

**Needham Finance Committee
Minutes of Meeting of April 7, 2010, Open Session**

The meeting of the Finance Committee was called to order by the Chair, Lisa Zappala, at approximately 7:04 pm in the PSAB Building (temporary Town Hall.)

Present from the	Lisa Zappala, Chair	
Finance Committee:	Rick Zimbone, Vice Chair	
	Matthew Borrelli	Richard Creem
	Richard Lunetta	Richard Reilly
	Steven Rosenstock	Michael Taggart (arrived 8:20 pm)

Also Present: Kate Fitzpatrick, Town Manager
David Davison, Assistant Town Manager – Finance Director
Dan Gutekanst, Superintendent, School Department
Anne Gulati, Director of Financial Operations, School Department
Patricia Carey, Director, Park and Recreation
Brian Nadler, Chair, Park and Recreation Commission
Tony DelGaizo, Town Engineer
Steve Popper, Director of Construction & Renovation

Citizen Requests: There were no citizen requests to address the Finance Committee.

Discuss and Vote Draft Special Town Meeting Warrant Article 9: Appropriate for Pollard School Improvements:

Ms. Zappala noted that the article is not specific, and asked whether this \$30,000 appropriation is intended to address needs relating to the preschool being relocated from Newman to Pollard during construction there. Dr. Gutekanst stated that the money will bring in an engineer to assess what to do throughout the Pollard campus, including where the kindergartners and preschoolers will be dropped off, and how they will get to the modulars. Ms. Gulati stated that this article funds engineering plans, as there is a need to redesign both access points and the parking lot. The whole project is in phases, with this article addressing the immediate needs for access, as well as reconfigurations within the modulars. The second phase is a condition assessment that requires an appropriation requested in Annual Town Meeting Warrant Article 32, also for \$30,000, which would address larger pieces such as the roof, auditorium, front access and parking. The final phase requires \$400,000 for design work, which is included in the proposed FY2011 Capital Improvement Plan. It will all eventually be woven into one project to meet the long term needs of the building. Ms. Zappala stated that putting different parts in separate articles is confusing, and the language in the articles should be made clearer. Ms. Gulati noted that the work needed at Pollard to deal with the kindergartners and preschoolers being moved because of the Newman project is needed immediately. They separated this request and included it in the Special Town Meeting Warrant so that any issues relating to other elements of the larger project would not hold this part up. Ms. Gulati stated that this part could not have been included in the Newman project, because

the MSBA language specifically restricted any work to the Newman site. She further stated that this part of the project will cost \$50,000, but that they are expecting to use \$20,000 from stimulus or other one-time funds. In response to a question from Mr. Zimbone, Dr. Gutekanst stated that there is no need to appropriate stimulus funds, so that portion is excluded.

Mr. Rosenstock pointed out that the Annual Town Meeting Warrant Article 32 includes funding for parking and driveway improvements, which makes it seem as if they are looking to pay for the same thing in two places. Ms. Zappala agreed, stating that the language is too loose, and that the article should better describe the purpose, especially since the dollar figure is the same in both places. Ms. Fitzpatrick explained that the Annual Town Meeting Article addresses long-term needs for Pollard Middle School students while the Special Town Meeting Article addresses needs relating to the relocation of kindergarten and pre-school children from Newman to Pollard.

In response to a question from Mr. Borrelli, Mr. Popper responded that the money in this article would cover design, and that the construction will take place in September 2011. Any money left over after design would be used for construction. Mr. Zimbone stated that the article should mention that the project costs \$50,000 and that \$20,000 would be covered by stimulus money, making the needed appropriation \$30,000.

Mr. Popper said that they need to start this design work in the early fall, and cannot wait until after the November Town Meeting. There will be modifications needed to accommodate young children and also to make administrative space since they are moving the whole program. Mr. Creem said that he would not be ready to vote until the language in the article is made clearer.

