



Finance Committee Report

City of Newton In City Council

Wednesday, September 28, 2022

Present: Councilors Grossman (Chair), Gentile, Kalis, Malakie, Oliver, Norton, Noel and Humphrey

Also Present: Councilor Laredo

City staff present: Comptroller Steve Curley, Josh Morse Commissioner of Public Buildings, Tom Fitzgerald Director of Utilities, Lou Taverna City Engineer, Shawna Sullivan Deputy Commissioner of Public Works, Nick Read Chief Procurement Officer, Barney Heath Director of Planning and Development and Lara Kritzer Program Manager

Referred to Public Facilities and Finance Committees

#413-22 Appropriate \$4,120,000 for the Pump Station Rehabilitation CIP Projects

HER HONOR THE MAYOR requesting authorization to appropriate and expend four million one hundred twenty thousand dollars (\$4,120,000) and authorize a general obligation borrowing of an equal amount for the construction and engineering services for the City of Newton Pump Station Rehabilitation CIP Project 1 and design for Project 2 and authorization to apply any premium received upon the sale of the bonds or notes, less the cost of preparing, issuing, and marketing them, and any accrued interest received upon the delivery of the bonds or notes to the costs of the project and to reduce the amount authorized to be borrowed for the project by like amount.

Public Facilities Approved as Amended to \$4,127,000 5-0 on 09/21/22

Action: Finance Approved as Amended to \$4,127,000 8-0

Note: Tom Fitzgerald, Director of Utilities presented the request to appropriate funds for the Pump Station Rehabilitation CIP Projects. Mr. Fitzgerald explained that this request is for Phase 1 of the 10-year CIP project, including the designs for year 2. In 2020, the City did an assessment of all of the Pump Stations in the City. The purpose of this was to create a plan to extend the useful life of these facilities. The payments for the bonds will be paid out of the utility funds and not the general fund.

Councilors asked the following questions:

Q: What is the estimate for how this project will progress?

A: Mr. Fitzgerald explained that this year's request is probably the largest sum for the 10 years. After the conclusion of the meeting, Mr. Fitzgerald provided the attached chart to explain the project for the 10-year plan.

Q: Are funds for this project budgeted in the CIP?

A: Mr. Fitzgerald explained that it is.

Q: Is the cost of inflation included in the budgeted amount?

A: Mr. Fitzgerald explained that there is a contingency worked into the budget.

It was requested that the Finance Committee amend the amount to \$4,127,000. This was due to a typo in the Mayor's docket request. The correct amount is shown in the back up provided by the Commissioner of DPW.

Councilor Gentile motioned to amend the amount to \$4,127,000 which passed unanimously.

Councilor Gentile motioned to approve as amended which passed unanimously.

Referred to Public Facilities and Finance Committees

#454-22 Amendments to Chapters 11 and 17 to the City of Newton Ordinances

HER HONOR THE MAYOR requesting amendments to the City of Newton Ordinances regarding trash and recycling (Chapter 11 and Chapter 17) to allow the City to create a mattress recycling program needed to comply with a significant upcoming change in MassDEP regulations for mattresses.

Public Facilities Approved 5-0 on 09/21/22

Action: **Finance Approved 8-0**

Note: Shawna Sullivan, Deputy Commissioner of DPW presented the request to make amendments to Chapters 11 and 17 to the City of Newton Ordinances. She explained that as of November 1, 2022 Mass DEP is banning mattresses from disposal. Therefore, the City needs to create a recycling program for mattresses and box springs. For residents, there will be a drop off option at Rumford Ave and that fee is \$35 per item. There will also be a curbside pickup option which would cost \$50 per item. The department will contract with a vendor to handle weekly curbside collection, as well as pick-up of mattresses and box springs dropped at the Resource Recovery Center which will be stored in a 20' shipping container.

Councilors asked the following question:

Q: Is the fee the cost of recycling the mattress?

A: Ms. Sullivan explained that yes, this is the cost. State law prohibits the City to make a profit from this collection. It was also noted that the price is set by the vendor.

