

**Needham Finance Committee  
Minutes of Meeting of October 3, 2012**

The meeting of the Finance Committee was called to order by the Chair, Richard Reilly, at approximately 7:00 pm in the Great Plain Room at the Town Hall.

Present from the Finance Committee:

Richard Reilly, Chair; Richard Lunetta, Vice Chair

Members: John Connelly, Richard Creem, Gary McNeill, Lisa Zappala, Richard Zimbone (arrived 7:10 pm)

Also Present:

Kate Fitzpatrick, Town Manager

David Davison, Assistant Town Manager/Director of Finance

Steven Popper, Director of Design and Construction

Charles Laffey, Director of Facility Operations

Hank Haff, Project Manager, Department of Public Facilities

Evelyn M. Pones, Town Collector/Treasurer

Roger MacDonald, Director of Management Information Systems

Louise Miller, Town Meeting Member

Mary Kelley, Newman Playground Task Force

Suzanne Baker, Newman Playground Task Force

Kelly Robey-Connolly, Newman Playground Task Force

**Citizen Requests**

No citizens requested to speak.

**Minutes of Prior Meetings**

MOVED: By Mr. Connelly that the Minutes of September 12, 2012 be approved as circulated. Mr. Creem seconded the motion. There was no further discussion. The motion was approved by a vote of 6-0. (Mr. Zimbone had not yet arrived.)

**Special Town Meeting Draft Warrant**

Article 2: Accept the Provisions of Chapter 176 of the Acts of 2011/Supplemental Pension Allowance

Mr. Davison explained that three people would be affected by the change, though more people could become eligible. Ms. Pones stated it is expected to cost \$2400 per year. Mr. Davison noted that this allowance is supplemental to ensure the beneficiary a minimum pension.

MOVED: By Mr. Lunetta that the Finance Committee recommend adoption of draft Special Town Meeting Warrant Article 2: Accept the Provisions of Chapter 176 of the Acts of 2011/Supplemental Pension Allowance. Ms. Zappala seconded the

motion. There was no further discussion. The motion was approved by a vote of 6-0. (Mr. Zimbone had not yet arrived.)

#### Article 4: Amend the FY2013 Operating Budget

Mr. Davison stated that in accordance with labor agreements where employees share savings from new rate saver plans, funds are being moved from the health insurance line to the Police and the Fire Department salary and wage lines. The Finance Department wages and expenses are increasing to cover costs relating to implementation of new financial accounting software. The Police capital line is increasing by the amount of an insurance payment covering a cruiser that was a total loss. Because of the amount of the settlement, state law requires an act of Town Meeting to move the funds. The DPW capital line is increasing to pay for improvements at Walker Gordon Field. The funding comes from money appropriated in 2008 for DeFazio fields that was not needed. The Reserve Fund is increasing by the amount of expected new revenue in excess of earlier projections, after removing the allocations to the Finance Department and the cost of the feasibility study in Article 3. He stated that the additional revenue, \$259,621, is due to higher new growth estimates, increased state aid, and higher local receipts, predominantly motor vehicle excise tax. Mr. Connelly asked for a written explanation of the scope of work planned for Walker Gordon Field.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of draft Special Town Meeting Warrant Article 4: Amend the FY2013 Operating Budget. Ms. Zappala seconded the motion. There was no further discussion. The motion was approved by a vote of 7-0.

#### Article 1: Fund Collective Bargaining Agreement – Fire Union

Ms. Fitzpatrick stated that the terms were reached before the executive session on September 5, 2012, and have not changed. She stated that there is a wage restructure consistent with the Police Union. She stated there will be a 1% wage increase in exchange for the transition to rate-saver health insurance. This is the last group of active employees to move into the plans. There will be a 2.5% wage increase in FY15, and a split in FY16 of 1% increase July 1, and 1% on January 1. There will also be a cap for sick leave buy-back. She stated that there is a 4% average increase over 4 years, including steps and education and other costs. She stated that the increase is not net of the new health insurance savings. She stated that the health insurance costs will be reset by this move, but will continue to increase.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of draft Special Town Meeting Warrant Article 1: Fund Collective Bargaining Agreement – Fire Union. Mr. Lunetta seconded the motion. There was no further discussion. The motion was approved by a vote of 7-0.