Discussion of Annual Town Meeting Warrant Article 34: Appropriate for Modular Classrooms/Mitchell School

Dr. Gutekanst mentioned that an issue has arisen with respect to the Mitchell modulars. Mr. Popper stated that the School Department wants to place two modular units at Mitchell, has used an architect to gauge feasibility and found a suitable spot. However, there is a new state regulation that if a facility is greater than 7500 square feet, and space is added, that the entire facility must be upgraded to meet current sprinkler code. He stated that Mitchell is over 50,000 square feet of space and adding a sprinkler system would be a significant cost. Mr. Rosenstock asked whether the modulars could be separate from the rest of the building. Mr. Popper stated that there would then be a zoning violation, and a waiver is available only for hardship, which he felt was not a possibility. Mr. Lunetta asked if the additional structure needed to be nearby. Ms. Gulati stated that having the additional space be at a different lot would mean that they would require much additional space for bathrooms and other needs.

Ms. Zappala asked whether the article was still needed. Dr. Gutekanst stated that he will soon get information from the architect with respect to costs. He noted that this may impact another article as well, since this same issue will arise at Hillside. He also

expressed concern that other issues such as ADA compliance could arise. Mr. Popper stated that he did not feel ADA issues would arise, but that he needed to discuss the matter with more people in town.

Ms. Zappala asked whether the modulars could be placed at newer buildings. Dr. Gutekanst stated that Mitchell is currently the most stressed building and that Hillside is the second most stressed. Mr. Reilly noted that it would be difficult to try to avoid installing sprinklers since this issue involves safety.

Discuss and vote Annual Town Meeting Warrant Article 3: Amend Zoning By-Law – Temporary Meteorological Towers; Article 4: Amend Zoning By-Law – Map Change to Temporary Meteorological Towers Overlay District

Article 3:

Ms. Zappala stated that the article involved the building of temporary wind towers on town property behind the RTS to see if wind turbines would be feasible. Mr. Zimbone said that he received cost information from Michael Greis chair of Green Needham. They have state DEP approval to install the towers, and have raised most of the money needed, including some matching funds. They have \$26,747, and have been quoted a cost of \$36,773. They still need approximately \$10,000 to go forward, but believe they will be able to raise the funds. They have been discussing costs with an equipment manufacturer, and e-mailed estimated costs to Mr. Zimbone.

Mr. Zimbone explained that the towers will measure the wind velocity for one year, and the field data will be used to determine the economics of placing a wind turbine in that location. If it is determined not to be worthwhile, they will take down the towers, and the project is done. If there is sufficient wind to justify a turbine, then they will take further steps. Mr. Zimbone added that, looking at a wind map, it does not appear that this area will have sufficient winds, but that there are winds there. He suggested approval of the article, as there were no town funds needed. Mr. Reilly noted that the project has a maximum time frame of 5 years, after which it would definitely be completed. Mr. Borrelli stated that since there is a requirement of a bond of 150% of the cost of removal, he is comfortable that removal costs will be covered.

Mr. Rosenstock stated that if there are no costs for the town, that the Finance Committee should take no position. Ms. Zappala stated that this had been discussed at the last meeting, and members seemed to want to support green initiatives. Mr. Reilly stated that the committee should be consistent, and that it could be dangerous to support an article when the committee does not find a financial implication. Mr. Rosenstock agreed that the committee needs to make its recommendations based on the financial implications to the town. Mr. Zimbone stated that he could argue there are potential financial implications for the town-- not immediate concerns, but possible long-term financial implications. Mr. Rosenstock said that they could add an asterisk to the committee's position and note that there are possible financial implications, but that the committee does not know, so it is taking no position. Mr. Borrelli stated that this is a generic

zoning article, and so other groups might want to put up towers in this place, which could lead to financial issues. Ms. Zappala stated that she could see no financial implications.

MOVED: By Mr. Rosenstock that the Finance Committee take no position on the Annual Town Meeting Warrant Article 3: Amend Zoning By-Law – Temporary Meteorological Towers. Mr. Zimbone seconded the motion.

There was further discussion whether to add an asterisk to qualify the recommendation.

