

**Needham Finance Committee
Minutes of Meeting of April 6, 2011**

The meeting of the Finance Committee was called to order by the Chair, Richard Zimbone, at approximately 7:05 pm in the Charles River Conference Room at the Public Services Administration Building (Temporary Town Hall.)

Present from the Finance Committee:

Richard Zimbone, Chair; Matthew Borrelli, Vice Chair

Members: John Connelly (arrived 7:15 pm), Richard Creem, Richard Lunetta, Gary McNeill (arrived 7:40 pm), Richard Reilly, Steven Rosenstock, Lisa Zappala

Also Present:

David Davison, Assistant Town Manager/Director of Finance

Chip Davis, Administrative Assessor

Citizen Requests

No citizens requested to speak.

Approval of Minutes

MOVED: By Mr. Reilly that the minutes of the Finance Committee meeting of March 30, 2011 be approved as most recently distributed. Ms. Zappala seconded the motion. There was no further discussion. The motion was approved by a vote of 7-0. (Mr. Connelly and Mr. McNeill had not yet arrived.)

Draft Special Town Meeting Warrant Article 4: Accept M.G.L. Chapter 59, Section 5, Clause 56

Mr. Davison explained that state legislation had been enacted that gave local Boards of Assessors the right to give a reduction on property tax bills for military reservists on active duty overseas. People in military reserves did not previously qualify for property tax relief under the Massachusetts tax code. Certain laws did give assessors the ability to grant hardship exemptions but it was not done often. Adoption of this clause would allow assessors to give relief in specific circumstances to people who would not otherwise qualify.

Mr. Reilly asked the financial impact of this article. Mr. Davis stated that Veterans' Services is researching the specific number of people to whom this would apply in Needham, but he estimates it would affect approximately 6-8 taxpayers. He expects the effect to be about \$60,000-\$70,000. In response to a question from Mr. Lunetta, Mr. Davison stated that the abatement is at the discretion of the Board of Assessors based on the specific facts. The Board of Assessors has not determined whether they plan to grant relief on a percentage basis or case by case. Mr. Davison confirmed that the reduction in taxes would be offset by the overlay reserve.

Mr. Borrelli asked how people would apply for the exemption. Mr. Davis stated that they would file an abatement application. Mr. Davison stated that the assessors will work with the Veterans' Services to let eligible people know it is available. Related information will also be on their website.

MOVED: By Mr. Lunetta that the Finance Committee recommend approval of Draft Special on Town Meeting Warrant Article 4: Accept M.G.L. Chapter 59, Section 5, Clause 56. Mr. Borrelli seconded the motion. There was no further discussion. The motion was approved by a vote of 8-0. (Mr. McNeill had not yet arrived.)

Draft Special Town Meeting Warrant Article: Amend the 2011 Operating Budget

Mr. Davison stated that this article will not appear in the final warrant. It was originally inserted in the draft because there will be a change in the way weights and measures work will be done. The work will be contracted with the state, and no longer done by the current employee. A line item transfer from salaries to expenses will be made at the Special Town Meeting in November to cover the fee that is expected in December.

Draft Special Town Meeting Warrant Article 5: Appropriate for General Fund Cash Capital

Mr. Davison stated that the article contains two items that will not be funded in the Annual Town Meeting Cash Capital article. As in prior years, items that are not recommended for funding at the Annual Town Meeting are placed in the Special Town Meeting Warrant in case there is money available and people want to fund these items. The issue may be premature to discuss at this stage. The reserve fund is stated as the funding source. Ms. Zappala stated that not enough is known now about the reserve fund for FY2012.

Draft Special Town Meeting Warrant Article 6: Appropriate for Engineering Study for Energy Updates

Mr. Davison stated that this article contains a request for \$50,000 to fund an energy audit to determine how to reduce current energy use in buildings. The focus will be on the buildings with the highest energy use in order to determine the work that should be done. The study will identify the cost/benefit ratio of suggested work projects.

Mr. Zimbone stated that he is on the Green Communities Study Committee. In order to go forward toward becoming a Green Community, the Town would need a plan to submit to the state to create a 20% savings in energy use from a baseline. This proposed study would be helpful from a planning perspective whether or not the Town proceeds toward becoming a Green Community. It will identify where the Town can save, and also what changes would be most cost effective. Mr. Zimbone stated that he assisted the Town with an energy survey a few years ago at Hillside, Mitchell and Emery Grover. Those buildings are now being assessed separately. Ms. Fitzpatrick consulted with Mr. Zimbone to estimate the pricing of this proposed study of nine buildings in Town that account for 90% of energy usage. Mr. Zimbone did an analysis and determined that he would charge approximately \$40,000-\$45,000 for a study of the nine

buildings. An additional \$5,000 was added for a cushion. The need for this energy study is long overdue.

