443
SUBTOTAL EQUIPMENT		\$1,646,427	\$1,688,666	\$1,132,974	\$2,660,954	\$1,233,262	\$3,894,216	(\$2,205,550)
<u>HS Pre-School Programs</u>								
Trnsfr from NNHS Pre-School	594200					\$109,692	\$109,692	(\$109,692)
Trnsfr from NSHS Pre-School	594205					\$122,984	\$122,984	(\$122,984)
SUBTOTAL PRE-SCHOOL						\$232,676	\$232,676	(\$232,676)
<u>Athletic Revolving Account:</u>								
Transf-Schl Revl Fund NNHS	594020	\$562,935	\$562,935		\$275,000	\$25,000	\$300,000	\$262,935
Transf-Schl Revl Fund NSHS	594025	\$562,935	\$562,935		\$275,000	\$25,000	\$300,000	\$262,935
SUBTOTAL ATHLETIC		\$1,125,870	\$1,125,870		\$550,000	\$50,000	\$600,000	\$525,870
<u>Budget Reserve</u>								
Budget Reserve	579000		\$135,346			\$135,346	\$135,346	\$0
SUBTOTAL FY19 RESERVE			\$135,346			\$135,346	\$135,346	\$0
<u>School Lunch Fund</u>								
Transf-School Lunch Fund	594600	\$35,000	\$35,000			\$35,000	\$35,000	
SUBTOTAL SCHOOL LUNCH FUND		\$35,000	\$35,000			\$35,000	\$35,000	
Subtotal		\$243,145,343	\$243,145,343	\$23,432,970	\$68,805,957	\$179,674,808	\$248,480,765	(\$5,335,422)
Grand Total		\$243,145,343	\$243,145,343	\$23,432,970	\$68,805,957	\$179,674,808	\$248,480,765	(\$5,335,422)
FY21 Total Appropriation								(\$5,335,422)

Student Services Expenses by Account

Appendix A

	SC Approved Budget (May)	FY21 Adjusted Budget	Period 4 Exp. a/o 10/31/20	YTD Encumb. + Exp.	Forecast Rest of Year	FY21 Final	FY21 Balance
Student Services Staff (including Guidance)	\$41,549,013	\$41,557,335	\$3,543,647	\$8,258,429	\$33,593,577	\$41,852,007	-\$294,672
Aide Salaries	\$15,836,219	\$14,772,700	\$1,534,041	\$3,038,611	\$10,923,607	\$13,962,218	\$810,482
SUBTOTAL SALARIES	\$57,385,232	\$56,330,035	\$5,077,688	\$11,297,041	\$44,517,184	\$55,814,225	\$515,810
SUBTOTAL BENEFITS	\$10,549,967	\$10,549,967	\$938,175	\$1,922,580	\$8,602,374	\$10,524,954	\$25,013
Contracted Services (including Tutoring)	\$916,067	\$916,067	\$36,411	\$72,370	\$672,068	\$744,438	\$171,629
Tuition (Out-of-District and Summer)	\$5,044,485	\$4,021,200	\$1,258,125	\$11,003,647	-\$6,753,751	\$4,249,897	-\$228,697
Transportation	\$5,199,800	\$5,199,800	\$9,374	\$4,106,656	\$936,117	\$5,042,772	\$157,028
All Other Expenses	\$288,617	\$285,479	\$107,397	\$139,137	\$142,980	\$282,117	\$3,362
SUBTOTAL EXPENSES	\$11,448,969	\$10,422,546	\$1,411,308	\$15,321,809	-\$5,002,586	\$10,319,223	\$103,322
Total All Student Services	\$79,384,168	\$77,302,548	\$7,427,171	\$28,541,429	\$48,116,972	\$76,658,402	\$644,146

