



Finance Committee Report

City of Newton **In City Council**

Wednesday, February 10, 2016

Present: Councilors Gentile (Chair), Ciccone, Norton, Brousal-Glaser, Blazar, and Fuller

Absent: Councilors Rice and Lappin

City staff present: Bob DeRubeis (Commissioner of Parks and Recreation), Jim McGonagle (Commissioner of Public Works), Shane Mark (Director of Operations; Public Works Department), Alice Ingerson (Community Preservation Planner), David Wilkinson (Comptroller), and Maureen Lemieux (Chief of Staff/Chief Financial Officer)

Referred to Programs & Services and Finance Committees

#45-16

Request to authorize transfer of \$60,000 to the Parks and Recreation Department

HIS HONOR THE MAYOR requesting authorization to transfer the sum of sixty thousand dollars (\$60,000) from the Parks and Recreation Department Full-time Salaries Account to the Parks and Recreation Department Forestry/Tree Services Account for the purpose of funding contracted services in the Forestry Division of the Parks and Recreation Department. [01/25/16 @ 4:06 PM]

Programs & Services Approved 6-0 on 02/03/16

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

Note: Commissioner of Parks and Recreation Bob DeRubeis presented the request to transfer unused salary funds to a tree services account within the Department of Parks and Recreation Department's budget. The department has been proactive in taking down tree limbs that pose a threat to people in parks and other gathering areas. There were a number of storms in August that resulted in downed tree limbs and trees. The requested funds are needed to cover a portion of those expenses. The department also utilized contracted services for tree removal for the snowstorms this past Friday and Monday and will be requesting funds to cover those expenses.

Commissioner DeRubeis informed the Committee that he expects that the Forestry Division will be fully staffed in the next few weeks. Two of the open positions that were created in July 2015 were filled in the past few weeks. There was an open position as a result of someone leaving and that position has been offered to an applicant, who should start in the near future. The Commissioner is excited about the quality and experience level of the new hires. By having a full complement of forestry staff, the need to hire outside contractors should be minimal. With that, Councilor Ciccone moved approval, which carried unanimously.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEE

#47-16

Transfer \$783,846 from various accounts for Auburndale Sq Traffic Improvements

HIS HONOR THE MAYOR, requesting authorization to transfer the sum of seven hundred eight-three thousand eight hundred forty-six dollars to fully fund the Auburndale Square Traffic Improvements as follows:

From:

Riverside-Auburndale Improvements.....\$136,710

Repurposing Savings from Other Projects:

Capital Project Fund Bond Balances Available

for Appropriation\$327,752

Unrestricted Capital Purposes\$27,061

Bonded Capital Projects.....\$13,752

June 30, 2015 Free Cash\$278,571

To:

Auburndale Square Traffic Improvements\$783,846

[02-01-16 @ 11:53 AM]

Public Facil Approved Subject to Second Call 6-0-1 (Lappin abstaining) on 02/03/16

Action: Finance Approved 6-0

Note: Commissioner of Public Works Jim McGonagle presented the request for \$783,846 to provide additional funding for the Auburndale Square traffic improvement project. A previous request from bonded indebtedness for the Auburndale Square traffic improvements was approved by the Board of Aldermen on July 13, 2015.

The additional funds for the project would be transferred from a special permit mitigation fund created in 1997 as part of the Cabot, Cabot, and Forbes special permit for a site on Grove Street next to the Riverside T Station, savings from capital projects, and Free Cash. The Chair has informed the Ward 4 Councilors that money would be expended from the mitigation fund. Comptroller David Wilkinson stated that the City needs to use all of the savings from capital projects, and Chief of Staff Maureen Lemieux explained that the Administration is not bonding the request for additional funds because the City has already sold all of the bonds for this year. In addition, the City has a health Free Cash account of over \$5 million.

The additional funds are necessary as the project came in over the project budget. The project was originally estimated at \$1.5 million but was approved at \$1.2 million by the City Council. Reports summarizing the discussions related to the original item were attached to the Committee agenda. When the project budget was done, it was underestimated and line items for necessary police details and decorative mast arms were not included, which resulted in a significant increase to the cost of the project. Council members inquired if the other planned

traffic improvement projects included funding for police details. Commissioner McGonagle assured the Committee that all upcoming projects included police detail funding.

The project was bid in September 2015 and came in over \$2 million. The City rebid the project and received six bids with a low bid of \$1,983,846. The additional funding for this project would not jeopardize any other planned projects. The attached memo from Commissioner McGonagle provides a budget summary of the project and other related information.

The Committee had no further questions or comments. Councilor Fuller moved approval, which carried necessary.