Councilor Norton motioned to approve which passed unanimously.

Referred to Public Facilities and Finance Committees

#442-22 **Transfer \$250,000 for the under \$75,000 projects**
HER HONOR THE MAYOR requesting authorization to transfer the sum of two hundred fifty thousand dollars (\$250,000) from Acct #0111502-582500 Building Improvements, (Under \$75K projects) to a new 01C115 account.
Public Facilities Approved 5-0 on 09/21/22
Action: **Finance Approved 8-0**

Note: Josh Morse, Commissioner of Public Buildings presented the request to transfer \$250,000 for the under \$75,000 projects. Commissioner Morse explained that this is a new account that will allow the department to bill staff overtime. These projects can be done in-house and are sometimes are in occupied buildings therefore the work needs to happen at night or on the weekends. This item was discussed during this past budget season.

Councilor Gentile motioned to approve which passed unanimously.

Referred to Public Facilities and Finance Committees

#440-22 **CPC Recommendation to appropriate \$75,000 in CPA funding**
COMMUNITY PRESERVATION COMMITTEE recommending appropriation of seventy five thousand dollars (\$75,000) in Community Preservation Act funding from the FY23 Historic Resource Reserve Fund to the control of the Planning & Development Department to complete the first phase of the Jackson Homestead Basement Restoration Project by hiring a preservation consultant to develop plans to remediate the existing water and humidity issues in order to preserve the historic structure and protect its important collections.
Public Facilities Held 8-0 on 09/08/22
Public Facilities Approved 5-0 on 09/21/22
Action: **Finance Approved 8-0**

Note: Lara Kritzer CPA Program Manager and Josh Morse, Commissioner of Public Buildings presented the request to appropriate \$75,000 of CPC funding to complete the first phase of the Jackson Homestead Basement Restoration Project by hiring a preservation consultant to develop plans to remediate the existing water and humidity issues in order to preserve the historic structure and protect its important collections.

Ms. Kritzer presented the attached presentation.

Councilors asked the following questions:

Q: What is the intention with the archives?

A: Ms. Kritzer explained that this is exhibit space and the archives are located on the first floor.

Councilors made the following comments:

The cost of an addition for the exhibits should be examined during this process.

Commissioner Morse explained that they will be examining several options including an addition from a cost benefit analysis.

It was noted that the addition should also be looked at due to risk associated with keeping these historic materials in a basement.

Councilor Oliver motioned to approve which passed unanimously.

Referred to Zoning & Planning and Finance Committees

#436-22 **CPC Recommendation to appropriate \$1,948,056 in CPA funding**
COMMUNITY PRESERVATION COMMITTEE recommending appropriation of one million nine hundred forty eight thousand fifty six dollars (\$1,948,056) in Community Preservation Act funding, with \$556,588 to come from the FY23 Community Housing Reserve Account and \$1,391,468 to come from FY23 Unrestricted Funding Account, to the control of the Planning & Development Department to provide funding to the Newton Affordable Housing Trust for future projects that meet one or more of the CPA's eligible funding categories for Community Housing projects.

Zoning & Planning Approved 8-0 on 09/12/22

Action: **Finance Approved 7-1 (Councilor Gentile opposed)**

Note: Lara Kritzer, CPA Program Manager presented the request to appropriate one million nine hundred forty eight thousand fifty six dollars (\$1,948,056) in Community Preservation Act funding, with \$556,588 to come from the FY23 Community Housing Reserve Account and \$1,391,468 to come from FY23 Unrestricted Funding Account, to the control of the Planning & Development Department to provide funding to the Newton Affordable Housing Trust for future projects that meet one or more of the CPA's eligible funding categories for Community Housing projects.

Ms. Kritzer presented the attached presentation. She also noted that Ann Houston, Peter Sargent (Chair and Vice Chair of the Newton Affordable Housing Trust) and Jennifer Molinsky, Chair of the CPC joined the Committee for this discussion.

Councilors asked the following questions:

Q: When funds are requested from developers for affordable housing will the funds be moved into this Trust?

