

**Needham Finance Committee  
Minutes of Meeting of April 25, 2012**

The meeting of the Finance Committee was called to order by the Chair, Richard Reilly, at approximately 7:05 pm in the Great Plain Room, at the Town Hall.

Present from the Finance Committee:

Richard Reilly, Chair; Rick Zimbone, Vice Chair

Members: Richard Creem, John Connelly, Lisa Zappala, Steve Rosenstock

Also Present:

Kate Fitzpatrick, Town Manager

David Davison, Assistant Town Manager/Director of Finance

Richard Merson, Director, Public Works

Susan Abbott, Proponent, ATM Article 22

Stacie Shapiro, Proponent, ATM Article 23

Artie Crocker, Proponent, ATM Article 23

Ross Donald, Proponent, ATM Article 23

Dan Gutekanst, Superintendent, Needham Public Schools

Anne Gulati, Financial Director, Needham Public Schools

Marianne Cooley, School Committee Liaison

Lee Newman, Planning Director

Bruce Eisenhutt, Chairperson, Planning Board

Rick Lunetta, Finance Committee Member, by telephone

Articles Discussed

**Annual Town Meeting Warrant**

Article 5: Fund Collective Bargaining Agreement – Building Custodian and Tradesman Independent Association

Article 16: Amend Zoning By-Law: Definition of a Structure

Article 17: Amend Zoning By-Law: Definitions

Article 18: Amend Zoning By-Law: Dimensional Regulations

Article 19: Amend Zoning By-Law: Off-Street Parking Requirements

Article 22: Pesticide Free Zone on Land Owned or Managed by Town of Needham

Article 23: Citizens' Petition - Citizens United Resolution

Article 29: Rescind Debt Authorizations

Article 30: Appropriate for General Fund Cash Capital

Article 34: Appropriate for DPW Complex Renovations

Article 37: Appropriate for Water Enterprise Fund Cash Capital

Article 40: Appropriate to Capital Improvement Fund

Article 41: Appropriate to Capital Facility Fund

**Special Town Meeting:**

Article 4: Appropriate for Unpaid Bills of Prior Years

Article 5: Amend Zoning By-Law: Description of Flood Plain Districts and Flood Plain District Regulations

Article 6: Amend Zoning By-Law: Uses in New England Business Center District

Article 10: Appropriate to Workers Compensation Fund

Article 11: Appropriate to Capital Improvement Fund

Article 12: Appropriate to Capital Facility Fund

### **Citizen Requests**

No citizens requested to speak.

### **Minutes of Prior Meetings**

MOVED: By Mr. Connelly that the Minutes of March 21, 2012, be approved as circulated. Ms. Zappala seconded the motion. The motion was approved by a vote of 6-0.

MOVED: By Mr. Connelly that the Minutes of March 28, 2012, be approved as circulated. Mr. Creem seconded the motion. The motion was approved by a vote of 5-0-1, with Mr. Zimbone abstaining.

MOVED: By Mr. Connelly that the Minutes of April 11, 2012, be approved as circulated. Ms. Zappala seconded the motion. The motion was approved by a vote of 6-0.

### **Annual Town Meeting Article 22: Pesticide Free Zone on Land Owned or Managed by Town of Needham**

Mr. Reilly asked Ms. Abbott to explain how the goal of the article would be different from the Integrated Pest Management (IPM) Policy currently in effect in the Town. Ms. Abbott stated that it would be an extension of the IPM. She stated that the IPM allows 10 synthetic pesticides to be used, but that since it was developed in 1990, the safety of some synthetic pesticides has been called into question. Mr. Reilly stated that he saw no evidence that the IPM could not accommodate new developments. Ms. Abbott stated that the FDA only looks at cancer when determining safety of products. Mr. Zimbone stated that the state's approved list of pesticides focuses on whether products are cancer-causing, and that the Town policy does not address that, but it does follow the state policy. Mr. Zimbone asked whether other Town boards have expressed opinions on the article. Ms. Abbott stated that she had been told the Board of Selectmen voted five against the article. She stated that the Board of Health stated that they might support it if the wetlands provisions were removed and pesticides that protect against West Nile Virus were allowed. She stated that Park and Recreation has not contacted her, though Chip Osborne who also supports the article has met with Patty Carey. Mr. Zimbone asked whether a new committee is needed when there is already a town-wide committee representing many interests across Town on this topic. Ms. Abbott stated that this would provide greater transparency since she has not found records of the Town's pesticide use. Mr. Merson stated that the DPW has not applied any pesticides in the last 2 years. He stated that there was wasp and hornet pesticide applied in a limited location 3 years ago and 5 years ago. He stated that there is a log that tracks pesticide use.

