

**Needham Finance Committee
Minutes of Meeting of September 29, 2010**

Mr. Zimbone, chair, called the meeting of the Finance Committee to order at approximately 7:02 p.m. in the Charles River Conference Room at the PSAB Building (temporary Town Hall).

Present from the Finance Committee:

Richard Zimbone, Chair, Matthew Borrelli, Vice Chair (arrived 7:05pm)

Members: Richard Creem, Richard Lunetta, Richard Reilly, Steven Rosenstock, Lisa Zappala

Also Present:

Susanne Hughes, Chair, Council on Aging

Jamie Brenner Gutner, Executive Director, Council on Aging

Kate Fitzpatrick, Town Manager

David Davison, Assistant Town Manager/Director of Finance

Citizen Requests:

There were no citizen requests to address the Finance Committee.

Approval of Minutes

The issue was delayed until Mr. Borrelli arrived.

Senior Center Update

Mr. Zimbone reported that the Senior Center Exploratory Committee (SCEC) presented a letter at the Board of Selectmen's meeting stating its recommendations for the Senior Center. The SCEC recommended not to move forward on the sites at Rosemary Ridge and the Emery Grover Building. The SCEC recommended the MBTA Heights lot most highly, followed by Greene's Field, then Ridge Hill. They recommended that the building size should be 20,000 square feet, including storage and systems. They also recommend that the facility be constructed without an override. The Board of Selectmen accepted the SCEC's letter, and will deliberate between now and their October 12 meeting, when they will discuss the issues and vote.

Mr. Borrelli reported that at the SCEC meeting, there was discussion about the gross size of the building, though he still has questions about the amount of space actually needed for programming. There were also discussions about an override. There were votes to eliminate the Emery Grover and Rosemary sites from consideration, then to rank the remaining three sites. Mr. Borrelli stated that at the Rosemary site, the cost was prohibitive and some members felt there were also design issues. Emery Grover was eliminated because it is not expandable, the potential high costs of rehab, and traffic issues. The possibility of CPA funding did not outweigh these factors.

Mr. Zimbone asked Ms. Hughes to inform the Finance Committee how the Council on Aging (COA) reached its decisions regarding the senior center, particularly why 20,000 square feet (sf)

is needed, and why the Emery Grover site was not favorable. Ms. Hughes stated that the COA has spent many years working on the concept of a senior center, and is recommending a facility that will meet needs now and in the future. There are over 7,000 seniors in Needham. The Executive Office of Elder Affairs recommends that a senior center have 5-6 sf per person, which would amount to over 30,000 sf. The COA visited over 50 senior centers in Massachusetts. Ms. Gutner stated that in Franklin, the facility has 15,000 sf for 4,000 seniors and Northborough has 14,000 sf for 2,700 seniors. None of the towns has said its building is too large. Experience and best practice show at least 20,000 sf would be needed to fit Needham's needs for a senior center. Ms. Hughes said that it has been shown that when there is a new senior center, usage increases dramatically. The senior center needs space for programming, staff offices, social worker office space, and SHINE counselors' space. The current building does not have space for the needs. The new center will need ample parking since almost all seniors tend to drive there.

Mr. Zimbone asked if they were told they had only \$5 million without an override, what solution would they recommend for funding, since the options presented would require \$8 million. Ms. Hughes stated that the Friends of Elderly are ready to start fundraising when a site is selected, and could possibly raise up to \$1 million, which was done in Belmont.

Mr. Reilly asked whether the need for space is driven more by the programs or by the number of seniors. Ms. Gutner replied that it is the number of senior residents. If they have the space, they will provide programs people say they want, and people will then come. Mr. Lunetta asked why the Heights lot is preferred if parking is so important. Ms. Hughes said she is not on the SCEC, but that the site had sufficient space for a 20,000 sf building with parking and is close to shops and public transportation.

