

**Needham Finance Committee
Minutes of Meeting of April 11, 2018**

The meeting of the Finance Committee was called to order by Chair Richard Reilly at approximately 7:00 pm at the Needham Town Hall.

Present from the Finance Committee:

Richard Reilly, Chair; Barry Coffman, Vice Chair

Members: John Connelly, Tom Jacob, Joshua Levy, Richard Lunetta, Louise Miller, Carol Smith-Fachetti

Others present:

David Davison, Assistant Town Manager/Finance Director

Anne Gulati, Assistant Superintendent for Finance and Operations

Roger MacDonald, Director, MIS

Timothy McDonald, Director of Health and Human Services Department

Barry Dulong, Director of Building Maintenance

Citizen Requests to Address Finance Committee

No citizens requested to speak.

2018 Town Meeting Warrant Articles:

Annual Town Meeting Articles: Discuss and/or Vote

Article 3: Establish Elected Officials' Salaries

Mr. Lunetta stated that this article sets the salaries each year for elected officials. He stated that the Select Board's salaries are the same as in previous years, and that the Town Clerk's salary is increasing in line with the increases of exempt staff. He stated that years ago, the Personnel Board decided to include a separate salary for an incoming Town Clerk and a Town Clerk with 6 years of experience because there is an election between the submission of the article and Town Meeting, and a new Town Clerk would be paid at a different rate.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of approve the 2018 Annual Town Meeting Warrant Article 3: Establish Elected Officials' Salaries. Mr. Lunetta seconded the motion. The motion was approved by a vote of 6-0. (Ms. Miller and Ms. Fachetti had not yet arrived.)

Article 12: Appropriate for Time Clock System

Mr. Davison stated that the intent is to piggyback on the School Department's time clock system. Currently, Town employees enter their times on a timecard, and the information is manually entered into the payroll system. The time clock system will reduce the manual entry work. In response to a question from Ms. Miller, Mr. Davison stated that the approval process will remain the same, with the supervisor reviewing and approving the time sheet as required by law. Mr. MacDonald stated that some employees would be able to use ID badges or fobs which already are used for door access. He stated that part of the appropriation would be for hardware. Mr.

Lunetta asked how the Town would avoid employees' using someone's card to sign them in at a different time. Mr. Davison stated that there are supervisors on site at job locations, and that the Town also relies on its trust in employees. He noted that the system will provide more specific information of which buildings custodians are working in and for how long. Ms. Miller asked if the change would affect overtime costs by recording more time. Mr. MacDonald stated that the system allows for supervisor adjustments of 10 minutes where needed. Mr. Davison stated that the DPW unions have agreed via the collective bargaining process. They represent a large number of the Town's hourly employees.

MOVED: By Mr. Lunetta that the Finance Committee recommend adoption of 2018 Annual Town Meeting Warrant Article 12: Appropriate for Time Clock System in the amount of \$81,000. Ms. Miller seconded the motion. The motion was approved by a vote of 8-0.

Article 13: Appropriate for Long Range Plan

Mr. Reilly stated that there was concern about this article in the last discussion because it was not clear what the funds will be used for. The Town is seeking to insure coordination between the various committees to gain a forward-looking approach to what Needham will look like in future years. Mr. Davison stated that it is an initiative of the Select Board Chair, and seeks to look at the expected impact of population growth and increased transportation networks on buildings and facilities and services. The plan would look at the expected growth in population of residents, visitors, and workers in Town to see how it will all affect infrastructure including roads and services. Mr. Levy stated that he understood that the plan would be looking at population growth in the next 20 years. Mr. Davison stated that he is not sure if it will be as much as 20 years, but longer term than 10 years. Mr. Reilly asked what kind of consultant did this work. Mr. Davison stated that there are consultants that regularly make long range plans for towns though he did not have a name. Mr. Reilly stated that it was not clear what skillset they would be looking for. He stated that the Committee would defer the vote until more information is available.

Article 53: General By-Law: Non Criminal Disposition

Mr. Davison stated that this article would change the by-law to add enforcement provisions for earlier articles adding pet vaccination requirements and stormwater regulations. Mr. Reilly asked if the provisions were severable in case one of those previous articles did not pass. Mr. Davison stated that if any part of a by-law is not valid, it does not affect the others. Mr. Reilly and other members indicated that that language regarding stormwater offenses was not clear, and what a subsequent offense was and whether the fines for the subsequent offenses accrue simultaneously with fines for the second offense. Mr. Davison stated that this was standard language in by-laws. Mr. Reilly suggested including an example in the article information to make clear how the offenses and associated fines are accrued.

