CITY OF NEWTON

IN BOARD OF ALDERMEN

SPECIAL MEETING OF THE ALDERMEN
&
COMMITTEE OF THE WHOLE

WEDNESDAY, FEBRUARY 15, 2006

Present: Ald. Baker (President), Albright, Burg, Coletti, Danberg, Gentile, Harney, Hess-Mahan, Johnson, Lappin, Lennon, Linsky, Mansfield, Parker, Salvucci, Samuelson, Sangiolo, Schnipper, Vance, Weisbuch, Yates.

Also present were representatives from: the Gund Partnership; Rider, Hunt Levett and Bailey; and Turner Construction Company

From the City: Building Commissioner Nick Parnell; Chief Administrative/Chief Budget Officer Sandy Pooler; Superintendent Jeffrey Young and Comptroller David Wilkinson

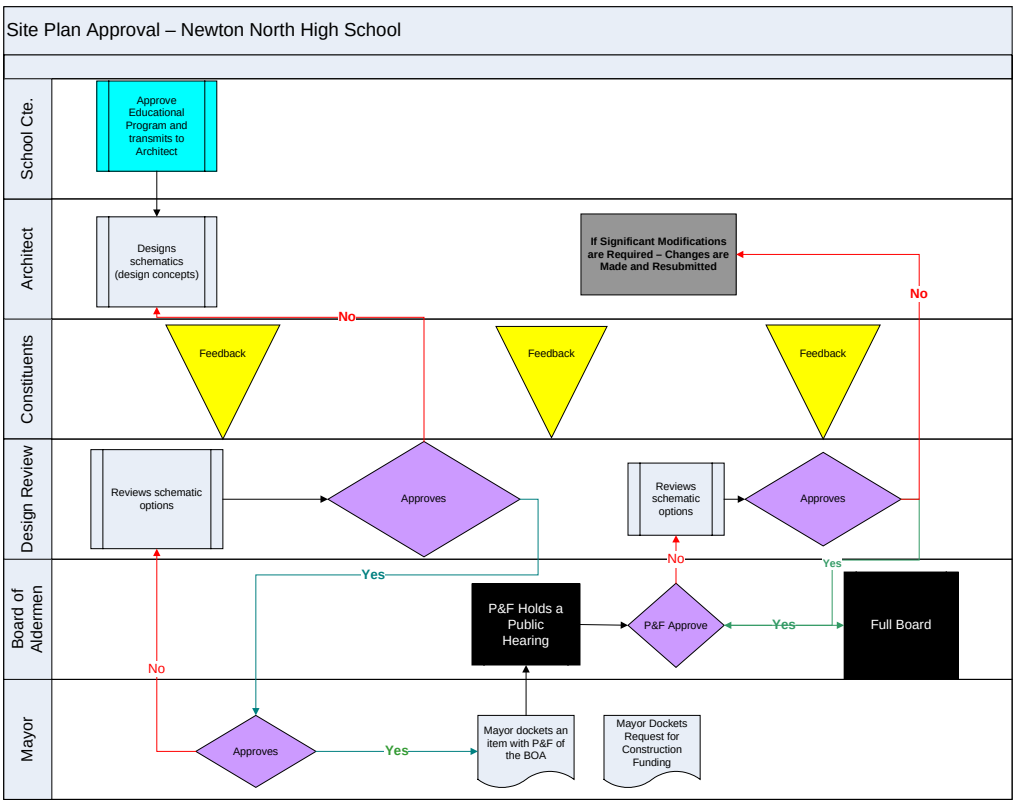
School Committee members present: Members Glick, Murphy, Larner, Yeo, Heyman, Sokoloff, Laredo, and Zaleznik

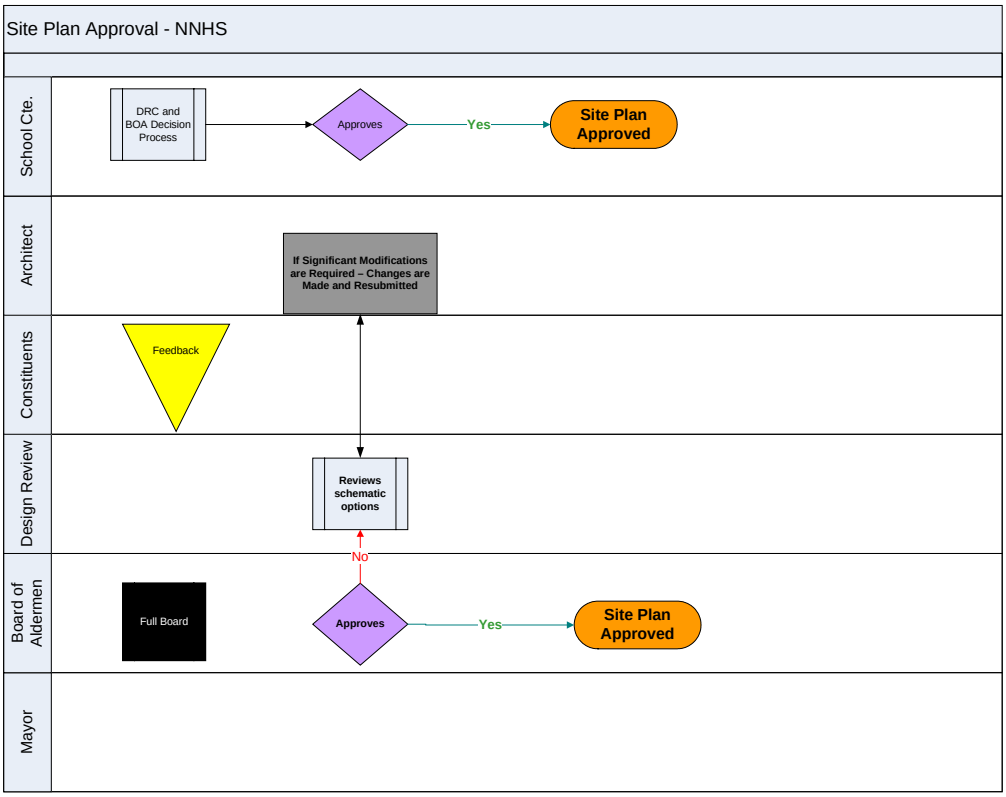
The meeting was called to order by President Lisle Baker at 7:55 p.m. A request for a suspension of the rules to allow the members of the School Committee and the design team within the rail to join the evening's discussion was made and approved. After briefly attending to some aldermanic items not admitting of delay, a motion to go into Committee of the Whole was made and seconded, and passed by voice vote.