Referred to Zoning & Planning and Finance Committees

#44-16 Request to authorize transfer of \$100,000 to the Inspectional Services Department

HIS HONOR THE MAYOR requesting authorization to transfer the sum of one hundred thousand dollars (\$100,000) from Free Cash to the Inspectional Services Department Full-time Salaries Account and to increase staffing levels in Inspectional Services Account by two full-time positions. [[01/25/16 @ 4:06 PM]

Action: Finance Approved 6-0

Note: Commissioner of Inspectional Services John Lojek presented the requests to increase staffing in the Inspectional Service Department by two full-time positions and the \$100,000 to fund the positions. The positions would be inspector positions on the plumbing and electrical permitting side of the department. At this point, the department has received over 14,000 requests for permits, which is a significant increase and the additional staff is needed to deal with the increased demand for permits inspections. There was an addition of one full-time building inspector position in the Department this past November to help deal with increase in building permit demand.

The department is seeing an increase in revenue as a result of the increase in the number of permits being requested. The department generates \$3 for every \$1 that is budgeted for the department. Concern was raised that the department may be overcharging for permits, as the fees the City charges are supposed to be revenue neutral. Commissioner Lojek explained that many City departments provide support to the Inspectional Services Department and do not receive compensation for their services. It could be said that a portion of the fees collected from the Inspectional Services Department are for those provided support services. The Committee understood the need for the additional positions and Ald. Ciccone moved approval, which carried unanimously.

Referred to Land Use and Finance Committees

#356-15 Request for CPA funding for two units of affordable housing at 10-12 Cambria Rd

COMMUNITY PRESERVATION COMMITTEE recommending the appropriation of four hundred seventy-one thousand one hundred seventeen dollars (\$471,117) from the Community Preservation Fund to the Planning & Development Department for a grant to Citizens for Affordable Housing Development in Newton (CAN-DO), to create two units of permanently affordable rental housing at 10-12 Cambria Road, as described in the proposal submitted to the Community Preservation Committee in October 2015. [12/08/15 @ 12:08 PM]
Land Use Approved 6-0 on 02/02/16

Action: Finance Held 6-0

Note: Jane Sender, Vice-chair of the Community Preservation Committee, presented the request for \$471,117 from the Community Preservation Fund to provide a grant to Citizens for Affordable Housing Development in Newton (CAN-DO). The funds would be used to purchase 10-12 Cambria Road to create two units of permanently affordable rental housing. The units will each be two-bedrooms with one bathroom. One unit would be for a homeless family whose household income is up to 50% of the area-wide median income and the second unit would be for a family in transitional housing or survivors of domestic violence whose household income is up to 80% of the area-wide median income. The Community Preservation Committee (CPC) voted five in favor and one opposed to recommend the appropriation of funds. The CPC was pleased that the cost per unit for this project is less than the previous project at Taft Avenue. The Community Preservation Committee member opposed to the recommendation voted against the project mainly due to the amount of money the project was looking for in terms of local money. He felt that the project failed to leverage available state and federal funds. He also had concerns that these smaller affordable housing projects provided only two or three units of housing at a time and the units were scattered throughout the City making it difficult to provide supportive services efficiently.

The total cost of the project is \$905,410. CAN-DO is receiving additional funds from the Community Development Block Grant HOME Program, federal funds and a Charlesbank Homes Grant. A breakdown of the project budget was attached to the agenda along with a significant amount of backup information including the Community Preservation Committee recommendation, scope of work and plans for the remodeling of the units, property appraisal, the fair housing affirmative marketing plan, a development proforma, a 10-year operating budget and a Planning Department memo. The Committee noted that the appraisal for the property supports what is being paid for the property and that the developers' fee is below the market rate.

The Committee members raised a number of concerns regarding the project. It was pointed out that CAN-DO has not started construction on the Taft Avenue affordable housing project that was approved last spring. CAN-DO's Director, Josephine McNeil, explained that the

project required a comprehensive permit that was not received until November 2015 and that CAN-DO is still waiting for the State to sign-off on the regulatory agreement for Taft Avenue. Construction cannot begin until CAN-DO has the signed agreement. The Community Preservation discussed the Taft Avenue project as part of its discussion for Cambria Road and concluded that CAN-DO is doing its best to move the Taft Avenue project along. Some councilors were still concerned that a large amount of Community Preservation Act (CPA) funds were given to the Taft Avenue project and it has not moved forward and additional CPA funds were being requested for a new project. Ms. McNeil reiterated that the comprehensive permit process is a lengthy process. The Cambria Road project does not require a 40B. In addition, CAN-DO has only recently drawn down on the funding for the Taft Avenue project, as they recently closed on the property. The Committee questioned whether the Cambria Road affordable units would be included on the State's subsidized housing inventory list. Ms. McNeil responded that both the Taft Avenue units and the Cambria Road units would be included on the list.