MOVED: By Mr. Rosenstock to amend his previous motion to add an asterisk to note that there were no financial implications at the time the Finance Committee evaluated the article. Mr. Creem seconded that motion

Mr. Reilly asked what was unknown about the financial implications of the article. The costs are covered and there is a bond for 150% of the cost of removal. Mr. Creem stated that adding an asterisk might allow the committee to address the issue at Town Meeting. Otherwise, the FinCom would likely not be recognized to speak on the article as a committee. Ms. Zappala noted that the asterisk could state that there are no identifiable short-term financial implications, but the committee could not judge the long-term financial implications at this time. Mr. Lunetta stated that he would like to add something showing support of the green movement.

Mr. Zimbone stated that he felt there were no long-term financial implications of this article. Mr. Borrelli noted that if the towers show enough wind, that many may come forward to place turbines there. Mr. Rosenstock noted that in that case, they would be looking for permanent equipment, not covered by this article.

MOVED: By Mr. Rosenstock to withdraw his motion to amend the original motion, and to reinstate the original motion (above): that the Finance Committee take no position, without any qualification.

The original motion was approved by a vote of 5-2, with Mr. Borrelli and Mr. Lunetta dissenting.

Article 4:

Ms. Zappala introduced Article 4 of the Annual Town Meeting Warrant, which changes the map to correspond with the temporary overlay district for the meteorological towers.

MOVED: By Mr. Zimbone that the Finance Committee take no position on the Annual Town Meeting Warrant Article 4: Amend Zoning By-Law – Map Change to Temporary Meteorological Towers Overlay District. Mr. Rosenstock seconded the motion.

There was no further discussion. The motion was approved by a vote of 5-2, with Mr. Borrelli and Mr. Lunetta dissenting.

Discuss and Vote Draft Special Town Meeting Warrant Article 3: Authorize Taking of Easements and Real Property

Ms. Fitzpatrick stated that these takings are needed for a bridge project near the corner of Fisher Ave. and South St. and to get funding from the state under the accelerated bridge program. This is not a federally funded bridge. Last fall, the Commonwealth asked for easements from Conservation and Recreation. After the last Town Meeting, the state followed up and asked for additional easements, which are the basis for this article. The most important are # 1 and # 2 on the list, which are small pieces of land now owned by Mrs. Ebel that must be impacted by the project. The other items are of unknown ownership (some are actually in the river), but they need to cover all the areas listed. Ms. Fitzpatrick stated that she expects the cost to be less than \$10,000, possibly significantly less. The money would come from the Bridges, Sidewalks and Intersections appropriation.

Mr. Borrelli asked why there were permanent takings rather than permanent easements. Mr. DelGaizo stated that there is an area where they need to build an additional guard rail, and an easement is not sufficient. Ms. Zappala stated that if the state is paying \$4 million for the bridge, it makes sense for the town to take the steps needed to secure that funding. Mr. Davison noted that the article does require an appropriation, so there is a financial implication. Ms. Fitzpatrick noted that the last sentence of the draft article would be deleted. It reads as follows: “Further, to raise and appropriate an amount to be determined to defray any associated right of way expenses connected with this project; or take any other action relative hereto.”

MOVED: By Mr. Rosenstock that the Finance Committee recommend adoption of the Draft Special Town Meeting Warrant Article 3: Authorize Taking of Easements and Real Property, as amended (removing the last sentence.) Mr. Reilly seconded the motion. The motion was approved by a vote of 7-0.

Discuss and Vote Draft Special Town Meeting Warrant Article 6: Transfer of Property at Perry Glen

Ms. Fitzpatrick stated that the Perry Glen parcel is a 6.5 acre area behind Sportsman’s Pond that has been under the control of the Park and Recreation Commission since the 1960s. The land was taken by “friendly” eminent domain by the Town in 1965, seemingly because it is a wet area that feeds to Rosemary Lake. In 2007, the Conservation Commission agreed to transfer a 3.1 acre parcel at Ridge Hill Conservation to the Board of Selectmen (to potentially build a senior center) in exchange for a like-size or bigger property of significant conservation value. This article transfers this 6.5 acre property to the Conservation Commission thereby completing the agreement and complying with the Commonwealth’s no net loss policy, required for securing certain grants. It secures the Perry Glen property for the Conservation Commission for open space, and relieves the Selectmen of an outstanding obligation. Mr. Nadler noted that the

agreement and the state policy require only 3.1 acres to be transferred, but that Conservation is getting 6.5 acres.