COMMITTEE OF THE WHOLE

The President indicated that the meeting was called to continue to explore issues around the Newton North High School Project especially issues relating to design, cost, and financing. Since this meeting was not intended to include discussion of voter involvement, that discussion is scheduled to take place on March 1. Board discussions at this time are centered around providing advice to the Mayor rather than on consent to a specific proposal.

Alderman Johnson provided information on a flow chart that she developed to outline the process of approval and constituency involvement for this project, which was based on City ordinances that relate to this process. The Board's official role will not start until the Design Review Committee files a site plan for a new high school with the Board. Alderman Johnson's flow chart is provided on the next page.





Alderman Gentile asked for a confirmation of the date and time of the next Design Review Committee meeting and President Baker responded that the next Design Review

Committee meeting will occur on Thursday evening, February 16, 2006 at 7 pm in the library at Newton North High School.

Nick Parnell and Sandy Pooler presented a table with the costs and benefits of each of the options (Attachment 6 from the packet). The table is included below.

Summary of Various Newton North High School Options Compared, With Current Estimates
(as of February 15, 2006)

Issue	New School: (Walnut St., Elm St., or Center Options 1, 2, & 3)	New School + Renovated gym, pool, theater (Hybrid Option 3A)	Task Force Large Hybrid	Renovation
Cost	$139-$164 million	$139-$176 million	$115-$145 million	$95-$124 million
Occupancy date	Sept. 2009*	Sept. 2010	Sept. 2010	March 2011
State aid	$46.5 million + ?	$46.5 million + ?	?	?
Modular classroom costs	No	No	No	Yes
Educational Dislocation	Teams	Teams Gym Theater	Teams Gym Theater Cafeteria Library	Teams Gym Theater Cafeteria Library Modular Classrooms
Educational benefits	New School	New School Renovated Gym, theater, pool	New classrooms Renovated gym, theater, pool cafeteria, library	Old floor plan and renovated facilities

*Estimated cost of delay, $500,000 per month @ 5% per year

Mr. Parnell explained that renovating the school would cause a great deal of dislocation, as students must be moved out while the construction is being undertaken. The same is true for the hybrid options. The costs of the renovation and hybrid are not much less than building a new school. The new building options will have the schools completed sooner than in either of the renovation options. With the renovation or hybrid option, you will be moving students, doing construction work on a section, opening the new section and then repeating the process with the next space in the school.

The requirements of the Americans with Disabilities Act will also make the renovation options more difficult as the spaces will need to be gutted to build in the requirements. These significant upgrades push up the construction costs. The current building was built before there was ADA legislation and although modifications have been made there are still areas within the school that are inaccessible, and other areas where it is possible but difficult. Any construction or renovation will force more stringent compliance with the new ADA requirements.

Work on the HVAC problems at Newton North will require that students be removed; the HVAC problems are a problem throughout the site. The repair of the HVAC system will go beyond the threshold of cost and it will be necessary for the City to be in full compliance with accessibility requirements. This assessment is based on a formula.

President Baker stated that he would like to determine if we should entertain any further discussion on the renovation.

Alderman Vance noted that at Newton South the buildings were renovated to make them handicap accessible and was wondering why it is necessary to undertake an expensive redo of the comparable facilties at Newton North?

Mr. Parnell responded that once you touch a building and the costs exceed a certain threshold you are required by law to bring that whole facility into ADA compliance by code. To make the current North Building compliant you will have to dislocate students and programs. The studies and task force recommendations say it is better to build a new school than to try and save this school.

Alderman Coletti stated that a year ago, there was a $39 million dollar plan that met the ADA requirements and cost much less and asked what is different now?

Mr. Parnell responded that there is a long list of things that have happened and he offered to provide a list of everything that has transpired since the original Strekalovsky and Hoit, Inc., study made the suggestion to renovate. Mr. Parnell will also provide the State Code that triggers the ADA requirements and will work with the Commissioner of Inspectional Services to see if there is any ADA legislation pending that might affect the project. Sprinkler systems and seismic requirements will also need to be undertaken if we renovate the building. The figures included in the chart include the items to meet ADA code; it does not include anything that goes beyond what is required.

Alderman Coletti stated that every time we move backwards and review these renovation plans we always find ways to stick a fork in them rather than to look at them realistically.

President Baker stated that if it is the sense of the Board that we should stay with the renovation then we can do that, but that revisits a matter that we have gone through before. The question is is that something we want to do given what we currently know?

Alderman Johnson made a request to go through all of the pieces of this puzzle including Mr. Wilkinson's memo so that we can come back an talk about what makes sense, but to take one piece off the table when we haven't understood all of the pieces I found very difficult to do.

President Baker responded that that is up to the Board. He stated that the Mayor has asked for some advice from us and all of these pieces do come together. We need to take it in some orderly fashion and just ask the questions of about the renovation. As I understand it from the presentation, the renovation because of construction escalation costs, if we were to revisit it and go back that route, we have no assurance of state funding at all, we have a different building,

we have a great deal of dislocation. Does this option have any viability or is this something that we should not spend a great deal of time on?

Alderman Yates asked if the HVAC problems were a problem throughout the building and what other renovations beyond HVAC and handicapped accessibility would be needed in the theater, gym and pools?

Mr. Prokus responded that there are detailed reports that have been done that outline what needs to be done to renovate the building. All of the spaces you mention have HVAC problems. Mr. Parnell added that we will also have to do sprinklers and seismic remediation. This is all new legislation.

School Committee Member Heyman reminded the Board that there is a difference between making school buildings accessible, which we have done, and having an ADA compliant building.

Alderman Mansfield asked if it was desirable to have accessiblity to the extent that every seat in that auditorium was accessible to a handicap person, in a renovated auditorium or a new auditorium, or is it required by law.

Mr. Prokus responded that it is not required by law that every seat be accessible. It is required that there be a range of seating options throughout the auditorium that are accessible. We can no longer segregate people with disabilities to one area of the room.

President Baker asked for if there is a difference in the quality of the seating that is necessary in a new versus renovated building? Mr. Prokus responded that the requirements are identical whether it is a renovation or new construction.