Mr. Creem stated that he felt that the issues at Emery Grover could have been overcome. The finances won't work without additional funding such as could be available from the CPA. Also, the Emery Grover Building is deteriorating, and something needs to be done, and the Schools are not likely to do it. Mr. Creem also stated that he is unsure of the COA's vision for the Heights lot location, and how they will make the space seem "welcoming", and address the noise issues. Ms. Gutner replied that the COA seemed to feel Emery Grover was not suited to the activities of a senior center. The architect said that the train noise at the Heights lot could be mitigated.

Mr. Creem stated that traditionally overrides are used for funding building projects. If funds from within the 3% debt service limit are used for this project, the Town may need an override for roads or other unusual reasons. Fundraising is important, but the Town needs a financing plan. CPA funding would be helpful, and would be possible at Ridge Hill or Emery Grover. The Town does not want a substandard project. Mr. Creem hopes everyone involved will consider the financial issues and work together to find a reasonable approach, and not discount certain sites. Mr. Rosenstock added that the Emery Grover building is in disrepair and needs work. The Finance Committee is trying to meet many needs of the Town. He is strongly in favor of a senior center, but the Town needs to be realistic about cost.

Mr. Reilly asked, if the Committee concluded that there was \$6 million for a project, would the COA want to spend that \$6 million for a completed project now, or build partially and expand later. Ms. Hughes stated that with all the Town's capital needs, she thought it would be

unrealistic to seek expansion in 5 or 10 years. Mr. Borrelli stated he could see the benefit of a smaller project now, to expand later. Ms. Hughes commented that the 20,000 sf is needed now. She could not say how to proceed if strictly limited to \$6 million.

Mr. Borrelli asked to be provided with the number of people actually using the current senior center, both at peak usage, and the total, and also information on the increased usage at other new centers. Ms. Hughes stated that last year approximately 3,000 seniors used the center in some way last year, with 1,300-1,400 enrolled in programs.

Mr. Rosenstock stated that it would be better to have an \$8 million override now to fund the senior center, and to have sufficient money for other Town needs. Mr. Zimbone thanked Ms. Hughes and Ms. Gutner for attending the meeting and offering their insight into the Senior Center building needs. Mr. Zimbone then stated that the Committee will continue to discuss this issue as we approach the Special Town Meeting.

Approval of Minutes

There were no comments or corrections for the September 22, 2010 minutes that had been previously distributed.

MOVED: By Mr. Borrelli that the Minutes of September 22, 2010, be approved as submitted. Mr. Rosenstock seconded the motion. The motion was approved by a unanimous vote of 5-0, with Mr. Reilly and Mr. Lunetta abstaining.

Discuss and Vote as Appropriate Draft Special Town Meeting Warrant Articles

Article 1: Home Rule Petition – Taking for Bridge Repair

Ms. Fitzpatrick stated that this exact article was passed in November 2009, and requires legislative approval, which did not happen. It must be refiled and voted again. It provides for the taking of easements to relocate a storm drain pipe and utility pole as part of the Mass. Department of Transportation bridge construction project over the Charles River from South Street in Needham to Willow Street in Dover.

MOVED: By Mr. Rosenstock that the Finance Committee recommend adoption of Draft Special Town Meeting Article 1: Home Rule Petition – Taking for Bridge Repair subject to the approval of the proponent. Mr. Reilly seconded the motion. There was no further discussion. The motion was approved by a unanimous vote of 7-0.

Article 2: Transfer of Property – MBTA Commuter Lots

Ms. Fitzpatrick stated that the Selectmen have approved this article. Mr. Rosenstock stated that more information is needed regarding operating costs, and what will happen if the swap does not happen.

