

**Needham Finance Committee
Minutes of Meeting of October 24, 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 (arrived 7:08 pm), Louise Miller (arrived 7:03 pm), Richard Zimbone

Also Present:

David Davison, Assistant Town Manager/Director of Finance

Kate Fitzpatrick, Town Manager

Jerry Wasserman, Chair, Board of Selectmen

Alison Borrelli, Greene's Field Playground Committee

Citizen Requests

No citizens requested to speak.

Minutes of Prior Meetings

MOVED: By Mr. Connelly that the Minutes of October 17, 2012 be approved as circulated. Mr. Lunetta seconded the motion. There was no further discussion. The motion was approved by a vote of 5-0-1. (Ms. Zappala abstained; Ms. Miller and Mr. McNeill had not yet arrived.)

Special Town Meeting Warrant

Article 10: Appropriate for South Street Home – Charles River ARC

Mr. Reilly stated that the article will be amended to \$220,000 since the group received other funding in the amount of \$280,000. The project was approved in that amount by the CPC.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of Special Town Meeting Warrant Article 10: Appropriate for South Street Home – Charles River ARC, amended from \$500,000 to \$220,000. Mr. Zimbone seconded the motion. There was no further discussion. The motion was approved by a vote of 6-0. (Mr. McNeill had not yet arrived.)

Article 11: Appropriate for Rail Trail Feasibility Study

Mr. Reilly stated that the project had been approved by the CPC with the caveat that if Article 8 is approved, which will create a Town study committee for the Rail Trail, then the CPC will withdraw its approval of Article 11. Mr. Wasserman stated that the Board of Selectmen strongly

supports Article 11, but is not in support of Article 8. The Board plans to ask that Town Meeting refer Article 8 back to the Board. He stated that there is an open process for the Rail Trail, and there is not a need for a separate committee. He stated that there is not a feasible way to connect the sections of the trail, and there is a current study looking into the northern section for transportation. Mr. Reilly stated that the lease is secured and covers the northern section as well as the southern section. He said there is concern that there is some basic work to be done in the northern section, such as working with abutters, so if that section is included now it could slow the whole project down. He stated while there could be some economies of scale, they do not appear to be material.

Mr. Creem commented that the proponent of the Citizen's Petition stated that Newton was on the verge of voting to dedicate their section of the railway to a bike path. Ms. Fitzpatrick stated that Newton's Mayor and Planning Board have agreed to allow the rails to be pulled and stone dust laid, but not to add amenities that make it a rail trail. The city is evaluating the issue, and allowing recreational use in the meantime. Mr. Lunetta commented that he attended a meeting with the proponents of the Citizens' Petitions and felt that they had spoken disingenuously of Town Administration and misled people. Mr. Reilly noted that Mr. Connors was originally on the committee that is currently working with the Town on the rail trail in Article 11 but resigned and started the new group when the BCRTA did not agree with his proposal to explore both sections at once. Ms. Fitzpatrick stated that Mass. Highway has stated that the existing bridge must come down because of height and width issues and that a replacement bridge is not in their current budget.

Mr. Reilly asked why the Selectmen have recommended that Article 9 as well as Article 8 be referred back to them. Mr. Wasserman stated that the Town already collaborates with Needham Bikes. He stated that the idea of a northern rail trail will be examined, but the Board does not intend to create a new committee. Mr. Reilly noted that there could be some savings in liability insurance if the northern and southern rail areas were one project.

The Committee decided to vote on the Article 11 without being conditioned on the votes of any other article. Mr. Zimbone stated that the Committee can take another vote later if the CPC withdraws its recommendation.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of Article 11: Appropriate for Rail Trail Feasibility Study. Mr. Zimbone seconded the motion. The motion was approved by a vote of 8-0.

Article 12: Appropriate for Greene's Field Improvement

Mr. Reilly stated that the Committee has had concerns over the process of prioritizing playground improvements. The Committee recently approved of a transfer from the Reserve Fund to cover a funding gap from the citizens' group raising money for the Newman playground, which was a significant departure from what has been done before. Ms. Fitzpatrick stated that due to various circumstances, including the change in the CPA and escalating costs of playgrounds, the Town is planning to establish a new procedure for financing playgrounds. She stated that this is a transition time. One of the Board of Selectmen's goals is to establish a

standard level of playground. Private groups could add enhancements. The Greene's Field project is the Board's number one priority and also a priority of Park and Recreation. Mr. Wasserman showed a handout with the Board's proposed CPA priorities. There was a discussion of field user fees. Mr. Zimbone stated that the playground will cost \$175,000 and that \$50,000 is being raised by the Greene's Field Committee and asked how playground funding would work in the future. Mr. Connelly asked whether it might be better to wait for the policies and procedure to be in place before moving forward. Ms. Fitzpatrick stated the timing is important to work around the times of heaviest usage of the playground. Mr. Reilly stated that he has already raised the equity issue concerning playgrounds with the Chairs, and will follow through. Mr. Connelly stated that he would be comfortable moving forward, having voiced his concern that an appropriate policy should be made in a timely manner.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of Article 12: Appropriate for Greene's Field Improvement. Mr. Creem seconded the motion. The motion was approved by a vote of 8-0.

Tax Increment Financing

Mr. Wasserman stated that an Economic Target Area was created in 2007 to allow the Town to offer tax incentives through Tax Increment Financing (TIF) for building and operating in that area. The Board of Selectmen has recently received a request for a TIF from a company that it would consider for this benefit. He discussed a handout with the criteria considered by the Board for determining whether to use TIF options. Both he and Ms. Fitzpatrick stated that the tenant in question was considered the equivalent of an anchor tenant who would attract other high tech companies. Ms. Fitzpatrick stated that the Town is still in discussions, but will determine what incentive it will offer. Mr. Wasserman stated that the tax incentive will not be near the 20-year maximum. Mr. Reilly asked if the tax benefit will be passed from the developer to the tenant. Ms. Fitzpatrick stated that conditions had not been discussed, but that the TIF allows access to State funds if certain conditions are met. The developer must maintain the agreement with the State in order to maintain the TIF agreement with the Town. Ms. Fitzpatrick stated that the Town is assessing risks of certain conditions against risk of not attracting the business.

Finance Committee Updates

Mr. Creem reported that he and Ms. Mizgerd attended the ATFC Annual Meeting and Conference.

Mr. Reilly asked for the Committee's input on the budget request for the FY 2014 Reserve Fund. He described the calculation based on a percentage of the adjusted projected operating budget. There was discussion that 1.4% of that figure would be safe in light of the uncertainties surrounding snow removal, and other potential draws. Mr. Reilly stated he was not comfortable going higher than 1.4% because that would squeeze other budget areas.

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 8-0, at approximately 8:27 p.m.

Documents: Town of Needham October 29, 2012 Special Town Meeting Warrant; Proposed List of CPA Priorities, Board of Selectmen, October, 2012; Suggested Criteria for Determining Whether to Utilize Tax Increment Financing Options, Revised 10/24/12.

Respectfully submitted,

Louise Mizgerd
Executive Secretary/Staff Analyst

Approved November 13, 2012