Alderman Mansfield asked if we had to meet these same requirements in the renovation of Newton South?

Mr. Parnell stated that construction at Newton South included renovations to accommodate ADA requirements and it was brought up to ADA acceptable level. We were able to do that at Newton South because of the nature of the building. It is spread out over several acres and could accommodate a phased construction, although it was not easy. Commissioner Parnell will provide a cost breakdown of bringing Newton South High School up to code for the ADA, life safety, and seismic compliance during renovations.

Alderman Mansfield asked if it was possible to get a cost breakdown of those compliance issues at Newton South and Mr. Parnell responded that he would get those for him.

Alderman Schnipper stated that there is discomfort when we look at a price tag that is this enormous. She is concerned however that we are going back to square one and she can't see that happening. At the risk of all of us looking bad, I think the initial plans to renovate that building were done much too quickly. It was not until later in the process, when we began to look at phasing, did we realize that the $39 million was not an accurate number. Once we started

looking at the phasing issues it became clear that we could not do the renovation as an occupied building. There was an enormous cost to moving students, modular classrooms, moving grade levels to other school buildings. So everything stopped and we created a task force and took a year and a half that did a very careful and thoughtful study that came to the conclusion that maybe we could salvage common spaces, but that the design of Newton North relative to the classrooms was poor. To spend that huge amount of money and still not have windows or natural light did not make sense. Their Hybrid had all new classrooms and renovated common spaces, but when that was priced the cost was so close to a new building that we began to go down the path of a new building. We don't want to renovate that building. I thought we put this to rest. I thought we were ready to go forward with something else. If we spend another year talking about the cost, the cost will go up. The longer we delay the more costly it will be. Renovating Newton North is not going to give you the quality high school that this community wants.

Alderman Gentile responded to Alderman Schnipper's point on the cost of delay that the cost estimator indicated that the cost of delay will be $500,000 per month. If you were to plug in an inflation factor of 10% then that cost rises to over $1 million per month.

Alderman Gentile asked if the costs estimates included just what needed to be done to get the building into ADA compliance, or did it add bells and whistles? Mr. Parnell responded that it covered what was necessary to conform to existing law.

A renovation option does not have any guarantee of State funding. Delaying the process will add costs in the order of $250,000 to $500,000 per month. The longer the delay the more it will cost.

There was some concern that if the Board endorses an option the Board will preempt the Design Review Committee. Alderman Gentile cautioned that we let the others involved do their job. We should focus right now on the financing. Aldermen Lappin and Linsky agree that the Board needs to focus on the financing right now.

Alderman Linsky asked what are the operating costs for each of the building options? Can these figures be quantified?

Mr. Prokus responded that this is part of the life cycle cost analysis of the building including the mechanical systems and building materials. This is the next step, which has just been started. This will include the Sustainable Buildings Committee Report, which will meet at 8 am on Thursday, February 16. Those reports are being prepared. The long term operating costs can be lowered through the design and materials in a new building. If the City chooses a new building option we will start with a clean slate.

Alderman Parker wondered if there were some miscalculations made in the initial Rider Hunt Levett and Bailey analysis because the costs seem to be much higher than other projects in nearby communities. Calculations were reconfigured by Alderman Parker to adjust the numbers for construction and soft costs.

Craig Holmes from Rider, Hunt, Levett and Bailey responded that if the costs are accurate then the hope would be that the school could be built on the lower end of the scale. Site work is a significant cost and Mr. Holmes was not sure if costs for site work were included in the costs for other projects. In Newton it will be approximately $12,000,000 – all 27 acres will need a complete makeover. The standard rate that was used in the cost estimation was about $215 per square foot, which is in line with the other figures that Alderman Parker has, but there will be additional costs for science and facilities blocks. Inflation and escalation factors need to be included in the costs. Mr. Holmes will review Alderman Parker's document, compare it to about 20 other schools and provide comment. It must be kept in mind that the cost estimates are based on concept designs, not an actual building. The figures provide their true value at this point as comparison between the four concepts. Mr Pooler reminded that Board that Mr. Holmes numbers, at this point, are only for comparison and are only relative. Better numbers will be available once there is an actual design.

Table from Page 2 of Rider Hunt 12/23/05 report:

Massachusetts High Schools	GFA	Construction or Estimate Date	Construction Cost	Equivalent to 2005 Cost	Original $ rate/SF	End 2005 $ rate/SF
Hopkinton HS	190,000	2001	$34,700,000	$42,909,000	$182.63	$225.84
Wayland HS	234,213	2004	$51,434,000	$55,034,000	$219.60	$234.97
Marblehead HS	215,000	2002	$43,000,000	$51,623,000	$200.00	$240.11
Hudson HS	200,000	2003	$41,500,000	$48,846,000	$207.50	$244.23
Lincoln Sudbury HS	347,000	2003	$73,900,000	$86,980,000	$212.97	$250.66
Newton North HS with Site Allowance	388,131	2005	$100,347,000	$100,347,000	$258.54	$258.54
Groton HS	164,750	2003	$36,275,000	$42,696,000	$220.18	$259.16

Table Corrected with Actual Construction Costs and GFA:

Massachusetts High Schools	GFA	Construction or Estimate Date	Construction Cost	Equivalent to 2005 Cost	Original $ rate/SF	End 2005 $ rate/SF
Hopkinton HS	190,000	2001	$27,800,000	$34,376,663	$146.32	$180.93
Wayland HS	234,213	2004	$41,349,806	$44,243,987	$176.55	$188.90
Marblehead HS	215,000	2002	$35,500,000	$42,618,988	$165.12	$198.23
Hudson HS	218,000	2003	$35,039,000	$41,241,325	$160.73	$189.18
Lincoln Sudbury HS	347,000	2003	$56,000,000	$65,911,773	$161.38	$189.95
Newton North HS	388,131	2005	$86,000,000	$86,000,000	$221.57	$221.57
Groton HS	143,000	2003	$27,000,000	$31,779,242	$188.81	$222.23
Average (excluding NNHS)						$194.90
Add 25% Soft costs						*$48.73*
Subtotal with Soft Costs						$243.63
Add low-end (6%) inlation factor						*$14.62*
Total cost/sf of NNHS with 6% inflation factor						$258.25
Total cost of 399,000 sf NNHS with 6% inflation factor						**$103,040,774.90**
Add high-end (20%) inlation factor						*$48.73*
Total cost/sf of NNHS with 20% inflation factor						$292.36
Total cost of 399,000 sf NNHS with 20% inflation factor						**$116,649,933.85**

Table submitted by Alderman Parker

Alderman Parker stated that he supported a new high school, let's not muck around with the old building. It is more cost efficient and better for the kids to build new.

