

**Needham Finance Committee  
Minutes of Meeting of October 26, 2011**

The meeting of the Finance Committee was called to order by the Chair, Matthew Borrelli, at approximately 7:02 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, Richard Creem, Gary McNeill, Lisa Zappala, Richard Zimbone

Also Present:

David Davison, Assistant Town Manager/Director of Finance

Richard P. Merson, Director, Public Works

Anthony Del Gaizo PE, Town Engineer

Louise Miller, Office Manager/Asst. Purchasing Agent, Public Works

**Citizen Requests**

No citizens requested to speak.

**Approve Minutes**

MOVED: By Mr. Reilly that the minutes of October 12, 2011, as revised and recently distributed, be approved. Mr. Creem seconded the motion. The motion was approved by a vote of 7-0.

**Special Town Meeting Warrant Article 1: Abandon Eaton Square Right of Way**

Mr. Del Gaizo stated that the article would discontinue a right of way at Eaton Square. The right of way was originally created to allow a driveway from the old DPW barn to Great Plain Ave. and to Garden St. The street and the properties adjacent to the MBTA tracks are currently irregularly shaped, making it difficult to provide parking. The Planning Board talked to Needham Bank about ways to increase parking. The Bank had wanted to put on an addition, and worked with the Planning Board to create a plan to expand the building and to combine properties across the area with the right of way which would provide more parking as well as a new pedestrian plaza. The plan would need to dissolve the right of way, but allows the Town to keep an access easement. The current conceptual plan shows a more rectangular property which provides an additional 23 parking spaces. There will be 85 spaces for the Town, plus 42 spaces for the Bank which will be available for public use during non-banking hours. There are currently approximately 103 spaces. The bank would pay for the construction and landscaping of the lot and the pedestrian plaza, and the Town would take over operation and maintenance. In response to a question from Mr. Creem, Mr. Del Gaizo stated that the MBTA owns right to parking spaces across the street but not in this area. Mr. Davison stated that the MBTA had rights to certain spaces in Eaton Square under an old agreement, but that agreement is no longer in effect. In response to a question from Mr. Zimbone, Mr. Del Gaizo stated that the parking in

the area is currently by permit. However, the detail of whether the new area would be by permit or metered parking has not been decided. Mr. Davison stated that some spaces would be unpaid customer parking for the bank, and would be public parking during non-banking hours. While there would be some net increase in revenue from additional permitted spaces, it would not be significant. In response to a question from Mr. Borrelli about additional costs for drainage and maintenance, Mr. Del Gaizo stated that two catch basins would need to be fitted with storm center units, but otherwise the maintenance would be the same as now.

Mr. Connelly asked where the easement ran, and which land was owned by the Town. Mr. Del Gaizo stated that the Town owned a portion by Great Plain Ave. for the DPW barn, and probably owned a driveway's width of land for the DPW access. The Eaton Square right of way was created as a public way available for public use. Mr. Connelly asked if the Town is either giving land or abandoning land to the bank and whether any consideration is being paid. Mr. Del Gaizo stated that they have not been able to determine exactly what land was owned by the Town in fee for the DPW barn. Mr. Merson stated that the Town will be gaining value because of the additional parking spaces and the better designed area. However, the Town will receive no money for the land. Mr. Reilly asked why the Town is giving up the land rights while there is still only a conceptual plan. Mr. Merson stated that the Bank must be able to demonstrate that it owns the land before it can present any plan before the Planning Board. Mr. Del Gaizo stated that the Town will maintain an access easement over the area, and will not relinquish access until the plans are completed. Mr. McNeill commented that this does not seem like much return for the Town. Mr. Davison stated that the article now being considered will only discontinue the right of way, but does not give away the land. Until the right of way is dissolved and the road is discontinued, the site planning cannot move forward. There would still need to be site approval by the Planning Board and a land transfer by the Board of Selectmen. Mr. Merson stated that the DiNisco report about the Town Center stated that to increase parking in the Center, the Town would need to work together with property owner for solutions, which is what is happening here. Mr. Reilly asked what would happen if this article passes, and then nothing further happens. Mr. Davison stated that the Town can do nothing, or the Board of Selectmen can go back and reestablish the right of way.

