

**Needham Finance Committee
Minutes of Meeting of February 11, 2009**

The meeting of the Finance Committee was called to order by the Chair, David Escalante, at 7:00 pm in the Selectmen's Meeting Room at Town Hall.

Present from the	David Escalante, Chair	Richard Reilly
Finance Committee:	Lisa Zappala, Vice Chair	Steven Rosenstock
	Scott Brightman	Michael Taggart
	Richard Creem	Richard Zimbone

Also Present: Kate Fitzpatrick, Town Manager
David Davison, Assistant Town Manager – Finance Director
Richard Merson, Public Facilities Department Manager

There were no public comments.

Snow and Ice Overdraft Spending Request: The total expenditure for snow and ice removal to date is \$926,183, including \$30,210 for the MBTA parking snow removal, which will be allocated to the Municipal Parking budget. There was a discussion about the reason for asking for an \$800,000 overdraft request. Mr. Davison stated that he would prefer to have the overdraft authorization rather than come back before the Finance Committee if there are further storms. The cost of snow and ice removal is high this year because there has been so much ice. If the Town deficit spends for snow and ice removal, then the deficit is zeroed out first from additional revenue above the revenue projections for FY 2010. Mr. Rosenstock moved that the Finance Committee approve the request to deficit spend for snow and ice removal in the amount of \$800,000, bringing the total amount that can be spent for snow and ice removal to \$1,000,000. Ms. Zappala seconded the motion. Discussion: none. The motion was approved by unanimous vote: 8-0.

Report of Energy Audit at Hillside, Mitchell and Emery Grover: Mr. Zimbone reported on the update of the energy audits at Hillside, Mitchell and Emery Grover. There are three types of audits that can be done. The type of audit that was done on these buildings is the lowest level possible. The three types are: 1. walk-through audits, 2. HVAC and electrical systems, and 3. investment-grade audit. Mr. Zimbone reported on what was found in the walk-through audits of the buildings. Mr. Zimbone expressed frustration at how slowly the audit work has been going in the Public Facilities Department. He stated that Mr. Laffey, the Public Facilities manager, does not have the staff he needs to do anything more than deal with emergencies. Mr. Laffey is also still training the new Recycling and Transfer Station manager. Mr. Zimbone stated that the modular classrooms at Hillside have electric heat, which is very expensive. There are air circulation problems in the buildings because the heating units are covered. Mr. Zimbone stated that there are controls problems in the buildings. He stated that there are audits and programs that can be implemented but require an investment from the Town. The walk-through energy audits will provide a basis for further work.

Draft Operating Budget Review: A document with draft budget proposals was distributed. Mr. Escalante stated that all draft budget proposals add \$10,000 to the Minuteman Regional School line. Some drafts cut \$19,239 from the Department of Public Works budget for organic fertilizer for the new turf fields. Mr. Escalante stated that he would like some further information from Mr. Remsen regarding the need for organic fertilizer. Some of the draft budgets include the \$3,600 for the Board of Health request for testing of the artificial turf fields. Others do not. The Conservation Department budget is the other budget that differs in different drafts. Some drafts include additional hours for the recording of minutes for the Conservation Department. The draft budgets also include some additional hours for library staff. Mr. Escalante stated that he would like to go through the budget as it has been done in past years. If someone would like to add to one line, then an equal amount will need to be subtracted from a different line. Mr. Creem moved that the Finance Committee adopt Draft Budget 1 as set forth in the document provided to the Finance Committee by the Executive Secretary. Ms. Zappala seconded the motion. Draft Budget I includes field testing, additional hours for the Conservation Department, additional hours for the Library, and no organic fertilizer for the new turf fields.

Discussion: Mr. Zimbone stated that the Municipal Lighting fixtures replacement program will be complete by the end of the year. Mr. Zimbone stated that he would be comfortable cutting another \$15,000 from the Municipal Lighting line. Mr. Zimbone proposed that the entire Public Facilities Department (PFD) request for maintenance funding be recommended, with the additional \$50,000 to be made up from energy savings. Mr. Zimbone proposed in the alternative that the (PFD) request for an additional physical plant manager be approved and be funded from energy savings. Mr. Zimbone stated that a quid pro quo could be worked out with the School Department, funding a .5 teacher that is being cut based on the School Department's commitment to energy conservation measures in the schools. If 10% could be cut from the energy budget, then there would be \$241,000 available for appropriation. Mr. Zimbone suggested that the PFD budget could be cut with the expected savings placed in the Reserve Fund.