#### Article 3: Appropriate for Solar Energy Feasibility Study

Ms. Fitzpatrick stated that the Board of Selectmen has created a committee to study solar energy, and described the committee's charge. The \$15,000 appropriation would fund a consultant.

Mr. Zimbone expressed concern that the amount would be insufficient. Mr. Connelly stated he would like the new committee start working before he would be comfortable with a higher amount.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of draft Special Town Meeting Warrant Article 3: Appropriate for Solar Energy Feasibility Study. Mr. Zimbone seconded the motion. There was no further discussion. The motion was approved by a vote of 7-0.

#### Article 5: Rescind Debt Authorizations

Mr. Davison described the projects in the article which were completed, and had additional authorized borrowing that was not needed. He indicated the amounts to be rescinded, as listed in the article.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of draft Special Town Meeting Warrant Article 5: Rescind Debt Authorizations. Mr. Lunetta seconded the motion. There was no further discussion. The motion was approved by a vote of 7-0.

#### Article 13: Appropriate for Pollard School Boiler Design

Mr. Laffey described the project which will upgrade the Pollard boiler to higher efficiency equipment, and switch to all natural gas. The appropriation is needed prior to the May Annual Town Meeting in order to finish the bidding process and be prepared to do the work during the school summer vacation. Mr. Davison stated this appropriation covers engineering and design. He stated that the funding is coming from additional money not needed from prior appropriations. Mr. Davison added that there will be a request for funding for the boiler and installation at the 2013 Annual Town Meeting. The Pollard boiler will be moved to Mitchell School.

MOVED: By Mr. Zimbone that the Finance Committee recommend adoption of draft Special Town Meeting Warrant Article 13: Appropriate for Pollard School Boiler Design. Mr. Creem seconded the motion. There was no further discussion. The motion was approved by a vote of 7-0.

#### Article 14: Appropriate for Public Works Infrastructure Program

Mr. Davison stated that the article allocates funds available after the completion of the Kendrick Street Bridge project. Because the funds were already borrowed, they must be reallocated. He stated that it does not fully replace the amount of money originally planned for roads that was repurposed for senior center financing. Mr. Davison stated that it helps protect the Town's credit rating to use money that has been borrowed.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of draft Special Town Meeting Warrant Article 14: Appropriate for Public Works

Infrastructure Program. Mr. Zimbone seconded the motion. There was no further discussion. The motion was approved by a vote of 7-0.

Article 15: Appropriate for Salt Shed Construction and  
Article 16: Appropriate for RTS Remediation

Mr. Reilly stated that the article will not go forward if the project is funded through Chapter 90. Mr. Popper stated that there was a meeting with people from the State who indicated that the design and construction are consistent with requirements for Chapter 90 funding. There is a potential soil remediation issue that may not be covered. There was discussion as to why this was the best site, notwithstanding the need for soil remediation. Mr. Connelly stated that he would like to see the feasibility study and project budget prior to Town Meeting.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of draft Special Town Meeting Warrant Article 15: Appropriate for Salt Shed Construction and Article 16: Appropriate for RTS Remediation. Mr. Lunetta seconded the motion. There was no further discussion. The motion was approved by a vote of 7-0.

Mr. Reilly stated that back-up information is needed for the \$400,000 figure in Article 16. Mr. Popper stated that the amount represents the high end of a range of projected possible costs. Mr. Davison noted that any amount that is not borrowed can be later rescinded.

AMENDMENT: Mr. Connelly amended his motion to make the Finance Committee's recommendation subject to the approval of the articles by the PPBC.

