

**Needham Finance Committee  
Minutes of Meeting of July 13, 2011**

The meeting of the Finance Committee was called to order by the Chair, Matthew Borrelli, at approximately 7:00 pm in the Charles River Conference Room at the Public Services Administration Building (Temporary Town Hall.)

Present from the Finance Committee:

Matthew Borrelli, Chair; Richard Reilly, Vice Chair

Members: John Connelly (arrived 7:20 pm), Richard Creem, Richard Lunetta, Gary McNeill (arrived 7:35 pm) Steven Rosenstock, Lisa Zappala; Richard Zimbone

Also Present:

Jerry Wasserman, Vice Chair, Board of Selectmen

Kate Fitzpatrick, Town Manager

David Davison, Assistant Town Manager/Director of Finance

Jamie Brenner Gutner, Executive Director, Council on Aging

Susanne Hughes, Chair, Council on Aging Board

Carol deLemos, Vice Chair, Council on Aging Board

Colleen Shaller, Council on Aging Board

Steve Popper, Director of Construction and Renovation

George Kent, Chair, Permanent Public Building Committee

Richard Merson, Director of Public Works

**Citizen Requests**

No citizens requested to speak.

**Approval of Minutes**

MOVED: By Mr. Rosenstock that the minutes of the Finance Committee meeting of June 22, 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.)

**Senior Center Financing**

Mr. Borrelli asked members of the Senior Center Committee to provide an update on the project thus far. The Senior Center Committee reported that the process has been inclusive, meetings have been positive, productive and all is proceeding well. There are regular meetings to discuss internal design features. The Senior Center Committee needs to hear what the costs will be. Friends of the Elderly have begun to organize a fundraising campaign with the help of the Council on Aging, which cannot, as everyone knows, raise money on its own. Mr. Rosenstock asked if the library and computer room in the new senior center design were duplicative of the facilities available at the nearby public library. Ms. Gutner stated that all senior centers have these facilities because they serve a secondary purpose as a space to socialize.

Mr. Zimbone asked whether the cost estimated for the project remains at \$8.5 million. Mr. Popper and Mr. Kent confirmed that the cost estimate remains at \$8.5 million, and that with less funding, the current plan design will not work. Mr. Zimbone stated that it is possible that the Town cannot afford an \$8.5 million project, and that the project might need to be cut in scope to be affordable.

Mr. Creem asked whether there would be a change in staffing needs in the new facility. Ms. Gutner replied that there would be need for additional custodial staff, but no change in regular program staff. Ms. Shaffer stated that the same number of programs will be run in the new center.

Mr. Borrelli asked how the Town's staffing compares with other towns. Ms. Gutner stated that the services will be similar to other towns. Mr. Reilly asked whether the number of staff increased in other towns when a new senior center was opened. Ms. Gutner stated that she would pull together some information for the Committee. Mr. Borrelli thanked Ms. Gutner and the Council on Aging for attending the meeting and for sharing their perspective with the Committee.

Mr. Borrelli asked Mr. Davison to discuss the scenarios raised by Mr. Zimbone at the Finance Committee's June 22 meeting. Mr. Davison distributed a document titled, "Town of Needham Facility Financing Summary" dated 7/13/11. He began with Scenario A and proceeded through Scenario D. He then went on to explain the first 5 lines under column in schedule D2 on page 8.

Mr. Zimbone asked about the work to be done on Pollard. Mr. Popper stated that all in would be about \$1.1 million. Mr. Rosenstock asked what amount was allocated to cash capital for Mitchell and Hillside work. Ms. Gulati responded \$1.2 million, but the work was not complete yet and that repairs in other schools would drain down the cash capital funds.

Mr. Davison turned to the section in the document titled, "Scenarios Debt Service Recap Summaries" and discussed each scenario. Mr. Creem asked why a 4% interest rate is used as opposed to 6% as in the past. Mr. Davison responded that he customarily assumes a rate of 4% for Notes, which are short-term in nature, and 6% for Bonds, which are long-term in nature.