Operations Expenses by Account

Appendix A

	FY21 Adjusted Budget	Period 4 Exp. a/o 10/31/20	YTD Encumb. + Exp.	Forecast Rest of Year	FY21 Final	FY21 Balance
Operations Salaries without Custodial	\$495,853	\$40,760	\$162,839	\$363,014	\$525,853	-\$30,000
Custodial Salaries and Overtime	\$5,725,076	\$462,392	\$1,925,645	\$4,189,156	\$6,114,801	-\$389,725
Work By Other Departments*	\$178,483	\$3,112	\$78,481	\$90,002	\$168,483	\$10,000
Work Study Wages	\$0	\$0	\$0	\$0	\$0	\$0
SUBTOTAL SALARIES	\$6,399,412	\$506,263	\$2,166,965	\$4,642,172	\$6,809,137	-\$409,725
SUBTOTAL BENEFITS	\$1,309,960	\$97,597	\$408,420	\$885,528	\$1,293,948	\$16,012
Utilities (not including Internet Access)	\$4,833,604	\$351,691	\$597,616	\$4,040,712	\$4,638,328	\$195,276
Maintenance	\$3,364,602	\$817,793	\$2,259,259	\$1,531,937	\$3,791,196	-\$426,594
Cleaning/Custodial Supplies	\$185,033	\$4,933	\$19,434	\$165,599	\$185,033	\$0
Equipment	\$97,870	\$6,637	\$8,317	\$89,553	\$97,870	\$0
All Other Expenses	\$167,615	\$34,998	\$49,623	\$117,993	\$167,616	-\$1
SUBTOTAL EXPENSES	\$8,648,724	\$1,216,051	\$2,934,248	\$5,945,795	\$8,880,043	-\$231,320
Total All Operations (with Utilities)	\$16,358,096	\$1,819,912	\$5,509,634	\$11,473,494	\$16,983,128	-\$625,033
Utilities	\$4,833,604	\$351,691	\$597,616	\$4,040,712	\$4,638,328	\$195,276
Total Operations (without Utilities)	\$11,524,492	\$1,468,221	\$4,912,018	\$7,432,782	\$12,344,800	-\$820,309

