



Newton City Council

Committee of the Whole Report

Monday, May 1, 2017

Present: Councilors Albright, Auchincloss, Baker, Blazar, Brousal-Glaser, Ciccone, Cote, Crossley, Danberg, Fuller, Gentile, Harney, Hess-Mahan, Kalis, Lappin, Laredo, Leary, Lennon, Lipof, Norton, Rice, Sangiolo, Schwartz, and Yates.

Also present: Maureen Lemieux, Chief Financial Officer; James McGonagle, Commissioner of Public Works; David Olson, City Clerk

Referred to Finance and Appropriate Committees

#359-16 Submittal of the FY 2018 to FY 2021 Capital Improvement Plan
HIS HONOR THE MAYOR submitting the Fiscal Years 2018 to 2022 Capital Improvement Plan pursuant to section 5-3 of the Newton City Charter.

Committee of the Whole Held by Voice Vote

Referred To Finance and Appropriate Committees

#359-16(4) Submittal of the FY 2018 – FY 2022 Supplemental Capital Improvement Plan
HIS HONOR THE MAYOR submitting the FY 2018 – FY 2022 Supplemental Capital Improvement Plan.

Committee of the Whole Held by Voice Vote

Referred to Public Facilities and Finance Committees

#359-16(3) Proposed Water, Sewer and Stormwater Rates
HIS HONOR THE MAYOR submitting recommended FY2018 Water/Sewer/Storm Water Rates for implementation on July 1, 2017, as follows:

FY 2018 Tiers & Rates for Water and Sewer

<u>HCF Per Quarter</u>	<u>Water Rate Per HCF</u>	<u>Sewer Rate Per HCF</u>
0-10	\$6.60	\$9.85
11-25	\$7.60	\$11.45
26-60	\$8.74	\$12.30
>60	\$10.90	\$14.15
Irrigation	\$12.00	

FY 2018 Storm Water Fees

1-4 family dwellings	\$75.00
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All other properties:

<u>Square feet of impervious surface area</u>	<u>Annual rate</u>
0 – 4,999	\$250.00
5,000 – 7,499	\$500.00
7,500 – 9,999	\$750.00
10,000 – 14,999	\$1,000.00
15,000 – 24,999	\$1,250.00
25,000 – 49,999	\$1,500.00
50,000 – 74,999	\$1,750.00
75,000 – 99,999	\$2,000.00
100,000 – 199,999	\$2,500.00
200,000 – 299,999	\$3,000.00
300,000 – 399,999	\$3,500.00
400,000 – 499,999	\$4,000.00
500,000 and greater	\$5,000.00

CIP and Supplemental CIP

Maureen Lemieux presented a list of proposed FY18 Capital expenditures. She explained that there are four items in the memo that are FY17 items that still need to be docketed this fiscal year. These include: the accelerated roads program; construction money for West Newton Square; road work at Dedham at Nahanton and Dedham at Winchester Streets; and the Laundry Brook culvert at Cabot School.

Ms. Lemieux indicated that the FY18 CIP will include:

- A study of Aquinas with the hope that this project is invited into the MSBA program.
- Traffic signalization upgrades in West Newton Square which is ia \$4,000,000 project.
- The Albemarle footbridge has been moved from FY17 to FY18.
- The McGrath Tennis Courts have also been pushed to FY18.
- The Newton Highlands Playground with an increased total to \$3.1 million.
- Forest Grove storm system pump station which has increased to \$300,000.
- The purchase of two 8-yard packers for trash collection in the parks – one for trash and one for recyclables, which will be \$225,000.
- The Newton South indoor Mondo Track which is in disrepair and someone could get hurt at a cost of \$350,000.
- Traffic Signalization at Wells Avenue at \$1,000,000 which is a placeholder as a firm number is not known.
- Washington Street Corridor for conceptual design funds in FY18
- Library renovations are in for a smaller amount: \$500,000 for the children’s room and the restrooms.

Everything else for FY18 has stayed the same.