Mr. Zimbone asked whether there would be a financial impact. Mr. Connelly stated that the Town would now need to cover the cost of the 23 additional spaces. Mr. Reilly stated there will be a benefit to having the downtown be more attractive and have more parking. Ms. Zappala commented that there are some revenues and costs, but the balance is not known. Mr. Creem stated that in the past when the Committee has determined that the financial implications are unquantifiable or *de minimus*, it has taken a position with an asterisk indicating that the impact is unquantifiable.

MOVED: By Mr. Reilly that the Finance Committee recommend adoption of Article 1: Abandon Eaton Square Right of Way with an asterisk indicating that the Finance Committee found that the financial impact, if any, was not quantifiable. Ms. Zappala seconded the motion. There was no further discussion. The motion was approved by a vote of 6-1, with Mr. Connelly dissenting.

## **Special Town Meeting Warrant Article 2: Layout of Reservoir St. and Article 15: Appropriate for Sewer Pump Station/Reservoir B**

Mr. Del Gaizo stated that the Town is planning to replace the old pump station that has become unreliable. To put in a new pump station of the correct size at this location, and to avoid the flood plain, they need to put the building closer to the street than allowed by current zoning restrictions. The Town needs to move the boundary of the street in order to properly place the building. Mr. Merson stated that the current pump station was constructed before Route 128 was created. The current building plan would have met zoning requirements before changes were made to accommodate the highway. During the Route 128 project, the state created a right of way that put Reservoir Street close to the building.

Mr. Borrelli suggested the Committee address Article 15 along with Article 2, since they are interconnected. Ms. Miller distributed two documents showing the bids received and the cost breakdown. Ms. Miller stated that there was \$482,000 allocated for design work, which has been completed. Mr. Del Gaizo stated that it will cost \$6.3 million to construct the building as designed. He stated that the lowest bidder, RJV, did not have the proper level of certification from the Division of Capital Asset Management (DCAM), and was therefore unqualified to bid. Mr. Borrelli asked whether RJV could get its certification to the sufficient level. Ms. Miller stated that they attempted to get a certification for the whole bid amount. Mr. Del Gaizo stated that DCAM assigns the company a single project limit, that RJV knowingly overbid that. The Town did not exclude them earlier because they did not know until they reviewed the bid. Since RJV did not have the proper certification at the time of the bid, there would be several hurdles to overcome to get the bid validated. Mr. Merson stated that RJV would need to appeal to DCAM, and the Town does not know if they could be successful. However, the Town needs to move forward. Mr. Creem asked if the existing building is part of the plan. Mr. Merson stated that the existing pump station will continue to operate until the new one is up and running. Then the old equipment will be removed from the old building in order to create storage.

In response to a question from Mr. McNeill, Mr. Merson stated that the project cost includes road infrastructure. Mr. Connelly asked when the project would begin. Mr. Del Gaizo stated if the funds are appropriated, the construction will begin within 30 days, in early December. Mr. Davison stated that there will be an emergency preamble to the article. Mr. Del Gaizo stated that the project should take until February 2013. In response to questions from Mr. Connelly, Mr. Del Gaizo stated that the OPM will be Beta Engineering, for a fee of \$300,000. The bulk of the fee is for construction and inspection, while approximately 20% is for project management. The fee was based on the number of days of the project, and indirect costs were added. The building footprint is approximately 5,000 square feet. Mr. Connelly asked if efforts had been made to tighten up the fee for the OPM. Mr. Del Gaizo stated that the fee was part of the designer selection process and not negotiated separately. He stated that the bids came in and the consultants were chosen based on qualifications and fees. They put more emphasis on qualifications, although Beta did have the lowest fee for the OPM.