Alderman Johnson asked if new copies of the Gund matrix could be put in Aldermen's packets for the next meeting, because the black and white copies were hard to read. This matrix is attached and available in color on the web at www.ci.newton.ma.us/HSTF/design5.pdf

Alderman Coletti asked how much of the money that was appropriated for design work has been spent. Mr. Parnell responded that he did not have exact figures tonight, but it was in the ballpark of $200,000.

President Baker asked if there a significant cost differential between the three new school options?

Mr. Prokus stated that the only difference between the four options is site costs and depends on if the football field stays where it is or is relocated. In the hybrid scheme, we keep part of the existing school so that has a bearing on cost as well. Phasing will also have a bearing on cost.

Alderman Weisbuch asked if the S-curve on Walnut Street in Option 3 be addressed?

Mr. Prokos responded that their Traffic Engineer has done some detailed studies that show what will have to happen to make this a safe entry point and those options were presented to the Design Review Committee last week.

Alderman Albright offered information on a new high school that is being built in Philadelphia that is scheduled to open in September. It has been designed for 700 students at a cost of $152 million at today's cost. She asked that the board please factor that number into the data bank to put this into perspective.

Alderman Vance stated that the cost estimations are important to look. He believes it is important to start out with an indication to the Mayor, the administration, and the architects as to what the budget is going to be that we will expect them to design to, rather than the reverse.

Alderman Salvucci asked how can we determine the cost if we don't know what the building is going to look like? The fact is that we don't know what is going to be built, or where it is going. Let the Design Review Committee do its job. Let them come to us to say this is the building that you should build. We are making a mistake by forecasting our costs before putting the building in. If there is $160 million on the table, what contractor is going to come in with a lesser figure?

Alderman Salvucci agreed with Alderman Schnipper about the renovation. It was a piece of junk since the day they opened it. Take it off the chart. He wants to know however where the money is coming from. Is the State going to give us more? We are all ready for a new building, but can we afford it? We have to I guess, what alternative do we have?

Mr. Pooler provided information on reimbursement from the School Building Assistance Fund. The state will give Newton $46.5 million dollars for a new school. In the hybrid option 3a, the guess is that they will reimburse at the same rate. The large Hybrid and the Renovation projects are substantially different questions. The Administration does not know what the State would say if the City went back to them and said that we changed our mind again. Given their present attitude, the Administration is concerned that the State would not fund it. We do not know and we do not have a good way of knowing what they will do. They have not indicated at this time that they will give us any additional money. About 80 other communities are in the same situation.

Alderman Burg asked if running a new, as opposed to renovated high school, is that it is less expensive over the decades to run a new building. Is that correct?

Mr. Prokus responded that that was correct. We have more options for materials and design if we start fresh.

Alderman Sangiolo asked if these numbers include sustainable design, green building philosophy and components?

Mr. Holmes responded that there is a 1% allowance for sustainable design that has been included in the cost estimates.

Alderman Danberg commented that she hopes that we can put to rest whether we are going to build a new building or renovate, the current building must be looked at in the context of time. It was built at a time of student unrest and was designed, like other public buildings of the time, with few windows and controlled entry in order to protect the students inside. HVAC was brand new and it never worked in this school. The building can not be renovated to any standard that we can live in now. We need to move on and build a new building and not try to toy with the idea of renovation.

Alderman Danberg asked Mr. Holmes about what a 1.41 multiplier factor mean?

Mr. Holmes responded that the program area that has been requested by the School Committee has been multiplied by a factor of 1.41 to allow for the spaces needed for things like corridors, entry spaces, lobbies, mechanical rooms and toilet facilities; everything that is not shown as program space but is necessary to the running of the school. The design team has designed a building that has an effectiveness rating of 70%. The design team can achieve this type of effectiveness with a new building, which is on the leading edge of what you find in new school buildings. However, it is not possible to achieve this effectiveness in a renovated school.

Note; After the discussion of building options concluded, the meeting turned to discussing how a new school might be financed and its implications. The following are some of the questions raised and the answers given, with some of the answers coming from Mr. Wilkinson or Mr. Pooler.

Massachusetts Department of Revenue
Division of Local Services
Municipal Databank/Local Aid Section

Fiscal Year 2004 Municipal Debt
Aaa rated communities

Municipality	Total Debt Service	Debt Service as % of Budget
ANDOVER	12,418,407	11.11
BELMONT	4,416,576	5.80
BROOKLINE	21,187,201	11.78
CAMBRIDGE	37,263,293	9.62
CONCORD	5,068,732	9.10
DOVER	2,101,739	9.67
HINGHAM	5,395,205	8.48
LEXINGTON	9,794,614	8.33
NEWTON	8,422,815	3.05
WAYLAND	4,391,758	8.33
WELLESLEY	4,998,657	6.08
WESTON	6,819,680	12.06
WINCHESTER	4,207,094	6.19
State Average	9,729,675	8.43

Table provided by Mr. Pooler.

The impact of the school project on the operating budget.

Mr. Pooler noted that he has been asked how the City can we afford to take money from operating and put it in capital? He states that Newton has historically spent 3% on capital. It is below the rates of the other AAA rated communities in the state.

Mr. Pooler responded to the question asked by Aldermen who asked if the City can sell debt now and get interest rates at a lower rate than in the future? Mr. Pooler noted that this is arbitrage and you cannot hold the money. You must spend all of the money within two years. You cannot make money off the U.S. Treasury. The timing of this is critical and we will need to contract out our arbitrage work.

Another question that has come up was whether we can buy materials early to save money? Mr. Pooler responded that this is part of the process and the Construction Manager at Risk can help with this.

Alderman Parker as that if we put a debt exclusion question on the ballot, would debt exclusion allow us to improve cash flow to avoid bond anticipation notes?

Mr. Pooler responded no, bond proceeds must be expended within 18 months of issuance to avoid Federal arbitrage penalties. Bond anticipation notes are a necessary debt management tool under any financial plan.

