

## Questions Submitted for the Mayor's Conversation

### **Alderman Johnson asks:**

I was pleased to read that you will be providing the BOA with a revised cost estimate and funding plan. I am writing to suggest that since we are not clear on the exact price for NNHS, that you provide models for increments of \$10M beginning at \$160M and going to \$200M. This will enable the board to see the impact on the operational and capital budgets. At this time, all of the schools based on the study, and the fire stations should be included as well. Lastly, please do not omit salary and healthcare projections.

### **Alderman Baker asks:**

In order to understand the dimensions of the fiscal problems facing the City, it would be helpful to have an overview of the long range forecast and any adjustments that might affect the upcoming budget for at least the next two years, and how any shortfall would be met, either with cuts or by seeking additional revenues through a Proposition 2.5 over-ride. It would also be helpful to understand whether some capital project debt exclusion over-ride would be sufficient, or whether an operational over-ride including funds for debt service is needed, and when such an over-ride would need to be voted by the citizens of the City.

Some of the subsidiary questions that may help inform this overview include the following:

- 1) Please identify all revenue and expenditure budget assumption differences between current FY 2009 budget plan(s) and the assumptions used for purposes of developing the five year budget forecast that was released last fall.
- 2) Assuming that a Prop 2 1/2 override does not succeed, how will City services be prioritized in order to balance the 2009 budget?
- 3) Please discuss the basis for budgeting fiscal year 2009 overlay reserves in light of actual overlay use experience and the recommendations of the Blue Ribbon Finance Commission.
- 4) Please discuss what if any conversations have been held with the City's Group Health Advisory Committee and employee unions, about joining the Commonwealth's Group Insurance Commission plan, and what effect, if any, that would have on the City's near or long term finances.
- 5) Please discuss FY 2009 assumptions about changes in group health insurance rates for the Tufts and Harvard Pilgrim Health plans in light of their relative performance and if any changes are being considered?
- 6) The five year budget forecast released last fall included sufficient resources for a \$154 million Newton North High School new construction budget. What is the impact of changes in the \$154 million budget on both the 2009 budget and the budget forecasts for the five successive fiscal years? Is there a new estimate and when might you return to the Board for additional bonding?
- 7) Please discuss new and/or increased local revenue options that might be available for support of the fiscal year 2009 budget, such as taxes from new real estate projects, cell tower agreements or payments in lieu of taxes from exempt organizations

8) Please discuss how much free cash that you believe that the City needs to generate from the FY 2009 budget; how these resources are projected to be used in future years; and how the free cash is expected to be generated from the 2009 budget.

**Alderman Coletti asks**

I am expecting on the 16th of January that the Mayor will be presenting detailed documentation regarding both current and anticipated differences between his 141 million dollar estimate and what I believe is now a 182 million dollar estimate for NNHS. Even if these estimates are not final I hope the information is presented now and not in the 2nd week of Feb which seems late.

I also expect some information on the current state of contract amendments legalizing architects fees, project management, and other costs which are currently about to exceed their budgets. I appreciate that the mayor has not violated his agreement with me to transfer funds into these depleted accounts without aldermanic review and approval.

I also expect an overview of the mayor's current schedule for Budget Advisory Committee meetings , as well as discussion of his proposed override request.

I would also expect detailed information about the status of the fire binding arbitration, as well as an explanation of the current large number of vacancies in the Police Dept as well as his privately announced plans to request cuts of over 1 million dollars in both Police and Fire budgets.

**Aldermen Parker asks:**

Regarding the financing of the NNHS project:

- 1) What do you intend to cut from the City's operating budget and/or capital budget to pay for the recent increases in the cost of the new high school?
- 2) What is the dollar figure of the override you will be proposing and will it be structured as one dollar sum or a menu? Will it include a debt exclusion for the high school?
- 3) What will be the annual cost to the operating budget for the construction of the new high school (including both principal and interest payments) for each year of the project?
- 4) Are you willing to put a price cap on the project and if so what amount? If not, what do you intend to cut from the operating budget and/or the capital budget to pay for further increases in the cost of the new high school?
- 5) Please provide the Board of Aldermen (and the public) with a financing plan that shows amounts taken from the operating budget, amounts expended for high school construction, and amounts expended for each of the other capital projects that are projected to be done in that year, including other schools and fire stations, so that we can better understand the increased costs of the high school project in the context of the City's other capital and operating needs. Please include in this plan two scenarios: one in which the override passes and one in which it does not.

**Alderman Danberg asks:**

I have just read in Dave Wilkinson's update on the Group Health Self Insurance Fund Status Report sent to the BOA this past Friday that there is a surplus of \$8.6 Million in the Tufts account, representing about twice the target of reserves recommended by the City's Auditors.

This presumably means that there is in the neighborhood of \$5 Million in excess funds in that account, given that the reserves are earmarked at slightly under \$4 Million by your calculations.

In light of the fact that the five year financial forecast includes an 11% increase in group insurance rates, and that this increase is one of the factors included in the determination of the likely override needed in the coming fiscal year:

- 1.) Will you decrease the Tufts rate in the next fiscal year?
- 2.) What do you plan to do with the current excess?
- 3.) How does this \$5 Million affect the expected override need?
- 4.) Are there any other budget surpluses that we should know about?

**Alderman Albright asks:**

I mentioned to the Mayor in the Fall that the increases in fringe benefits have been extremely small at my Institution - Tufts University. Could the Board have comparisons of our increase in Newton to other municipalities - Why is our increase so much higher than at private institutions? How does Newton's increase compare to similar cities and towns? I agree with Vicki that a great deal of our increase is attributed to health insurance. I want to be sure we have calculated the increase properly.