

**Needham Finance Committee  
Minutes of Meeting of March 28, 2012**

The meeting of the Finance Committee was called to order by the Chair, Matthew Borrelli, at approximately 7:00 pm in the Selectmen's Chambers, at the Town Hall.

Present from the Finance Committee:

Matthew Borrelli, Chair; Richard Reilly, Vice Chair

Members: John Connelly, Richard Creem, Richard Lunetta, Steve Rosenstock

Also Present:

Kate Fitzpatrick, Town Manager

David Davison, Assistant Town Manager/Director of Finance

Richard P. Merson, Director, Public Works

Louise Miller, Supervisor, Administrative Services, Public Works

Anthony Del Gaizo, Town Engineer

Robert Lewis, Assistant Director, Public Works

Articles Discussed

**Annual Town Meeting:**

Article 34: Appropriate for DPW Complex Renovations

Article 35: Appropriate for RTS Enterprise Fund Cash Capital

Article 36: Appropriate for Sewer Enterprise Fund Cash Capital

Article 37: Appropriate for Water Enterprise Fund Cash Capital

Article 24: Artifact Storage Upgrade / Needham Historical Society

Article 26: Heritage Project/Historical Inventory

Article 27: Town of Needham Historical Vital Records Preservation

Article 28: Appropriate to Community Preservation Fund

Article 14: Continue Departmental Revolving Funds

**Special Town Meeting:**

Amend By-Law Article 5/Signs

Change in Use and Conveyance of Real Property

Appropriate for Property Acquisition

Extinguish Sewer Easement - Nehoiden St.

**Citizen Requests**

No citizens requested to speak.

**Approval of Minutes**

MOVED: By Mr. Rosenstock that the Minutes of February 29, 2012, be approved as circulated. Mr. Reilly seconded the motion. The motion was approved by a vote of 6-0.

MOVED: By Mr. Reilly that the Minutes of March 7, 2012, be approved as circulated. Mr. Rosenstock seconded the motion. The motion was approved by a vote of 6-0.

### **Annual Town Meeting Article 34: Appropriate for DPW Complex Renovations**

Mr. Borrelli stated that the Committee had reviewed the February 10 memorandum regarding the proposed garage construction project. Mr. Merson stated that the whole plan has several phases, including the completed construction of the PSAB as a new administrative building. The next phase includes a plan to renovate the operations building and to add the new garage proposed here. Currently there are many vehicles not under cover, so they need increased garage capacity beyond the footprint of the current building. Mr. Borrelli asked if the additional site work is connected to the grading needed for the DeFazio Field lot. Mr. Merson stated that the building will not be near the DeFazio parking lot, so the proposed work there will not affect this project. Mr. Connelly asked where the cost estimates of \$100,000 for engineering and \$480,000 for construction came from. Mr. Merson stated that Mr. Del Gaizo generated the estimates based on phone calls to determine the costs of a prefabricated building of the indicated square footage placed on a concrete foundation. He stated that the estimates did not come from the PPBC. Mr. Connelly asked what the estimate was for the site work, and what the work consisted of. Mr. Del Gaizo stated there is a 2-foot differential from one end of the site to the other, and they want the pitch at 2%. Based on the area, he estimated the amount of fill needed.

Mr. Connelly asked about the heating costs in the estimate. Mr. Del Gaizo stated that it is based on installation of natural gas fueled space heaters. He stated that this is typical for a garage. They are simple to install and inexpensive. Mr. Connelly asked if they expect the project to expand in scope. Mr. Merson stated that he did not. Mr. Connelly noted the budget includes \$75,000 for possible expansion of scope and asked why that was not needed. Mr. Merson stated that the pricing was based on figures obtained earlier, and that the numbers have increased. Mr. Connelly stated that he needs to see the most updated information in order to be able to evaluate the costs. Mr. Merson stated that he now has information from more recent phone calls. In response to a question from Mr. Connelly, Mr. Merson agreed that the \$75,000 allowance in the \$240,000 construction costs in the February 10 memorandum was probably not needed but would be offset by a cost increase that was probably not needed, and would be offset by a cost increase that is based on information from phone calls.