Once the project is underway, the School Building Authority will do a pay as you go system. Once a project is going and construction is moving forward, you submit an invoice and they will write a check so that we can avoid Bond Anticipation Notes and early bonding that we would do under the old system. Therefore, the rules have completely changed. There should be no need to sell substantial bond anticipation notes. Maybe in the first year with the design money the City would sell bond anticipation notes, as the School Building Authority money would not yet be available. Once we are in construction, we will not sell Bond Anticipation Notes. Newton has chosen to keep its debt services at low levels to keep revenue available for the operating budget.

Alderman Vance asked if communities like Lexington have such higher rates how do they still have excellent schools? How are those communities able to devote so much more of their resources to debt service on Capital projects?

Mr. Pooler responded that these communities have done debt exclusion overrides. This boosts things up. We need to determine what the right base number is for Newton. Mr. Pooler's argument is that 3% is too low. The average is in the 3% to 5% range.

The City will be borrowing the difference between what the total cost of the project is and what the state reimburses the City. It could be in the range of $100,000,000.

Alderman Lappin asked how do we support this project with new growth when statistics show that population growth in Newton will be stagnant. Is there another plan other than new growth?

Mr. Pooler responded that the money can come out of any revenue source as long as the money is there. Population increases translate into higher school enrollment and costs will increase. Tax growth has occurred even though we have been built out for 20 years. As long as we maintain the city as a place where people want to move because we provide excellent services, people will buy houses and renovate houses. Large projects continue to happen. Building permit income is up over budget already this year. There is no new source of funding at this time.

Mr. Wilkinson's analysis deals solely with the General Fund Operating Budget of the City, not the entire budget. This is currently about a quarter of a million dollars and is evenly split between the schools and the rest of the City. The City will see a 3% revenue growth per year for the foreseeable future. The bulk of the revenue growth will come through property taxes, as Sandy has previously explained. This includes 2 ½% per year in growth from the normal Proposition 2 ½ allowance for growth, and an assumption of $2 million in new construction growth. The other major factor in the property tax growth is an assumption that we are going to have about a 1.4% allowance for abatements and exemptions.

CITY OF NEWTON, MASSACHUSETTS
MAYOR'S MULTI-YEAR CAPITAL FINANCING PLAN
IMPACT ON ANNUAL OPERATING BUDGET RESOURCES

	Column 1	*Column 2*	*Column 3*	*Column 4*	*Column 5*
	Available for Annual Operating Budget			Analysis of Operating Budget Impact	
Year	Current Plan {1}	Mayor's Proposal {2}	Operating Budget Impact	High School Project	Other Capital
2006	$ 236,237,014	$ 236,237,014	$ -	$ -	$ -
2007	244,430,059	244,180,059	(250,000)	(198,539)	(51,461)
2008	251,497,928	250,547,928	(950,000)	(754,450)	(195,550)
2009	259,291,402	257,221,560	(2,069,842)	(1,643,782)	(426,060)
2010	265,462,077	263,789,944	(1,672,133)	(1,327,937)	(344,196)
2011	271,730,686	270,713,132	(1,017,554)	(808,099)	(209,455)
2012	279,592,149	278,389,673	(1,202,476)	(954,956)	(247,520)
2013	287,649,070	286,269,536	(1,379,534)	(1,095,568)	(283,966)
2014	295,659,214	293,076,037	(2,583,176)	(2,051,450)	(531,726)
2015	304,121,776	300,224,344	(3,897,432)	(3,095,176)	(802,256)
2016	312,794,767	308,730,945	(4,063,822)	(3,227,316)	(836,506)
2017	321,683,424	317,735,020	(3,948,404)	(3,135,656)	(812,748)
2018	330,102,196	326,259,440	(3,842,756)	(3,051,755)	(791,001)
2019	339,438,437	335,727,046	(3,711,391)	(2,947,430)	(763,961)
2020	349,006,865	345,567,771	(3,439,094)	(2,731,183)	(707,911)
2021	358,813,263	355,530,727	(3,282,536)	(2,606,851)	(675,685)
2022	368,863,558	365,748,333	(3,115,224)	(2,473,980)	(641,244)
2023	379,163,825	376,227,164	(2,936,661)	(2,332,172)	(604,489)
2024	389,720,291	386,973,946	(2,746,345)	(2,181,031)	(565,314)
2025	400,539,339	397,994,575	(2,544,764)	(2,020,944)	(523,820)
2026	411,627,508	409,295,853	(2,331,656)	(1,851,702)	(479,954)
2027	422,991,504	420,956,507	(2,034,997)	(1,616,108)	(418,889)
2028	434,638,198	433,017,518	(1,620,680)	(1,287,076)	(333,604)
2029	446,574,634	444,956,681	(1,617,952)	(1,284,910)	(333,042)
2030	$ 458,808,029	$ 457,272,519	$ (1,535,510)	(1,219,437)	(316,073)

Table provided by Mr. Wilkinson

Financial reserves need to be rebuilt and any growth in building permits, investment income and municipal lien certificate revenues will be dedicated to rebuilding the financial reserves. State Aid is so fickle from year to year that it is impossible to guess what the legislature will do. The forecast assumes no new funding for future school projects.

The amount of free cash used to support the budget will decline by $500,000 per year. This is necessary to get the financial reserves back up to where they need to be for the credit rating agencies and our own peace of mind.

The $250,000,000 general fund budget is expected to grow by about $7,000,000 per year, which is about 3% of revenue. 3% of revenues have been committed over the last year to pay debt service or to pay as you go capital financing, or putting it aside in the capital stabilization fund for future projects.

In David Wilkinson's table Column 1 represents status quo. Column 2 represents what will be available if the Mayor's recommendation is accepted. Column 3 represents the difference between the two plans. Column 4 and 5 show what proportion of Column 3 is applicable to the high school project and what proportion is available for other capital projects.

It is hard to put this revenue loss into perspective. If we stay on the status quo each year, we will have about $7 million. Out of that $7 million, about $3.5 million will be absorbed by normal increases in the City's defined benefit pension plan schedule and group health insurance costs, which grow at about 10% a year. The other $3.5 million is just about enough to finance a 2% collective bargaining adjustment and escalating energy costs. Column 3 represents the amount of money that we would not have for those items. The decision is to what extent are you comfortable foregoing those types of increases in the operating budget so that you can allow growth in the capital budget.

