


BOARD OF ALDERMEN

City of Newton
Massachusetts

INTER-OFFICE CORRESPONDENCE

To: Honorable Board of Aldermen
From: President Lisle Baker 
Date: February 24, 2006
Subject: Responses to Questions

Please find attached responses to questions submitted for your review last week. Mr. Pooler, Mr. Parnell and Mr. Wilkinson have prepared these responses. Ms. Smalley and Mr. Karg have prepared responses to issues involving participation from voters relating to the project and will present their information at the Committee of the Whole meeting on Wednesday, March 1, 2006. I have asked Mr. Pooler, Mr. Parnell, Mr. Wilkinson, Ms. Smalley and Mr. Karg to be present though I expect to have the formal discussion in the Committee of the Whole concentrate on having Ms. Smalley and Mr. Karg explain their information, with the others available for further questions.

I hope that this meeting will provide members of the Board sufficient information to make an informed judgment when a high school site plan and funding request for further architectural fees comes to the Board for a decision. As indicated earlier, I hope this will be the last meeting we need for this purpose, but please reserve March 15, 2006, if we need a follow-up session. In the meantime, please let me know if you have any questions or advice, and as before, I have invited the members of the School Committee and the Superintendent to attend.

cc: Mayor Cohen, Sandy Pooler, Nick Parnell, Superintendent Young, School Committee Members, Arthur Cohen, Design Review Committee, Peter Karg, Gayle Smalley

Answers to questions raised by Aldermen

Could we solicit private contributions to support the project? If so, would we be able to offer naming opportunities?

Private contributions can assist with funding this project. The School Committee has jurisdiction over naming opportunities in school buildings. The Mayor favors reasonable use of naming opportunities. – Sandy Pooler

Could you please provide a document that shows the process to get the GMP?

Nick Parnell provides information in Attachment #1.

What are the potential cost savings that could be achieved through selling 20-year bonds sooner to lock in low interest rates and to avoid having to sell interest-only bond anticipation notes?

The City will sell bonds at the time we anticipate actually spending the funds. The Massachusetts School Building Authority (MSBA) has promised to reimburse communities on a fast track basis, thereby reducing or eliminating the need to issue any Bond Anticipation Notes (BANs). Because of the arbitrage rules the federal government imposes on us, the City cannot sell bonds earlier than when we will spend the funds. So far, we have consistently sold bonds at interest rates below those used in the funding model. – David Wilkinson

Do we still have a chance of getting additional state aid through the School Building Assistance Fund?

We still have a chance of getting additional funds. We are working with our Legislative delegation, with other similarly situated communities, and with the Massachusetts Municipal Association to persuade the state to give us additional funding. – Sandy Pooler

What would the effect of a small annual operating override dedicated to paying for capital expenditures be? Could such an override pay the additional borrowing costs associated with the increase in Newton North construction costs and also make additional funds available for other projects like fixing our fire stations and finishing Newton South?

Debt service requirements on the \$36 million difference between the most recent NNHS project cost of \$104 million and the revised estimate of \$140 million totals \$54.9 million. The schedule in Attachment #2 summarizes the estimated impact of this debt exclusion on the City's tax rate, at existing taxable values. – David Wilkinson

Is there any possibility that we could apply for federal grants or other federal assistance to address costs associated with parts of the project? Should we ask our Congressional Delegation to look into including support for the project in the federal budget?

The School Department's Grants Administrator has confirmed with the Department of Education that there are no federal grants currently available for school capital construction activity. - David Wilkinson

What will be the annual operating budget outlays for each scenario to support the high school's construction costs (direct outlay + principal payments on debt + interest payments on debt) for each year of the borrowing schedule?

Have we received a five-year budget forecast? If not, may I request one? I'd like to see one done with or without the Newton North project factored in. Whichever is easier for you.

For both of these questions please refer to David Wilkinson's communication of February 10, 2006 in Attachment #3.

How much of the design money that was appropriated has been spent?

The City has entered into a \$1,010,250 contract with Gund Partners Inc. for the Site Design/Programming/Schematic Design phase of the design of the new Newton North High School. A total of \$444,627 of this sum has been expended. - David Wilkinson

Please provide a cost comparison of energy bills between Newton North and South.

	SQ FT	Electr.	Gas	Oil	Total	\$/sq ft
NEWTON NORTH	445,000	\$1,076,461	\$361,371	\$0	\$1,437,832	\$3.23
NEWTON SOUTH	400,000	\$361,592	\$382,767	\$4,742	\$749,100	\$1.87

Information provided by Sandy Guryan of the School Department

Can we have historical data back 10 years on annual growth in the operating budget?

Please see Attachment #4 - David Wilkinson's memo of February 16, 2006

Can the board get a copy of the state code that triggers ADA requirements and copies of any ADA legislation in the works that might effect the project?

Nick Parnell provides excerpts from the Commonwealth of Massachusetts, Architectural Access Board, Rules and Regulations 521 CMR, thresholds for performing accessibility work in public buildings in Attachment #5.

What is the percentage impact on the operating budget of the Mayor's Financing Plan?