In response to a question from Mr. Zimbone, Ms. Carey stated that the property is too wet to be used for anything but open space. Ms. Zappala asked whether it would be better to wait to see if the senior center is actually built on the Ridge Hill land so there is no possibility of a trade back. Ms. Fitzpatrick stated that there are lots of options for that property, even if a senior center is not built, since the land is designated for any municipal use. They would not want to trade back the parcel.

In response to a question from Mr. Rosenstock, Mr. DelGaizo stated that there have been no costs to the town associated with this property, other than that it has been tested for water quality. There are no trails or maintenance work done there. Mr. Rosenstock stated that if it is not usable for Park and Recreation needs, then it is sensible to transfer it to Conservation. Mr. Zimbone added that grants could be jeopardized if the transfer is not made.

MOVED: By Mr. Creem that the Finance Committee recommend adoption of Draft Special Town Meeting Warrant Article 6: Transfer of Property at Perry Glen. Mr. Rosenstock seconded the motion.

In response to a question from Mr. Borrelli, Ms. Fitzpatrick stated that this transfer would be permanent, cannot be taken back. Ms. Carey noted that the abutters will not notice, as there will be no difference in how the property is used.

The motion was approved by a vote of 7-0-1, with Mr. Taggart abstaining (having arrived during the discussion.)

Discuss and Vote: Draft Special Town Meeting Warrant Article 7: Transfer of Property for Municipal and Recreation Use

Ms. Fitzpatrick stated that this article transfers three parcels of property at Avery Field, Dwight Field and Perry Park, consisting of over 3 acres, from the Board of Selectmen to the Park and Recreation Commission. In 1981, the land was transferred to the Board of Selectmen for disposal or other use. The land from previous public schools had been sold with these ball fields carved out. Though the land is owned by the Selectmen, Park and Recreation administers it: handles all scheduling, takes all related calls. Ms. Carey noted that this transfer is within the town, and simply changes the use so that it is required to be used for municipal purposes. The Selectmen have approved the transfer.

Ms. Fitzpatrick stated that users will not see a change; they will deal with the same people. This just creates a hurdle to development of the land. Mr. Rosenstock stated that there appeared to be no financial implication.

MOVED: By Mr. Reilly that the Finance Committee take no position with respect to Special Town Meeting Warrant Article 7: Transfer of Property for

Municipal and Recreation Use, due to a lack of financial implication. Mr. Zimbone seconded the motion. There was no further discussion. The motion was approved by a vote of 7-0-1, with Mr. Rosenstock abstaining.

Discuss and Vote Annual Town Meeting Warrant Article 20: Approve Borrowing Authorization

Ms. Zappala explained that at a recent Board of Selectmen's meeting the Superintendent from the Minuteman School came to discuss the feasibility study that this article would fund. The Finance Committee discussed the issue at its last meeting in light of what members heard. While the school has not worked through all of its issues, such as low enrollment, the school recognizes the problems. This study includes a demographic study and examines long term investment needs and goes a long way toward learning what is needed for the future of the school.

The MSBA would provide a minimum of 40% of the cost of the study. Needham's portion of the costs would be approximately \$18,000 over 5 years, or between \$4,000-\$5,000 per year.

While the article must be approved by all the Minuteman member communities to go forward with the study, the school can come back to communities again with the proposal. Although some towns have indicated they do not support the study, the Minuteman superintendent would like every community to take a vote so they know who is supportive. Ms. Fitzpatrick stated that the Board of Selectmen has voted in favor of funding the study. Mr. Davison stated that the MSBA may give the school some leeway to support the study even if there were not unanimous approval.