Alderman Coletti asked about the City's history on debt ceiling. What is the limit and where will the City be if it implements this?

Mr. Wilkinson responded that there are two measures that are typically looked at when you look at debt loads. One is the percentage of your budget that you allocate to debt service. (This refers to Mr. Pooler's table showing debt service in surrounding communities.) Credit rating agencies get concerned when they see the percentage of the budget equaling or exceeding 10% for debt service. Newton is currently a little over 3%. This plan does not significantly move us off that target. The other debt ceiling is a statutory limit on the amount of debt that you can incur and it is 2.5% of the total taxable value of the City, which is about $475 million dollars, and the City would be well under. We do not have a problem with the absolute amount of debt that we have. The problem is with servicing new debt that we take on because we are stretched thin both in terms of our operating reserves and the operating budget itself. One of the reasons is in Newton the percentage of the budget that is devoted to debt service is smaller than other communities because Newton has consciously had a policy of paying that debt back rapidly. You could always make the argument that you could borrow up to the lifespan of the asset, but Newton always wanted to keep its maturities to ten years. Therefore, the City was constantly repaying the debt and taking on new debt and did not have to have a lot of outstanding debt.

The assumptions about the School Building Assistance reimbursements are as follows: projects that are currently under payment are included in the forecast. It is assumed that the Tier 1 Elementary Schools Project not currently under payment will enter in the revenue stream within two years. $44.6 million from Newton North reimbursement does not enter into the general fund revenue stream. Due to the new rules those moneys come to the city and will be used in the capital improvement funds, which will be used to reduce any bond anticipation notes that are out there or to pay construction costs. The model does not count on any future reimbursement money.

The decisions about this plan include making choices about how much the operating budget can grow over this period of time and about staffing and service delivery.

Alderman Vance asked if the $4.5 million to be used for other capital projects is based on capital needs?

Mr. Pooler responded that it is the number left over given what we could afford.

Alderman Sangiolo asked how are we going to meet our operating budget needs over time?

Mr. Pooler suggested that choices will need to be made and the fundamental issue going forward is how you allocate resources and how you split health insurance costs between the employees and the city. It will be a constant area of discussion.

Alderman Sangiolo then asked what does this mean per year for personnel cuts? If the City builds a new high school but cannot staff it, what is the point? How much of a negative impact is there going to be on services?

Mr. Pooler responded that FY06 is the first year the City started borrowing money for other capital projects. It is how the City funded some repairs to the firehouses, a new fire engine, and school projects, but this is the first year we have done it in a long time and it is part of the plan. This money was not available last year.

When permits and fees exceed budget it helps our free cash position but it does not help the new growth figures. Health Care costs have increased 10 to 11% over the last 10 years. No one can sustain that over time. We give 2% in wage increases and the healthcare cost increases are another 1%. The forecast assumed a $400,000 a year increase in the pension plan and healthcare increases at 10%.

President Baker thanked Mr. Wilkinson and Mr. Pooler for putting together this data. The information that we have seen is obviously that to build a new school is expensive and paying for it will have an impact on the operating budget. It will mean that there is less room for other things to be carried. We have little alternative, we have to do something.

If there are other questions on the financing, or getting the sentiment of the public, submit them to the Clerk of the Board who will consolidate them and try to have the answers to them by March 1st.

Alderman Sangiolo, as chair of the Design Advisory, will be organizing a trip to Lawrence High School for those interested.