MOVED: By Mr. Rosenstock that the Finance Committee recommend approval of the Draft Special Town Meeting Warrant Article: Appropriate for Engineering Study for Energy Upgrades. Mr. Lunetta seconded the motion.

Mr. Creem stated for the record that all the Finance Committee's votes on Town Meeting Warrant issues are subject to the proponents going forward with the articles.

Discussion: Mr. Connelly asked where the money would come from for the energy study. Mr. Davison stated that there is \$40,000 from the parking collection system that is no longer needed, plus an additional \$10,000 from the reserve fund. Mr. Davison also stated that the RFP and selection process would be handled by Chip Laffey in Public Facilities.

Mr. Borrelli expressed concern that in the past certain energy recommendations were made and not carried through. He hoped there would be follow-up. Mr. Davison stated that there have been follow-ups in the past, but the Town does not have complete control over what employees do, especially in the schools. Mr. Zimbone stated that the study will be worth the money, considering the payback and the amount the Town currently spends on energy. Mr. Creem asked whether there is room for payback in the High School, which is part of the proposed study and has been recently renovated. Mr. Zimbone stated that the older parts of the building use a lot of energy. Mr. Reilly encouraged the Town to provide a compelling incentive for the building occupants to comply with recommendations such as sharing the savings. Mr. Zimbone said that he has discussed implementing such a program with the Town Manager and the School Superintendent. Mr. Zimbone stated that this energy study will allow the Town to provide employees with a plan that would instruct people how to save more energy. The Finance Committee will have input into the overall energy plan when it discusses the energy budget next year. Ms. Zappala stated that the Public Facilities Department needs a clear measurement process that will allow them to provide a reasonable incentive for employees. In order to be workable, it may be better to have specific ideas come from the bottom up.

Vote: The motion was approved by a vote of 8-0-1. (Mr. McNeill arrived as the vote was taken and abstained.)

Draft May Special Town Meeting Warrant Article 7: Appropriate for Payment of Unpaid Bills of Prior Years

Mr. Davison stated that bills received after the close of a fiscal year may be paid only after approved by a Town Meeting vote. This article covers bills received for testing done in fiscal year 2009 that did not make it into an earlier warrant.

MOVED: By Mr. Creem that the Finance Committee recommend approval of Draft Special Town Meeting Warrant Article: Appropriate for Payment of Unpaid Bills of Prior Years. Mr. Reilly seconded the motion. There was no further discussion. The motion was approved by a vote of 9-0.

Draft May Special Town Meeting Warrant Article 8: Restoration of Charles River Treatment Facility Well

Mr. Davison stated that there is nothing new since this issue was discussed in March except that the bid document is expected tomorrow. The Town will have a known amount for the engineering for the project before Town Meeting. Mr. Zimbone stated that \$200,000 is the current estimate for engineering, and that amount will be known, but the \$400,000 estimate for construction will remain an estimate when considered at Town Meeting. Ms. Zappala asked if the engineering estimate is lower than \$200,000, whether there will be an adjustment or whether there be more money available for construction. Mr. Davison stated that the money can be appropriated now, and the Town will get any turnback at the end of the project. Mr. Zimbone stated that by his calculation, the Town is spending \$1,300 per day to use MWRA water, not \$4,000 per day as discussed in earlier meetings. Mr. Connelly stated that the earlier estimate for this project was \$593,500, and asked whether there was a change. Mr. Davison stated that the figure was rounded up.

MOVED: By Mr. Rosenstock that the Finance Committee recommend approval of Draft Special Town Meeting Warrant Article: Restoration of Charles River Treatment Facility Well. Mr. Borrelli seconded the motion. There was no further discussion. The motion was approved by a vote of 9-0.

Remaining May Special Town Meeting Issues

MOVED: By Mr. Creem that, with respect to all articles in the May 2011 Special Town Meeting Warrant for which the Finance Committee has not taken an action, the Final Warrant show that the Finance Committee will make a recommendation at Town Meeting. Mr. Zappala seconded the motion. There was no further discussion. The motion was approved by a vote of 9-0.

Finance Committee Updates

Mr. Rosenstock stated that he spoke to Ron Ruth, and asked why the Planning Board would approve of regulations for the Town Center, and then two years later want to change them. Mr. Ruth told him that the facts have changed, and nobody is in favor of what was approved. Mr. Rosenstock stated that he plan to vote against the article. The Finance Committee supported the current regulations two years ago because they were pro-development. To change them now sends a message to developers not to trust the Town. Mr. Zimbone stated that he expects the article to be referred back to the Planning Board.

Adjourn

MOVED: By Ms. Zappala that the meeting be adjourned, there being no further business. Mr. Reilly seconded the motion. The motion was approved by a vote of 9-0 at approximately 7:55 pm.

Documents: May Special Town Meeting Warrant Draft dated 4.1.11

Respectfully submitted,

Louise Mizgerd
Executive Secretary

Approved April 27, 2011