Mr. Connelly stated that the \$100,000 for engineering sounds out of line. Mr. Merson stated that it includes electrical engineering and additional costs because the site is environmentally sensitive. Mr. Borrelli asked for detail of the project costs for the next Finance Committee meeting. Mr. Merson stated that they are keeping in touch with the PPBC as the project moves along, and have sought to have the project within the jurisdiction of PPBC, as the cost is \$580,000. Mr. Borrelli asked if it would be appropriate to delay the funding until the fall Town Meeting when the Town can be more comfortable with the numbers. Mr. Merson stated that the equipment housed outside could be out from under cover longer which will affect the life of the equipment. He stated that there are also storm water management deadlines that need to be met. Mr. Connelly asked about the scheduling of the project if it were approved. Mr. Merson stated that if they get funding for the project, they would collect bids next winter and design the project and begin construction in 2013 and occupy the building in the winter of 2013-2014. Mr.

Rosenstock asked about the timing of the salt shed that will be in the same area. Mr. Merson stated that it is already being designed and is expected to be operational in the winter of 2013/2014. The new salt shed construction does not include the demolition of the old one. Mr. Del Gaizo stated that the new garage may be in a different location on the lot than shown in the current sketch. He stated that they will work with the Conservation Commission, which will have much to say about where the building is sited. Mr. Connelly stated that it may be necessary to work with the designer of the salt shed to consider all the options. Mr. Merson stated that the PPBC is also considering the location for buildings for other purposes such as schools, but he does not expect the garage building to be far from where they are currently planning. Mr. Connelly stated that there needs to be coordination among the groups. Mr. Borrelli stated if it is possible to wait until the October Town Meeting for the garage funding, they should be able to do it on schedule and have better cost estimates.

### **Annual Town Meeting Article 35: Appropriate for RTS Enterprise Fund Cash Capital**

Mr. Merson stated that the RTS is seeking funding for a Roll-Off as part of the vehicle replacement schedule. The equipment being replaced has needed much repair in the last year. Mr. Reilly asked if they used the same method that they had used previously, which was to use the cost of the equipment in the year of acquisition and inflate that cost based on a fixed percentage of the purchase price. Mr. Merson stated that they now seek updated quotes on equipment prices when they put together the Capital Plan. Mr. Lewis stated that they obtained actual quotes for the items but did not have the information with him. Mr. Borrelli stated that he would like to get updated vehicle specifications and cost information. He stated that if the Committee is comfortable, there could be a vote on the article.

MOVED: By Mr. Lunetta that the Finance Committee recommend adoption of the draft Annual Town Meeting Warrant Article 35, Appropriate for RTS Enterprise Fund Cash Capital. Mr. Creem seconded the motion.

DISCUSSION: Mr. Rosenstock asked if the Committee planned to wait until the additional information came in. In response to a question from Mr. Lunetta, Mr. Lewis stated that he did believe the final amount would change when they provided the specifications.

VOTE: The motion was approved by a vote of 5-1, with Mr. Connelly dissenting.

### **Annual Town Meeting Article 36: Appropriate for Sewer Enterprise Fund Cash Capital**

Mr. Merson stated that they have been using a consultant for the Infiltration and Inflow (I/I) program. They have been finding more areas in serious need for work. Meters have been installed to capture the infiltration and inflow information. Some of the meters will be permanent and hard-wired to transmit information. Other meters are temporary, portable meters that have been rented. They are looking at areas with intense flow and bigger areas that have required some sub-metering. The analysts have collected information and are making recommendations where to examine more closely to determine the I/I leakage and the need for repair work. In response to a question from Mr. Reilly, Mr. Merson confirmed that there was a study of the flow 25 years ago, and the first phases of work were done 20 years ago, and now they are circling back with an engineer who is using meters to recheck the system. Mr. Borrelli

asked how success of the program is measured. Mr. Merson stated that the MWRA meters the entire system, and the information is factored into the fee assessed to the Town. He stated that while it is impossible to measure the infiltration that is not happening, the Town has seen its flows decreasing relative to flows from other towns in recent storms.