Article 3: Change of Property for Municipal Use; Article 4: Conveyance of Property for Municipal Use; Article 5: Home Rule Petition - Disposal of Conservation Land/Acquisition of Easement

Ms. Fitzpatrick stated that these three articles are best considered together. Algonquin Gas has installed a cathodic grounded protective system for natural gas. It goes through conservation property and property that was transferred to the Board of Selectmen for a possible senior center at Ridge Hill. Article 3 transfers 18,764 sf property from conservation to municipal use and authorizes the easement for the system. In exchange, Algonquin will give \$20,000 to the Conservation Trust. Article 4 changes the designation of 375 sf of land and conveys it to the Selectmen for a gas easement. Article 5 authorizes the Selectmen to seek legislative approval of the transfer. The Conservation Trust will be given \$50,000 in exchange for the easement. If the transfer is not achieved in 2 years, Algonquin Gas can take the property by eminent domain since it has special rights as a public utility. In response to a question from Mr. Borrelli, Ms. Fitzpatrick stated that the utility should not affect future building, as it is easily moved if necessary. She suggested Ms. Patty Barry of the Conservation Commission come in to discuss the articles.

Article 6: Authorize Elder Services Zoning Agreement

Ms. Fitzpatrick suggested that Town Counsel come in to discuss the article. It involves an agreement to provide for payments to the Town if the Elder Services Zoning District land should become nontaxable.

Article 7: Amend General By-Law - Regulation of Dogs

Ms. Fitzpatrick stated that these provisions need to be in the by-laws to be enforceable. The provisions eliminate the dog leash length restriction, establish a pooper scooper law, codify rules established by the Board of Selectmen and Park and Recreation, and remove fees from by-laws to be more readily updated. Mr. Zimbone asked if there was a financial implication. Mr. Reilly stated that there were fees for violations.

MOVED: By Mr. Reilly that the Finance Committee recommend adoption of Draft Special Town Meeting Article 7, General By-Law - Regulation of Dogs, subject to the approval of the proponent. Mr. Lunetta seconded the motion. There was no further discussion. The motion was approved by a unanimous vote of 7-0.

Article 8: Accept M.G.L. c. 131 of the Acts of 2010 – Surviving Spouses of Disabled Employees

Ms. Fitzpatrick stated that this article is put forth by the Retirement Board and will increase the benefits of the surviving spouses of employees who stopped working because of accidental work-related disability and died of other causes. There are five people who fall into this category, and because of policy changes, no one else can be included. The total cost is \$15,000 per year for the lifetimes of these remaining 5 survivors, two of whom were born in the 1920s

and two of whom were born in the 1930s. In response to a question from Mr. Reilly, Ms. Fitzpatrick confirmed that this issue is self-curing, and will come to a definite end.

MOVED: By Mr. Rosenstock that the Finance Committee recommend adoption of Draft Special Town Meeting Article 8, Accept M.G.L. c. 131 of the Acts of 2010 – Surviving Spouses of Disabled Employees, subject to the approval of the proponent. Mr. Lunetta seconded the motion.

Discussion: Mr. Rosenstock commented that this is a humanitarian issue. Mr. Lunetta expressed concern whether the additional \$3,000 per survivor is sufficient.

The motion was approved by a unanimous vote of 7-0.

Article 9: Appropriate for Facilities Improvements, Repairs – Pollard; Article 10: Appropriate for Pollard School Roof Replacement; Article 11: Appropriate for Senior Center Feasibility and Design

Ms. Fitzpatrick stated that there is not yet enough information to further discuss these articles.

Article 12: Appropriate for Needham Property Assistance Program

This issue was discussed at the 2010 Annual Town Meeting. Approving this article would fully fund the program. The Finance Committee had agreed that the program should be entirely funded.

MOVED: By Mr. Reilly that the Finance Committee recommend adoption of Draft Special Town Meeting Article 12, Appropriate for Needham Property Assistance Program, subject to the approval of the proponent. Mr. Borelli seconded the motion. There was no further discussion. The motion was approved by a vote of 6-1, with Mr. Rosenstock opposed.

Article 13: Amend the 2011 Operating Budget

Mr. Davison stated that he is still waiting for further information for this article.

Article 14: Amend the 2011 Sewer Enterprise Fund Budget

The article corrects the MWRA assessment budget line.