Please See Attachment #6 from David Wilkinson

Questions about Asking the Voters about the Newton North High School Project

Gayle Smalley of the Law Department and Peter Karg from Elections are preparing a presentation for the Board for the March 1, 2006 meeting that will focus on the various types of ballot questions that may come into play for the Newton North building project. Support information from Gayle and Peter can be found in Attachment #7

Should we place an advisory question on the ballot and if so, should the question be an up-or-down vote on a recommended plan or a menu of options?

Should a ballot question be descriptive ("borrow funds to build a new high school") or quantitative ("support borrowing up to \$150 million for construction of a new high school")? If quantitative, what dollar figure should be used? Should it be contingent on additional state aid?

Should we wait to hear back from the state before placing a question on the ballot?

Is there an alternative way to measure public support other than a ballot question that would be acceptable to the community?

CONSTRUCTION MANAGER AT RISK AND THE GAURANTEED MAXIMUM PRICE-GMP.

The attached document spells out the benefits and rationale for hiring a Construction Manager at Risk.

The Guaranteed Maximum Price is a maximum price for which the project will be built, with any additional costs to be borne by the Construction Manager. Any savings are to be turned back to the awarding authority (The City of Newton).

The contract between the city and the CMR will spell out certain activities that need to take place in order for the GMP to be established. The GMP figure will be mutually agreed upon by cost estimators and representatives from the project manager (Turner Construction), the architect (GUND Partnership) the city's Public Buildings Commissioner, and the Construction Manager. In negotiating the GMP there will be critical input from both the architect and the project manager to ensure the city gets the best price. Meanwhile the Construction Manager will offer key technical advice and knowledge of the construction industry.

CONSTRUCTION REFORM ALTERNATIVE DELIVERY METHODS CONSTRUCTION MANAGER AT RISK

What is the Construction Management at Risk (CM at Risk) delivery method?

CM at Risk is an alternative to the traditional design-bid-build method of building as embodied in Chapter 149. A new statute, M.G.L. c. 149A, was created by Chapter 193 of the Acts of 2004 that provides the option to cities and towns (as well as public agencies) to use the CM at Risk method for building projects valued at \$5 million or more. Under CM at Risk, a public owner prequalifies and selects a Construction Manager (CM) during the design phase. The CM provides planning, estimating, scheduling and other consulting services to the Owner and Architect during the design phase. When the design is near completion, the CM and the awarding authority negotiate a Guaranteed Maximum Price ("GMP") and schedule. The CM then acts as the general contractor during the construction of the project and prequalifies and procures all of the construction trade contractors that will perform the work. The CM is required to share all cost information with the public owner so that an informed public owner will only pay for the Cost of the Work plus an agreed fee for the CM up to the GMP.

What are some of the benefits of my city using a CM at Risk delivery method?

Under CM at risk, a public agency may benefit by:

- The ability to prequalify and select your Construction Manager ("CM") on the basis of its reputation and record in controlling costs, meeting deadlines, and satisfying customers.
- The participation of the CM in design and phasing decisions so that "unbuildable" or costly design details or phasing plans may be avoided and design/drawing inconsistencies may be limited.
- The CM's ownership of the construction budget through early cost estimating leading to a Guaranteed Maximum Price ("GMP") for the work.
- The ability to "fast track" the start of construction by bidding early trade contracts which the CM will ultimately incorporate into the final GMP.
- The right and responsibility to monitor and audit the construction costs of the project to ensure the city pays only the costs of the work plus the agreed fee to the CM.
- A spirit of cooperation between the owner, architect, CM and trade contractors due to a defined allocation of project responsibilities and the CM's interest in obtaining strong references for future work.

CITY OF NEWTON, MASSACHUSETTS
 PROJECTED DEBT SERVICE SCHEDULE
 DIFFERENCE BETWEEN \$140 MILLION AND \$104 MILLION NNHS PROJECT

	<u>Principal</u>	<u>Interest</u>	<u>Total Annual Debt Service</u>	<u>Impact on Tax Rate/\$1000</u>
	36,000,000	5.00%		
Year #1	\$ 1,800,000	\$ 1,800,000	\$ 3,600,000	\$ 0.18
Year #2	1,800,000	1,710,000	3,510,000	0.18
Year #3	1,800,000	1,620,000	3,420,000	0.17
Year #4	1,800,000	1,530,000	3,330,000	0.17
Year #5	1,800,000	1,440,000	3,240,000	0.16
Year #6	1,800,000	1,350,000	3,150,000	0.16
Year #7	1,800,000	1,260,000	3,060,000	0.15
Year #8	1,800,000	1,170,000	2,970,000	0.15
Year #9	1,800,000	1,080,000	2,880,000	0.14
Year #10	1,800,000	990,000	2,790,000	0.14
Year #11	1,800,000	900,000	2,700,000	0.14
Year #12	1,800,000	810,000	2,610,000	0.13
Year #13	1,800,000	720,000	2,520,000	0.13
Year #14	1,800,000	630,000	2,430,000	0.12
Year #15	1,800,000	540,000	2,340,000	0.12
Year #16	1,800,000	450,000	2,250,000	0.11
Year #17	1,800,000	360,000	2,160,000	0.11
Year #18	1,800,000	270,000	2,070,000	0.10
Year #19	1,800,000	180,000	1,980,000	0.10
Year #20	1,800,000	90,000	1,890,000	\$ 0.10
	\$ 36,000,000	\$ 18,900,000	\$ 54,900,000	

COMPTROLLER'S OFFICE



CITY OF NEWTON, MASSACHUSETTS

CITY HALL

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David Wilkinson, Comptroller

February 10, 2006

TO: Board of Aldermen
FROM: David Wilkinson 
SUBJECT: Mayor's Multi-Year Capital Financing Plan

Attached to this communication is a one page analysis of the projected impact of the Mayor's recommended capital financing plan on the operating budget of the City.