Mr. Reilly noted that the Waterline bid was 1 million dollars greater, but would complete the project 100 days earlier. He asked whether 100 days might be a significant value. Mr. Del Gaizo stated that it was not, since they are able to keep the old pump station working. Mr.

Zimbone asked what the maximum number of allowed days was. Ms. Miller stated that they specified 550, and all but one bidder planned to use the entire time. Mr. Zimbone asked if there was likelihood that the bid process could get delayed if the unsuccessful low bidder tries to get the necessary certification. Mr. Merson stated that it should not affect the process. Mr. Borrelli asked whether the building construction was mostly brick. Mr. Del Gaizo stated that the front face is brick, but much is concrete block. The Town is seeking to make it as vandal-proof as possible.

Mr. Davison stated that the Board of Selectmen has voted to amend the article to state that the appropriation would be \$6.3 million. Mr. Zimbone stated that the capital plan includes the project at \$5 million with 6% interest. Mr. Davison stated that the State revolving fund approved funding the project at 2% interest.

MOVED: By Ms. Zimbone that the Finance Committee recommend adoption of Article 15: Appropriate for Sewer Pump Station/Reservoir B in the amount of \$6.3 million. Mr. Reilly seconded the motion. There was no further discussion. The motion was approved by a vote of 7-0.

Mr. Borrelli stated that the Committee needed to also address Article 2. Ms. Zappala stated that there is a financial implication because the pump station project in Article 15 cannot be completed without the zoning change in Article 2.

MOVED: By Ms. Zappala that the Finance Committee recommend adoption of Article 15: Appropriate for Sewer Pump Station/Reservoir B in the amount of \$6.3 million. Mr. Reilly seconded the motion. There was no further discussion. The motion was approved by a vote of 7-0.

DISCUSSION: Mr. Reilly asked whether the recommendation should be made contingent on Article 15 passing. Mr. Davison stated that the change would only be on paper, otherwise there would be no changes made. He added that if Article 15 does not pass, they will have to come back to Town Meeting because the project needs to be done, and this step would still be necessary.

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

### **Update on Charles River Well**

Mr. Borrelli stated that the Committee had received an update from Mr. Davison, but asked Mr. Merson to also update the Committee. Mr. Merson stated that tests had been performed, and the well can be considered a replacement which is a simpler process. The water flow is good. Mr. Merson stated that they are close to the target dates. Mr. Merson stated that higher levels of manganese were found at a lower depth of around 90 feet, so the well will be at approximately 70 feet. He stated that the buffer should be sufficient.

Mr. Creem asked about the costs of having the well offline. Ms. Miller stated that the MWRA draw for 2011 is expected to be about triple of that in 2010. The additional cost should be

approximately \$600,000, which is what they had predicted. She stated that they hope to draw from the new well starting in April. Mr. Creem asked whether well construction has changed since the first one was built so that this type of problem is less likely. Mr. Merson stated that well construction has changed significantly, as well as the process for well redevelopment which led to the current problem.

### **Topics not reasonably anticipated by the Chair**

Mr. Borrelli stated that a new vehicle efficiency policy would be needed under the Stretch Code. He asked whether the DPW is using hybrids. Mr. Merson stated that there are 6 Ford Escape Hybrids that replaced Taurus'. The mileage is now approximately 31.7 instead of 22-24 mpg. Mr. Merson stated that there are not many other hybrids for the vehicles needed by the DPW. There are some vehicles that run on sulfur fuels or biodiesel, but the cost is significantly greater. Mr. Zimbone asked about natural gas vehicles. Mr. Merson stated they looked into that but there were issues of fuelling stations and vehicle availability. Mr. Merson stated that the hybrid replacement cars have cost in the high teens (thousands) for the Taurus and the high \$20 thousands for the hybrids. The fuel efficiency benefit did not outweigh the additional cost. However, there is the environmental issue.

### **Finance Committee Updates**

Ms. Zappala requested that the process of developing a Senior Center presentation for Town Meeting be as transparent as possible so that all members' concerns will be addressed. The issue has divided the Committee, and it will be helpful for all members to feel their position is heard. It will appear to Town Meeting Members that we have agreed with the Board of Selectmen, but the Committee must make them aware of what we considered. She suggested that there be PowerPoint slides with the different points and that they be distributed in hard copy as well as projected.