MATRIX OF SITE PLANNING CONSIDERATIONS

GUND PARTNERSHIP 2/8/06

	Scheme 1	Scheme 2	Scheme 3	Scheme 3a
Program Metrics				
Flat area available for fields and parking	**801K sf**	**913K sf**	**978K sf**	**925K sf**
Field and court orientation	**Fair**- all fields and courts could have good orientation except for the football stadium. Tennis courts are not together.	**Fair**- all fields and courts could have good orientation except for the football stadium	**Best** - all fields and courts could have good orientation. Fields are proximate to the building. Tennis courts are not together	**Good**- all fields and courts could have good orientation
Outdoor Gathering spaces				
	Poor - Limited available terrace space. Students may gather on Walnut	**Fair** - Outdoor space in center of site oriented to fields on one side and parking on the other	**Best** - Generous terrace overlooks stadium in bowl. Court oriented to theater and front fields	**Poor** - Limited available terrace space is mostly at parking lot on Lowell
Parking				
Parking spaces	**410 spaces**	**483 spaces**	**370 spaces**	**374 spaces**
Parking Aesthetics	**Poor** - Parking lots line Walnut and Lowell Streets	**Poor** - Parking in front of Lowell street façade and along Walnut	**Best** - Spreads out parking	**Poor** - Parking in front of Lowell street façade and along Walnut
Conflict with site features				
Conflict with Underground structures	**Poor** - Built over culvert, tunnels and possibly remaining foundations.	**Fair** - Avoids culvert and some tunnels. Built over some tunnels and possibly remaining foundation	**Good** - Avoids culvert and tunnels. Built over possibly remaining foundation.	**Best** - Avoids all underground structures
Conflict with flood area	**Poor** - Building is in potential flood area.	**Best** - Building is out of potential flood area	**Best** - Building is out of potential flood area	**Best** - Building is out of potential flood area
Conflict with existing building - Phasing	**Best** - All new construction. Farthest from existing school	**Good** - All new construction.	**Good** - All new Construction	**Poor** - Need to build near existing building and schedule swing space
Sustainability Issues				
Solar Orientation	**Good** - 3 wings face north or south	**Best** - Majority of school faces north or south.	**Good** - 3 wings face north or south. Compact shape allows articulation of facades for best exposure.	**Poor** - facades face predominantly east and west. Narrow shape limits opportunities for façade articulation
Energy	**Good -** Ability to use passive solar heating	**Good -** Ability to use passive solar heating	**Best -** Ability to use passive solar heating. Reduced exposed façade and roof limits heat loss and heat gain	**Poor -** limited ability to use passive solar. Long narrow floor plate increase building envelope loads.
Air Quality	**Poor -** Air intakes likely to be near sources of pollutants (traffic, cars)	**Poor -** Air intakes likely to be near sources of pollutants (traffic, cars)	**Best -** Air intakes can be isolated from likely sources of pollutants (traffic, cars)	**Good -** Air intakes likely to be away from sources of pollutants (traffic, cars)
Shadows on neighborhood	**Good** - Shadows have limited impact on neighborhood	**Poor** - Shadows have significant impact on neighborhood	**Best** - Shadows have minimal impact on neighborhood	**Good** - Shadows have limited impact on neighborhood
Stormwater/Site Imperviousness/Green Space	**Poor -** Increase in paved area increases stormwater runoff.	**Poor -** Increase in paved area increases stormwater runoff.	**Best -** limited building footprint maximizes green space, reduces site imperviousness, creating improved stormwater management opportunities.	**Good -** no net increase in paved area, limits impact on runoff
Relation to prevailing Winds	**Good -** Portions of the building can capture warm breezes. Field to the west allow microclimate cooling of breeze. Neighborhood may block breezes to north section of building.	**Poor -** Orientation captures cool weather winds, but does not take advantage of prevailing winds in milder weather.	**Best -** Building can take full advantage of warm breezes. Field to the west allow microclimate cooling of breeze.	**Good -** Portions of the building can capture warm breezes. Neighborhood may block some breezes
Possible Daylighting of Stream	**Poor -** Building conflicts with existing culvert	**Best -** Building does not impact existing culvert	**Best -** Building does not impact existing culvert	**Best -** Building does not impact existing culvert
LEED Issues - Parking Capacity	**Poor -** Increase in number of parking spaces conflicts with LEED goals	**Poor -** Increase in number of parking spaces conflicts with LEED goals	**Best -** No net increase in parking, per LEED goals	**Best -** No net increase in parking, per LEED goals
LEED Issues - Urban Heat Island	**Poor -** Increased paved area adds to heat island effect	**Poor -** Increased paved area adds to heat island effect	**Best -** limited footprint, with portion of building underground reduces heat island producing surfaces	**Good -** no net increase in paved area, limits impact on heat island effect
LEED Issues - Light Pollution	**Good -** Credit can be achieved, but light trespass to neighbors may be tricky issue	**Good -** Credit can be achieved, but light trespass to neighbors may be tricky issue	**Best -** Building location minimizes light trespass issues.	**Good -** Credit can be achieved, but light trespass to neighbors may be tricky issue
LEED Issues - Building Reuse	**Poor-** Scheme does not attempt to reuse existing building	**Poor -** Scheme does not attempt to reuse existing building	**Poor-** Scheme does not attempt to reuse existing building	**Good -** Some opportunities for building reuse exist.
Renewable Energy Opportunities	**Good -** All Schemes provide opportunities for wind and solar	**Good -** All Schemes provide opportunities for wind and solar	**Good -** All Schemes provide opportunities for wind and solar	**Good -** All Schemes provide opportunities for wind and solar
Scale Issues				
	Poor - Though only 3 stories, building jumps up scale at Walnut street	**Good** - Building has short end to Walnut and Lowell streets, but is over scaled when viewed from the north on Walnut and Elm streets.	**Best** - Building held back from streets and has 1/3 of mass hidden in ground	**Poor** - Building preserves big featureless forms on Lowell Street
Traffic Access				
Traffic Impact on surroundings	**Good** - Access is distributed to multiple points so as not to unduly burden any single abutter constituency. .	**Good** - Access is distributed to multiple points so as not to unduly burden any single abutter constituency.	**Good**- Access is distributed to multiple points so as not to unduly burden any single abutter constituency. Walnut Street access is concentrated at one location to make delays predictable for through traffic, safer for pedestrians and school users, and reduce overall friction on Lowell Avenue and Walnut Street.	**Best -** Access is distributed to multiple points so as not to unduly burden any single abutter constituency. Lowell Avenue access is concentrated at one location to make delays predictable for through traffic, safer for pedestrians and school users, and reduce overall friction on Lowell Avenue.
Access to Newton at large	**Best** - Takes advantage of natural access desire line and most capable transportation infrastructure	**Good -** Takes advantage of natural access desire line and most capable transportation infrastructure.	**Good** - Takes advantage of natural access desire line and most capable transportation infrastructure.	**Fair -** Building is removed from Walnut Street and does not take advantage of natural access desire line and most capable transportation infrastructure.
Access to program on Site	**Poor -** Direct access to Athletic complex is necessarily limited for parking and busses.	**Fair -** Potential conflict between school and athletics busses on Elm St.	**Best** - No apparent access problems	**Best** - No apparent access problems
Project Cost / cost items				
	$9m Premium - Build on existing tunnels, culvert and on possibly remaining foundations. Address potential flooding of building.	**$9m Premium**- Build on existing tunnels and on possibly remaining foundation	**$10m Premium**- Build new sunken stadium. Build on possibly remaining foundation	**$0m Base** - Re use 100Ksf of existing building. Build new stadium

MATRIX OF SITE PLANNING CONSIDERATIONS

GUND PARTNERSHIP 2/8/06

	Scheme 1	Scheme 2	Scheme 3	Scheme 3a
Program Metrics				
Flat area available for fields and parking	**801K sf**	**913K sf**	**978K sf**	**925K sf**
Field and court orientation	**Fair**- all fields and courts could have good orientation except for the football stadium. Tennis courts are not together.	**Fair**- all fields and courts could have good orientation except for the football stadium	**Best** - all fields and courts could have good orientation. Fields are proximate to the building. Tennis courts are not together	**Good-** all fields and courts could have good orientation
Outdoor Gathering spaces				
	Poor - Limited available terrace space. Students may gather on Walnut	**Fair** - Outdoor space in center of site oriented to fields on one side and parking on the other	**Best** - Generous terrace overlooks stadium in bowl. Court oriented to theater and front fields	**Poor** - Limited available terrace space is mostly at parking lot on Lowell
Parking				
Parking spaces	**410 spaces**	**483 spaces**	**370 spaces**	**374 spaces**
Parking Aesthetics	**Poor** - Parking lots line Walnut and Lowell Streets	**Poor** - Parking in front of Lowell street façade and along Walnut	**Best** - Spreads out parking	**Poor** - Parking in front of Lowell street façade and along Walnut
Conflict with site features				
Conflict with Underground structures	**Poor** - Built over culvert, tunnels and possibly remaining foundations.	**Fair** - Avoids culvert and some tunnels. Built over some tunnels and possibly remaining foundation	**Good** - Avoids culvert and tunnels. Built over possibly remaining foundation.	**Best** - Avoids all underground structures
Conflict with flood area	**Poor** - Building is in potential flood area.	**Best** - Building is out of potential flood area	**Best** - Building is out of potential flood area	**Best** - Building is out of potential flood area
Conflict with existing building - Phasing	**Best** - All new construction. Farthest from existing school	**Good** - All new construction.	**Good** - All new Construction	**Poor** - Need to build near existing building and schedule swing space