Mr. Brightman stated that he agrees with Mr. Zimbone that energy savings are an area of focus. He would suggest cutting budgets as an incentive if the Finance Committee were dealing with a private company, but this is a municipal budget. Mr. Brightman stated that he would leave the budget where it is and would suggest that the energy savings will be an opportunity for the FY 2011 budget. Mr. Brightman also stated his concern with the Reserve Fund. The Reserve Fund needs to be adequately funded but, if funded at too high a level, Mr. Brightman expressed concern that Town Meeting may view the Reserve Fund as a source of funding for other items that the Finance Committee did not recommend for funding. Mr. Reilly stated that he thinks that if energy costs are to be reduced, some incentive to drive behavior should be looked at. Mr. Reilly stated that he does not believe that simply stating a goal of reducing energy is sufficient. Mr. Rosenstock stated that he would leave the money in the PFD budget but would be looking for a one-year turnaround on energy savings. Mr. Rosenstock stated that he recommends funding the testing of artificial turf requested by the Board of Health and would fund the organic fertilizer for the new turf fields. Mr. Taggart stated that the achievement of energy savings requires behavior changes by too many parties that the PFD does not control. Mr. Escalante asked

whether the Finance Committee would support a letter from the chair explaining that the Finance Committee is budgeting the full request by the PFD for energy, but that the Finance Committee believes that significant energy savings can be achieved, which can then be used to improve the buildings, and that the Finance Committee expects that the PFD will have a better idea of the achievable cost savings by the next budget cycle. Ms. Fitzpatrick stated that she shares the view that energy spending needs to be curtailed. Ms. Fitzpatrick cautioned that it is very difficult to make changes that quickly. Ms. Fitzpatrick also stated that she would prefer that Mr. Laffey continue focusing on maintenance issues at this time. There was a discussion of the PFD request for a plant manager at the High School. There was a discussion of the need for increased personnel in the PFD.

Mr. Merson was asked whether he is comfortable with a \$10,000 cut to the Municipal Lighting budget. Mr. Merson stated that he has not yet received an electrical bill for municipal lighting since the replacement of the fixtures. He does not know what the cost savings will be from the fixtures replacement. Ms. Zappala stated that, based on the report of the consultant who was hired by the Town to evaluate the fixtures replacement, \$10,000 could be cut from the budget.

Mr. Rosenstock moved to amend Draft Budget I to cut \$3,600 from the expenses line of the Department of Health and transfer it to the expenses line in the Department of Public Works. Mr. Rosenstock stated that the Department of Public Works is responsible for fields maintenance and that is where the fields testing should be. Mr. Reilly seconded the motion. Discussion: Mr. Taggart stated that the Board of Health made the request for the testing and submitted a proposal for what the testing would be. Mr. Davison stated that it would be more prudent to leave the fields testing in the Department of Health expenses line. Otherwise, the Board of Health may make requests to the Department of Public Works for expenditures that are a concern of the Board of Health, not of the Department of Public Works. Mr. Rosenstock stated that he would withdraw his motion. Mr. Reilly consented to the withdrawal.

Mr. Zimbone moved to increase the School Department budget by \$27,500, and reduce the Reserve Fund line by that amount. There was no second to the motion. Mr. Zimbone moved that the Memorial Park Expenses line be increased by \$3,000 to purchase new energy efficient appliances for the concession stand. Mr. Brightman stated that the entire building at Memorial Park needs to be done. Mr. Taggart stated that the appliances are not the biggest problem with the concession stand. Mr. Taggart stated that there needs to be a plan for the cleaning and maintenance of the stand. There was no second to Mr. Zimbone's motion.

Mr. Rosenstock moved that the Finance Committee amend Draft Budget 1 to reflect a total budget of \$106,316,194, with Town Wide Expenses totaling \$29,240,672, and the Reserve Fund totaling \$1,281,442. Ms. Zappala seconded the motion to amend. Mr. Brightman asked Ms. Cooley about the School Department need for a half FTE teacher. Ms. Cooley stated that this is a need. Mr. Escalante stated that the School Committee had given significant raises to the administrative staff. Ms. Fitzpatrick stated that she would appreciate the funding of the organic fertilizer.

Mr. Rosenstock's motion to amend was approved by unanimous vote: 8-0. Mr. Creem's motion as amended was approved by unanimous vote: 8-0.

Ms. Fitzpatrick was asked her list of priorities should additional funding become available. Ms. Fitzpatrick listed, in order: \$15,000 for the Workers' Compensation,

\$50,000 for the Reserve Fund, \$19,000 for fertilizer for the new turf fields, \$100,000 for landscaping services, \$7,773 for additional librarian hours. There was a discussion of the priorities and whether any funds within the Capital Facilities Fund could be used for energy conservation measures.

Property Tax Relief Program Warrant Article Preview by Town Manager: Ms. Fitzpatrick asked that the Board of Selectmen, as proponents of the Article, be allowed to make a presentation at a Finance Committee meeting. Originally, it was contemplated that the program would be funded at another time. However, the program needs funding to be set up. The Board of Selectmen has discussed matching the public funding for property tax relief for seniors, which has been approximately \$15,000 per year.

Finance Committee Updates: There was a discussion that the Massachusetts School Building Authority has placed the Newman School on its list of projects as a repair and that Needham could receive up to 40% of the repair costs.

Mr. Rosenstock moved to adjourn the meeting at approximately 10:00 pm, seconded by Mr. Zimbone. The meeting was adjourned by unanimous vote: 8-0.

Respectfully submitted,

Louise Miller
Executive Secretary