

CITY OF NEWTON

BOARD OF ALDERMEN

JOINT FINANCE, PROGRAMS & SERVICES AND
COMMITTEE OF THE WHOLE REPORT

THURSDAY, NOVEMBER 29, 2012

Present:

Finance Committee: Ald. Gentile (Chairman), Ciccone, Linsky, Salvucci, Rice, Blazar, Fuller and Lappin.

Programs & Services Committee: Ald. Sangiolo, Linsky, Hess-Mahan, Rice, Blazar, Baker and Fischman

Also present: Ald. Albright, Crossley, Danberg, Harney, Kalis, Lappin and Swiston

Absent: Ald. Johnson and Merrill

Others present: Robert Rooney, Chief Operating Officer; Maureen Lemieux, Chief Financial Officer; Police Chief Howard Mintz; Superintendent David Fleischman; Asst. Superintendent Sandy Guryan

REFERRED TO FINANCE COMMITTEE

#323-12

HIS HONOR THE MAYOR requesting local acceptance of the following sections of Massachusetts General Laws Chapter 59 related to tax exemptions:

- The provisions of Chapter 59 section 5 added by Chapter 181 of the Acts of 1995, which authorizes an annual increase in the amount of the exemption granted to senior citizens, surviving spouses and surviving minors under General Laws Chapter 49, Section 5, Clause 17D by up to 100% of the percentage increase in the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index (CPI) for the previous year as determined by the Commissioner of Revenue, and to fix that annual increase at 100% of the CPI: to be effective for exemptions granted any fiscal year beginning on or after July 1, 2013.
- Chapter 59, Section 5, Clause 17E, which authorizes an annual increase in the asset (the whole estate) limit for exemptions granted to senior citizens, surviving spouses, and surviving minors by the percentage increase in the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index for the previous year as determined by the Commissioner of Revenue, to be effective for exemptions granted any fiscal year beginning on or after July 1, 2013.

- Chapter 59, Section 5, Clause 41D, which authorizes an annual increase in the income (gross receipts) and asset (whole estate) limits for exemptions granted to senior citizens by the percentage increase in the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index for the previous year as determined by the Commissioner of Revenue, to be effective for exemptions granted any fiscal year beginning on or after July 1, 2013.
- Chapter 59, Section 5N to establish a Veteran's Tax Work-Off Program that will authorize a qualifying veteran or a proxy, if the qualifying veteran is physically unable to perform the work, to work-off up to the maximum reduction of the real property⁷ tax bill based on 125 volunteer service hours in a given tax year. .
- Chapter 59, Section 5K, (Senior Tax Work-Off Program) and the amendment to Section 27-20 of the Revised Ordinances of the City of Newton 2012 to allow the maximum reduction to be based on 125 hours of service, rather than \$1,000, as well as discussion of adopting a provision to allow a proxy to perform the work on behalf of a qualifying senior who is physically unable to perform the volunteer service.

FINANCE APPROVED 8-0

Clerk's Note: In response to a question from Ald. Yates, Maureen Lemieux noted that one of the exemptions that was originally talked about being put forward is not in the current list. She noted that exemption clause 57 was removed from consideration because there was an income limit that was high, a property value limit that was quite high and no asset limit for those applying for the exemption, so the Mayor chose not to pursue it.

Ald. Rice made the motion to Approve in Finance which was voted 8-0.

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

#324-12 **HIS HONOR THE MAYOR** requesting the following:

- (1) To present the following levy limit override and debt exclusion ballot questions to the voters in accordance with the procedure prescribed by Massachusetts General Law Chapter 59, Section 21C(g) and (k):
 - Shall the City of Newton be allowed to assess an additional \$8,400,000 in real estate and personal property taxes for the purpose of funding municipal and school operating and capital expenses to support increased student enrollment, fund street and sidewalk paving, fund public safety personnel, address the

condition and capacity of Zervas Elementary School, fund the relocation of the fire Department Wires Division, and fund the replacement of Fire Headquarters and Fire Station 3 in Newton Centre for the fiscal year beginning July 1, 2013?

Yes _____ No _____

- Shall the City of Newton be allowed to exempt from the provisions of Proposition 2 1/2, so called, the amounts required to pay for the bonds issued in order to renovate or replace the A.E. Angier Elementary School?