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

Article 17: Appropriate for Property Acquisition

Ms. Fitzpatrick stated the Town is seeking to acquire 51 Lincoln Street, which abuts 2 parcels approved at the Annual and Special Town Meetings in May. The acquisition would allow for increased parking for the Police and Fire Stations, and provide possible space for an eventual building expansion. She stated that Mr. Davison recalculated the Facilities Financing Plan, allowing for \$2 million for this site. She stated the purchase price is under \$940,000, and the balance will be used for excavation, disposal, asphalt, regrading, landscaping and fencing. She stated there was no "flipping premium" for the current owner, who recently purchased the property. Mr. Davison stated that the funds will be borrowed within the levy limit, with some funding from parking revenue. He stated that new parking fees have been structured around owning the three abutting parcels.

MOVED: By Mr. Lunetta that the Finance Committee recommend adoption of draft Special Town Meeting Warrant Article 17: Appropriate for Property Acquisition. Mr. Creem seconded the motion. There was no further discussion. The motion was approved by a vote of 7-0.

## **Newman School Playground Task Force**

Ms. Miller stated that despite significant efforts, there is a shortfall in fundraising to complete the Newman school playground project. She stated that the Town informed the Parent Teacher Committee during the school construction project that fundraising needed to be done for the playground. Some parents created a separate task force which worked with the Town to design and plan an all-inclusive playground to be built at the school. They found out in July 2012 that an additional \$30,000 would be needed to replace kindergarten playground equipment. The group is requesting that the Finance Committee supplement the project with \$30,000. She stated that this idea has the support of the Selectmen, School Committee, Superintendent, and Park and Recreation Director. However, there is an issue whether a contribution from the Town will trigger the state bidding laws which would stop the project, currently underway. Ms. Miller suggested that the issue might be avoidable if the Town could fund a segregable part of the project. In response to a question from Mr. Lunetta, Ms. Miller stated that they approached the CPC for funding, but the CPC would not accept an application from a private group for a project on Town land. She stated that the task force did not ask the School Department to apply on their behalf.

Mr. Reilly noted that the Finance Committee's role is to determine whether it is financially appropriate for a Town to do a project, but not to make a judgment which projects should be done. Mr. Connelly stated he would like to hear from the school whether the playground augments the kindergarten program. Ms. Miller stated that Newman Playground has been on the Town's Capital Plan since 2008, but the only question is funding. Mr. Zimbone stated that the Town needs a policy for playground design and funding going forward.

Mr. Lunetta stated that the plan is good, but the process is not. Mr. Creem stated that there are too many issues, and he cannot react to this in the abstract. He stated he could consider a more concrete proposal. Mr. Reilly stated that the request should come to the Finance Committee in the form of an official proposal from within the Town, such as the School Department, that identifies the appropriate source of funding and explains why it cannot be funded other ways. He stated that his sense is that the Committee wants to support the project, but only through a procedure which would allow it to properly consider the matter.

## **Request for Reserve Fund Transfer**

Mr. Davison stated that the transfer is needed to cover costs for materials and refreshments for the Olympic Rally honoring Aly Raisman that could not be absorbed by the Town Manager's current budget. He stated that the Town hoped to avoid a transfer for additional funds for related public safety overtime costs, but that will be known later in the year. Mr. Creem stated that there is precedent for this type of expense from the Suni Williams celebration.

MOVED: By Mr. Connelly that the Finance Committee approve the Request for a Reserve Fund Transfer in the amount of \$5,174 to the accounts referenced in the Request. Ms. Zappala seconded the motion. There was no further discussion. The motion was approved by a vote of 7-0.

Mr. Davison stated that there will be an upcoming request for a transfer to the RTS budget to repair a broken door that is causing security concerns. The expense will wipe out the RTS Reserve Fund. Some funds will also come from the Public Facilities budget. He stated that the Town will recover the funds from the RTS Enterprise Fund, but not for a year because of legal restrictions on transfers.

### **Adjourn**

MOVED: By Mr. Connelly that the meeting be adjourned, there being no further business. Mr. Zimbone seconded the motion. The motion was approved by a vote of 7-0, at approximately 9:33 p.m.

Documents: Town of Needham October 29, 2012 Special Town Meeting Warrant (September 28, 2012 draft); Request for Reserve Fund Transfer

Respectfully submitted,

Louise Mizgerd  
Executive Secretary/Staff Analyst

*Approved October 17, 2012*