**FY20 Electricity, Natural Gas and Heating Oil
Cost Summary**

APPENDIX B

School	FY18 Actual		FY19 Actual		FY20 Actual		FY21 Budget				FY21 Projected				
	Sq. Ft.	Cost/Sq. Ft.	Total	Cost/Sq. Ft.	Total	Cost/Sq. Ft.	Electric	Gas	Oil	Total	Electric	Gas	Oil	Total	Cost/Sq. Ft.
Angier	76,500	\$1.74	\$126,286	\$1.65	\$125,909	\$24,473	\$108,595	\$24,473	\$0	\$133,068	\$117,052	\$28,374	\$0	\$145,426	\$1.90
Aquinas	51,065	\$1.95	\$105,870	\$2.07	\$92,868	\$2,427	\$7,566	\$47,040	\$0	\$107,033	\$51,427	\$2,373	\$47,040	\$100,840	\$1.97
Bowen	69,535	\$1.34	\$93,098	\$1.31	\$70,927	\$46,238	\$31,795	\$0	\$78,033	\$107,033	\$32,817	\$55,786	\$0	\$88,603	\$1.27
Burr	55,399	\$0.95	\$56,383	\$1.02	\$46,622	\$20,274	\$32,760	\$0	\$53,034	\$30,803	\$20,402	\$0	\$0	\$51,205	\$0.92
Cabot*	43,584	\$2.867	\$0	n/a	\$119,651	\$61,656	\$103,830	\$0	\$165,486	\$30,803	\$93,087	\$26,240	\$0	\$119,327	n/a
Countryside	49,612	\$2.14	\$123,977	\$2.50	\$120,270	\$49,160	\$74,162	\$0	\$123,322	\$64,939	\$43,614	\$0	\$0	\$108,554	\$2.19
Franklin	62,746	\$2.14	\$115,710	\$1.84	\$54,761	\$62,036	\$42,033	\$0	\$104,069	\$40,330	\$44,092	\$0	\$0	\$84,422	\$1.35
Horace Mann**	53,532	\$1.39	\$87,056	\$1.63	\$112,404	\$17,067	\$109,704	\$0	\$126,771	\$73,246	\$36,308	\$0	\$0	\$109,555	\$2.05
Lincoln-Eliot	51,074	\$2.41	\$115,206	\$2.26	\$76,409	\$66,426	\$55,014	\$0	\$121,440	\$45,812	\$59,264	\$0	\$0	\$105,076	\$2.06
Mason-Rice	43,000	\$1.88	\$84,128	\$1.96	\$114,684	\$27,823	\$37,948	\$0	\$65,771	\$41,525	\$35,722	\$0	\$0	\$77,246	\$1.80
Memorial-Spaulding	68,775	\$1.86	\$134,359	\$1.95	\$64,260	\$70,609	\$50,375	\$0	\$120,984	\$58,555	\$71,047	\$0	\$0	\$129,601	\$1.88
Peirce	36,050	\$2.19	\$106,501	\$2.95	\$132,500	\$2,892	\$25,838	\$54,880	\$0	\$83,610	\$24,816	\$7,795	\$54,880	\$87,491	\$2.43
Underwood	43,300	\$2.33	\$100,715	\$2.18	\$74,763	\$64,000	\$27,163	\$0	\$91,163	\$23,825	\$62,917	\$0	\$0	\$86,742	\$2.00
Ward	38,000	\$2.14	\$88,797	\$2.34	\$61,504	\$51,639	\$28,294	\$0	\$79,933	\$24,951	\$55,730	\$0	\$0	\$80,681	\$2.12
Williams	41,700	\$2.28	\$90,736	\$2.18	\$45,502	\$48,504	\$23,442	\$0	\$71,946	\$29,849	\$50,598	\$0	\$0	\$80,447	\$1.93
Zervas	78,800	\$1.52	\$147,976	\$1.88	\$138,769	\$22,989	\$107,850	\$0	\$130,839	\$68,765	\$18,775	\$0	\$0	\$87,540	\$1.11
Bigelow	92,500	\$1.60	\$131,053	\$1.42	\$200,244	\$50,845	\$92,099	\$0	\$142,944	\$158,644	\$46,463	\$0	\$0	\$113,763	\$1.23
Brown	153,020	\$2.56	\$256,257	\$1.82	\$166,379	\$177,442	\$251,216	\$0	\$428,658	\$21,555	\$67,299	\$158,644	\$0	\$330,288	\$2.16
Day	151,301	\$2.41	\$279,239	\$1.09	\$294,938	\$33,474	\$106,363	\$0	\$209,754	\$171,644	\$86,910	\$0	\$0	\$354,901	\$2.35
Oak Hill	96,200	\$1.98	\$187,777	\$1.95	\$294,938	\$53,474	\$106,363	\$0	\$159,837	\$123,541	\$54,072	\$0	\$0	\$177,613	\$1.85
Newton North	410,000	\$2.49	\$866,101	\$2.11	\$918,297	\$193,086	\$768,137	\$0	\$961,223	\$717,123	\$162,855	\$0	\$0	\$879,978	\$2.15
South High	389,550	\$1.97	\$685,734	\$1.76	\$567,278	\$195,038	\$563,951	\$0	\$758,989	\$522,296	\$187,653	\$0	\$0	\$709,949	\$1.82
Ed Center	70,000	\$3.28	\$229,575	\$3.75	\$184,068	\$92,841	\$146,696	\$0	\$239,537	\$134,071	\$90,810	\$0	\$0	\$224,881	\$3.21
687 Watertown St.***	40,600	\$1.63	\$66,744	\$1.64	\$76,966	\$18,512	\$37,648	\$0	\$56,160	\$37,103	\$18,510	\$0	\$0	\$55,613	\$1.37
Total	2,265,843	\$1.99	\$4,423,108	\$1.99	\$4,126,520	\$1,524,149	\$2,987,535	\$1,524,149	\$101,920	\$4,613,604	\$2,862,866	\$1,424,956	\$101,920	\$4,389,742	\$1.98
FY20 Budget minus Actual							\$124,669	\$99,193	\$0		\$124,669	\$99,193	\$0	\$223,862	

* For the 2019-20 school year, Cabot students will be attending their first year in the new Cabot building.

** For the 2019-20 school year, Horace Mann students will be attending their first year in their newly renovated school, previously the Carr School.

*** Beginning in the 2019-20 school year, 687 Watertown Street, formerly the Horace Mann School, will be vacant.



Office of Business, Finance and Planning
 100 Walnut Street
 Newtonville, MA 02460
 617-559-9025

TO: Finance Committee and School Committee

FROM: Liam Hurley, Assistant Superintendent/Chief Financial & Administrative Officer

DATE: November 6, 2020

RE: Responses to Finance Committee questions from October 26, 2020 Meeting

As a follow up to the Finance Committee meeting last Monday night, I wanted to provide answers to several questions that were raised. I have included a simple Q & A format. I believe these questions are relevant and critical as we work through the many challenges ahead of us.

As I mentioned to the Finance members, I will be happy to give another update after we present our first Fiscal and Operation Report at the November 16th School Committee meeting.

Question: Please provide an update on the financial position of NPS.

Answer: The Fiscal and Operations Report will be forthcoming and I will be happy to speak to this as well which will give us a snapshot of our financial picture and a projection on our fiscal health.

Question: What is the cost of the new MOA with the Newton Teachers Association?