Councilors questioned how CAN-DO's projects remain viable after 15 years as the income for the affordable properties increase by 2% each year and operating costs increase by 3% each year. There were also questions regarding who is responsible for picking up the unfunded costs when a project is no longer viable and whether the City was tracking projects so it is aware when a project is not generating enough money to maintain the project. Ms. McNeil pointed out that the City is not responsible for the project; CAN-DO is and it is impossible to predict what will happen in ten to fifteen years but there is an expectation that there would need to be an infusion of public funding in approximately 15 years for each of CAN-DO's projects.

There were concerns regarding the Planning Department memorandum and the conditions related to the CDBG funding. Ms. McNeil stated that it is unfortunate that the Planning Department's memorandum raises questions. She informed the Committee that the Administration did not originally support the project but the Housing Partnership, the Planning and Development Board and the CPC approved the project and, ultimately, the administration opted to support the project. The Committee felt that it was important to have further discussions on the proposal with representatives from the Planning & Development Board, the Planning Department, and the Chair of the Community Preservation Committee. It would also be helpful to Committee members to understand the history of CAN-DO projects and what the operating budgets are for older projects to understand the pressures that CAN-DO faces now and in the future. With that, Ald. Fuller moved hold for further discussion, which carried unanimously.

#39-16 Reappointment of Elizabeth Dromey by Mayor as Chair of the Board of Assessors
ELIZABETH DROMEY, 15 Horace Road, Belmont, re-appointed as Chair of the Board of Assessors for a term expiring on February 1, 2019. (30 days – 03/02/16)
[01/25/16 @ 4:07 PM]
Action: Finance Approved 6-0

Note: The Chair of the Board of Assessors Elizabeth Dromey is being re-appointed. Ms. Dromey is well known to members of the Finance Committee. The Committee was very pleased with the re-appointment and Councilor Ciccone moved approval of the reappointment. The motion carried by a unanimously votes.

#41-16 Request to authorize transfer of \$25,000 to the Human Resources Department
HIS HONOR THE MAYOR requesting authorization to transfer the sum of twenty-five thousand dollars (\$25,000) from Free Cash to the Human Resources Department Full-time Salaries Account to absorb additional costs associated with a significant increase in workload. [01/25/16 @ 4:06 PM]

Action: Finance Approved 6-0

Note: Chief of Staff Maureen Lemieux presented the request for \$25,000 from Free Cash to provide the Human Resources Department with funding to continue to fill a temporary position. The small department has been short staffed over the past few months as an employee has been on maternity leave. The employee is back in a part-time capacity but the department still needs the temporary employee to address its workload.

Councilors inquired if the Administration has made any progress in filling the Human Resources Director position. Ms. Lemieux explained that the City is actively recruiting for the position but it is proving to be difficult to find someone for the position. Ms. Lemieux stated that it is difficult to fill municipal managerial positions, as the economy is on uptick but there are good candidates out there. With that, Councilor Brousal-Glaser moved approval, which carried by a vote of six in favor and none opposed.

#42-16 Request to authorize transfer of \$25,000 to the Financial Info Systems Department
HIS HONOR THE MAYOR requesting authorization to transfer the sum of twenty-five thousand dollars (\$25,000) from Free Cash to the Financial Information Systems Department Full-time Salaries Account to absorb the costs of vacation and sick time buyouts for a retirement within the department. [01/25/16 @ 4:06 PM]

Action: Finance Approved 6-0

Note: Chief of Staff Maureen Lemieux presented the request for \$25,000 to fund the vacation and sick time buyout associated with the retirement of the Financial Information Systems department head. Ms. Cornaro has been with the City for 44 years. The Administration is hoping to fill the position immediately; therefore' salary funds within the department's budget should not be used for the buyout.

There was a question of whether there should be funding provided for an overlap in the position or to provide funding to pay Ms. Cornaro to provide training after her retirement. It was pointed out that Ms. Cornaro has been invaluable to the City and it is important that the

City does not lose her knowledge. Ms. Lemieux explained that Ms. Cornaro's retirement is not unexpected and Ms. Cornaro has been working with her staff over the past few years to make sure that everyone is trained and that there is a smooth transition. Ms. Lemieux is also sure that Ms. Cornaro would be willing to come back on a consultation basis, if needed. Councilor Ciccone moved approval, which carried unanimously.