Ms. Miller asked if the violations were referring to violations of a permit. Mr. Davison stated that they referred to violations of the stormwater provisions, whether or not there is a permit. Ms. Miller asked what recourse there was if someone is in violation. Mr. Davison stated that there could be legal action or a permit could be revoked. He stated that if there are no provisions for disposition, then the Town can take no action. Ms. Miller stated that it would be difficult to have the DPW act as enforcement agent when the permits are issued by another authority.

Mr. Connelly asked how the fee amounts were determined. Mr. Davison stated that they are standard fees, that the law allows \$25, \$50, and \$100 fines. Mr. Levy asked if the per-day period for fines was standard. Mr. Davison stated that it was, but this allows a 15-day grace period to cure the problem before fines start accruing. Mr. Levy stated that the language is not clear. Ms. Miller asked if other communities were putting stormwater fines in the by-laws rather than in the regulations. Mr. Davison stated that Town Counsel recommended this approach, and that Needham is an early adopter of these types of provisions. She stated that she is not comfortable with the enforcement residing solely with the DPW, and with the fact that the fines are not clear, and it is not clear who is subject to them. The stormwater by-law relates to construction activity, and the enforcement mechanism is separate. She stated that many communities are not complying with the July 1 EPA deadline because it is not clear what needs to be implemented. Mr. Reilly stated that the building inspector's action triggers the potential offense. He stated that there are outstanding issues and that the vote should be deferred.

Special Town Meeting Warrant Articles

Article 1: Project Management

Mr. Davison stated that the Finance Committee requested to fund the Project Manager position by a warrant article rather than through the operating budget. Mr. Reilly stated that the funding represents two years of salary and expenses, and that the position would not automatically become part of the operating budget. Mr. Coffman suggested that the article information include an explanation that this intends to fund the position for only 2 years.

MOVED: By Mr. Coffman that the Finance Committee recommend adoption of approve may 2018 Special Town Meeting Warrant Article 1: Project Management in the amount of \$203,300. Mr. Connelly seconded the motion. The motion was approved by a vote of 8-0.

Article 2: Building Maintenance Study

Mr. Reilly stated that the Town put this project out to bid with a budget of \$50K, but there were no bidders. Mr. Davison stated that funding the study through a warrant article will mean that the project is not constrained to one fiscal year. He expects the cost to be approximately \$100,000. Mr. Jacob asked what would happen to the \$50K that was previously in the budget for this work. Mr. Davison stated that it would close out to free cash. Mr. Reilly stated that he is a firm believer that this is needed.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of approve May 2018 Special Town Meeting Article 2: Building Maintenance Study in the amount of \$100,000. Ms. Miller seconded the motion. The motion was approved by a vote of 8-0.

Article 4: Amend FY18 RTS Operating Budget

Mr. Davison stated that the funding source is changed from RTS Enterprise Fund receipts to retained earnings. He stated that the expense line will change to \$1,401,612. He stated that total should cover the costs for the rest of the fiscal year. The reason for the \$32K increase is the higher-than-anticipated costs of disposal, particularly for recyclables. They cost about 30% less

than regular waste disposal, but there is a cost. He stated that single stream recyclables are harder to sell, though more people will recycle if it is single stream. Ms. Miller asked what would happen to retained earnings when the RTS is dissolved. Mr. Davison stated that the DOR will certify the funds, and they will close out to the General Fund.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of approve May 2018 Special Town Meeting Article 4: Amend FY18 RTS Operating Budget to increase the budget by \$32,000 to \$1,401,612. Ms. Miller seconded the motion. The motion was approved by a vote of 8-0.

Article 9: Appropriate for Mitchell School Locker Replacement

Mr. Davison stated that the lockers were going to be funded as part of the cash capital article, but he found a different funding source, the unexpended balances of prior related cash capital articles. Mr. Barry asked why the funds would be applied here rather than elsewhere. Mr. Davison stated that where possible, he applies funds from a previous article to something with a similar use. He stated that the articles were school- or equipment-related. He stated that if a balance is more than \$500K, then the remaining funds would need to be re-appropriated. He stated that funding this article in the Special Town Meeting will allow the School Department to do the work this summer. Mr. Dulong stated that this funding will replace 1/3 of the lockers.