A: Ms. Kritzer explained that there is a proposal before the City Council to have these funds go to the Newton Affordable Housing Trust. This is through the Inclusionary Zoning ordinance. If it is passed, half the funds will still go to the Newton Housing Authority and the other half will go to the Trust. The board then determines the projects it is used for. The half going to the Newton Housing Authority has been a part of the ordinance for years.

Q: Does the trust need the approval of the City Council to allocate these funds?

A: Ms. Kritzer explained that the ordinance does specify that the trust does not need to go to the City Council for approval. Ms. Houston explained that they have just authorized the guidelines to process applications. The trust board is made of 7 experts in this field along with a City Councilor. Mr. Sargent also noted that the trust will have to report back to the CPC the work they have done in the previous year to be able to receive additional funding.

Q: Where does the 35% contribution come from?

A: Ms. Kritzer explained that the CPC decided years ago on the 35% contribution for Affordable Housing. The Trust will need to come to the CPC each year to appropriate these funds. She also noted that the Trust just voted on their procedures.

Councilors made the following comments:

A Councilor raised concerns with the fact that the Newton Affordable Housing Trust would be able to spend these funds without oversight from the City Council. There does not seem to be another group in the City that receives funds from the City and does not need Council approval. The City Council is charged with approving a majority of allocations in the City and when needed can move quickly on items.

It was noted that the Council did vote on the ordinance for the Newton Affordable Housing Trust last year. One of the reasons it was decided that the board would make these decisions was for timing purposes. This is to streamline the housing review process. It was also noted that the appropriation from the CPC would still need to be approved by the City Council each year. Jonathan Yeo, Chief Operating Officer explained that there were a number of different factors behind this rationale and noted that the Committee report when the ordinance was discussed could be provided.

Councilor Noel motioned to approve which passed 7-1 with Councilor Gentile opposed.

#386-22 Discussion with Administration regarding Consultants, including the process of selection, project oversight, billing, and contract negotiation

COUNCILORS LAREDO, OLIVER, MARKIEWICZ, GROSSMAN, KALIS, HUMPHREY, WRIGHT, MALAKIE, BAKER, NORTON, GENTILE, LIPOF, AND LUCAS requesting a discussion with the Administration regarding the process for selecting and overseeing the work of consultants retained by the city including (a) the criteria for when consultants are selected without a bidding process; (a) how contracts with consultants are negotiated; (c) the process for creating change orders in consulting contracts; (d) what detail is expected in bills submitted by consultants and the process for review and approval of such bills; and (e) whether bills submitted by consultants have ever been rejected or challenged and the reasons for such rejections or challenges.

Action: Finance voted No Action Necessary 8-0

Note: Councilor Laredo joined the Committee, along with the Administration, Planning Department, DPW and the Purchasing Department, to discuss the City's engagement with consultants, including the process of selection, project oversight, billing and contract negotiation. He explained that this item was docketed as an outgrowth of concerns related to the extra consulting fees that were requested for the Carriageway project. It was noted that this could be used as a case study to see what can be done differently in the future.

Shawna Sullivan, Deputy Commissioner of DPW explained that they have worked with numerous engineering firms on a number of projects in all aspects of the department. There are some firms that have been retained and others have been replaced based on their work. She added that the department already has qualifications packages and billing rates for the pool of firms that they currently work with. The Law Department also works with DPW and the engineering firms to develop contract language, including the scope of services, and execute the contract. They continuously work to make the most appropriate selection for each project based on the expertise and demonstrated skills of those firms. Many of these firms already have on-call engineering contracts with the City. DPW's experience is that the rates provided by our on-call firms are consistent with each other and with industry standards.

There were questions raised regarding the rates and hours in which the consultants get paid. Ms. Sullivan explained that this is discussed upfront but the hours may change. These changes usually come from problems that are found during construction, but this is something that DPW does verify.