Revenue estimates for both the current plan and the Mayor's recommended plan assume 2 ½% per year growth in the property tax levy, along with \$2 million in new annual growth and a 1.4% allowance for tax abatements and exemptions.

Meaningful growth in non property tax local revenues is constrained by a variety of statutory limitations and the need for near term conservatism in all such budgetary revenue estimates in order to rebuild financial reserves that have been significantly depleted over the past several years. In this regard, it's important to note that free cash is not only at an all time low, but that General Fund Undesignated Fund Balance, on a GAAP (generally accepted accounting principal) basis has declined from 5.3% of revenue in 2000 to 2.6% for the year ended June 30, 2005. Independent credit rating agencies generally consider financial reserves of between 5% and 10% of revenues to be necessary protection against extraordinary and unforeseen events. With the exception of a modest level of growth in motor excise taxes, local non-property tax revenues are expected to change little over the foreseeable future.

Since growth in state and federal aid is completely unpredictable since both funding for local aid and specific aid distribution formulas are at the discretion of the governor and legislature each year, the only growth forecast in this category is anticipated Tier I elementary school building assistance aid. The state's \$46.6 million commitment to the North High School project is expected to be used to either pay down temporary construction loans or used to pay construction obligations directly, so this sum is not included as a General Fund financing source.

Free cash used as a financing source for the operating budget is expected to continue to decline by \$500,000 per year from the current level of \$2.2 million

Debt service requirements on existing debt, including the \$13.8 million in bonds sold this month will be paid in full by 2026. Assuming that the City continues its long standing policy of committing 3% of total revenues to debt service and pay-as-you-go capital financing, resources are expected to be available to fund growth of approximately 2.8% per year in the operating budget of the City. Column 1 of the attached analysis summarizes the level of resources that are expected to be available to support the operating budget, assuming a continuation of the current policy of dedicating 3% of total revenue to capital financing.

Column 2 of the attached analysis includes an estimate of the resources that are expected to be available to support the operating budget under the Mayor's recommended capital financing plan. This plan is designed to fund a \$140 million North High School project, with \$46.6 million in Commonwealth of Massachusetts construction assistance, and \$4.5 million in additional capital improvements each year.

In order to ease (but not eliminate) the impact of the additional commitment to capital project financing on the annual operating budget during peak debt service requirement years, the Mayor's plan calls for the reallocation of \$250,000 of annual hotel/motel room occupancy tax and or property tax revenue growth from the operating budget to capital budget financing beginning in fiscal year 2007. The \$250,000 annual reallocation, grows to \$1.5 million after five years; \$2.5 million after 10 years; and \$6 million by the year 2030. Funds accumulated in the City's Capital Stabilization Fund are first used to help off-set the impact of new debt service beginning in 2009.

Column 3 of the attached analysis, summarizes the impact that the Mayor's capital financing plan has on the amount of resources available to support the operating budget of the City. Columns 4 and 5 of the attached analysis provide information on the extent to which the high school and other capital project components of the plan contribute to the reduction in funds available for the operating budget.

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

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

{1} 3% of revenue for capital purposes.

{2} \$140 million NNHS with \$46.6 million state assistance and \$4.5 million in other capital projects per year.



CITY OF NEWTON, MASSACHUSETTS

CITY HALL

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David Wilkinson, Comptroller

February 16, 2006

TO: Board of Aldermen
FROM: David Wilkinson
SUBJECT: Financial Trend Information

General Fund Reserves

The following table from the Management Discussion and Analysis section of the City's most recent Comprehensive Annual Financial Report captures the deterioration of our general purpose financial reserves over the past several years.

**City of Newton, Massachusetts
 General Fund
 Fund Balance Trends – Fiscal Year 2005 and (5) Previous Fiscal Years**

	2005	2004	2003	2002	2001	2000
Total fund balance	\$ 13,822,467	\$ 17,286,448	\$ 17,160,502	\$ 15,438,743	\$ 16,798,424	\$ 16,458,671
Less: Fund balance reserved for:						
Encumbrances.....	1,122,558	1,186,735	772,599	1,301,183	688,442	509,074
Continued appropriations.....	3,790,612	4,390,237	3,255,408	2,760,972	3,289,791	2,481,295
Other purposes.....	-	-	21,307	27,141	-	-
Unreserved fund balance.....	8,909,297	11,709,476	13,111,188	11,349,447	12,820,191	13,468,302
Less: Fund balance designated to support following year budget.....	2,200,000	2,738,000	2,200,000	1,700,000	2,200,000	2,700,000
Undesignated fund balance.....	6,709,297	8,971,476	10,911,188	9,649,447	10,620,191	10,768,302
Total revenue & other financing sources.....	259,574,467	250,012,404	243,859,374	221,622,942	217,785,789	204,933,088
Total fund balance as % total revenue.....	5.3%	6.9%	7.0%	7.0%	7.7%	8.0%
Unreserved fund balance as % total revenue.....	3.4%	4.7%	5.4%	5.1%	5.9%	6.6%
Undesignated fund balance as % total revenue.....	2.6%	3.6%	4.5%	4.4%	4.9%	5.3%

Undesignated fund balance of between 5% and 10% of total revenue are generally considered to be necessary in order to effectively respond to extraordinary and unforeseen requirements. Newton's undesignated fund balance has declined gradually from 5.3% of revenue in 2000 to 2.6% in 2005.