Mr. Reilly asked where the cost estimates for the work came from. Mr. Davison stated that they are getting bids. Ms. Miller stated that the estimate is for the construction portion only. Mr. Davison stated that the request is for an allocation of funds, and is not specific to the number of meters. They have issued an RFQ for new engineers since the whole system must be checked. He stated that there is not a specific dollar amount for a specific project. They are seeking an allocation for the investigation. Mr. Connelly asked whether the \$240,000 engineering component will be paid in one sum. Mr. Davison stated that they will be paid based on a unit of measure. Mr. Connelly asked if the meter installation cost of \$210,000 will be for purchasing or leasing, and who would do the installation. Mr. Merson stated that it will depend on what the consultant calls for. Mr. Merson stated that they are using a different approach than in the 1980s. Since technology has changed, the Town now wants to own some of the equipment to be able to keep measurements. They have a baseline from then, and want to check against that. Mr. Lewis stated that they have done spot checks but still have concerns. Mr. Miller stated that she and Mr. Del Gaizo came up with the \$210,000 figure based on the number of temporary and permanent meters. Mr. Reilly asked the cost per meter. Mr. Del Gaizo stated that the meters cost approximately \$5,000 each, installed, and that two meters are needed in each area.

Mr. Rosenstock asked why the 2007 F150 truck is being replaced after only six years. Mr. Merson stated that the repair costs have been high, and it is part of the replacement schedule that is intended to smooth out the number of annual replacements. He stated that pickups are on a 6 year replacement schedule. In response to a question from Mr. Borrelli, Mr. Merson stated that they buy extended warranties on some vehicles. Mr. Merson stated that this vehicle is used by water and sewer inspectors and drives frequently around town. Mr. Lewis stated that it is also used as a "chaser" vehicle in winter to supervise snow removal. Mr. Merson stated that the old vehicle would go into the pool of back-up vehicles.

Mr. Reilly asked the rationale behind the replacement cycle. Mr. Merson stated that they relied on the industry standard schedule which is the same one they had been following before they created the current replacement schedule. He stated that the schedule can be stretched out with good maintenance and a garage. He stated the program has been used for years and includes 6, 7, 8 and 10 year cycles. Mr. Reilly stated that he felt that the Committee should not second guess every replacement. Mr. Rosenstock asked how many vehicles are in the pool. Mr. Merson stated that the target is four, but one is red-lined, one is being used by Public Facilities, one is being used by the Environmental Inspector, and one is being used by the Recreation Director. Mr. Rosenstock suggested that if the DPW did not need an additional vehicle in the pool, it could keep this allocation until the replacement is actually needed. He stated that if this replacement is necessary as a feeder for the pool, then the purchase makes sense.

MOVED: By Mr. Reilly that the Finance Committee recommend adoption of the draft Annual Town Meeting Warrant Article 36, Appropriate for Sewer Enterprise Fund Cash Capital. Mr. Creem seconded the motion. There was no further discussion. The motion was approved by a vote of 6-0.

### **Annual Town Meeting Article 37: Appropriate for Water Enterprise Fund Cash Capital**

Mr. Reilly commented that the article information states that the new synthetic greensand product is “promoted as being able to withstand wider variations in operating conditions.” He asked whether the department has any objective information on the product. Mr. Merson stated that the industry is moving toward synthetic greensand, and there may be no choice. Mr. Reilly asked if there is any indication that it will work. Mr. Merson stated that he could supply some information on where this has been used successfully. Mr. Reilly stated that he would like some objective information. Mr. Merson stated that natural greensand is still an option.