Things that have been moved to FY19:

- The wash bay for public works has been moved out to FY19.
- The Waban Hill Reservoir has been moved to FY19 as the covered structure is a candidate to be used as a solar site.
- Burr Tennis courts pushed out for a year.
- Bigelow boilers have been moved to the summer of FY19.
- The South mechanical systems have been moved to the summer of FY19.

Councilor Crossley asked about the Waban Hill Reservoir specifically what the money will be used for. She asked why the city would postpone the plumbing when we are about to test the reservoir?

Commissioner McGonagle stated that the funds are for the core, the gate valves that will allow us to shut the reservoir down, and the building. It was asked what if the problem is found to be in the central core?

Ms. Lemieux noted that this is not out of the CIP, just moved down until we have more information.

Commissioner McGonagle confirmed that the Manet Road Park Item and the Central Core, which had been two CIP items in the past have been consolidated into one.

Councilor Albright asked if the city hall restrooms and the tree crew bucket are in this year. Ms. Lemieux stated that they are both still on the list. She noted that the bucket truck was rented this year and it would be better to buy one. Councilor Albright then asked if the Washington Street Corridor money is just for conceptual design and Ms. Lemieux responded that it was. The design work will take place in FY19.

Councilor Fuller asked about Webster Woods and noted that it is the last item on the list. She asked if there was anything that can be done in FY18. Ms. Lemieux responded that she did not know what to do with this yet, but it is in the CIP. Councilor Fuller asked that a placeholder number and a placeholder date be included in the CIP. Councilor Baker would like to have a little time spent on what the second phase piece for the park would be.

Councilor Lappin asked about Wells Avenue and if this item was for both traffic signalization upgrades and the entrance. Ms. Lemieux stated that this is just a placeholder for conceptual design, but she doesn't have any idea at this time what it will be. Councilor Lappin asked if this should be two different items. Can the pedestrian access be done now, separately from the redesign of the entrance? Ms. Lemieux responded that when we put the CIP together we knew we had to put it in the CIP, but don't know what it needs to be or what it will cost. Councilor Lappin asked that it be split out as a two items. The more important part is the pedestrian access which is a public safety issue.

Councilor Sangiolo asked about #11, the decommissioning of tanks for fire flow at Stanton Avenue. She thought that this was in the RFP for sale of the property. Ms. Lemieux noted that she took it out of the revenue stream, and should have probably dropped it down in the CIP, but did take the dollar amount out.

Councilor Laredo noted that what would be helpful is to explain how much money the city is going to bond next year. He would like to know what the debt service is on this. He had a number of questions including: How much is this new stuff going to cost us? What does alternative funding mean? How has

this current list changed since you gave us the CIP last year? What is changing? What is not getting done? Could you provide that information to us? He also noted that #12 has a \$9,000,000 cost and the funding source is other. What does that mean? Where are the funds coming from and is it one-time or recurring?

Councilor Blazar stated that he was shocked at the number for Aquinas which adds up to \$59 million. He wanted to know what has inflated the cost. This is more money than we have spent on any elementary school. How did we get to that number?

Councilor Yates asked about the Accelerated Paving Program. Devonshire Road is in bad shape and it is scheduled for the future. He had heard that there has been a gas leak under the road this past week, that the leak was fixed, and that the gas company had repaved where they dug, but the rest still needed to be done. Commissioner McGonagle noted that the utilities need to put the road back to its original condition. Councilor Yates then asked about whether the city is looking into applying for NEH funding for the Archives project. Ms. Lemieux responded that she did not know but would find out. Councilor Yates asked what Mondo Track was. Councilor Gentile responded that it is a type of surface. The material is called Mondo.

Councilor Danberg noted that the War Memorial Steps are in bad shape and are a hazard. They are currently #132 in the CIP and asked that another look be taken at this item.

Councilor Albright noted that both of the water towers are now empty and had heard from the Planning Department that when they are empty they are less stable and could be dangerous. She is concerned that it is being put off. Councilor Gentile asked if the Reuse process was going to be started on the second tower. Ms. Lemieux stated that she had not heard about that tank, but will get more information together.