General Fund Expenditure Trends

Page 102 of the Comprehensive Annual Financial Report (attached) provides a summary level view of how General Fund spending patterns have changed over the past ten, five, three and one year periods. Expenditure patterns are available in total, and functionally.

Total expenditures have increased by \$101.9 million or 65.02% over the past ten year period. This represents an average annual increase of 6.5% per year. Over the past five year period, total expenditures have grown by \$44.2 million (20.59%) for an average annual increase of 4.1%.

Debt Trends

Page 108 of the Comprehensive Annual Financial Report (attached) provides summary level information on changes in the City's bonded debt position for all funds over the past ten year period. In addition to General Fund debt, this schedule also includes information on Water Fund; Sewer Fund; and CPA Fund debt.

GENERAL FUND EXPENDITURES BY FUNCTION

PAST TEN FISCAL YEARS

Fiscal Year Ended	Education	Public Safety	Public Works	General Government	Health & Human Services	Culture & Recreation	Debt & Interest	Pension & Employee Benefits (1)	State/Country Charges	Totals
June 30, 2005	\$ 130,585,252	\$ 31,259,345	\$ 20,726,832	\$ 14,303,170	\$ 3,140,427	\$ 10,048,652	\$ 6,975,666	\$ 36,643,546	\$ 5,045,783	\$ 258,728,673
2004	125,566,649	30,500,370	18,406,548	14,305,408	3,028,235	9,213,194	6,960,053	32,609,146	5,086,760	245,676,363
2003	123,110,892	29,927,438	18,208,553	12,478,121	2,914,968	9,122,449	6,808,022	30,397,727	5,081,422	238,049,592
2002	113,358,643	27,919,780	16,575,742	11,924,078	2,637,027	8,206,506	6,601,490	27,241,110	5,142,581	219,606,957
2001	108,769,727	26,693,813	17,412,798	12,331,118	2,578,073	8,356,657	5,955,645	27,287,117	5,174,256	214,559,204
2000	96,027,484	23,925,437	15,935,232	10,562,626	2,291,133	7,711,295	6,588,747	36,288,984	5,395,937	204,726,875
1999	90,836,341	22,514,579	16,552,073	11,080,965	2,146,137	7,444,798	5,659,239	22,259,735	5,281,663	183,775,530
1998	83,613,676	20,923,160	16,136,420	9,729,665	2,026,379	7,239,129	5,681,910	21,520,889	5,133,700	172,004,928
1997	77,767,337	21,281,043	15,781,415	9,288,116	1,742,275	7,247,685	4,987,776	21,427,765	4,956,379	164,479,791
1996	71,443,398	20,453,699	17,005,554	9,308,730	1,789,187	6,964,966	4,720,240	20,167,648	4,933,508	156,786,930

Ten Year Change

\$ change	\$ 59,141,854	\$ 10,805,646	\$ 3,721,278	\$ 4,994,440	\$ 1,351,240	\$ 3,083,686	\$ 2,255,426	\$ 16,475,898	\$ 112,275	\$ 101,941,743
% change	82.78%	52.83%	21.88%	53.65%	75.52%	44.27%	47.78%	81.69%	2.28%	65.02%

Five Year Change

\$ change	\$ 21,815,525	\$ 4,565,532	\$ 3,314,034	\$ 1,972,052	\$ 562,354	\$ 1,691,995	\$ 1,020,021	\$ 9,356,429	\$ (128,473)	\$ 44,169,469
% change	20.06%	17.10%	19.03%	15.99%	21.81%	20.25%	17.13%	34.29%	-2.48%	20.59%

Three Year Change

\$ change	\$ 7,474,360	\$ 1,331,907	\$ 2,518,279	\$ 1,825,049	\$ 225,459	\$ 926,203	\$ 167,644	\$ 6,245,819	\$ (35,639)	\$ 20,679,081
% change	6.07%	4.45%	13.83%	14.63%	7.73%	10.15%	2.46%	20.55%	-0.70%	8.69%

One Year Change

\$ change	\$ 5,018,603	\$ 758,975	\$ 2,320,284	\$ (2,238)	\$ 112,192	\$ 835,458	\$ 15,613	\$ 4,034,400	\$ (40,977)	\$ 13,052,310
% change	4.00%	2.49%	12.61%	-0.02%	3.70%	9.07%	0.22%	12.37%	-0.81%	5.31%

(1) Employee benefits allocated functionally beginning in fiscal year ended June 30, 2001.
Health insurance and workers' compensation insurance self insurance funds classified as inter-fund transfers prior to fiscal year 1998 have been reclassified as Pension & Employee Benefits for comparative purposes.
Reported expenditures include Massachusetts Teachers Retirement System on-behalf payments beginning in 2000

SCHEDULE OF DEBT RATIOS AND TRENDS (All Funds)