Mr. Reilly asked if Ms. Abbott knew the cost implications of the article. Ms. Abbott stated that one community transitioned from synthetic to organic fertilizers and over three years costs decreased from \$1300 per acre to \$275 per acre. Ms. Zappala stated that if the article only seeks to establish a committee of volunteers, then there may be no financial impact. Mr. Rosenstock stated that the article directs the Town to change to an organic policy, not to study the issues. Ms. Abbott asked if it would be better if the article were changed to direct a study on the issue. Mr. Rosenstock stated that the article still has a goal of changing the policy to organic. If the goal is to direct the Selectmen to create a committee to study that possibility then it needs to say that.

Mr. Zimbone stated that Purdue University did a study of land management programs with chemical and without, and with integrated management. He stated that the Town has sought to combine the approaches in order to allow treatments that are approved by the state, but also to minimize their use. As a result, the Town has been clean of pesticides for the past few years. He stated that there is a huge IPM committee that oversees the work done by Ed Olsen. He stated that the Town has just invested a great deal of money in fields and needs to protect that, but that the Town is moving toward organic. He says that there is no need for this on a more formal basis. Mr. Lunetta asked what the proposed new committee would accomplish that the current one does not. Ms. Abbott stated that she would like to see a report of how the Town committee has studied the issue. She stated the proposed committee could study both sides of the issue, with the goal of less expensive and more healthy land management. Mr. Reilly stated that he would like to see amended language before voting. Mr. Creem asked Ms. Abbott to send the Committee a revised motion for consideration prior to Town Meeting.

### **Annual Town Meeting Warrant Article 23: Citizens' Petition - Citizens United Resolution**

Mr. Reilly asked whether this article would have a financial implication for the Town. Ms. Shapiro stated that there would be no direct financial effect, but that decisions that could be made that are based on political influence could affect funding for the Town. Mr. Connelly and Mr. Zimbone stated that they did not see that the article had a financial impact. Mr. Crocker stated that the state gets federal funds, and gives funding to the Town which could be affected by the Citizens United decision. He acknowledged that there is not a specific Town budget area affected. Mr. Creem stated that the Committee's mission is to determine the financial impacts on the Town. He stated that the idea of whether there is a financial impact is a continuum, from very clear financial implications to areas that require more of a judgment call. Some areas are so amorphous and unquantifiable that the financial impact cannot be determined. In his opinion, any financial impact from this article is so remote that there would be no way to explain it to Town Meeting. As a Finance Committee member, he could not explain any recommendation on this article, so he is leaning in favor of taking no position. Mr. Reilly stated that the Committee's expertise is financial analysis, and that this article is outside of that expertise. Mr. Zimbone stated that the Committee members are Town Meeting members and will have opinions in that role. Mr. Donald stated that the financial impact will become more clear over time. Ms. Shapiro stated that the resolution itself does not have a direct financial impact, but there would be indirect financial costs.

MOVED: By Mr. Creem that the Finance Committee take no position with respect to Annual Town Meeting Warrant Article 23: Citizens United Resolution. Ms. Zappala seconded the motion. There was no further discussion. The motion was approved by a vote of 6-0.