Mr. Borrelli asked whether a map has been made of the Water Rehabilitation Program showing where the work has been completed. Mr. Merson stated that he started working on a map, and found that it is not straightforward since some work has been done on certain streets, and some not done. He stated that there are still about 2,600 connections to do, and that the work is approximately 85% finished. He stated that they have been doing about one street per year for a few years, and that a map of the work to be done in one year would not show a lot. Mr. Reilly asked if they are now able to start getting ahead of the roads program since that has slowed down. Mr. Merson stated that they are.

Mr. Connelly asked whether the Fire Flow Improvements have been designed. Mr. Merson stated that a preliminary design has been done to determine the best approach. Mr. Del Gaizo stated that there is approximately \$170,000 left over. Mr. Connelly asked what the \$350,000 in the article covers. Ms. Miller stated that it is for the OPM to oversee the finish, design, and bid documents. Mr. Connelly asked if they have broken the figure down to show how much is for overseeing design and how much is for overseeing construction. Mr. Merson stated that the OPM will continue through the project. Mr. Del Gaizo stated that the project is out to bid for design selection. Mr. Merson stated that they will pay with this and with prior funding. Mr. Borrelli asked Mr. Merson to provide the amount of design funds that have been allocated, and to break down the \$350,000 between design and construction.

### **CPC Articles:**

Mr. Borrelli stated that Mr. Rosenstock attended the CPC meeting to discuss the warrant articles. Mr. Rosenstock stated that the Charles River Center proponents discussed their request. The CPC had their discussion after the proponents had left. He stated that concerns were raised about the limited amount of money and what to do with it. He stated that they realized that they did not want to spend money on a private project when the Needham Housing Authority has some upcoming needs which are a higher priority. Mr. Rosenstock stated that they had a good discussion. Mr. Rosenstock stated that the Charles River Center’s article will be dropped.

### **Annual Town Meeting Article 24: Appropriate for Artifact Storage Upgrade/Needham Historical Society**

Mr. Borrelli stated that the article would provide funds to preserve historic artifacts as discussed as a previous meeting.

MOVED: By Mr. Reilly that the Finance Committee recommend adoption of the draft Annual Town Meeting Warrant Article 24: Appropriate for Artifact Storage Upgrade/Needham Historical Society. Mr. Lunetta seconded the motion. There was no further discussion. The motion was approved by a vote of 6-0.

### **Annual Town Meeting Article 26: Heritage Project/Historical Inventory**

Mr. Borrelli stated that the Heritage Project is seeking to continue to inventory historical houses in Town. Mr. Rosenstock stated that this is this is the second round of funding for this project. With funding obtained in 2009, they were able to add 45 homes to the inventory. They now hope to add 40 more houses.

MOVED: By Mr. Reilly that the Finance Committee recommend adoption of the draft Annual Town Meeting Warrant Article 26: Heritage Project/Historical Inventory. Mr. Rosenstock seconded the motion. There was no further discussion. The motion was approved by a vote of 6-0.

### **Annual Town Meeting Article 27: Town of Needham Historical Vital Records Preservation**

Mr. Borrelli stated that this article would fund the Town Clerk's preservation and conservation of vital records.

MOVED: By Mr. Creem that the Finance Committee recommend adoption of the draft Annual Town Meeting Warrant Article 27: Town of Needham Historical Vital Records Preservation. Mr. Rosenstock seconded the motion. There was no further discussion. The motion was approved by a vote of 6-0.

### **Annual Town Meeting Article 28: Appropriate to Community Preservation Fund**

Mr. Borrelli read the allocations stated in the warrant article.

MOVED: By Mr. Rosenstock that the Finance Committee recommend adoption of the March 20, 2012 draft Annual Town Meeting Warrant Article 28: Appropriate to Community Preservation Fund. Mr. Reilly seconded the motion. There was no further discussion. The motion was approved by a vote of 6-0.