#43-16 Request to authorize transfer of \$25,000 to the Assessing Department
HIS HONOR THE MAYOR requesting authorization to transfer the sum of twenty-five thousand dollars (\$25,000) from Free Cash to the Assessing Department Full-time Salaries Account to absorb the costs of vacation and sick time buyouts as a result of the retirement of a long-term employee and to temporarily increase staffing levels by one full-time position while that employee transitions to retirement. [01/25/16 @ 4:06 PM]

Action: Finance Approved 6-0

Note: Chief of Staff Maureen Lemieux presented the request for \$25,000 to fund the sick and vacation buyouts for a retiring employee. Ms. Lemieux added that the request to temporarily increase the number of full-time employees in the Assessing Department is no longer necessary. When the item was docketed, the retiring person in the Assessing Department had not completed the necessary retirement papers, but the person has officially retired from the City on February 9, 2016 and the position can now be filled without an overlap in the number employees in the department. The Committee understood the need for the \$25,000 and Councilor Norton moved approval, which carried unanimously.

All other items before the Committee were held without discussion and the Committee adjourned at 8:40 PM. Draft Council Orders for the above items that are recommended for City Council action are attached.

Respectfully submitted;

Leonard J. Gentile, Chair

CITY OF NEWTON

IN BOARD OF ALDERMEN

2016

ORDERED:

That, in accordance with the recommendation of the Programs & Services and the Finance Committees through their respective Chairs John B. Rice and Leonard J. Gentile, the transfer of the sum of sixty thousand dollars (\$60,000) from Parks and Recreation Department Salaries Account to the Parks and Recreation Department Expense Account to provide contractual tree services is hereby approved as follows:

FROM:	Parks Salaries (01602011-511001)	\$60,000
TO:	Parks Expenses (01602011-5243).....	\$60,000

Under Suspension of Rules
Readings Waived and Approved

(SGD) DAVID A. OLSON
City Clerk

(SGD) SETTI D. WARREN
Mayor

Date: _____

City of Newton



DEPARTMENT OF PUBLIC WORKS

OFFICE OF THE COMMISSIONER

1000 Commonwealth Avenue
Newton Centre, MA 02459-1449

Setti D. Warren
Mayor

February 5, 2016

To: Maureen Lemieux, Chief Financial Officer
From: James McGonagle, Commissioner Public Works

Subject: Council Order #47-16, Auburndale Square Traffic Improvements
Answers to Councilor's Questions

Budget Summary of the Auburndale Square Traffic Improvements Project:

*Traffic Control Devices	\$910,251
*Other Incidental Work	\$254,250
Road Work	\$619,345
Police Details	\$200,000
 Total Bid	 \$1,983,846

*Traffic Control Devices includes: traffic and pedestrian signal equipment, mast arms, electronic controllers, pullboxes, electrical handholds and service connections (overhead and underground)

*Other Incidental Work includes: Concrete sidewalks and driveway aprons, ADA ramps and equipment, asphalt sidewalks and driveway aprons, mobilization, loam, seed and mulch

Undergrounding of Utilities:

The scope of the project did not include the relocation of all utilities underground. For a project of this size, our design engineer has stated they would typically expect costs to vary anywhere from \$1M - \$2M per mile depending on the complexity and number of conflicts. This Auburndale project is approximately 0.4 miles; costs to the City would also include the relocation of any water, sewer, and drain mains that would conflict with the proposed underground utilities. The actual costs would need to be estimated based on the design.

Original request for \$2,000,000:

See Board Order #129-15, dated 5/11/15. These are the additional traffic signal projects as they were estimated in May 2015.

	<u>Estimated</u>	<u>Projected Cost</u>
Auburndale Square Project	\$1,200,000	\$1,983,846
Watertown Street at Adams Street	\$150,000	\$179,000
California Street at Bridge Street	\$75,000	\$75,000
Nahanton Street at Winchester Street	\$250,000	\$154,000
Washington Street at Prospect/Auburn/Perkins	\$375,000	\$430,000

Standardizing light and pedestrian pole mast arm types from standard galvanized steel to a decorative design with powder coated finishes did increase the projected cost.