PAST TEN FISCAL YEARS

DEBT RATIOS

Fiscal Year Ended June 30.	General Obligation Bonds	Estimated Population	Assessed Valuation	Per Capita Debt	Debt as a % of Assessed Valuation	Authorized & Unissued Debt	Total Maturing Debt	Total Interest on Debt	Total Debt Service
2005	\$ 62,208,799	84,031	\$ 18,854,982,400	740	0.33%	91,647,356	7,210,508	3,978,220	\$ 11,188,728
2004	55,333,288	79,980	16,825,041,000	692	0.33%	98,669,375	6,180,624	3,849,152	10,029,776
2003	53,927,893	79,515	15,017,075,200	678	0.36%	104,135,394	6,602,446	2,954,758	9,557,204
2002	51,499,596	77,517	14,870,662,400	664	0.35%	106,922,098	6,417,338	2,634,338	9,051,676
2001	50,045,970	77,350	12,249,317,200	647	0.41%	109,443,678	5,665,880	2,032,725	7,698,605
2000	39,138,147	79,642	11,200,017,800	491	0.35%	36,746,854	5,988,465	1,889,552	7,878,017
1999	40,463,313	80,831	10,139,868,700	501	0.40%	29,021,253	5,155,083	1,672,965	6,828,048
1998	32,287,091	81,179	9,059,505,200	398	0.36%	17,257,558	4,895,936	1,266,240	6,162,176
1997	29,863,304	84,045	8,644,781,128	355	0.35%	13,639,940	4,535,825	1,216,175	5,752,000
1996	24,948,574	82,450	8,300,078,900	303	0.30%	18,064,775	4,305,825	1,168,337	5,474,162

FUNCTIONAL DEBT

Fiscal Year Ended June 30.	Education	Public Works	Sanitary Sewer System	Water System	Public Buildings	State Pension Loan	Land Acquisition	Total Long Term Debt
2005	\$ 28,773,750	\$ 1,941,600	\$ 12,429,373	\$ 10,464,076	\$ -	\$ 2,600,000	\$ 6,000,000	\$ 62,208,799
2004	23,208,750	2,084,800	13,365,173	9,034,565	40,000	2,600,000	5,000,000	55,333,288
2003	27,228,750	2,270,900	14,366,792	7,346,451	115,000	2,600,000	-	53,927,893
2002	25,842,925	2,458,800	14,483,316	5,622,730	491,825	2,600,000	-	51,499,596
2001	25,117,100	2,772,600	15,037,214	3,640,406	878,650	2,600,000	-	50,045,970
2000	24,393,275	3,266,200	6,098,715	1,489,482	1,290,475	2,600,000	-	39,138,147
1999	28,006,142	3,787,600	2,013,449	1,930,514	2,125,608	2,600,000	-	40,463,313
1998	18,027,459	4,292,753	2,047,218	2,001,370	3,318,291	2,600,000	-	32,287,091
1997	16,935,676	2,102,000	2,707,804	1,066,850	4,450,974	2,600,000	-	29,863,304
1996	13,190,243	2,856,000	2,071,374	1,247,300	5,583,657	-	-	24,948,574

521 CMR: ARCHITECTURAL ACCESS BOARD

521 CMR 3.00: JURISDICTION

3.1 SCOPE

All work performed on *public buildings or facilities* (see **521 CMR 5.00: DEFINITIONS**), including *construction, reconstruction, alterations, remodeling, additions, and changes of use* shall conform to 521 CMR.

- 3.1.1 To determine the scope of compliance, refer to **521 CMR 3.2, New Construction** and **521 CMR 3.3, Existing Buildings**. In the absence of jurisdiction by 521 CMR, 780 CMR: the State Building Code may apply.

3.2 NEW CONSTRUCTION

All new construction of *public buildings/facilities* shall comply fully with 521 CMR.

3.3 EXISTING BUILDINGS

All *additions to, reconstruction, remodeling, and alterations or repairs* of existing *public buildings or facilities*, which require a building permit or which are so defined by a state or local inspector, shall be governed by all applicable subsections in **521 CMR 3.00: JURISDICTION**.

For specific applicability of 521 CMR to existing multiple dwellings undergoing renovations, see **521 CMR 9.2.1**.

- 3.3.1 If the work being performed amounts to less than 30% of the *full and fair cash value* of the *building* and
- a. if the work costs less than \$100,000, then only the work being performed is required to comply with 521 CMR
 - or
 - b. if the work costs \$100,000 or more, then the work being performed is required to comply with 521 CMR. In addition, an *accessible public entrance* and an *accessible toilet room*, telephone, drinking fountain (if toilets, telephones and drinking fountains are provided) shall also be provided in compliance with 521 CMR.

Exception: General maintenance and on-going upkeep of existing, underground transit facilities will not trigger the requirement for an *accessible entrance* and toilet unless the cost of the work exceeds \$500,000 or unless work is being performed on the *entrance* or toilet.

Exception: Whether performed alone or in combination with each other, the following types of *alterations* are not subject to **521 CMR 3.3.1**, unless the cost of the work exceeds \$500,000 or unless work is being performed on the entrance or toilet. (When performing exempted work, a memo stating the exempted work and its costs must be filed with the permit application or a separate building permit must be obtained.)

- a. Curb Cuts: The construction of *curb cuts* shall comply with **521 CMR 21.00: CURB CUTS**.