Mr. Rosenstock stated that if the school is borrowing \$75,000 for a plan, it seems to indicate that it would ultimately lead to a large construction expense. He felt maybe the committee should discuss whether remaining a member of the Minuteman program is in the best interest of the town moving forward. Ms. Zappala stated that the superintendent recognizes that towns are questioning the need of the school, since capacity is 850-950 and current enrollment is 750. However, the school is so outdated, it is difficult to attract students. If members don't want to invest in the current building, they would consider whether they need a new building. The study includes a consideration of whether the school should continue to exist. Mr. Lunetta suggested that it could be better to do a smaller study of pedagogical issues first, to ask whether vocational teaching is needed, before studying enrollment issues and facility needs. Mr. Zimbone stated that the town could only get out of the Minuteman system if the other members voted unanimously to allow it, though there has been discussion of decreasing the count needed. Either way, the town is contractually obligated to support the school, and voting against this study would thwart the efforts of the school to improve itself. If the study cannot determine a way to fix enrollment issues, the whole project will die. This is relatively small money at this stage, and the town should consider the bigger issues later. The study will provide the information needed for a long-term assessment. Mr. Lunetta suggested that the town

take a leadership role rather than be driven by the fact that the town cannot get out of being part of the Minuteman system.

Mr. Borrelli expressed concern that other towns were opposed to the study. Ms. Fitzpatrick stated that Belmont has stated that the cost per pupil is more expensive at Minuteman than in their schools, but she noted that their own costs do not consider facility costs and other expenses that are part of the Minuteman cost per pupil. The Minuteman superintendent has said that Belmont has made valid points, and they are being addressed.

Mr. Reilly suggested that it would be helpful if Ms. Zappala explained for the record why she is confident that the study will be objective and professional. Ms. Zappala stated that there is a committee overseeing the study, it is not being driven by the superintendent trying to justify a specific action. He is trying to get information to address known problems, but will shut down the school if that is the best solution. Ms. Zappala noted that if Minuteman closes, the town will need another vocational option.

MOVED: By Mr. Rosenstock that the Finance Committee recommend adoption of Annual Town Meeting Warrant Article 20: Approve Borrowing Authorization. Mr. Lunetta seconded. The motion was approved by a vote of 8-0.

Discuss and Vote Draft Special Town Meeting Warrant Article 4: Amend General By-Laws – Taxation

Mr. Davison submitted a handout with the current language of Article 7 of the Town By-Laws that imposed a hotel tax of 4%. The town previously incorporated a state law into the Town By-Laws that provides for a 6% hotel tax. This article seeks to remove Article 7 entirely to avoid confusion, and to replace with “reserved” in order to avoid renumbering.

MOVED: By Mr. Rosenstock that the Finance Committee recommend adoption of Draft Special Town Meeting Warrant Article 4: Amend General By-Laws – Taxation. Mr. Reilly seconded the motion.

Mr. Rosenstock commented that the article cleans up the By-Laws, avoids confusion, and should be done.

The motion was approved by a vote of 8-0.

Discuss and Vote Special Town Meeting Warrant Article 5: Accept MGL c. 59 § 5(54) – Personal Property Tax Exemption

Mr. Davison handed out a memorandum he had written to the Board of Selectmen describing this article. The article calls for the adoption of the state law that allows towns to exempt low tax values from personal property tax. The current tax is imposed on

certain businesses and people with second homes, and is essentially an unincorporated business tax. The article would exempt personal property values of \$5,000 or less from local tax. The article would relieve the assessor's office of a burden, and will be favorable to small businesses. The lost tax revenue would be approximately \$20,000 and the savings would be a comparable amount. The cost savings would come from not having to administer the small accounts, such as revaluing the accounts every 3 years, printing, mailing, and filing tax bills, and abatement procedures. Mr. Rosenstock asked how it is determined that an account is less than \$5,000. Mr. Davison stated that there are annual filing requirements and the values are based on self-reported amounts. He said that the tax rate is \$20 per \$1000 of valuation and that there are 429 accounts that billed out for a total of \$19,646 this year.

MOVED: By Mr. Borrelli that the Finance Committee recommend adoption of Draft Special Town Meeting Warrant Article 5: Accept MGL c. 59 § 5(54) – Personal Property Tax Exemption. Mr. Zimbone seconded the motion. There was no further discussion. The motion was approved by a vote of 8-0.