Councilor Crossley asked about the Bigelow Boilers. There have been a number of situations over the years where the city has waited too long to replace boilers and it has become an emergency situation. This could be one of those situations. The boilers are 54 years old. She asked the Ms. Lemieux provide an explanation of why we are putting off items like this, and how we can afford to do that in terms of urgency.

Councilor Fuller stated that as Councilors, we get asked about particular streets in the City. The City has a great database of the streets with a rating. Could that database be made public and accessible so that Councilors could answer questions for residents of their Ward. Commissioner McGonagle will provide the PCIs and the plan.

Public Hearing Opened

Brian Yates speaking on behalf of the Friends of Hemlock Gorge and the Echo Bridge Railing Committee. Echo Bridge is owned by the MWRA and they don't want to spend any money on it. The railings are severely damaged and a railing committee has begun fundraising to repair the railings. He asks that \$500,000 be made available in a future year from the Community Preservation Act to go towards this project.

There were no other questions.

Public Hearing Closed

Water, Sewer, Stormwater Rates

Commissioner McGonagle began the presentation. A copy of his presentation is attached. Commissioner McGonagle stated that the department is in year 6 of its 20-year, \$80 million plan to refurbish our 300-miles of water lines. This will include the rehabilitation of the Waban Hill Central Core where the gate valve is the original component. Fire flow improvements have been completed and the City has been certified as a class 1. Five miles of water line will be cleaned, relined, or replaced in FY18. The Quenebequin Sewer Pump will be replaced. And our FY18 Sewer project areas will include projects 6 and 7.

Stormwater improvements will include the replacement of the Laundry Brook Culvert as part of the Cabot School project will start in the summer. We will also be replacing 300 feet of storm drain on Hammond Brook at Glen Avenue and rehabilitating the Forest Grove Pump Station. We will be increasing investment in the NPDES program to continue to eliminate pollutant discharge into our waters.

Ms. Lemieux presented the rates. The Enterprise Funds have become a lot more complicated over the years and have to be run as a business. The Stormwater Fund is a \$2.6 million business, the Sewer Fund is a \$33 million business, and the Water fund is a \$25 million business. We have moved our rate structures from 3 tiers to 5 tiers for water and four tiers for Sewer. In addition we have increased over the last two years our stormwater rates from \$25 per residence to \$75 per residence. This will be the third year of this structure and we will have one year for the business rates. We have \$100,000 in the stormwater budget for NPDES work, this is less than we had in the past, but we have our same commitment. We also have a \$250,000 planned reserve. Stormwater is the least volatile of all of the three accounts. We are trying to have two months of reserve in each of the accounts.

In sewer the City had a higher than expected increase in our assessment for sewer. It was a \$1.3 million increase and the City will be having the MWRA coming in to discuss this number. We are getting no credit for our great work. We need to make sure it is fair for Newton. We have a \$1 million reserve in sewer. In water we had a decrease in our assessment and are not sure why because we are using more water and we have a \$1 million reserve in the water fund as well.

To set the rates, we looked at the amount of money taken in. Across the three areas we will be taking in about \$59 million this year. We made a commitment of not increasing our total rate by more than 3.9% overall. What did not need to go up as much in water and sewer needed to go up more. We increased the water rates from 2.3% to 3% depending on the tier. This will generate a \$700,000 increase in revenue. Due to the increase in the sewer assessment, the sewer rates will be going up by 4.2% to 4.8% depending on the tier. Everyone starts at the bottom tier and then it is graduated depending on the amount you use. The whole thing will be about a \$2.2 million increase to the revenue stream. To make

sure that this all made sense a sanity check was made by looking at a variety of scenarios of use at 100 hcfs, and it made sense.

Councilor Yates asked what the cost of fixing the Quinebequin Pumping Station will be and what exactly does it pump. Does it pump our sewerage into the Cochicuate Aqueduct for treatment by the MWRA? Does the Wellesley sewerage also go into the Cochicuate and are we charging Wellesley for the costs? Commissioner McGonagle was not sure but would look into it.