Mr. Davison stated that all of the funds are coming from existing reserves, so if any of the earlier CPC articles does not pass, it will not affect these amounts. Mr. Connelly asked whether there are any plans for the Town to revisit the way the CPA works since he felt that the way that the funds are spent may not be what people envisioned when it was passed. Mr. Rosenstock stated that he has had many conversations with the CPC and with other Town Meeting Members. The CPC reserves are there to fund items that would not be funded if the CPC was not there. He stated that he supported the creation of the CPC for the Town Hall project, and others say they did so to fund the purchase of land for open space. Mr. Connelly stated that he felt that few people would have expected \$30,000 of CPC reserves to be used for preserving historical records. Mr. Borrelli stated that there is legislation pending that would enable CPC money to be used for field maintenance. Mr. Reilly stated that he felt that the issue is that the CPC sees itself

as a reactive body. He felt that instead it should be having more public hearings and outreach and creating a plan of what it wants to accomplish. It could then judge applications on how they fit into the plan. Mr. Creem stated that it is a flawed statute. The CPC is set up as an independent body, and the Finance Committee can only recommend the proposed expenditures or not, and then Town Meeting can only vote up or down on the articles. He stated that some people see some items as a waste of money. Mr. Reilly stated that from a sense of fiscal responsibility, there should be a clear program. Ms. Fitzpatrick stated that after the current legislative session, the Town will push for the new legislation because there are a lot of needs that could be met if the changes were made. Mr. Reilly stated that the Town could save the money now and spend it later. Mr. Rosenstock stated that the historical reserves will still have to go to historic needs, and not for fields. Mr. Davison stated that the law requires that 10% of the funds go into each of the three reserves with a specific purpose. If there are no specific projects with those purposes, the money must be put aside for that purpose. He stated that the Historical Reserves are not being funded additionally this year because payments on the Town Hall debt.

#### **Annual Town Meeting Article 14: Continue Departmental Revolving Funds**

Mr. Davison stated that the numbers in the draft warrant have not changed. Mr. Reilly asked whether there would be any additional information on the School Transportation Program. Mr. Borrelli stated that there would not.

MOVED: By Mr. Reilly that the Finance Committee recommend adoption of the draft Annual Town Meeting Warrant Article 14: Continue Departmental Revolving Funds. Mr. Rosenstock seconded the motion. There was no further discussion. The motion was approved by a vote of 6-0.

#### **Special Town Meeting Article: Amend By-Law Article 5/Sign**

Ms. Fitzpatrick stated that the article would allow banners to advertise community events like soccer games. She stated that the article may be withdrawn as the Town does not yet have the infrastructure to put up the banners. She stated that the streetscaping plan will probably have poles for this purpose. They hope to be ready with a preliminary design in summer 2013.

#### **Special Town Meeting Article: Change in Use and Conveyance of Real Property**

Ms. Fitzpatrick stated that the parcel of land at issue is approximately 5-6 acres. About five acres have been held by the Board of Selectmen for water supply. She stated that the state DOT and DCR have asked the Town to convey the property to the state to add to its mitigation count needed for a federal permit. That would account for approximately four acres, and the rest could be banked by the Town to be used as part of the state no net loss policy. She stated that the property could provide some nice public access to the river. She added that the state has been working with the Town on the Add-a-lane Project, and that the state has asked the Town to help it with this. She stated that the Town will not be receiving any compensation for the property. She stated that the Town will have a full easement for use for the sewer. She stated that the DCR will own the property for permanent conservation. Mr. Borrelli asked if it would be helpful to keep the property for use later to meet the no net loss policy such as at Ridge Hill. Ms. Fitzpatrick stated that there are a couple of other areas that the Town can use to satisfy no net

loss provisions. She stated that it is important to partner with the state since the Town has been after the state to move with the Add-a-lane project, and now they are doing so.

MOVED: By Mr. Rosenstock that the Finance Committee recommend adoption of the draft Special Town Meeting Article: Change in Use and Conveyance of Real Property, subject to the recommendation of the Article by the Board of Selectmen. Mr. Creem seconded the motion. The motion was approved by a vote of 6-0.