Discuss and Vote Special Town Meeting Warrant Article 11: Appropriate for Payment of Unpaid Bills for Prior Years

Mr. Davison reported that there were two bills that came in after fiscal year 2009 ended that cannot be paid unless voted at Town Meeting. One bill had been lost, and the other had been issued late, but relate to the prior year's operating budget. If unpaid, there could be various implications: the business could write off the debt, or they could sue the town, or they could refuse to continue to provide service. One of these bills is for the maintaining of a fire sprinkler system, from the general town operating budget, the other is from the sewer budget.

MOVED: By Mr. Creem that the Finance Committee recommend adoption of Special Town Meeting Warrant Article 11: Appropriate for Payment of Unpaid Bills for Prior Years. Mr. Rosenstock seconded the motion. There was no further discussion. The motion was approved by a vote of 8-0.

Discuss and Vote Draft Special Town Meeting Warrant Article 12: Amend the 2010 Operating Budget

Mr. Davison explained that this article would transfer funds out of the Finance Department Salary and Wages line into the Finance Committee Expense line because the Assistant Town Accountant position in the Finance Department that was kept vacant, but outside services were used to assist in the Finance Department in the amount of \$65,000. This article would transfer \$45,000 from the salary line, and the additional \$20,000 would be absorbed within the current budget.

MOVED: By Mr. Rosenstock that the Finance Committee recommend adoption of Draft Special Town Meeting Warrant Article 12: Amend the 2010 Operating Budget. Mr. Reilly seconded the motion. There was no further discussion. The motion was approved by a vote of 8-0.

Approve Minutes of March 24, 2010

Ms. Zappala stated that there was a final version of the March 24 minutes recently distributed with a few small changes.

MOVED: By Mr. Creem that the Finance Committee recommend adoption of the minutes of March 24, 2010. The motion was seconded by Mr. Borrelli. The motion was approved by a vote of 5-0-3, with Mr. Zimbone, Mr. Rosenstock and Mr. Reilly abstaining.

Finance Committee Updates

Mr. Creem reported that he had attended a board meeting of the Massachusetts Municipal Association's Association of Town Finance Committees, of which he is a member. All municipalities should expect a reduction of state aid next year of 4%. The state has used up its rainy day fund, and is looking for new ways to bring in revenue, including gaming. They are trying to raise local aid without harming the lottery. There is a municipal relief bill being considered, with many technical changes aimed at increasing efficiencies and lowering cost pressures (*e.g.*, extending the full-funding deadline for unfunded pension liability). The Ways and Means Committee should be coming out with a budget in April and the town should then know where things stand.

Mr. Reilly asked Mr. Davison whether the recent storms have affected the DPW. Mr. Davison said that they are determining whether a reserve fund transfer is needed, and are also examining some ongoing problems, such as those relating to an MBTA culvert. They are applying for FEMA funds that would come in during June or July. If in June, the funds would end up in Free Cash for 2010. Five Town departments have had storm-related costs (in descending order): DPW, Fire, Public Facilities, Police, and Health.

Mr. Borrelli reported that he attended a PPBC meeting. Several site plans were discussed for a senior center: 4 at Greene's Fields, 2 at Rosemary and 2 at Ridge Hill. There have been requests to narrow down the options to the best ones. The architect will make a presentation on April 29.

Move into Executive Session

MOVED: By Mr. Creem that under Chapter 39, Section 23B of the Massachusetts General Laws, the Finance Committee enter into executive session under exception 6:

"To consider the purchase, exchange, lease or value of real property, if such discussions may have a detrimental effect on the

negotiating position of the governmental body and a person, firm or corporation,”

not to return to open session prior to adjournment. Mr. Zimbone seconded the motion. The motion was approved unanimously with the following votes: Ms. Zappala: Aye; Mr. Creem: Aye; Mr. Borrelli: Aye; Mr. Lunetta: Aye; Mr. Reilly: Aye; Mr. Rosenstock: Aye; Mr. Taggart: Aye; Mr. Zimbone: Aye.

Respectfully submitted,

Louise Mizgerd,
Executive Secretary