MOVED: By Mr. Rosenstock that the Finance Committee recommend adoption of Draft Special Town Meeting Article 14: Amend the 2011 Sewer Enterprise Fund Budget. Ms. Zappala seconded the motion. There was no further discussion. The motion was approved by a vote of 7-0.

Article 15: Amend Community Preservation Fund Reserves

Ms. Fitzpatrick stated that an adjustment may be needed. However, the Board of Selectmen may withdraw this article.

Article 16: Rescind Bond Authorization

Mr. Davison reported that the amount to be rescinded for High Rock and Pollard Schools project authorized at the 2007 Annual Town Meeting listed as “pending” in the draft article will be \$2,425,000.

MOVED: By Mr. Creem that the Finance Committee recommend adoption of Draft Special Town Meeting Article 16, Rescind Bond Authorization, subject to the approval of the proponent. Ms. Zappala seconded the motion. There was no further discussion. The motion was approved by a unanimous vote of 7-0.

Article 17: Appropriate to Capital Improvement Fund; Article 18: Appropriate to Capital Facility Fund

Ms. Fitzpatrick stated that she is not ready to address these articles yet.

Senior Center – further discussion

Mr. Rosenstock stated that he is concerned about whether the Town actually can afford the \$5 million for a senior center shown in the Facilities Financing Plan. Many issues exist that are not included in the Capital Improvement Plan. Any issues that are not funded need to be covered by cash. Also, the Town is \$2.1 million short of cash capital requirements in just the next four years. If we keep deferring those needs, we are digging ourselves into a deeper hole. The Committee is not being diligent if we do not tell the Board of Selectmen that \$5 million is not available for the senior center because it would put the Town in a position that is not sustainable.

Mr. Lunetta stated that the Selectmen’s needs are not congruent with the Finance Committee’s needs. The Finance Committee needs financial stability. The Selectmen also have an agenda to represent the 7,000 seniors in Town.

Mr. Rosenstock stated that Mr. Davison put together a creative financing schedule in order to show \$5 million could be available for a senior center. However, Mr. Rosenstock feels that this is not the right answer for the Town. The Town does not have sufficient funds to maintain its existing infrastructure. The Town cannot use that money for a new building. The Committee’s job is to maintain a sustainable financial position for the Town. For this project, the Town needs an override.

Mr. Borrelli stated that, in his opinion, an override may not pass. He thinks that Mr. Davison’s numbers are conservative enough and that the Town should use \$5 million dollars, if available, to fund the project, but that the building may need to be smaller in order to finance. Looking at what other towns have done, a smaller gross square footage may accommodate the programs and be built under the levy with additional fundraising.

Mr. Rosenstock stated that it would not be fiscally responsible to defer the expenses in the Capital Plan. Mr. Creem agreed with Mr. Rosenstock. Mr. Creem said that the Finance Committee has been saying for years that the Town cannot fund three building projects at once, and the Town Hall project was funded and even expanded. The Town does not have the funds within the 3% debt service limit to take on a building project. He believes it is not prudent to fail to consider a CPA-eligible project in the upper tier of choices. Mr. Borrelli stated that the Emery Grover building was not what the SCEC wanted, and is not expandable.

Mr. Rosenstock asked whether the Committee could go before the Selectmen to express its position. Ms. Zappala stated that she thinks it is warranted to stand up and say that the \$5 million is not really there, that the Town has woefully underfunded the capital plan, but that the Committee relented on the Town Hall addition, knowing it would eat away at the senior center money. Every year there seems to be another project eating away at the capital plan needs.

Mr. Zimbone added that there are three condition assessments outstanding-- Pollard, Mitchell and Hillside-- and the Town does not yet know what work will be needed. Ms. Zappala stated that the Town is trying to squeak pennies out of the 3% debt service limit to avoid an override. The Committee should not guess as to whether an override would pass, but should say that the Town can't fund the project within the 3%.