Barney Heath, Director of Planning and Development explained he follows a similar process to DPW. It was asked whether the Carriageway consulting engagement had been put out to bid. Mr. Heath explained that the Carriageway is a unique situation due to the fact that they used the same consultant that was doing the rest of the project with MassDOT, which helped the City receive TIP funding. A Councilor also questioned what was the conversation with the consultant when the consultant requested additional funds. Mr. Heath noted that this has been previously explained by the project manager. He also noted that usually what takes place is that they go back to the scope of work and look at the task and whether the billing represents the progression of the task. But they have not refused a bill.

A Councilor asked what the process is when consultants are not producing the work that they were asked to do. Ms. Sullivan explained that they would request a meeting with them and confront them and Mr. Heath agreed that they would do the same.

Nick Read, Chief Procurement Officer was asked if all of the contracts go through his office. He explained that some of the contracts go through the Law Department and the others go through Purchasing.

A Councilor asked if we're able to see the costs throughout the entirety of the City on consultants. Steve Curley, Comptroller explained that there is a consulting line item that is for all of the different departments. But it was noted that there are some projects where the consulting fees would not be separated out.

Councilor Kalis motioned for a vote of no action necessary which passed unanimously.

The Committee adjourned at 9:23 p.m.

Respectfully Submitted,

Rebecca Walker Grossman, Chair

Pump Station CIP Spending Per Year
(mid-point of probable costs)