### **Annual Town Meeting Warrant Article 29: Rescind Debt Authorizations**

Mr. Davison stated that when the purpose of a project is completed and there is some portion of the appropriation left, state law requires Town Meeting to act to release the remaining funds. Mr. Connelly asked whether there were any residual issues with the Library project. Mr. Davison stated that all issues that could be charged against this authorization are closed. He stated that since a period of time has passed, other existing issues are considered repairs and not construction.

MOVED: By Mr. Creem that the Finance Committee recommend adoption of Annual Town Meeting Warrant Article 29: Rescind Debt Authorizations. Mr. Zimbone seconded the motion.

Mr. Rosenstock asked whether these projects were excluded from Appendix B in the back of the warrant. Mr. Davison stated that they were.

VOTE: The motion was approved by a vote of 6-0.

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

Mr. Reilly stated that changes have been made to the article. Mr. Merson explained that after meeting with the Town Manager, the DPW decided to seek only the design funds for the project. He stated that during a meeting with the Finance Committee liaisons and Steve Popper from Public Facilities, they decided to take a step back and undertake a feasibility study to look at all the implications surrounding the project. He stated that the PPBC estimated that the study will cost \$40,000. Mr. Davison stated the proposed funding would be through Cash Capital. He stated that Article 34 will be amended if the Town Counsel and the Moderator find that this study falls within the four corners of the article. Mr. Zimbone asked if it could be included in the Cash Capital article. Mr. Davison stated that they can narrow the language so that the source is the levy, and then still use Cash Capital. Mr. Connelly applauded Town administrators for a productive discussion, and heading in the right direction. Mr. Creem stated that he would like to see the specific language of the article before voting.

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

Mr. Reilly stated that the original article sought \$838,800 for capital, but that it is being amended. Mr. Merson stated that the Filter Media Replacement has been reduced to zero. Due to the Charles River Well project, the DPW could not reasonably shut down another well to do the greensand replacement, so the work was deferred. The funds from last year will be used to do that work in the fall. Mr. Merson stated that the department has provided information on the

proposed synthetic greensand. Mr. Merson stated that the Fire Flow Improvements line has also been reduced to zero, since the work was delegated back to the PPBC. Mr. Reilly asked if the funding would be requested in the fall. Mr. Davison stated either in the October Special Town Meeting or no later than the 2013 Annual Town Meeting.

MOVED: By Mr. Zimbone that the Finance Committee recommend adoption of Annual Town Meeting Warrant Article 37: Appropriate for Water Enterprise Fund Cash Capital in the amount of \$416,300. Ms. Zappala seconded the motion. There was no further discussion. The motion was approved by a vote of 6-0.

### **Annual Town Meeting Warrant Article 30: Appropriate for General Fund Cash Capital**

Mr. Reilly stated that the state House of Representatives has approved an amendment to the CPA that appears likely to get through the Senate. It would expand the uses of CPA funds so that it would include maintenance and repair of fields. Mr. Reilly stated that in the Athletic Facility Improvement line of the article, he proposes to defer the irrigation system for Greene's Field. He and Mr. Zimbone met with Patty Carey and Ed Olsen. Mr. Olsen stated that because of the current condition, the field will eventually need to be ripped up and redone, but that he could work around the irrigation system if it is in place at that time. Mr. Reilly stated that it makes more sense to do the whole project at once. Mr. Zimbone asked if the irrigation system could be funded under the amended CPA. Mr. Davison stated that it can't be determined because the law has not passed, and that timing and the need to move forward are considerations. Ms. Fitzpatrick stated that it would not be problematic to delay the irrigation system, but that for other projects that could be potentially funded with CPA money under the proposed amendment, a delay could create problems. She stated that the Town has a huge cadre of projects that could be funded with CPA funds if the uses are expanded. Ms. Zappala stated that if anything is put off, it will end up being delayed for a year.

Mr. Reilly stated that the Public Works items in Article 30 should be amended to amounts now available that are based on actual quoted prices, rather than a methodology where a mathematical formula was applied to previous vehicle prices. Mr. Davison stated that the current prices are not actual bids, but pricing that is expected to be available. Mr. Connelly stated that there is a large savings on Unit 8. Mr. Merson stated that is a large dump truck. Mr. Reilly stated that the current vehicle is older, so that the effect of the previous method of estimating is compounded.

