

**Needham Finance Committee  
Minutes of Meeting of December 19, 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: Richard Creem, Gary McNeill, Louise Miller, Lisa Zappala, Richard Zimbone

Also Present:

David Davison, Assistant Town Manager/Director of Finance

Andy Wise, Member, Commission on Disabilities

Christopher Coleman, Assistant Town Manager

Elizabeth Dennis, Director of Human Resources

Gloria Greis, Historical Commission

David Tobin, Town Counsel

Theodora Eaton, Town Clerk

Ann MacFate, Director, Needham Public Library

Lois Bacon, Needham Public Library

Lee Newman, Planning Director

Patty Barry, Director of Conservation

Lisa Standley, Chair, Conservation Commission

Bruce Eisenhut, Chair, Planning Board

**Citizen Requests**

No citizens requested to speak.

**Minutes of Prior Meetings**

MOVED: By Ms. Miller that the Minutes of December 3, 2012 be approved as circulated. Mr. Creem seconded the motion. There was no further discussion. The motion was approved by a vote of 7-0.

MOVED: By Ms. Miller that the Minutes of November 28, 2012 be approved as circulated. Ms. Zappala seconded the motion. There was no further discussion. The motion was approved by a vote of 7-0.

**Review of FY14 Operating Budget and FY14-FY18 Capital Requests:**

**Finance Committee**

Mr. Reilly stated that the budget was increased due to a salary step increase. The expenses were increased to provide for one additional registration for the MMA annual conference.

## **Commission on Disabilities**

Mr. Reilly stated that there was no overall budget increase, but only a change in line items. The Commission collects money from handicapped parking violations and uses it for grants. Mr. Wise described the Commission's function and projects it has undertaken. In response to a question from Mr. Lunetta, Mr. Wise stated that the Commission has sufficient funding, but with more they would improve handicapped parking signage, and provide more resources to the schools to help children with disabilities.

## **Personnel Board**

Mr. Creem introduced the budget and described the Board's functions and budget. He noted that the expense line has increased by \$7,000 to \$18,000 to truly account for the costs of continuing the five-year cycle of classification and compensation studies. There was discussion of the contractor and the classification system. Mr. Coleman noted that with the new budget, there will be a savings of \$4,000 in the Town Manager's budget, which will allow for in-house professional and technical training.

## **Historical Commission**

Ms. Zappala introduced the budget and explained that there were no changes in the request. She stated that although expenditures have been light, there are projects planned, so the level of the budget should be maintained. Ms. Greis described some past projects, and the plans for a second phase of the historic house inventory and public outreach, including training, copying, and mailings. She added that the Commission received a CPC grant for conducting the project.

## **Town Counsel**

Mr. Zimbone discussed the budget and explained that the budget's major expense is the Professional and Technical line. \$230,000 is requested for FY14, which is comparable to FY13, but there is an additional \$10,000 requested in a DSR-4, for additional costs expected based on historical needs. Mr. Zimbone stated that the Salary and Wage Regular line is actually a retainer, as has been the case for 25-30 years. Mr. Zimbone distributed a handout breaking down legal service costs over the past three years. There was discussion of which Town employees are authorized to call Town Counsel directly. Mr. Tobin explained that the additional \$10,000 being requested is needed to cover ongoing legal costs which have required him to require Reserve Fund Transfers in the past few years. He noted that in approximately 80% of the litigated matters the Town is the defendant, which generally is out of the Town's control.

## **Town Clerk**

Mr. Creem introduced the budget, and described the functions carried out by the Town Clerk's office. He reviewed the reductions, mostly caused by a decrease in the number of scheduled elections for FY14. The Salary and Wage line is decreasing because of the decreased need for poll workers, though this is offset by step increases and salary adjustments for staff. Mr. Creem

stated that the Town Clerk will continue the phased purchases of new voting booths. Mr. Reilly asked why the general fee revenue decreased from FY12. Ms. Eaton stated that there had been a push that year to collect non-criminal fines that had been issued. However, this has not continued, and there is no enforcement mechanism for these fines. She also noted that liquor license revenue appeared significantly lower in FY09 because fees that were due in June 2009 were paid in July and therefore appear in FY10 values.

### **Request for Reserve Fund Transfer**

Mr. Davison stated that the request is for \$16,746 to be transferred to the Town Clerk's FY13 budget to cover the cost of the special election that was held with the national election, which was not anticipated when the FY13 budget was created. Ms. Eaton stated that she recommended against holding the special election at that time, and that it caused major problems for her office. Mr. Creem stated that he will vote to approve the transfer, but that he does not endorse the call for a special local election within the state election. He was concerned that the Committee was not consulted about the financial effect on of the special election. He also stated that he is concerned about how the Reserve Fund is being used for this cost since he felt this expense was not unforeseen or unavoidable. He noted that the Board of Selectmen could have included the ballot question on the Town's April 2013 ballot at little or no additional cost to the Town. Mr. Zimbone stated that the Selectmen do not need to consult with the Finance Committee, but suggested that it would be possible to deny the transfer request and seek the funding at the Special Town Meeting in May. Mr. Reilly stated that the Selectmen may have wanted to have as broad a vote as possible on a controversial issue. Mr. Lunetta stated that he supported the decision for the special election to get input from as many voters as possible.