Councilor Fuller asked for an update on the predictions and what happened in terms of irrigation meters including how many were sold. She asked how many were expected to be sold and how many are no longer coming through our other rate structure. Ms. Lemieux stated that she would put something in the packet, but noted that for the first year we were very close to what we expected. We were expecting most of the hcfs to move from tier 3 to tier 4. There are other things that have not yet come to fruition. We have 2,700 irrigation meters and we thought we might have as many as 4,000 – 5,000 households that would participate. That has not materialized yet. The rate of purchase is slowing down. The costs of the plumbers were higher than what we had anticipated. This may have deterred some people from purchasing.

Councilor Fuller asked how everything went with the impervious surface predictions. Ms. Lemieux stated that this is not as volatile. We know what that number will be. We are not proposing any change to stormwater rates this year and it will have been constant for 3 years. It is much easier to forecast. Councilor Fuller thought that we would have to move up our stormwater investments around now and was surprised that the rate did not have to go up. Ms. Lemieux noted that the NPDES permit delay has delayed the need to increase the rate. This is going to change as we move forward.

Councilor Fuller asked about the reserves what they will be with the new rates. Ms. Lemieux noted that the city has more money in our reserve than we were expecting. Councilor Fuller asked for information on where the reserves have been in the last couple of years and where we are going.

Councilor Crossley was happy that the MWRA would be brought in for a conversation. She noted that our unaccounted water has been reduced, however, it seems higher than the last number that we had heard. It has been reduced from 34% to 30%. The last time I heard the number it was 26%. Ms. Lemieux stated that our MWRA assessment for water is supposed to be based on the water that is metered coming into the city. If we are losing 20 to 25% of water a year and our assessment is for \$10,000,000 each year, that translated into a loss of \$2,500,000 to \$3,000,000 a year. That is a big problem.

Councilor Crossley asked what the monetary target for NPDES was before and why did we change it? Commissioner McGonagle stated that new requirements just went into play. Fortunately the city has been far enough ahead that we will be able to comply this first year. Ms. Lemieux noted that the City's consultants were expecting the city to have to spend \$400,000 each year. We spent less than \$200,000 last year and will probably only spend \$100,000 next year, but we will have to look at where this is going and what will be required.

Councilor Crossley noted that as we go into next year we want to be having more detailed conversations about the rates and perhaps restructuring them again, but we need to have more detailed discussions.

Councilor Auchincloss asked if the sewer program was a 10 or 12-year program. There seems to be a discrepancy between the report and the slide. Commissioner McGonagle noted that it has actually been adjusted to an 11-year program. Some of the areas were combined which reduced the length of time needed.

Councilor Danberg noted that the water loss reduction is great, but Brookline is around 9%. She asked if it is known what percentage of the water is leaking out through the residential portion of the pipe. When replacing to you replace to the property line or to the meter? Commissioner McGonagle stated that the city replaces to the property line, but the leak detection program can monitor to the house. Councilor Danberg asked if it was known how much of the 30% is leaking from the property line to the meter? Commissioner McGonagle did not have that information, but would get that information.

The Public Hearing was opened.

Mar Sapanos, 141 California Street, owner of Boston Ballroom

Ms. Sapanos asked about which version of the MS4 permit was being used. She asked if this was a fee or a tax? She was told it was a fee. The legal notice in the Boston Globe has a line missing. The 10,000 to 14,999 category is not included and I hope that that does not mean we won't be charging for that use. She also noted that there were two different times for the start of the public hearing on the website. There seems to be a lot of inaccurate and misleading information for the public. She felt that the fees were a burden on small businesses and was concerned that the fee continued to go up. She stated that the EPA had told municipalities to get the fees from businesses and was concerned that the EPAs regulations would determine that small bodies of water would be determined protected waterways. She stated that some businesses were being charged the fees and some were not.

Peter Kofax, 141 California Street, small business owner

Mr. Kofax felt that this bill was taxation without representation. Many business owners do not live in Newton. He also felt that many homeowners had more impervious surface than small business owners. He stated that no other towns have stormwater rates. These rates overburden small business owners.

The Public Hearing was closed.

A motion to Hold was approved unanimously.

A motion to adjourn was made.