MOVED: By Mr. Jacob that the Finance Committee recommend adoption of approve May 2018 Special Town Meeting Article 9: Appropriate for Mitchell School Locker Replacement in the amount of \$70,000. Ms. Miller seconded the motion. The motion was approved by a vote of 8-0.

Article 10: Appropriate for Mitchell School Modular Classrooms

Mr. Reilly stated that Mr. Kent felt that although there appears to be unanimous support for this project, it would be better to seek funding for engineering and design first in order to know where to place the classrooms, as well as the estimated construction costs. He stated that if these funds are appropriated through the Special Town Meeting, the Town can do the work to be ready to request construction funds in the fall 2018 Special Town Meeting. The construction can then be completed during the summer of 2019 and the classrooms ready for school in the fall of 2019. Mr. Connelly asked if anything is being done with the Debt Service Stabilization fund to preserve funds for the project. Mr. Davison stated that the funds which had been earmarked for the DSSF were being proposed for specific projects so article has been withdrawn. Ms. Miller asked what would happen if the Town appropriated an amount lower than the tax levy. Mr. Davison stated that the balance of the tax levy needs to be due prior to establishing the new tax rate. Mr. Connelly asked if Mr. Kent and Mr. Popper were confident that splitting up the project would not affect the completion of construction in 2019. Mr. Davison stated that this will provide funding to complete the design and construction documents.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of approve May 2018 Special Town Meeting Article 10: Appropriate for Mitchell School Modular Classrooms in the amount of \$210,000. Ms. Miller seconded the motion. The motion was approved by a vote of 8-0.

Article 11: Appropriate for High School Expansion Construction

Mr. Reilly stated that there was a projected budget shortfall on the High School expansion project. He stated that all of the additional requested funding may not be needed, depending on how much of contingency is available. Ms. Miller stated that, at the last meeting, Mr. Kent and Mr. Popper said that they were negotiating with the contractor about whether they might be able to get the project done within the existing budget. Mr. Davison stated that they are still negotiating. Ms. Miller stated that it is possible that the needed funding will be significantly less than this amount. Mr. Davison agreed. He stated that the Free Cash funding for the Capital Facility Fund in the Annual Town Meeting warrant has been reduced by \$431K to fund this. The same amount will be supplemented from the tax levy. The funds from the tax levy were originally planned to go into the Debt Service Stabilization Fund.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of approve May 2018 Special Town Meeting Article 11: Appropriate for High School Expansion Construction in the amount of \$431,000. Mr. Jacob seconded the motion. The motion was approved by a vote of 8-0.

Article 13: Rescind Debt Authorization

Mr. Reilly stated that this is a standard article to release borrowing capacity when a project is closed out and the amount borrowed for the project was less than the amount authorized. This will open up the debt capacity in the Sewer Enterprise Fund.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of approve May 2018 Special Town Meeting Article 13: Rescind Debt Authorization, resulting from the Sewer System Rehabilitation Work. Ms. Miller seconded the motion. The motion was approved by a vote of 8-0.

Article 14: Amend General By-Law: Department Revolving Funds

Article 15: Set the Annual Department Revolving Fund Spending Limit

Mr. Davison stated that in order to establish a new revolving fund, there must be a new by-law. He stated that the next article sets the annual budget ceiling for the revolving fund. He stated that the spending limit is not yet in the master list in the Annual Town Meeting warrant article, but would be included there next year. Ms. Miller asked how these services are funded currently. Mr. Davison stated that they are funded through 3rd parties who run the programs. He stated that the Town wants to have better control, documentation and reporting. He stated that other activity-based programs are also run through revolving funds. Ms. Miller stated that she is concerned that the programs are serving only a few people and that some people may be unable to pay the fees. She stated that the Friends of the Elderly let some fees slip so that all people can participate. Mr. Davison stated that the fees are set based on what is needed, but there are hardship waivers as well as an account for uncollected fees. He stated that there cannot be a deficit, but other programs can cover the costs. Mr. Jacob asked if the Friends of the Elderly are aware that the Town is doing this. Mr. McDonald stated that they understand, although they would prefer not to have less control. He stated that the FOE could start a scholarship or apply for grant funding for programs if they were interested. He stated that the Town tries to reduce barriers and stigma where it can and to encourage support people who are using other support programs to take these programs. Mr. Reilly stated that this essentially amounts to a change of accounting. Mr. Davison agreed and stated that it is a legal mechanism to collect the funds. It will require additional reporting.