Funds requested in this council order:

Bid amount	\$1,983,846
Current funds available	\$1,200,000
Additional funds requested	\$783,846

CITY OF NEWTONIN BOARD OF ALDERMEN

2016

ORDERED:

That, in accordance with the recommendation of the Public Facilities and the Finance Committees through their respective Chairs Deborah J. Crossley and Leonard J. Gentile, the transfer of the sum of seven hundred eighty-three thousand eight hundred forty-six dollars (\$783,846) from the belowd list of accounts to the Auburndale Square Traffic Improvements Account is approved as follows

FROM:

Riverside Traffic Mitigation - Auburndale Improvements	
14K101A1-593034	136,710.59
Capital Stabilization Fund	
39A104-593034	13,751.81
39B104-593034	27,061.35
Surplus Capital Project Balances - Available for Appropriation	
NSHS Athletic Field Improvements	
31I401A-593034	72,189.69
Mason Rice Sprinklers	
31P4909-593034	13,268.38
Carr Renovations	
31P5916-593034	196,458.63
Bigelow Staircase Replacement	
31Q1921-593034	1,361.25
FA Day Hot Water Heater	
31Q1923-593034	25,000.00
Fire Station #4 Windows	
38A11508-593034	8,989.60
Crafts St Garage Improvements	
38E11510-593034	10,485.38
Free Cash	
01-3497	<u>278,569.32</u>
Total	<u><u>783,846.00</u></u>

TO:

Auburndale Square Traffic Improvements	
34D001-586002	<u><u>783,846.00</u></u>

Under Suspension of Rules
Readings Waived and Approved

(SGD) DAVID A. OLSON
City Clerk

(SGD) SETTI D. WARREN
Mayor

Date: _____

CITY OF NEWTONIN BOARD OF ALDERMEN

2016

ORDERED:

That, in accordance with the recommendation of the Zoning and Planning and Finance Committees through their respective Chairs Theodore Hess-Mahan. and Leonard J. Gentile, authorization be and is hereby approved to increase the authorized number of Full Time Equivalent (FTE) positions in the Inspectional Services Department by two (2) FTE positions and that the sum of one hundred thousand dollars (\$100,000) be and is hereby appropriated from Free Cash for the purpose of funding two new full-time inspector positions within the Inspectional Services Department, be and is hereby approved as follows:

FROM:	Free Cash	
	01-3497	\$100,000
TO:	ISD Salaries	
	012202-511001	\$100,000

Under Suspension of Rules
Readings Waived and Adopted

(SGD) DAVID A. OLSON
City Clerk

(SGD) SETTI D. WARREN
Mayor

Date: _____

CITY OF NEWTON

IN BOARD OF ALDERMEN

2016

ORDERED:

That in accordance with the recommendation of His Honor the Mayor and with the confirmation of the Honorable Board of Aldermen, be it known that ELIZABETH DROMEY is hereby re-appointed as a member of the BOARD OF ASSESSORS for a term of office that will expire on February 1, 2019.

Under Suspension of Rules
Readings Waived and Approved

(SGD) DAVID A. OLSON, City Clerk

CITY OF NEWTON

IN BOARD OF ALDERMEN

2016

ORDERED:

That, in accordance with the recommendation of the Finance Committee through its Chairman Leonard J. Gentile, the sum of twenty-five thousand dollars (\$25,000) be and is hereby appropriated from Free Cash to be expended under direction and control of the of the Director of Human Resources for temporary administrative services.

FROM: Free Cash
(01-3497)..... \$25,000

TO: HR Salaries
(0110901-511001)..... \$25,000

Under Suspension of Rules
Readings Waived and Adopted

(SGD) DAVID A. OLSON
City Clerk

(SGD) SETTI D. WARREN
Mayor

Date _____

CITY OF NEWTON

IN BOARD OF ALDERMEN

2016

ORDERED:

That, in accordance with the recommendation of the Finance Committee through its Chairman Leonard J. Gentile, the sum of twenty-five thousand dollars (\$25,000) be and is hereby appropriated from Free Cash for the purpose of funding the costs associated with a retirement within the Financial Information Systems Department.

FROM: Free Cash
(01-3497)..... \$25,000

TO: FIS Salaries
(0111801-511001)..... \$25,000

Under Suspension of Rules
Readings Waived and Adopted

(SGD) DAVID A. OLSON
City Clerk

(SGD) SETTI D. WARREN
Mayor

Date _____

CITY OF NEWTON

IN BOARD OF ALDERMEN

2016

ORDERED:

That, in accordance with the recommendation of the Finance Committee through its Chairman Leonard J. Gentile, the sum of twenty-five thousand dollars (\$25,000) be and is hereby appropriated from Free Cash for the purpose of funding the costs associated with a retirement within the Assessing Department.

FROM:	Free Cash	
	(01-3497).....	\$25,000
TO:	Assessing Salaries	
	(0110601-511001).....	\$25,000

Under Suspension of Rules
Readings Waived and Adopted

(SGD) DAVID A. OLSON
City Clerk

(SGD) SETTI D. WARREN
Mayor

Date _____