521 CMR: ARCHITECTURAL ACCESS BOARD

3.00: JURISDICTION

- b. *Alteration* work which is limited solely to electrical mechanical, or plumbing systems; to abatement of hazardous materials; or retrofit of automatic sprinklers **and** does not involve the *alteration* of any *elements* or *spaces* required to be *accessible* under 521 CMR. Where electrical outlets and controls are altered, they must comply with 521 CMR.
 - c. Roof repair or replacement, window repair or replacement, repointing and masonry repair work.
 - d. Work relating to septic system repairs, (including Title V, 310 CMR 15.00, improvements) site utilities and landscaping.
- 3.3.2 If the work performed, including the exempted work, amounts to 30% or more of the *full and fair cash value* (see **521 CMR 5.00**) of the *building* the entire *building* is required to comply with 521 CMR.
- a. Where the cost of constructing an *addition* to a building amounts to 30% or more of the *full and fair cash value* of the existing *building*, both the *addition* and the existing *building* must be fully *accessible*.
- 3.3.3 Alterations by a tenant do not trigger the requirements of **521 CMR 3.3.1b and 3.3.2** for other tenants. However, *alterations, reconstruction, remodeling, repairs, construction, and changes in use* falling within **521 CMR 3.3.1b and 3.3.2**, will trigger compliance with **521 CMR** in areas of *public use*, for the owner of the *building*.
- 3.3.4 No *alteration* shall be undertaken which decreases or has the effect of decreasing accessibility or usability of a *building* or *facility* below the requirements for new *construction*.
- 3.3.5 If *alterations* of single *elements*, when considered together, amount to an alteration of a room or *space* in a *building* or *facility*, that *space* shall be made *accessible*.
- 3.3.6 No *alteration* of an existing *element*, *space*, or area of a *building* or *facility* shall impose a requirement for greater accessibility than that which would be required for new *construction*.

3.4 CHANGE IN USE

When the use of a *building* changes from a private use to one that is open to and used by the public, an *accessible entrance* must be provided, even if no work is being performed. When a portion of a *building* changes use from a private use to one that is open to and used by the public, then an *accessible route* must be provided from an *accessible entrance* even if no work is being performed.

- 3.4.1 RESERVED FOR FUTURE ACTION: Changes in use, from private to public, in private residential homes where no work is being performed.

3.5 WORK PERFORMED OVER TIME

When the work performed on a *building* is divided into separate phases or projects or is under separate *building* permits, the total cost of such work in any 36 month period shall be added together in applying **521 CMR 3.3, Existing Buildings**.

521 CMR: ARCHITECTURAL ACCESS BOARD

3.00: JURISDICTION

3.6 MULTIPLE USES

When a *building* is occupied by two or more uses, the Regulations which apply to each use shall apply to such parts of the *building* within that *use*.

3.6.1 521 CMR 3.3, Existing Buildings shall apply based upon each *use* and not on the entire *building*.

Example: If a three story *building* valued at \$300,000 has one floor of retail *use* and two floors of residential *use*, the *full and fair cash value* of the retail portion shall be 1/3 of the total value which would be \$100,000.

3.7 PARTIAL APPLICATION

When only a portion of a *building* is subject to 521 CMR, the *full and fair cash value* shall be prorated by the ratio of the square footage of that portion to the square footage of the whole *building*.

Example: Where the whole *building* is 100,000 square feet, the *full and fair cash value* is \$1,000,000, and the part subject to 521 CMR is 10,000 square feet (one-tenth of the total), then the *full and fair cash value* of the part subject to 521 CMR would be one-tenth of \$1,000,000 or \$100,000.

3.7.1 If the *Board* determines that such prorating would cause an inequitable result, the *Board* may otherwise calculate the *full and fair cash value* of the portion of the *building*.

3.8 OUTDOOR FACILITIES

For facilities where the *primary function areas* are outdoors, including but not limited to beaches, parks, picnic areas, playgrounds, and campsites, the *full and fair cash value* shall include the value of the land as well as any *buildings* or *facilities* on the land.

3.9 HISTORIC BUILDINGS

An historic *building* or *facility* that is listed or is eligible for listing in the National or State Register of Historic Places or is designated as historic under appropriate state or local laws may be granted a *variance* by the *Board* to allow alternate accessibility. If a *variance* is requested on the basis of historical significance, then consultation with the Massachusetts Historical Commission is required in order to determine whether a building or facility is eligible for listing or listed in the National or State Register of Historic Places. The Massachusetts Historical Commission may request a copy of the proposed *variance* request and supporting documentation to substantiate the *variance* request and its effect on historic resources. A written statement from the Massachusetts Historical Commission is required with the application for *variance*.

3.10 TEMPORARY STRUCTURES

Temporary *buildings* or *facilities*, including but not limited to reviewing stands, temporary classrooms, bleacher areas, exhibit areas, temporary banking facilities, temporary health screening services, or temporary pedestrian passageways around a *construction site*, shall comply with 521 CMR. Structures, *sites* and equipment directly associated with the actual processes of *construction*, such as scaffolding, bridging, materials hoists, or *construction* trailers, need not apply.

521 CMR: ARCHITECTURAL ACCESS BOARD

3.00: JURISDICTION

3.11 SECURITY STRUCTURES

Accessibility is not required to observation galleries used primarily for security purposes.