Answer: The MOA has not been fully executed at this point and we are not at liberty to discuss the details. However, the estimated cost of the proposal is approximately \$192,000. This does not include any potential staff back-fill positions or any paid or unpaid positions that are due to COVID-19 and subject to FMLA and other pertinent leave laws outside of the MOA.

Question: What was the hourly rate for the Elementary Monitors that NPS was looking to hire to help open Elementary schools for a full day?



Answer: This position pays the same rate as a lunchroom monitor, which is \$14.79/hour.

Question: How many aide positions has NPS hired and how many Aide positions do we have unfilled at this point?

Answer: Our aide numbers are a moving target given staffing needs in areas like Special Education. We are almost completely staffed in some areas such as Kindergarten, but continue to be short in areas such as ISS (substitutes assigned to a building.) Our Special Education staffing is roughly similar to where it is in a typical year.

Question: Has NPS reached out to any of the Aides that were not renewed at the end of last year to ask for their return?

Answer: Yes, to the extent that we deemed them possibilities and provided they were available for in person work, we have invited 26 Unit C members back. Please note that a number were not renewed for performance reasons.

Question: If NPS cannot fill Aide positions why would you not raise the salary to attract new staff?

Answer: Salaries for Unit C Aide positions would need to be collectively bargained with the NTA. We cannot simply raise the rates to attract new aide members without bargaining this new rate which would have a major budgetary impact on all the aide positions and potentially all union positions. Our Unit C salaries are already highly competitive compared to our peer districts. Most every district in our region is struggling with staffing right now given the demands running schools in the midst of a pandemic.

Question: Is NPS thinking creatively about strategies to have in-person instruction in the spring, including outside options?

Answer: We have used the outdoor space for class meetings, snacks and mask breaks. It is also a place where students can read. While it is certainly possible to have meaningful conversations outside, it is not feasible to do a lot of instruction due to the need for instructional materials and of course, technology. We will continue to explore a range of ideas but our focus now is ensuring that we have in-person learning at all levels.

FY20 Electricity, Natural Gas and Heating Oil Usage Summary

APPENDIX B

School	Sq. Ft.	Electricity (KWH)				Natural Gas (Therms)				Heating Oil (Gallons)			
		FY18 Actual	FY19 Actual	FY20 Actual	FY21 Projected	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Projected	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Projected
Angier	76,500	446,133	474,312	401,616	441,345	432,237	21,242	25,082	19,444	0	0	0	0
Aquinas	51,065	280,128	248,400	218,640	254,016	238,182	1,622	1,421	1,303	21,621	19,610	24,000	24,000
Bowen	69,535	218,854	127,240	127,240	173,648	168,009	40,733	47,012	45,575	0	0	0	0
Burr	55,399	163,006	158,848	138,612	155,531	144,872	15,909	17,097	14,583	0	0	0	0
Cabot*	43,584	15,163	0	394,229	429,994	475,248	19	0	18,677	0	0	0	0
Countryside	49,612	296,505	287,706	243,888	291,670	241,063	44,481	45,647	53,791	0	0	0	0
Franklin	62,746	213,041	215,363	193,488	209,391	194,863	69,974	57,609	13,738	0	0	0	0
Horace Mann**	53,532	262,963	282,240	266,640	350,579	278,344	14,912	15,424	29,881	0	0	0	0
Lincoln-Eliot	51,074	266,426	246,692	221,795	246,896	205,810	57,437	57,252	30,834	0	0	0	0
Mason-Rice	43,000	226,596	232,440	189,965	166,847	193,187	25,473	27,334	66,209	0	0	0	0
Memorial-Spaulding	68,775	236,014	236,240	208,160	177,972	188,186	53,571	61,243	9,820	0	0	0	0
Peirce	36,050	126,736	128,040	107,760	122,099	112,545	1,423	1,937	51,282	27,191	30,289	28,000	28,000
Underwood	43,300	141,112	135,301	126,005	135,278	127,289	57,661	52,446	45,990	0	0	0	0
Ward	38,000	123,266	143,760	111,640	131,058	119,036	41,954	45,626	34,631	0	0	0	0
Williams	41,700	175,699	168,760	144,840	133,503	144,018	41,819	43,193	13,882	0	0	0	0
Zervas	78,800	475,151	474,780	407,518	410,469	312,516	17,105	20,370	28,142	0	0	0	0
Bigelow	92,500	422,493	400,800	331,200	389,347	337,287	54,030	55,407	138,142	0	0	0	0
Brown	153,020	428,152	470,212	414,644	317,091	376,179	142,073	152,625	41,512	0	0	0	0
Day	151,301	1,202,652	1,210,228	1,041,596	1,159,016	1,070,590	75,261	61,920	44,154	0	0	0	0
Oak Hill	96,200	615,980	610,520	513,740	511,882	488,787	44,528	43,288	139,065	0	0	0	0
Newton North	410,000	3,855,264	3,874,980	3,436,920	3,658,188	2,815,317	165,906	165,298	153,297	0	0	0	0
South High	389,550	2,798,345	2,947,684	2,691,141	2,794,603	2,162,049	168,584	180,222	72,624	0	0	0	0
Ed Center	70,000	796,428	746,029	737,381	666,078	666,991	67,784	79,945	15,894	0	0	0	0
687 Watertown St.***	40,600	219,603	212,640	173,840	180,440	190,916	20,329	16,403	40,946	0	0	0	0
Total	2,265,843	14,005,710	14,118,735	12,842,498	13,506,941	11,683,518	1,243,830	1,273,801	1,123,416	48,812	49,899	52,000	52,000