Mr. Zimbone asked Mr. Davison whether he had an opinion. Mr. Davison responded that it is a philosophical discussion about what to finance. The Board of Selectmen has a right to change priorities. If the priorities change, then the Finance Department needs to present the financial implications.

Mr. Borrelli stated that the Committee does have to express its position to the Board of Selectmen. Mr. Creem added that there needs to be an override. He does not want to spend money on a design then have no override and the project dies. Ms. Zappala noted that for School projects, they always voted to fund designs before any override. Mr. Zimbone stated that in those situations, there was always a financing plan that the Finance Committee agreed with.

Mr. Rosenstock stated that he calculated it would cost the average taxpayer \$6-\$7 per month, or approximately \$70-\$75 per year, to pay for an override for the senior center. Mr. Zimbone stated that he will inform the chair of the Board of Selectmen that the Finance Committee wishes to appear before the Board of Selectmen, perhaps on October 12, to discuss the Committee's thoughts with respect to the financial implications of the Senior Center project.

Executive Session Minutes Policy

Mr. Zimbone stated that under the proposed policy, executive session minutes would be released 3 years after the date of the executive session, which may be extended if there is still a valid reason to withhold the minutes. If someone makes a public record request, then the Executive Secretary contacts the Committee to see if the minutes should be released. Mr. Creem noted that if the executive session was based on two different topics, and one topic was eligible for release, the minutes could be released with the portions redacted that are still subject to being withheld. There are three areas when the Finance Committee might enter executive session: (1) To discuss

a collective bargaining agreement: If there is a settlement, the minutes should often not be released because the same strategies may still be in use for other bargaining units. (2) To discuss land purchases: This issue usually has a shorter time frame, as each property is unique, and once the transaction is closed, there is no reason to withhold the minutes. (3) To discuss ongoing litigation: Litigation may go on for a long time, and the minutes should not be released until it is concluded.

Mr. Rosenstock suggested that policy section 1.3 regarding extending release of minutes beyond three years should have a date certain to review again. Mr. Reilly asked why the policy is for 3 years. Mr. Davison stated that the Board of Selectmen adopted a policy of withholding executive session minutes for 3 years, primarily because that is the longest period of time that collective bargaining agreements can cover. But during that time, the body must still respond to any request for the minutes.

Mr. Lunetta questioned whether the Executive Secretary should have the ability to decide to release the minutes. Mr. Borrelli stated that the Executive Secretary should be required to consult with the Chair of the Committee before a decision is made to release the minutes. Mr. Davison stated that under state law, the request should be made to the keeper of the minutes. Mr. Creem stated that approval of minutes is a ministerial act. Once the minutes are made, they are subject to request regardless of whether they have been approved. A vote is not needed. Also, any committee members may vote to approve minutes at meetings at which were not present.

Mr. Rosenstock proposed that the following sentence be added to the end of section 1.3: "Any such extension of the time period for withholding executive session minutes shall be reviewed every six months to determine whether further extension is warranted."

Mr. Lunetta proposed that in section 1.2 the phrase "following consultation with Town Counsel" after "The Executive Secretary of the Finance Committee."

MOVED: By Mr. Creem that the Finance Committee adopt the Policy on Executive Session Minutes in accordance with the suggested modifications. Ms. Zappala seconded the motion. There was no further discussion. The motion was approved by a unanimous vote of 7-0.

Finance Committee Updates

There were no updates.

Adjournment

MOVED: By Mr. Zappala, that the meeting be adjourned, there being no further business. Mr. Reilly seconded the motion. The motion was approved by a vote of 7-0, at approximately 9:30 p.m.

Documents: Senior Center Exploratory Committee letter to Board of Selectmen dated September 28, 2010; Draft November Special Town Meeting Warrant dated September 24, 2010; Draft of Finance Committee Policy: Executive Session Minutes

Respectfully submitted,

Louise Mizgerd,
Executive Secretary

Approved October 13, 2010