3.12 NON-OCCUPIABLE SPACES

Spaces accessed only by ladders, catwalks, crawl spaces, or freight (non-passenger) elevators, and frequented only by service personnel for repair purposes, are exempt. Such spaces may include, but are not limited to, elevator pits, elevator penthouses, piping or equipment catwalks.

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	
Year	Available for Annual Operating Budget	Current Plan {1}	Mayor's Proposal {2}	Net Operating Budget Impact	% of Operating Budget
2006	\$ 236,237,014	\$ 236,237,014	\$ -		
2007	244,430,059	244,180,059	(250,000)		0.1%
2008	251,497,928	250,547,928	(950,000)		0.4%
2009	259,291,402	257,221,560	(2,069,842)		0.8%
2010	265,462,077	263,789,944	(1,672,133)		0.6%
2011	271,730,686	270,713,132	(1,017,554)		0.4%
2012	279,592,149	278,389,673	(1,202,476)		0.4%
2013	287,649,070	286,269,536	(1,379,534)		0.5%
2014	295,659,214	293,076,037	(2,583,176)		0.9%
2015	304,121,776	300,224,344	(3,897,432)		1.3%
2016	312,794,767	308,730,945	(4,063,822)		1.3%
2017	321,683,424	317,735,020	(3,948,404)		1.2%
2018	330,102,196	326,259,440	(3,842,756)		1.2%
2019	339,438,437	335,727,046	(3,711,391)		1.1%
2020	349,006,865	345,567,771	(3,439,094)		1.0%
2021	358,813,263	355,530,727	(3,282,536)		0.9%
2022	368,863,558	365,748,333	(3,115,224)		0.8%
2023	379,163,825	376,227,164	(2,936,661)		0.8%
2024	389,720,291	386,973,946	(2,746,345)		0.7%
2025	400,539,339	397,994,575	(2,544,764)		0.6%
2026	411,627,508	409,295,853	(2,331,656)		0.6%
2027	422,991,504	420,956,507	(2,034,997)		0.5%
2028	434,638,198	433,017,518	(1,620,680)		0.4%
2029	446,574,634	444,956,681	(1,617,952)		0.4%
2030	\$ 458,808,029	\$ 457,272,519	(1,535,510)		0.3%

{1} 3% of revenue for capital purposes.
 {2} \$140 million NNHS project with \$46.6 million in state assistance and \$4.5 million in other capital projects each year.
 {3} Assumes 70% of revenue growth to schools and 30% to municipal departments.

CITY OF NEWTON
LAW DEPARTMENT
INTEROFFICE MEMORANDUM

DATE: February 24, 2006
TO: Board of Aldermen
FROM: Gayle A. Smalley, Associate City Solicitor
RE: Newton North High School - potential ballot processes

.....
Introduction

This memo is provided in response to President Baker's request for an outline of various approaches for assessing voter sentiment regarding the Newton North project.

Various types of ballot questions are authorized by statute and City Charter. However, there is no general authority that would allow referral of a binding question to the voters. Instead, the City must work within the framework of existing laws.

In this context, three types of ballot questions may be relevant: 1) advisory question, 2) referendum and 3) Proposition 2 1/2, each of which is discussed below.

Advisory Question - G.L. chapter 53 sec. 18A

- The purpose of an advisory question is to gauge voter sentiment via a non-binding city-wide vote.
- The process, which requires a vote of the Board of Aldermen to put an item on ballot, can begin with a petition from ten voters. However, even in the absence of such a petition, the Board of Aldermen can vote to refer such a question to voters. The board order is subject to the Mayor's approval, or veto, in the usual manner.
- The ballot question appears on the ballot for a regular municipal election only (odd years). Placement of such an item on the ballot for a special municipal election, or the state biennial election (even years) would require special legislation.
- The question must be received by the Election Commission at least 35 days prior to an election.¹
- The statute also allows voters to place an advisory question on the ballot by petition. This provision, which applies if the Board has not approved a question at least 90 days prior to election, calls for the Election Commission to place the question onto the ballot upon receipt of a petition signed by 10% of the voters.

¹ G.L. chapter 53 section 18A actually specifies a 30 day deadline for the Board's vote on an advisory question. However, G.L. chapter 54 section 42C sets out a 35 day deadline for submission of items to be printed on a ballot. The latter statute appears to control.

- The board order states the wording of the advisory question as it will appear on the ballot. A municipality enjoys a great deal of flexibility in crafting the wording for an advisory question.