Mr. Reilly stated that the proposed amended Cash Capital amount is \$142,500 less than the article states. He stated that the Public Schools Technology and Equipment line is \$828,000, but the Schools had presented a list of needs to the Committee that totaled \$873,000, which is \$45,000 higher. The \$45,000 is for an expanded iPad pilot program. Mr. Reilly stated that his sense is that the Technology and Equipment line item should be funded in accordance with the original request. Ms. Cooley stated that the pilot is not in the original request, but that it was part of the request last year for a 1:1 laptop pilot which was cut back to a smaller tablet pilot. She stated that they have learned a lot about using tablets in the classroom, but do not have enough equipment to study a 1:1 program. With the proposed additional funds, there would be enough tablets for one whole cluster. They are hopeful that this would lead to a program where parents pay for or lease the equipment, so the costs would be shifted. Dr. Gutekanst stated that the

requested program would allow students and teachers to have the equipment during the day, and also to bring home. The current program does not provide a full view. Mr. Reilly stated that when the Schools were asked how to prioritize its capital needs, this program was high up on the list. He asked what part of the \$828,000 is a lower priority and would be pushed out by this. Ms. Gulati stated that the \$828,000 does not include the pilot. She stated that there was no request for iPads in the FY13 submission, but that when the FY12 request was changed last year, it changed the nature of the pilot program. Ms. Cooley stated that all of the replacement computers were secondary cash capital requests. Ms. Gulati stated that the list of priorities includes the iPad pilot as high priority if additional funds were to become available.

Mr. Rosenstock stated that it is uncertain how the Moderator would view an additional request in the article, since he does not tend to like to see warrant articles increase in cost. Mr. Connelly stated that the Moderator requires any request to increase the operating budget be accompanied by a reduction to offset the increase and that amounts in the article are being decreased. Mr. Creem stated that there is a more fundamental issue involved. The Town Manager puts the Capital Improvement Plan together and the Finance Committee reviews it to see if it might be reduced. He stated that he does not ever recall an item being added that was not in a submission to the Town Manager. He stated that he is uneasy about doing that, since it is outside of what the Committee is asked to consider. He stated that the proposal sounds like a good program, but that the funds should be found elsewhere. Mr. Zimbone stated that he does not share that uneasiness about making adjustments to the article. He has a sense that the Moderator would allow it. Mr. Connelly concurred with Mr. Zimbone, since the \$45,000 is not new today, but part of last year's requested program, which makes him more comfortable with the idea. Ms. Zappala stated that the Schools will not be able to continue to fund their computer replacement schedule going forward. They will be in a deficit next year. They need to continue to gather information. She stated that the issue is whether the need is critical enough to increase the School Cash Capital funding. She stated that they don't feel that they can squeeze the funds from somewhere else. Mr. Rosenstock stated that there is nothing in the warrant for Town Meeting Members to consider. Dr. Gutekanst stated that it was in the original request, but without a number. Mr. Lunetta stated that he is not convinced that additional equipment will get better information. He suggested that the existing equipment could be distributed on a 1:1 basis. Ms. Cooley stated that there are only enough tablets for two classrooms, but a cluster is composed of four classrooms. The students within a cluster are mixed in different classes. She stated that it would not work to have some students with the equipment in the same classes as other students without that equipment. She stated that the proposed one-cluster plan is already a small sample.

Ms. Cooley noted that the department will be closer to totally expending funding this year than in prior years, and there should not be a presumption that there will be end-of-year funds available. She stated that there is a \$200,000 gap even with the circuit breaker funds. Dr. Gutekanst stated that he spoke with Representative Alice Peisch who stated that Needham is getting additional Chapter 70 funds in the Governor's budget and not to expect any further increase. He stated that this iPad request is very important.

Mr. Zimbone proposed that the Committee not consider the additional \$45,000 at this time. He stated that the liaisons should meet with the Schools to work the issues out. Mr. Reilly stated

that he is sympathetic to the need, but also understands Mr. Creem's concerns about the procedure.