Yes _____ No _____

- Shall the City of Newton be allowed to exempt from the provisions of Proposition 2 1/2, so called, the amounts required to pay for the bonds issued in order to renovate or replace the Cabot Elementary School?

Yes _____ No _____

(2) A request to call a special election to present the levy limit override and debt exclusion ballot questions to the voters and set a date of March 12 2013, for such special election.

(3) A Request to appropriate from Budget Reserve the sum of eighty-five thousand dollars (\$85,000) for the purpose of funding the costs of a special election to present the levy limit override and debt exclusion ballot questions to the voters.

FINANCE APPROVED 8-0

PROGRAMS & SERVICES APPROVED 5-0-2(Ald. Baker & Hess-Mahan abstaining)

Clerk's Note: Chief Financial Officer Maureen Lemieux provided some additional information in response to Aldermen's questions. In regards to question on Police staffing the City has completed a Police staffing report which has not been distributed yet. It is a report that the Police Department has been working on all summer. We will be setting up a working group to review the document. In a nutshell, the report says that we should be adding 23 sworn officers to the Police Department and an additional dispatch person. The report provides comparisons of officers to population and suggests that the City should have 153 officers. We are at 139 right now. The four positions in the override are intended to begin to build the department back up. In looking at other communities we are low in comparison.

Maureen wanted to make clear that the Board has the authority to make changes to the Mayor's recommendations. Any changes would be reviewed by the Mayor and he can choose to accept them or not.

In regards to questions about staffing, it is premature to know how many FTE's the Mayor's office will be put forward in the spring budget. It should be noted that we will continue to try to create efficiencies and we will have savings from attrition. As we move forward in crafting the budget we intend to put the resources needed to each of the projects, and we do not intend to do it by laying people off in other departments.

In regards to short term space needs, as they arose in the School Committee discussions on Monday night, Maureen has been working with Sandy Guryan to make sure that we had a good understanding of what we need for short term space needs. In the CIP that we put together we have \$1.5 million to bond for modular classrooms. We may be putting up to six modulars in locations around the city. Based on the new enrollment numbers it may be that we will need \$2 million. This will be about \$45,000 in debt service payments.

In regards to Zervas, in your packets of information you will find the MSBA recommendation for this school. It is not a priority for the MSBA. We can not just switch it out for Cabot. They are interested in Cabot, and believe that Zervas is in fairly good condition.

Ms. Lemieux clarified that when she last met with the Board she mentioned that the Zervas School could be renevedated with the students in place. She did not mean to imply that was the solution, she just wanted to let the Board know that they are looking at all of the options. The buildinge may need to be demolished. Nothing has been decided.

On the operating override Ms. Lemieux wanted to make it clear that this is a 5-year package that is a comprehensive package and all of the numbers work off each other. The operating override will have us dedicate \$2.4 million to a stablilization fund beginning with the tax rate next November. It is very important that we do that so that we can smooth out the impact to our residents. Keeping Zervas and a Fire Station as part of an operating override is so important. We will not be comingling the money for these projects with other things in any way. It will be going to debt service stabilization fund and will be going to smooth out debt service in those years when our payments actually exceed what it is we are taxin people on.

Finally, Ms. Lemieux addressed the cost estimates for the fire stations. The City received a cost estimate for Fire Station #10 that was dignificantly higher than anticipated. There are a couple of things that we think are going on. We believe the estimates were lower than they should have been for an 8,000 square foot building. We are not convinced that our other estimates are as out of wack as this one small station may be. We have spent hours looking at the numbers we have and what we have forcasted for the three schools and fire station #3. The same group that developed the feasibility study for Station #10 also did the feasibility study for Station #3. Ken Dinisco who is the CEO of Dinisco desgin who is the architect of the Angier project and Jeff Luxemborg of Joslin Lesser who is our OPM. They have been taking time today to look at our fire station numbers.

This ended the formal presentation and the meeting moved to questions and answers.

Ald. Rice made the motion to Approve in Finance which was voted 8-0.

Ald. Rice also made the motion to Approve in Programs & Services which was voted 5-0-2 abstaining (Ald. Hess-Mahan and Baker)

This report is in its draft stage and the full question and answer session will be completed in the near future.