Referendum - City Charter section 10-10 *et seq.*

- The purpose of a referendum is to overturn a specified vote of the Board of Aldermen (or the School Committee).
- The process begins upon presentation of a petition signed by 5% of the voters registered for preceding municipal election (approx. 2500). Such a petition must be filed within 20 days after Board's final passage of underlying item. Section 10-10.
- Whenever referendum procedures are started in accordance with the Charter, the underlying measure is suspended from taking effect. The suspension continues until the referendum is concluded. Section 10-10.
- The Board of Aldermen may place a referendum question onto a regular municipal ballot or call a special election. Section 10-15. The Mayor would have a role in seeking funding for a special election.
- Following receipt of referendum petition, the Election Commission examines and certifies the signatures. Assuming that petition sets out the requisite signatures, the Board must reconsider the measure. The Board votes whether to repeal the measure. The Board's vote to repeal is subject to mayoral veto. Section 10-19.
- If the Board votes not to repeal the measure, it must refer the question to the voters. Section 10-11.
- The text of the ballot question is based on the underlying board order, as prescribed by City Charter section 10-16.
- Assuming that the Board votes not to repeal the measure, the whole referendum process takes roughly 3 months to 6 months, measured from the date of the Board's vote on the underlying measure to the date the Election Commission certifies the results of the election. That amount of time is based on the various steps and timeframes set out in the City Charter and state law, as follows - 1) Section 10-14 provides that the Election Commission shall examine the signatures and then the City Clerk shall hold the petition for 2 days; if objections to signatures are filed, a statutory process provides for a hearing and decision; 2) then the City Clerk presents the petition to the Board of Aldermen, pursuant to Section 10-14; 3) Section 10-11 requires Board to reconsider the underlying matter within 30 days of presentation; 4) If the Board votes not to repeal, Section 10-15 allows Board 30 additional days within which to call the election; and 5) Section 10-15 requires that a special election be held within 120 days of such call; 6) Under state law, the Election Commission may not certify election results until the 10th day following an election, which is also the deadline for filing a recount petition. G.L. chapter 54 section 95. In such an event, the Election Commission certifies the results after the conclusion of the recount process, which takes roughly 2 to 4 weeks.

"Proposition 2 1/2" - G.L. Chapter 59 section 21C

• In this context, there are two types of Proposition 2 1/2 ballot questions, as follows:²

Levy Limit Override

• The purpose of a Levy Limit Override is to increase the municipality's levy limit on a permanent basis. It allows a municipality to increase its property tax revenue beginning in the year of the vote. G.L. chapter 59 sec. 21C(g).

• A majority of the entire Board of Aldermen must vote to place an override on the ballot. G.L. chapter 59 sec. 21C(g).

• The board order is subject to the Mayor's approval, or veto, in the usual manner under City Charter sec. 3-8.

• A ballot question may be placed on the ballot for a regular or special municipal election. The statute also allows a municipality to place such a question on the state ballot. To do so, the municipality must provide formal certification to the Secretary of the Commonwealth no later than the first Wednesday of August.

• The wording of the Prop. 2 1/2 ballot question is strictly prescribed by statute.

Debt Exclusion

• The purpose of a Debt Exclusion is to allow the municipality to raise funds for a specific capital project. Such a vote allows a municipality to "exclude" from the levy limit the costs of debt service payments. G.L. chapter 59 sec. 21C(k).

• A two-thirds affirmative vote of the entire Board is required to place a debt exclusion on the ballot. G.L. chapter 59 sec. 21C(k).

• Same

• Same

• Same

² Although they do not appear to be relevant here, there are two additional types of Proposition 2 1/2 votes. A "Capital Expenditure Exclusion" is similar to a Debt Exclusion except that it would be used for a one-time specific capital project in circumstances which do not involve borrowing, i.e. cash payment. The final type of vote is an "Underride," which is used to decrease the levy limit.

CITY OF NEWTON
ELECTION COMMISSION

Memorandum

To: Honorable Board of Aldermen

From: Peter Karg, Executive Secretary

PK

Subj: Ballot Question Options/ Newton North

Date: February 24, 2006

At the request of President Baker, I have outlined some of the issues and choices surrounding the scheduling and operations of a ballot question relating to a new Newton North High School.

I do want to point out that under the provisions of the Help America Vote Act (HAVA), all municipalities, starting with the September 19th State Primary Election, will be implementing touch screen voting to assist the disability community. This system will present new challenges for our election workers as they must be trained on the technology.

1) What is involved for a Special Election held on a day other than a State or Municipal Election?

In the event, the Board of Aldermen were to call for a Special Election, the Election Commission would need at least 3 months from the date of authorization by the Board of Aldermen. The election would require a special appropriation of approximately \$60,000.

The Special Election would have to be scheduled so as not to coincide with the timing of the state primary or state election in order to prevent constraints on voting equipment and programming of memory cards.

2) What is involved for an election held simultaneously but not part of a State or Primary Election?

This option presents the most difficult challenges. This was the approach taken by the Election Commission in November of 2000 when a separate referendum election was held on the same day as the presidential election. A paper ballot was used and several logistical and administrative issues surfaced in the conduct of this election.

This option entails a special appropriation, hiring and training additional poll workers, developing a secure system to house voted paper ballots, as the city no longer has the old style ballot boxes. Other difficulties are maintaining separate voting lists, absentee ballots and logistical issues with voting location set-ups.

3) What is involved for an election held as part of an existing State or Municipal ballot?

Adding a municipal ballot question to the state ballot, even though it requires special legislation, from my office's perspective is the easiest way to proceed. Also, this would be the simplest approach from the voters' perspective.

The only additional election expense for this option would be a summary and notice mailer to the voters as required under section 10-16(c) of the City Charter. This expense would be approximately \$8,000 for printing and postage costs. This same expense is occurred under all the options. I see no further costs or obstacles for the Election Commission under this option.

I look forward to discussing this memorandum and any questions that you may have at your Wednesday, March 1st 2006 meeting.

c. Sandy Pooler, Chief Administrative Officer