MOVED: By Ms. Zappala that the Finance Committee recommend adoption of Annual Town Meeting Warrant Article 30: Appropriate for General Fund Cash Capital as amended to the amount of \$2,631,633. Mr. Connelly seconded the motion. There was no further discussion. The motion was approved by a vote of 6-0.

Mr. Zimbone noted that the School liaisons are assigned to work with the School Department and the School Committee to solve the issue of the \$45,000 gap that has been identified.

### **Annual Town Meeting Warrant Article 16: Amend Zoning By-Law: Definition of a Structure**

Ms. Newman stated that Article 16 will be withdrawn.

### **Annual Town Meeting Warrant Article 17: Amend Zoning By-Law: Definitions**

Ms. Newman stated that Article 17 will be withdrawn.

### **Annual Town Meeting Warrant Article 18: Amend Zoning By-Law: Dimensional Regulations**

Ms. Newman stated that this article will allow lots that are reduced due to public action to be given grandfathered protection so the lots will not be rendered illegal. Mr. Reilly stated that the financial implication would be to save the Town from increased costs for a taking. Mr. Eisenhutt stated that it would also maintain the value of the property. Mr. Reilly asked if this happened often. Ms. Newman stated that it is infrequent, but that it has happened. She stated that the Planning Board has voted to recommend adoption.

MOVED: By Mr. Rosenstock that the Finance Committee recommend adoption of Annual Town Meeting Warrant Article 18: Amend Zoning By-Law: Dimensional Regulations. Ms. Zappala seconded the motion. There was no further discussion. The motion was approved by a vote of 6-0.

### **Annual Town Meeting Warrant Article 19: Amend Zoning By-Law: Off-Street Parking Requirements**

Ms. Newman stated that the article adjusts the illumination requirement in parking lots. The current requirement has been regularly waived. This change will make the by-law agree with the Town's practice.

MOVED: By Mr. Creem that the Finance Committee take no position with respect to Annual Town Meeting Warrant Article 19: Amend Zoning By-Law: Off-Street Parking Requirements. Mr. Zimbone seconded the motion. There was no further discussion. The motion was approved by a vote of 6-0.

**May Special Town Meeting Article 5: Amend Zoning By-Law: Description of Flood Plain Districts and Flood Plain District Regulations**

Ms. Newman stated that the FEMA maps created in 1989 have been updated recently following an additional flood study. Effective July 1, 2012, the Town must have adopted the newer maps in order for residents to be able to obtain flood insurance, and in order for the Town to be eligible for FEMA disaster funding.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of Annual Town Meeting Warrant Article 5: Amend Zoning By-Law: Description of Flood Plain Districts and Flood Plain District Regulations, subject to the Planning Board recommendation of the article. Ms. Zappala seconded the motion. There was no further discussion. The motion was approved by a vote of 6-0.

**May Special Town Meeting Article 6: Amend Zoning By-Law: Uses in New England Business Center District**

Ms. Newman stated that fitness facilities have expressed an interest in the business park. However, some are interested in having a pool with the facility which is currently not allowed. This would allow outdoor pools associated with fitness facilities to be allowed by special permit. She stated that the Planning Board will hold a public hearing on May 1. Mr. Reilly asked if there were any additional costs or risks to the Town. Ms. Newman stated that they would be privately owned pools.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of Annual Town Meeting Warrant Article 6: Amend Zoning By-Law: Uses in New England Business Center District, subject to the Planning Board recommendation of the article. Mr. Creem seconded the motion.

Mr. Reilly asked what if a hotel built a pool without a fitness facility. Ms. Newman stated that this only will change the fact that when the athletic facility use was created, the by-law did not allow a pool, and now it will. There was no further discussion.

VOTE: The motion was approved by a vote of 6-0.