MOVED: By Mr. Zimbone stat the Finance Committee approved the request for a Reserve Fund Transfer in the amount of \$16,746 to budget lines 12A and 12B in accordance with the request. Ms. Miller seconded the motion. There was no further discussion. The motion was approved by a vote of 7-0.

### **Further Review of FY14 Operating Budget and FY14-FY18 Capital Requests:**

#### **Public Library**

Ms. Miller introduced the budget and explained that there were no service changes, but that the DSR-2s were intended to move some employees' salaries from the state aid account into the budget. She stated that she supported moving employee salaries into the budget, since the state aid account is not reliable. She stated that the 2.5% annual increase to qualify for state funding should occur naturally. Ms. MacFate stated that last year, 4 positions were paid with state aid, and this year 3 positions are being paid through the state aid account. Mr. Davison stated that the change was needed to qualify for state aid in FY13. Mr. Reilly stated that moving any positions into the budget this year would be a policy decision. Mr. Zimbone stated that if the salaries were all moved into the operating budget, there would still be \$120,000 of other items currently paid for by the state aid account that could end up in the operating budget. Ms. Bacon stated that in that case, some items would be added to the operating budget, and others would not be done. Mr. Zimbone stated that the state aid account has enough to cover four years of the salaries, so

the Town should not be desperate to move those salaries into to the operating budget. Mr. Reilly stated that the requested budget is approximately \$25,000 above the level needed for state certification. Ms. Miller stated that this is due to step increases and the Minuteman network fee. She suggested state aid could pay for computer replacements. Ms. MacFate stated that cash capital allocations are being used for computers.

### **Community Development**

Ms. Zappala introduced the budget and stated that she had asked for additional information to illustrate the increased activity in the department. She stated that some of the increase in salaries in this department is due to the fact that the FY14 budget includes some salary costs that were previously supplemented by Massachusetts wetlands protection funds. The wetlands funds had covered \$10,000 of the Director's salary for each of the past three years. However, the entire salary for that position is covered by the FY14 operating budget. However, a portion of the Conservation Specialist's salary continues to be covered by wetlands protection funds in FY14. Ms. Zappala also stated that direct expenses are not increasing, but have been moved within the budget. Mr. Zimbone asked about the significant increase in Professional and Technical Services. Ms. Barry stated that these funds are held for outside consulting needs, and that these expenses had once been covered by insurance. Mr. Davison stated that the amount is essentially de minimus, and when it is needed there is usually insufficient time to seek a reserve fund transfer.

### **Planning and Economic Development**

Ms. Zappala stated that since the FY10 reorganization, there is better integration of the three departments, Planning, Conservation, and Board of Appeals, which are now under Planning and Economic Development. Mr. Creem asked why the budgets have not been consolidated. Ms. Newman stated that the Planning Board has wanted to maintain control of its budget. She stated that the Planning Board budget includes staff support, expenses and costs of studies.

Ms. Zappala stated that the revenue is projected to increase significantly due to a traffic mitigation fee for the 740,000 square foot Normandy Real Estate development project. She noted that while the Town gave up tax revenue to bring in a major tenant, the project will generate fee revenue. Ms. Zappala stated that there will be a reclassification of one position in Planning, so it appears that one salary increase is 12.4%. Ms. Newman stated that the employee is doing more professional work than the budgeted position. Mr. Zimbone asked about another position that showed a merit increase of 5.1%. Mr. Davison explained that it is because the FY13 salary increase for that position was paid by the Classification and Compensation line. Therefore, both the FY13 merit increase and the 2.5% increase in FY14 are in this budget.

Ms. Newman described the Home Consortium which the Town belongs to that gave the Town approximately \$67,000 annually for affordable housing from HUD funds. Previously, the Town held the money in a fund to accumulate to be able to sufficiently fund a project. Because federal funding has decreased the Town's allocation will be approximately \$36,000. In addition, there are also new funding requirements that the money be spent annually or be returned to the Consortium's pool, where the member towns will compete for it. The Town will be unable to

fund a project each year with the lower amount, though they have been assured that they will eventually get back all they put into the pool. Ms. Newman stated that the DSR-4 requests funding for a Community Housing Specialist for 20 hours per week. She envisions the position to get annual certifications and to advance the directives of the plan, which is not currently moving forward. The person would apply for funding from the Home Consortium when a project was available.

### **Adjourn**

MOVED: By Mr. Lunetta that the Finance Committee meeting be adjourned, there being no further business. Ms. Miller seconded the motion. The motion was approved by a vote of 7-0, at approximately 10:01 p.m.

Documents: Town of Needham, Departmental Spending Requests, Fiscal Year 2014; Professional Services – Legal Budget; Request for Reserve Fund Transfer dated December 13, 2012

Respectfully submitted,

Louise Mizgerd  
Executive Secretary/Staff Analyst

*Approved January 9, 2013*