

Town of Needham
Meeting of the Finance Committee
1471 Highland Ave, Needham, MA
January 20, 2010

Minutes

Members Present:

Lisa Zappala, Chairman	Rick Lunetta
Rick Zimbone, Vice Chairman	Dick Reilly
Matt Borrelli	Steve Rosenstock
Richard Creem	Mike Taggart

Also Present:

Dave Davison, Assistant Town Manager
Carol Boulris, Chairman of the Historical Commission
Tedi Eaton, Town Clerk
Chip Laffey, Public Facilities Director of Operations
Rick Merson, Superintendent of the Department of Public Works
Steve Popper, Public Facilities Director of Design and Construction
Andy Wise, Commission on Disabilities Member

Call to Order

Mrs. Zappala called the meeting to order at 7:00 pm.

Citizen Requests to Address the Finance Committee

There were no citizen requests to address the Finance Committee.

Historical Commission Operating Budget Review

Mrs. Boulris presented the Historical Commission's operating budget request of \$1050, most of which she stated would go toward printing costs. According to Mrs. Boulris the Commission has added 45 homes to its Inventory of Historic Homes, which already had 90, and that a portfolio will be printed detailing these homes. Mrs. Boulris stated that the Commission is waiting for a response from the consultant for the Heritage Project. In response to a question from Mrs. Zappala, Mrs. Boulris stated that the Commission purchases plaques for special awards for Excellence in Historic Preservation which cost \$200 for three plaques. In response to a question from Mr. Borrelli, Mrs. Boulris stated that the Commission does not purchase plaques for each house on its Inventory but rather when a house is placed on its Inventory, homeowners pay for those plaques themselves.

Accept Minutes of Prior Meetings

Mr. Zimbone requested that the phrase "According to Mr. Zimbone," on the first page of the January 13 minutes be deleted and replaced with "Mr. Zimbone noted that."

MOVED: By Mr. Rosenstock, to accept the Minutes of the Meeting of January 13, 2010 with the revision submitted by Mr. Zimbone. Mr. Zimbone seconded this motion, whereupon the motion was approved by a vote of 8-0.

Town Clerk Operating Budget and Capital Requests Review

Mr. Taggart presented the Town Clerk's operating budget request of \$321,578, an increase of 8.3 percent over the appropriated FY10 operating budget. Mr. Taggart noted that most of the increase in the budget is due to the fact that three elections are scheduled in FY11 as opposed to the one scheduled in FY10, leading to increases of \$19,350 in salaries for election workers and \$5290 in election expenses. As the two recent United States Senate special elections (primary and general) were not budgeted, Mrs. Eaton reported that she expected to ask the Finance Committee for a Reserve Fund transfer for the Town Clerk in advance of the Annual Town Election in April. Mr. Taggart noted that further potential special elections would have additional costs. Mrs. Eaton reported that the State Auditor provided an opinion that the special elections were a state mandate for which cities and towns should be reimbursed, however, the Town has only received the prior state mandated amount of \$3917 per election for three additional polling hours, or \$7834 for the two elections. In response to a question from Mr. Rosenstock, Mr. Davison stated that this reimbursement is a direct grant to the Town Clerk and does not go through the General Fund. Mr. Taggart noted the one capital request of new voting machines, which is currently slated for FY2013 in the capital plan. In response to a question from Mr. Borrelli, Mrs. Eaton stated that the Town has a maintenance contract with an annual fee of \$1900 for its current machines.

Commission on Disabilities Operating Budget Review

Mr. Wise presented the Commission on Disabilities' operating budget request of \$550. In response to a question from Mr. Reilly, Mr. Wise reported that \$1800 in revenue had been received through fines for Handicapped Parking violations, which he added was the result of Commission members taking pictures of violations. Mr. Wise stated that two Handicapped Parking placards had recently been ordered for the high school, and Mr. Laffey added that he expected these would be in place by the end of the week.

Public Facilities Department Operating Budget and Capital Requests Review

Mr. Creem introduced the Public Facilities Department's operating budget base request of \$7,662,132, an increase of 3.09 percent over the appropriated FY10 operating budget. Mr. Creem provided extensive background information on the Public Facilities Department, including the merging of the staffs of the Municipal Buildings Maintenance Department and Permanent Public Building Committee into one Public Facilities Department with Operations and Construction Divisions. According to Mr. Creem 84 percent of the Energy line item is from school buildings, as Needham includes the maintenance of school buildings in the Public Facilities Department and has since the mid-1990s, as opposed to the School Department as many towns do.

With regard to the Construction Division, Mr. Creem noted that the division employs a Director of Design and Construction, whose salary is partially funded through construction contracts, an administrative assistant, and two Project Managers, one of whom is overseeing the close-outs of the High School and High Rock projects as well as the Newman project, and the other of whom

is overseeing the Public Services Administration Building, Town Hall, and Senior Center. Mr. Creem noted that much of the Project Managers' salaries are charged to the respective construction projects, although not at 100 percent of their salaries and that state law limits the salary of the Director that can be charged to construction projects as much of his time is considered operational and therefore cannot be funded through debt.