MATRIX OF SITE PLANNING CONSIDERATIONS

GUND PARTNERSHIP 2/8/06

	Scheme 1	Scheme 2	Scheme 3	Scheme 3a
Sustainability Issues				
Solar Orientation	**Good** - 3 wings face north or south	**Best** - Majority of school faces north or south.	**Good** - 3 wings face north or south. Compact shape allows articulation of facades for best exposure.	**Poor** - facades face predominantly east and west. Narrow shape limits opportunities for façade articulation
Energy	**Good -** Ability to use passive solar heating	**Good -** Ability to use passive solar heating	**Best -** Ability to use passive solar heating. Reduced exposed façade and roof limits heat loss and heat gain	**Poor -** limited ability to use passive solar. Long narrow floor plate increase building envelope loads.
Air Quality	**Poor -** Air intakes likely to be near sources of pollutants (traffic, cars)	**Poor -** Air intakes likely to be near sources of pollutants (traffic, cars)	**Best -** Air intakes can be isolated from likely sources of pollutants (traffic, cars)	**Good -** Air intakes likely to be away from sources of pollutants (traffic, cars)
Shadows on neighborhood	**Good** - Shadows have limited impact on neighborhood	**Poor** - Shadows have significant impact on neighborhood	**Best** - Shadows have minimal impact on neighborhood	**Good** - Shadows have limited impact on neighborhood
Stormwater/Site Imperviousness/Green Space	**Poor -** Increase in paved area increases stormwater runoff.	**Poor -** Increase in paved area increases stormwater runoff.	**Best -** limited building footprint maximizes green space, reduces site imperviousness, creating improved stormwater management opportunities.	**Good -** no net increase in paved area, limits impact on runoff
Relation to prevailing Winds	**Good -** Portions of the building can capture warm breezes. Field to the west allow microclimate cooling of breeze. Neighborhood may block breezes to north section of building.	**Poor -** Orientation captures cool weather winds, but does not take advantage of prevailing winds in milder weather.	**Best -** Building can take full advantage of warm breezes. Field to the west allow microclimate cooling of breeze.	**Good -** Portions of the building can capture warm breezes. Neighborhood may block some breezes
Possible Daylighting of Stream	**Poor -** Building conflicts with existing culvert	**Best -** Building does not impact existing culvert	**Best -** Building does not impact existing culvert	**Best -** Building does not impact existing culvert
LEED Issues - Parking Capacity	**Poor -** Increase in number of parking spaces conflicts with LEED goals	**Poor -** Increase in number of parking spaces conflicts with LEED goals	**Best -** No net increase in parking, per LEED goals	**Best -** No net increase in parking, per LEED goals
LEED Issues - Urban Heat Island	**Poor -** Increased paved area adds to heat island effect	**Poor -** Increased paved area adds to heat island effect	**Best -** limited footprint, with portion of building underground reduces heat island producing surfaces	**Good -** no net increase in paved area, limits impact on heat island effect
LEED Issues - Light Pollution	**Good -** Credit can be achieved, but light trespass to neighbors may be tricky issue	**Good -** Credit can be achieved, but light trespass to neighbors may be tricky issue	**Best -** Building location minimizes light trespass issues.	**Good -** Credit can be achieved, but light trespass to neighbors may be tricky issue
LEED Issues - Building Reuse	**Poor-** Scheme does not attempt to reuse existing building	**Poor -** Scheme does not attempt to reuse existing building	**Poor-** Scheme does not attempt to reuse existing building	**Good -** Some opportunities for building reuse exist.
Renewable Energy Opportunities	**Good -** All Schemes provide opportunities for wind and solar	**Good -** All Schemes provide opportunities for wind and solar	**Good -** All Schemes provide opportunities for wind and solar	**Good -** All Schemes provide opportunities for wind and solar

MATRIX OF SITE PLANNING CONSIDERATIONS

GUND PARTNERSHIP 2/8/06

	Scheme 1	Scheme 2	Scheme 3	Scheme 3a
Scale Issues				
	Poor - Though only 3 stories, building jumps up scale at Walnut street	**Good** - Building has short end to Walnut and Lowell streets, but is over scaled when viewed from the north on Walnut and Elm streets.	**Best** - Building held back from streets and has 1/3 of mass hidden in ground	**Poor** - Building preserves big featureless forms on Lowell Street
Traffic Access				
Traffic Impact on surroundings	**Good** - Access is distributed to multiple points so as not to unduly burden any single abutter constituency. .	**Good** - Access is distributed to multiple points so as not to unduly burden any single abutter constituency.	**Good**- Access is distributed to multiple points so as not to unduly burden any single abutter constituency. Walnut Street access is concentrated at one location to make delays predictable for through traffic, safer for pedestrians and school users, and reduce overall friction on Lowell Avenue and Walnut Street.	**Best -** Access is distributed to multiple points so as not to unduly burden any single abutter constituency. Lowell Avenue access is concentrated at one location to make delays predictable for through traffic, safer for pedestrians and school users, and reduce overall friction on Lowell Avenue.
Access to Newton at large	**Best** - Takes advantage of natural access desire line and most capable transportation infrastructure	**Good -** Takes advantage of natural access desire line and most capable transportation infrastructure.	**Good** - Takes advantage of natural access desire line and most capable transportation infrastructure.	**Fair -** Building is removed from Walnut Street and does not take advantage of natural access desire line and most capable transportation infrastructure.
Access to program on Site	**Poor -** Direct access to Athletic complex is necessarily limited for parking and busses.	**Fair -** Potential conflict between school and athletics busses on Elm St.	**Best -** No apparent access problems	**Best** - No apparent access problems
Project Cost / cost items				
	$9m Premium - Build on existing tunnels, culvert and on possibly remaining foundations. Address potential flooding of building.	**$9m Premium**- Build on existing tunnels and on possibly remaining foundation	**$10m Premium**- Build new sunken stadium. Build on possibly remaining foundation	**$0m Base** - Re use 100Ksf of existing building. Build new stadium