* For the 2019-20 school year, Cabot students will be attending their first year in the new Cabot building.

** For the 2019-20 school year, Horace Mann students will be attending their first year in their newly renovated school, previously the Carr School.

*** Beginning in the 2019-20 school year, 687 Watertown Street, formerly the Horace Mann School, will be vacant.



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To: Councilor Rebecca Walker Grossman, Chair Finance Committee
Cc: City Council
From: Maureen Lemieux, C.F.O.
Date: November 19, 2020
Subject: Chestnut Hill Square I-Cubed Program Update

The Infrastructure Investment Incentive Program (“I-Cubed”) is a public-private partnership created by the State to spur economic development and job growth in the Commonwealth through support for large-scale private real estate development projects with significant new public infrastructure requirements. The program is administered by the Secretary of Administration and Finance and the Commissioner of the Department of Revenue in partnership with the Massachusetts Development Financing Agency (MassDevelopment).

The concept behind this financing program is that new state tax revenues generated from the private economic development project will cover the costs of the public infrastructure improvements needed to support the project. The project will further benefit the municipality through increased commercial property values and real estate tax revenues. The investment in public infrastructure is financed through bonds issued by MassDevelopment. A cost and risk sharing agreement is arranged between the Commonwealth, the Municipality, and the private developer.

The projected annual new state tax revenues must be at least 1.5 times greater than the projected annual debt service on the related bonds. The general categories of state tax revenues taken into account for purposes of the I-Cubed program includes, but is not limited to, personal income taxes on wages and partnership distributions, sales taxes, and hotel/motel room occupancy excise taxes, subject to certain exclusions.

The Commonwealth must have a high degree of confidence that the economic development project will generate state tax revenues that are new for the state or that would be lost to the state if not for the project. If the new state tax revenues are insufficient to cover the related debt service on the bonds, the Municipality will be required to reimburse the Commonwealth for the amount of the shortfall. The Commonwealth works in partnership with municipalities with proposed economic development districts to ensure that there is a common understanding of the benefits and risks of a proposed economic development project and agreement about whether to approve projects for I-Cubed financing.

In 2014, the City of Newton, along with New England Development Corporation (the developers of Chestnut Hill Square) entered into an agreement with the State for the State to fund \$10,000,000 of improvements on Route 9 through the I-Cubed program.

Because interest rates are at an all-time low, the Commonwealth is in the process of “refunding” (or refinancing) the 30-year bond that it sold in 2014 for this project. This refunding is expected to reduce total payments on the bond by approximately \$1.8 million.

The Chestnut Hill Square project has been very successful financially and has currently generated ≈\$2 million more in New Tax Revenues than has been required for the State to pay the annual bond payments. This ≈\$2 million of Surplus New State Tax Revenues shall continue to accrue and shall remain available with respect to the bonds related to the Chestnut Hill Square Project. Additionally, the City remains the custodian of \$1.1 million in cash deposited by the developer as a Liquidity Reserve should new state tax revenues be insufficient to cover the debt service in any given year.

This is a “good news” story for the City. In addition to the \$1.1 million Liquidity Reserve, and the \$2 million Surplus New State Tax Revenue, our financial exposure will be reduced by \$1.8 million.

I will be happy to discuss this further at the Finance Committee meeting on November 23rd.