On the Operations side Mr. Creem noted that Mr. Laffey has adopted an internet-based management system for work orders and preventive maintenance, and hopes to implement an asset management system to determine the inclusion of larger items on the Capital Improvement Plan. Mr. Creem reported that the Operations Division has a staff of 50 FTE, a decrease of four from the appropriated FY10 operating budget due to the expansion of the Sanitors cleaning contract to the Pollard Middle School. Mr. Creem noted that the increase in the salary line item is due to a settlement with the Needham Building Custodian and Tradesman Independent Association at 2.5 percent for both FY09 and FY10 and an 8.5 percent increase in overtime for school grounds work, a custodian at the Library on Saturday and at the high school on Sunday, and three tradesmen and custodians on Saturdays for tasks that cannot be done during regular business hours. With regard to expenses, Mr. Creem noted that several expense categories had seen reallocations from within and that the major increase was \$189,000 for the Sanitors cleaning contract at Pollard, which he stated would be out for bid again in July 2011 and would be expected to save the Town money in the long run. Mr. Creem expressed concern over a dearth of middle management staff, stating that all non-custodial employees reported directly to Mr. Laffey. In response to questions from Mr. Reilly and Mr. Rosenstock, Mr. Davison reported that the salary amounts of Construction Division employees charged to construction projects varies from year to year (at approximately \$50,000-\$80,000) and that the budget is based on 100 percent of their salaries with any savings becoming Free Cash. In response to a question from Mr. Reilly regarding \$800 itemized on the Position Register Detail for most employees in the department with the note "Snow & Clothing," Mr. Laffey stated that this is a contractually established clothing allowance. In response to a question from Mr. Rosenstock, Mr. Laffey stated that he is not provided with a \$3000 auto allowance and Mr. Davison confirmed this, adding that such allowance is a possibility should the director not be provided with a vehicle in the future. Mr. Laffey stated that more work is being done within the department as opposed to contracting it out, and that all repair parts come out of the budget.

Mr. Zimbone presented data on the Public Facilities Department's energy expenses over periods of years across each of the Town's buildings, noting a rise in electricity usage at the high school in 2006-2007 which he attributed to the new technology in use that year and a significant decline in heating costs over the past few years which he attributed to the shift from oil to natural gas burners. Mr. Zimbone reported that the department had revised its energy line item in the budget request by \$400,000 to slightly over \$2.8 million, based on rates for electricity at 21 cents per kilowatt hour, natural gas at \$1.20 per therm, and oil at \$3.25 per gallon. While Mr. Zimbone expressed a belief that there may be more savings to be achieved, as he stated that the energy line item for FY10 is on pace to be \$750,000-\$1,000,000 under budget, he noted that rates could always increase and stated that the reduction of \$400,000 would still provide a cushion in this case. According to Mr. Zimbone energy conservation requires changes in behavior (i.e. getting rid of mini-refrigerators, space heaters) for which there is currently no incentive for building

occupants, and he cited towns in which dollars from energy savings go directly to the School Departments. In response to a question from Mr. Borrelli, Mr. Davison stated that the contractor for the Newman project would be responsible for paying for its own power, and Mr. Zimbone added that the modular classrooms used in FY12 would be a virtual even swap with the current classrooms in the building. Mr. Zimbone also stated that the conversion of Newman from oil to natural gas during the project would make a difference in its energy costs.

Mr. Creem presented the Public Facilities Department's DSR-IV requests of \$63,153 for an HVAC Controls Technician, \$50,506 for a Trades Supervisor, and \$100,000 for grounds keeping services. Mr. Laffey stated that the HVAC Controls Technician would be the third on staff, but would be helpful on the second shift so as to avoid paying overtime. According to Mr. Laffey five buildings are currently on the department's management system and six more will be added over the next three years, which he stated would lead to having more parts under sophisticated controls which would require more repairs. In response to a question from Mr. Lunetta, Mr. Laffey stated that there would be cost savings by doing work in house on a second shift, and that the second shift was necessary due to a necessity to avoid many repairs in schools while children are in school. In response to a question from Mr. Reilly, Mr. Laffey stated that this position would not be a net addition if a warehouse position were reclassified and that the net cost upon such reclassification would be closer to \$15,000. Mr. Laffey stated that the additional HVAC Technician would eventually need a truck. Mr. Creem stated that the Trades Supervisor would help to alleviate his concern with a lack of middle management within the department. In response to a question from Mr. Lunetta, Mr. Laffey stated that approximately 50 employees report directly to him. Mr. Creem noted that the Public Facilities Department is responsible for lawns at schools, which he stated are mowed every 3.6 weeks during growing season. According to Mr. Creem this mowing is restricted to non-school hours, and the steep contours at the high school would present an additional challenge to the department.

Mr. Creem summarized the Public Facilities Department's capital requests, including condition assessments for the Mitchell and Hillside Schools, modular classrooms for the Mitchell School, a condition assessment for the Pollard Middle School, core fleet replacement, small specialty equipment, and continued funding for the Facilities Maintenance Program. Mr. Popper stated that the Permanent Public Building Committee would assume responsibility for the modular classrooms at Mitchell. In response to a question from Mr. Borrelli, Mr. Laffey stated that the brand of specialty equipment purchased is determined by cost and quality, and Mr. Davison noted the procurement process by law. Mr. Laffey distributed a list of projects under the Facilities Maintenance Program for FY10 and proposed projects for FY11, noting expenses related to the high school roof that was not replaced during the building project and the replacement of VCT tile in classrooms at the Broadmeadow School.

Finance Committee Updates

Mr. Popper reported that the Information Technology Department would move into the Public Services Administration Building in advance of the Town Hall staff, and that the building would be ready for the Town Hall staff to move in over the long weekend beginning February 13. Mr. Popper added that asbestos abatement of the Town Hall would begin that weekend, with a general contractor on site approximately March 1.

Mr. Davison reported that the FY09 audit would be presented to the Selectmen at their meeting of January 26, and invited the Finance Committee to the meeting.

Mrs. Zappala updated the Committee on the search for an Executive Secretary.

Adjourn

There being no further business, a motion was made and seconded to adjourn the meeting, whereupon the meeting was adjourned by a vote of 8-0 at 9:46 pm.

Respectfully submitted,

Mike Taggart
Acting Secretary