413-22

**2029 AND BEYOND
REPLACEMENT OF PUMPS
AT PRAIRE AVE.,
LONGFELLOW RD., WABAN
AVE.

REASSESS FACILITIES.
BEGIN SYSTEMATIC
ELECTRICAL AND
INSTRUMENTATION
REPLACEMENTS.**

**CIP PROJECT 1
ENGINEERING
ACTIVITIES**

**CIP PROJECT 1
CONSTRUCTION**

**MOST CRITICAL
ISSUES ARE
ADDRESSED**

**NON-REACTIVE
STATE ACHIEVED**

**ENGINEERING
AND
CONSTRUCTION**

**QUINOBEQUIN
BUILDING
REHAB.**

**ELLIOT ST.
VALVE
REPLACEMENT**

**PUMP
REPLACEMENT
AT ISLINGTON
AND MANET RD.**

**ENGINEERING
AND
CONSTRUCTION**

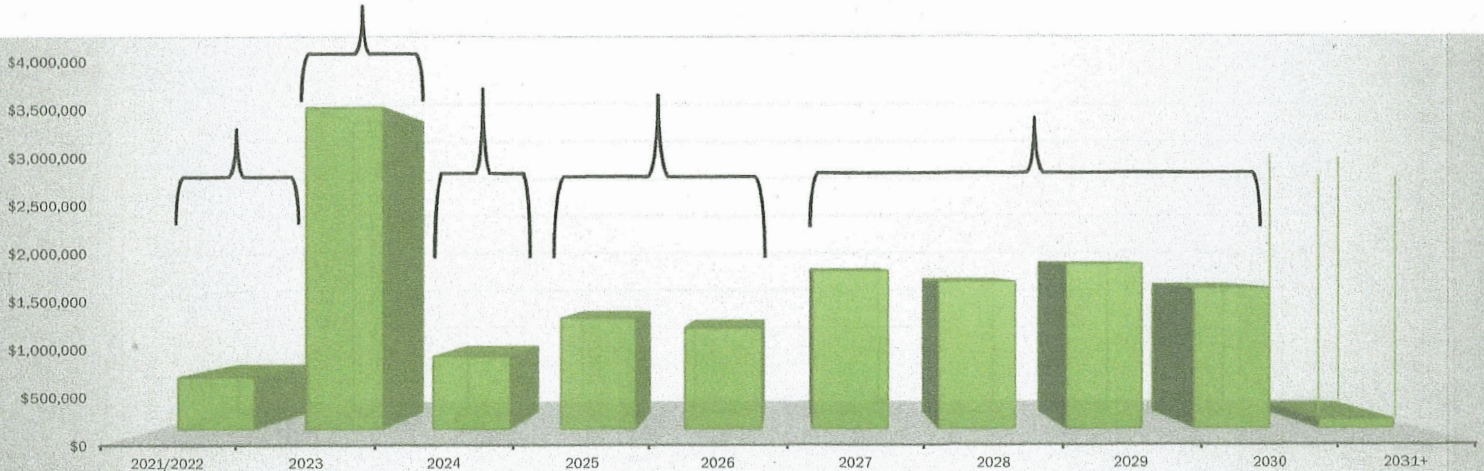
**QUINOBEQUIN
ELECTRICAL
REPLACEMENT**

**ELLIOT ST.
BUILDING REHAB**

**ADDITIONAL
PUMP
REPLACEMENTS**

**ENGINEERING AND
CONSTRUCTION**

**REPLACEMENT OF PUMPS
AT QUINOBEQUIN AND
ELLIOT ST. PUMP STATIONS**



Jackson Homestead Basement Rehabilitation Phase I CPA Funding Recommendation

Community Preservation Committee
Presentation to
Finance Committee
September 28, 2022

Project Overview

- ▶ The ca. 1809 Jackson Homestead serves as the City's History Museum and historical archives facility
- ▶ Water infiltration and humidity issues in the basement are causing the foundation to deteriorate, threatening the stability and preservation of the structure and its collections
- ▶ Basement galleries are now closed and the collections removed from the basement for their protection



Current Funding Request

CPA funding is requested to hire a preservation consultant to study the existing conditions, including water infiltration, humidity, and accessibility, in the Jackson Homestead's basement.

Phase I funding will develop plans to both preserve the building by remediating the water and humidity issues and restore and rehabilitate the basement for reuse in the future.

Recommended CPA Project Funding

CPA Funding Accounts	Amount
Historic Resource FY23 Reserve Funds	\$75,000
TOTAL CPA PROJECT FUNDS:	\$75,000

CPA Funding is recommended to be Historic Resource category funding.

Proposed Budget

Funding Sources and Uses	Funding Amount
CPA Recommended Funding	\$75,000
City Staff Time for Project Oversight and Management	\$7,000
Total Project Costs	\$82,000

The current CPA funding request is only for Phase I of the Jackson Homestead Basement Rehabilitation Project. The CPC anticipates that additional funding will be requested for construction in the future.

Timeline

- ❖ Phase I - Conditions Assessment and Development of Remediation Plan (10 Months)
- ❖ Phase II - Basement Construction, including funding and bidding processes (16 months)
- ❖ Phase III - Gallery Installation and Reopening of Basement to the public (3 months)

Questions & Discussion

Thank you!

Newton Affordable Housing Trust CPA Funding Recommendation

Community Preservation Committee
Presentation to
Finance Committee
September 28, 2022

Current Funding Request

The Newton Affordable Housing Trust (NAHT) requests an amount equal to 35% of the Community Preservation Program's FY23 annual funds be allocated to the new Affordable Housing Trust Funds for future projects which acquire, create, support, preserve, and restore/rehabilitate affordable housing in Newton.

This request is the first in what is expected to be an annual request for CPA Community Housing funds.

Recommended CPA Project Funding

CPA Funding Accounts	Amount
Community Housing FY23 Reserve Funds	\$556,588
FY23 Unrestricted Funding Account	\$1,391,468
TOTAL CPA PROJECT FUNDS:	\$1,948,056

CPA Funding is recommended to be Community Housing category funding.

Current Finances at a Glance

Fiscal Year 2023

Revenue

Beginning balance	6,309,217
Local CPA surcharge	3,922,024
State match	
Budget for this FY	765,273
Additional from prior FY	878,578
Total Available Resources	11,875,092

Expenses

Bond repayment obligations	694,353
New funding authorizations	2,642,558
Administrative costs	179,376
Total Expenses	3,516,287

Current Fund Balance	8,358,805
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Timeline

- ❖ Trustees are currently in the process of developing program guidelines and review processes
- ❖ Trustees anticipates being ready to accept new applications for affordable housing projects this Fall
- ❖ Applications will be accepted on a rolling basis

Questions & Discussion

Thank you!