**Article 4: Appropriate for Unpaid Bills of Prior Years**

MOVED: By Mr. Zappala that the Finance Committee recommend adoption of Annual Town Meeting Warrant Article 4: Appropriate for Unpaid Bills of Prior Years. Mr. Connelly seconded the motion.

Mr. Rosenstock asked why the bills were late. Mr. Davison stated that they were all from one vendor. The company did not submit all the bills on time. The Town thought it had received all the bills and paid the bills it had received. There was a purchase order that was liquidated, so the payments are owed.

VOTE: The motion was approved by a vote of 6-0.

### **Workers' Compensation Reserve Fund; Capital Improvement Fund; Capital Facility Fund**

Mr. Reilly described the proposed allocations based on a spreadsheet that would result in funding the Workers' Compensation Reserve Fund at 90% or target, and the Capital Improvement Fund at 86% and the Capital Facility Fund at 86%. The plan accounts for funding the Operating Budget, Cash Capital, the Fire Truck, and the Workers' Compensation Fund as previously voted. It would fund \$40,000 for a feasibility study for the DPW Complex renovations, \$50,000 for the CIF and \$140,370 for the CFF, which would all account for \$5,366,720 of Free Cash available for use in FY13. Mr. Creem commented that he is pleased, since he is in favor of aggressively funding the CIF and CFF when possible. Mr. Reilly noted that OPEB also needs funding, but that will happen when the FY12 operating budget is amended at the Special Town Meeting. Mr. Reilly asked about the interest rates on reserves. Mr. Davison stated that state law requires that these funds like general funds must be kept highly liquid, so they are not getting much interest.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of Annual Town Meeting Warrant Article 40: Appropriate to Capital Improvement Fund, in the amount of \$50,000. Mr. Creem seconded the motion. There was no further discussion. The motion was approved by a vote of 6-0.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of Annual Town Meeting Warrant Article 41: Appropriate to Capital Facility Fund, in the amount of \$140,370. Mr. Creem seconded the motion. There was no further discussion. The motion was approved by a vote of 6-0.

### **Move into Executive Session**

Mr. Reilly stated that the upcoming discussion would have a detrimental effect on the negotiating position of the Town with respect to collective bargaining if it were held in open session.

MOVED: By Mr. Creem that under Chapter 39, Section 23B of the Massachusetts General Laws, the Finance Committee enter into executive session under exception 3:

“(3) To discuss strategy with respect to collective bargaining or litigation if an open meeting may have a detrimental effect on the bargaining or litigating position of the public body and the chair so declares.”

Mr. Zimbone seconded the motion. The motion was approved unanimously with the following votes: Mr. Creem: Aye; Mr. Reilly: Aye; Mr. Zimbone: Aye; Ms. Zappala: Aye; Mr. Rosenstock: Aye; Mr. Connelly: Aye.

The Committee entered Executive Session at approximately 9:00 pm. The Committee re-entered Open Session at approximately 9:25 pm.

**Annual Town Meeting Warrant Article 5: Fund Collective Bargaining Agreement – Building Custodian and Tradesman Independent Association**

MOVED: By Mr. Zimbone that the Finance Committee recommend adoption of Annual Town Meeting Warrant Article 5: Fund Collective Bargaining Agreement – Building Custodian and Tradesman Independent Association. Mr. Rosenstock seconded the motion. There was no further discussion. The motion was approved by a vote of 6-0.

**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 6-0, at approximately 9:30 p.m.

Documents: “Citizen’s Petition: Transition to Organic Land Management Policy”; “Warrant Article 23: Resolution to Overturn ‘Citizens United’”; Spreadsheet with Water Enterprise Fund Cash Capital amended amounts; Spreadsheet with General Fund Cash Capital amended amounts; Spreadsheet: Free Cash for FY13, Reserve Fund FY2012; Annual Town Meeting Warrant, May 7, 2012; May 14, 2012 Special Town Meeting Warrant; Town of Needham Capital Improvement Plan, FY 2013 – FY 2017, dated January 3, 2012.

Respectfully submitted,

Louise Mizgerd  
Executive Secretary/Staff Analyst

*Approved May 7, 2012*