Mr. Creem suggested that when the property is conveyed, the Town Manager point out to them that the MBTA is planning to cut Saturday service to the Town.

### **Special Town Meeting Article: Appropriate for Property Acquisition**

Ms. Fitzpatrick stated that she has received a letter offering to sell the property at 59 Lincoln Street and at 89 School Street, and has accepted the offer subject to executing a Purchase and Sale Agreement and to Town Meeting approval. If this article and the Annual Town Meeting Article 31 for acquitting 37-39 Lincoln Street pass, then they would join together. Mr. Borrelli stated that this could affect cash capital. He noted that the Fire Truck has already been voted to recommend being purchased from Free Cash. He asked if this would provide public parking. Ms. Fitzpatrick stated that there will at least be parking for the Public Safety Building. She stated to make public parking and then take it away is difficult. Mr. Borrelli questioned whether such a large amount should be voted when some Committee members are not present. Ms. Fitzpatrick stated that the Board of Selectmen already voted the article, but the Committee could wait until April 11. Mr. Reilly stated that the Committee has long known about this issue. Mr. Lunetta suggested that the Committee move forward. Mr. Rosenstock stated that this property did not seem controversial to people.

MOVED: By Mr. Lunetta that the Finance Committee recommend adoption of the draft Special Town Meeting Article: Appropriate for Property Acquisition for \$1,175,000. Mr. Reilly seconded the motion. There was no further discussion. The motion was approved by a vote of 6-0.

### **Special Town Meeting Article: Extinguish Sewer Easement - Nehoiden St.**

Ms. Fitzpatrick stated that before the developer purchased this piece of property, he proposed to build on the current sewer easement, and proposed that the sewer easement be moved. He paid for the installation of new pipes to move the sewer to the new location. Ms. Fitzpatrick stated that the Board of Selectmen will take the new sewer easement, but only Town Meeting can extinguish the current easement.

MOVED: By Mr. Creem that the Finance Committee take no position with respect to Special Town Meeting Article: Extinguish Sewer Easement - Nehoiden St. Mr. Connelly seconded the motion. There was no further discussion. The motion was approved by a vote of 6-0.

## **Finance Committee Updates**

Mr. Reilly reported that there was a Chairs Meeting at which the 3% debt limit was discussed. He stated that the Board of Selectmen representatives were at first resistant to the idea of increasing the 3% because of concerns that it would threaten the funding available for the operating budget. Mr. Reilly said that after some discussion they did recognize that the 3% limit is based on tradition rather than an analytical approach and seemed open to reviewing information from a study.

Mr. Borrelli stated that he would like to devote the entire next meeting on April 11 to a discussion of capital.

## **Remaining Annual Town Meeting Articles**

MOVED: By Mr. Creem that, for all Articles in the 2012 Annual Town Meeting Warrant for which the Finance Committee has not yet taken an action, the Final Warrant reflect that the Finance Committee will make a recommendation at Town Meeting. Mr. Reilly seconded the motion. There was no further discussion. The motion was approved by a vote of 6-0.

## **Adjourn**

MOVED: By Mr. Creem that the meeting be adjourned. Mr. Reilly seconded the motion. The motion was approved by a vote of 6-0, at approximately 10:05 p.m.

Documents: Memorandum re: DPW Complex Phase II Proposed Funding for FY 2013 – Eight-Bay Garage, from Kate Fitzpatrick to Finance Committee, dated February 10, 2012; Town of Needham 2012 Annual Town Meeting Warrant, draft dated March 20, 2012; May Special Town Meeting Warrant, draft dated March 23, 2012; Town of Needham Capital Improvement Plan, FY 2013 – FY 2017, dated January 3, 2012.

Respectfully submitted,

Louise Mizgerd  
Executive Secretary/Staff Analyst

*Approved April 25, 2012*