Mr. Borrelli stated that he has begun to prepare the presentation and will have try to have all viewpoints represented. He will be meeting with Mr. Davison, and is available to meet with others. Mr. Creem agreed with Ms. Zappala's comments and asked for the opportunity to review the materials ahead. Mr. Reilly stated that it is important that Town Meeting Members understand how the facility financing plan has changed to accommodate the Senior Center project, especially the roads program and the contingency. Mr. Creem stated that it is important to show the contingency and how it has been treated over the years.

Mr. Zimbone asked members whether they would be more supportive of the project if it was being funded by an override. He stated that Mr. Rosenstock had stated he would be more comfortable with an override. Mr. Connelly stated that he is conflicted because he does not think an override would pass. Theoretically he would support that approach, but it is not practical. Mr. McNeill stated that it would jeopardize the project, and he would rather do it within the levy. Ms. Zappala stated that she would have recommended the project with an override. Mr. Creem agreed with Ms. Zappala.

Mr. Reilly asked about funding the project with several different sources. Mr. Creem stated that would create conflicting and competing interests within the Town and would not have been workable. Mr. Zimbone asked what would happen if the article failed, since a 2/3 majority is needed. Mr. Borrelli stated that it was the Selectmen's decision, not the Finance Committee's and thought it was too hypothetical a discussion. Mr. Creem stated that the narrow margin recommending the article on the Finance Committee is raising eyebrows. Mr. Zimbone stated that all members are in favor of the Senior Center, but not the financing.

Mr. Connelly asked whether practice or custom allowed Finance Committee members to speak out as Town Meeting members. Mr. Borrelli stated that he would be disappointed if someone does. Mr. Creem stated that it has happened in the past, though it is unusual, and that the person would need to speak to the moderator and to remove himself or herself from the table and sit in the audience. Mr. Zimbone stated that the person who presents the article usually presents the majority and the minority positions. Mr. Creem noted that Town Meeting Members know who is on the Finance Committee, and that could carry some significance even if the speaker purports to speak as a Town Meeting Member.

Mr. Borrelli stated he expects the Committee to vote on the Stretch Code at the November 2 meeting. Mr. Connelly stated that he objected to the fact that this article is being forced into the Special Town Meeting and feels more time is needed to discuss it. Mr. Zimbone stated that the Committee spent a lot of time on it at the last meeting, though Mr. Connelly missed the discussion. The Committee did not vote because there was concern about the lack of certainty over whether the Town could meet the other four requirements of becoming a Green Community. By October 31, the Town Manager will have a report outlining how to cut 20% of the Town's energy use. Mr. Healy is seeking reports from Town Counsel regarding the other criteria. Mr. Reilly stated that adopting the Stretch Code now would allow for the Town to use an earlier base year to determine the 20% energy savings which is better. Mr. Borrelli stated that it seems to be a compressed time frame to deal with an article where the Committee is divided. Mr. Reilly stated that it would be helpful to have a report from the Building Inspector regarding the increased enforcement obligation and costs to the Town. Mr. McNeill stated that it is open to interpretation and not clear. Mr. Creem stated that the Finance Committee should focus on the financial impact to the Town and Mr. Borrelli stated that the committee should weigh the impact on the taxpayer as well.

## **Adjourn**

MOVED: By Mr. Zimbone that the meeting be adjourned, there being no further business. Ms. Zappala seconded the motion. The motion was approved by a vote of 7-0, at approximately 8:50 p.m.

Documents: November Special Town Meeting Warrant; Reservoir B Pump Station – Cost Breakdown dated 10/26/2011; General Bid Opening, Reservoir B Sewage Pumping Station Construction, October 20, 2011.

Respectfully submitted,

Louise Mizgerd  
Executive Secretary/Staff Analyst

*Approved November 7, 2011*