Ms. Miller asked how the spending limit was determined. Mr. McDonald stated that the FOE have costs of about \$4700-\$4800 per 6-8 week period. In order to allow for growth, they are using an estimate of \$5000/month.

MOVED: By Mr. Coffman that the Finance Committee recommend adoption of approve May 2018 Special Town Meeting Article 14: Amend General By-Law: Department Revolving Funds and Article 15: Set the Annual Department Revolving Fund Spending Limit. Mr. Jacob seconded the motion. The motion was approved by a vote of 8-0.

“Recommendation at Town Meeting”

MOVED: By Ms. Miller that the Finance Committee’s position be recorded as “Recommendation at Town Meeting” in the 2018 May Special Town Meeting Warrant for all articles that have not yet been acted upon. Mr. Lunetta seconded the motion. The motion was approved by a vote of 8-0.

Finance Committee Updates

Mr. Reilly stated that there has been significant pushback for the Town’s proposal to place microwave towers in certain areas in order to improve the public safety communications system. He stated that there have been large turnouts at public meetings last Saturday and Monday. He stated that the hope is to resolve the issues and bring them back at the fall Special Town Meeting. He stated that George Kent has concerns that making changes will drive up the costs significantly. He stated that there is no other committee that is likely to separate the fiscal issue from the perceived health issues, and proposed that the Finance Committee take a close look at the issues involved and try to weigh in before there is only a chance to vote yes or no. He felt that the Committee needs to push for a significant analysis of the possible health effects. Mr. Davison stated that the Town was proposing to change zoning only to allow the towers, and that no specific plan has been proposed. He stated that the Planning Board notified people in two specific neighborhoods about the zoning. Mr. Reilly stated that the residents of those areas felt that the notification meant that their neighborhoods were a likely location of the towers.

Mr. Connelly stated that this work would be part of the larger Public Safety project. He questioned the role of the Finance Committee at this point, and stated that the Committee should look into it when there is a proposal before it. Mr. Reilly expressed concern that it could be too late at that point to have meaningful input. Mr. Davison stated that there are studies on both sides of the health risks, but the most credible evidence is that there is no discernible health risk. Mr. Reilly stated that he thinks that the other Town committees may come up with solution that people like, but which could be very expensive if all of the deciders on the issue are elected bodies. Mr. Levy questioned whether the health risks are a topic that Finance Committee is qualified to speak to. He stated that the Committee should focus on what Public Safety needs, and what is the most cost effective solution. Mr. Reilly agreed that health considerations were not within the purview of the Finance Committee, but stated that if the Committee waits until the decision is made without an in-depth examination of the health risks then there may not be an opportunity to balance the costs. He stated that he is simply raising the issue, but he does not know how to solve it.

Mr. McDonald stated that the Board of Health will take up the issue, but noted that the best studies show no health effects. Some studies show a correlation but not a causation of certain effects. He stated that the towers could affect the appearance of neighborhoods or the property

values, but not people's health. Mr. Reilly stated that he felt that there should be a liaison to insure that this is approached approach this in a disciplined way. He volunteered himself. Mr. Levy suggested that he be in touch with the Police and Fire Departments.

Mr. Reilly asked what the Select Board's next steps would be. Mr. Davison stated that they would like the PPBC to come up with other options with different costs and levels of intrusiveness. He stated that he assumes that the towers were the most cost effective solution. Mr. Reilly stated that he presumes that other options were included in the study. Mr. Connelly stated that this will be part of the Public Safety project funding and there should be much dialog when that project is discussed, including whether additional funds are needed for communications, or if the project might cost less because of different options. Mr. Reilly stated that he will keep the Committee informed.

Adjournment

MOVED: By Mr. Connelly that the Finance Committee meeting be adjourned, there being no further business. Ms. Miller seconded the motion. The motion was approved by a vote of 8-0 at approximately 8:22 p.m.

Documents: Needham 2018 Annual Town Meeting Warrant, Draft of 3-23-2018; Needham 2018 May Town Meeting Warrant, Draft of 4-6-2018.

Respectfully submitted,

Louise Mizgerd
Staff Analyst