Mr. Rosenstock asked in light of what had been explained what will happen to the planned road projects. Ms. Fitzpatrick stated that the projects would be pushed out to later years. She distributed a worksheet titled "Public Works Infrastructure Contingency Capital Budget." Ms. Fitzpatrick discussed the public works projects that would be affected by the proposed change. Mr. Reilly noted that not only would the projects be pushed out, but \$1.7 million would be removed from the roads program. There was further discussion concerning the loss of roads projects. Mr. Davison stated that in order to provide funding for the senior center project within the levy the best place to pull funds from was the roads programs. He stated that unlike other types of capital spending, road work could be broken up with the least amount of disruption to the process. Mr. Davison added that if the roads projects were slowed, it would give the water department a chance to catch up.

Mr. Lunetta stated that the town the size of Needham certainly deserves to have a senior center. However, he stated that he felt it is rather reckless to alter the town's strategic financial plan and walk away from the possibility of securing \$4 million from CPA funding just because it is politically expedient to spend \$8.5 million to build at a different location. Mr. Davison stated that the current site would not qualify for CPA funding. Mr. Lunetta commented that he understands this but if the money is connected to a particular site the Town must move to that the site. Mr. Borrelli stated that he wants to focus the conversation on the current site that was chosen by the Board of Selectmen.

Mr. Creem stated that the Town should not short-change other projects to try to fit in the financing for this project. He stated that the override issue must be put on the table. Mr. Creem stated that, most importantly, the project needs to be slowed in order to allow a review of what is being sacrificed.

MOVED: By Mr. Creem that the Finance Committee strongly recommend to the Board of Selectman that action on the facility financing plan, as presented, be deferred until the completion of the Finance Committee's FY13 budgetary and capital review, and that as a consequence of such deferral, any warrant article seeking funding for the construction of the proposed senior center project at Needham Heights be deferred until the May 2012 annual town meeting. Mr. Rosenstock seconded and discussion followed.

Mr. Connelly stated he would vote against the motion because the Town needs to move forward with this project. Mr. Reilly stated that the Committee needs to proceed and focus on the finances of the project at the current location. Mr. Rosenstock stated that it would be appropriate to set the road project aside. Mr. Creem stated that there is no need to rush the senior center project. Mr. Zimbone agreed and suggested that the Committee gather more information through the summer and fall. Mr. Borrelli questioned what would be gained by a six-month delay. Mr. Kent stated that in his opinion, a delay of six months would significantly increase costs because it would delay the start of the project well into the winter months.

Mr. Reilly asked what was happening with planned sidewalk improvements. Ms. Fitzpatrick stated that the program would be shuffled back with the other delayed public works projects. Mr. Lunetta agreed that the process should not be rushed, but asked that Mr. Creem's motion be tabled. Mr. Creem stated that the rules of parliamentary procedure allow for a standing motion to be tabled.

MOVED: By Mr. Lunetta that Mr. Creem's motion be tabled. Mr. Rosenstock seconded the motion. The motion was approved by a vote of 8-1 with Mr. Connelly dissenting.

Mr. Zimbone stated that he read of a private company building a senior center and leasing it back to the town. Ms. Fitzpatrick stated that that arrangement would be legally problematic.

Mr. Borrelli invited Mr. Wasserman to address the Selectman's perspective on the topic of the senior center. Mr. Wasserman stated that, given his knowledge of the Town, there is no way to

get an override passed for this project. The debate should focus on whether the Town can find funding or not find funding to complete this project.

Mr. Lunetta asked why the Town is so freely walking away from CPA funding. Mr. Wasserman responded that the selection of the site was a long process with town wide participation and support and the Board of Selectmen has committed to see this project to completion.

### **Adjourn**

MOVED: By Mr. Zimbone, that the meeting is adjourned, there being no further business. Ms. Zappala seconded the motion. The motion was approved by a vote of 9-0, at approximately 9:00 p.m.

Documents: Town of Needham Facility Financing Summary, dated 7/13/11; Public Works Infrastructure Contingency Capital Budget

Respectfully submitted,

Louise Mizgerd  
Executive Secretary/Staff Analyst  
Based on notes from Richard Lunetta

*Approved September 7, 2011*