

**Needham Finance Committee
Minutes of Meeting of January 2, 2013**

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

Members: John Connelly, Richard Creem, Gary McNeill, Louise Miller, Lisa Zappala, Richard Zimbone

Also Present:

Patty Carey, Director, Park and Recreation Department

John Gallelo, Chair, Memorial Park Trustees

Michael Retzky, Chair, Park and Recreation Commission

Lee Newman, Planning Director

Patty Barry, Director of Conservation

David Davison, Assistant Town Manager/Director of Finance

Evelyn M. Pones, Town Collector/Treasurer

Chip Davis, Administrative Assessor

Michelle Vaillancourt, Town Accountant

Roger MacDonald, Director of Management Information Systems

Citizen Requests

No citizens requested to speak.

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

Trustees of Memorial Park

Ms. Carey stated that the \$750 budget is level funded. She added the Park and Recreation helps with some small expenses such as flowers. Mr. Gallelo stated that the trustees try to get donations of goods and services. They have recently been given two flag poles, and have volunteers to install them.

Park and Recreation (with Conservation and Planning Capital)

Ms. Carey handed out a list of capital projects expected to be eligible for CPA funding, in order of priority. She stated that discussions are underway to redo the list. Ms. Carey stated that Park and Recreation and Conservation and Planning have submitted a DSR5 for \$25,000 to update the Town's Open Space Plan. Ms. Zappala stated that the plan is important since the Town cannot qualify for certain state grants without a valid Open Space Plan, updated every 5 years. There are no pending grants currently dependent on the new Plan. The next project is a Conservation Restriction for \$25,000. Ms. Carey stated that the estimate is high to make sure the amount is sufficient and that she expects that it would likely be around \$10,000.

Ms. Carey stated that the Town's Trail Maintenance Plan is a priority for the coming year. Park and Recreation and Conservation Departments have submitted capital requests for a number of Trail Improvements: to complete the Ridge Hill Loop; for designing a handicap accessible trail at Needham Reservoir; for work on the trail system on Newman Eastman Conservation land; and a trail system at Rosemary Lake that will go back to the camp property. Ms. Carey stated that they hope to combine design of two of the projects together in order to get consultants more interested. Ms. Carey stated that there is one other capital request for Purchase of Open Space which is a place holder in case a property unexpectedly becomes available. She has a list of designated advantageous properties that are being watched.

Ms. Carey stated that Park and Recreation has submitted a capital request for Athletic Facility Improvements which will continue the overall maintenance and improvement plan with the DPW. In FY14, they will finish the fields at Newman as part of the Athletic Facility Improvements. Another capital request is for design work for additional improvements at Mills Field. Ms. Carey stated that there are requests for upcoming years for paving at DeFazio Park, parking lot work at Rosemary Lake, replacement of synthetic turf, and work on the Rosemary Pool complex. Mr. Zimbone asked whether the fund recently set up for athletic facilities would have enough money to replace the turf when needed. Ms. Carey stated that she expects there will be a good amount set aside, although it may not completely cover the cost. Mr. Reilly stated that there should be cost estimates and projections of how much money will be in the Athletic Facility Improvement Fund to bring to the Board of Selectmen when the Board discusses field use and maintenance fees.

Ms. Zappala stated that the Park and Recreation operating budget clearly indicates the increases and decreases. She stated it is one of the few departments with substantial revenue. She stated that a new item for FY14 is a DSR4 for \$10,000 for overtime for the DPW to do school playground maintenance. Ms. Carey stated that for the last two years, she has decreased other expenses to cover these costs, has had barely enough to cover it. Mr. Connelly asked what the \$10,000 represented in terms of numbers of people and hours of work. Ms. Carey stated that she would provide that information. She stated that she collaborates with the Superintendent of Parks and Forestry to determine what needs to be done. She also consults with someone certified in playground maintenance and hires someone for technical repairs. She stated that in FY12, she spent \$17,000 for playground maintenance. She stated that her department buys the supplies, though DPW does the work on an overtime basis, because it is not feasible to do it during normal hours.

Mr. Creem asked how long the state's permit extension for Rosemary Lake is, and the attendance trends. Ms. Carey stated that the extension is through 2017 or 2018, so they are able to continue annual maintenance. She stated that attendance was higher last summer, and that revenue was up \$10,000. She stated that attendees are mostly from Needham, and generally families with children.

Request for Reserve Fund Transfer

Mr. Reilly stated that the request is for \$41,622 for a tax abatement and related interest stemming from a legal action by Verizon. Mr. Davison stated that the Commonwealth sends the Town information for the Verizon's tax bills and they then defend the valuations if needed. This case has existed for a long time. The Town has kept a contingency in the Overlay for the abatement.

The matter was originally decided in favor of the Commonwealth, but the Appeals Court found in favor of Verizon. The Supreme Judicial Court declined to hear the matter, so the Appeals ruling stands. The 8% statutory rate of interest cannot be paid from the Overlay, so this transfer is needed for that cost.

MOVED: By Mr. Creem that the Finance Committee approved the request for a Reserve Fund Transfer in the amount of \$41,622 to budget line item 15B 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:

Finance Department

Mr. Creem introduced the budget and gave a detailed report on the functions of the department and the FY14 spending request, pointing out the increases and decreases. He stated that the software licensing has been moved from the Rental and Leasing line to the Professional and Technical Line. He noted that there have been some changes in staff: two new staff, plus one FTE position has been broken into two part-time positions.

In response to a question from Mr. Reilly, Ms. Poness explained that due to reduction in the extent of FDIC insurance coverage, the Town needs to spread out deposits more. Collateralized investments must be held by a 3rd party. She is watching the rating agencies for changes in any bank's status, and pulls out where there are any signs of change. In response to a question from Mr. Reilly, Mr. MacDonald explained that the increase in the number of calls taking five or more days to resolve is a result of more triage and allowing less significant issues to be delayed. Mr. Reilly suggested a performance measure indicating a goal showing the low number of hours of percentage of time that the system is down or not available. In response to a question from Mr. Zimbone, Mr. MacDonald described the system back-up. Ms. Miller asked why the operating capital was flat, and not increasing. Mr. MacDonald stated that the budget has been kept consistent for a few years. He stated that they have not been replacing monitors, only the CPUs. Mr. Reilly asked if the increased number of tablets will affect the IT department. Mr. MacDonald stated that if there is an increase in equipment, there is more work for his department for both support and security.

Adjourn

MOVED: By Mr. Zimbone that the Finance Committee meeting be adjourned, there being no further business. Mr. Connelly seconded the motion. The motion was approved by a vote of 7-0, at approximately 8:48 p.m.

Documents: Town of Needham Departmental Spending Requests, Fiscal Year 2014; Professional Services – Legal Budget; List of Park and Recreation Capital Projects; Request for Reserve Fund Transfer dated December 27, 2012

Respectfully submitted,

Louise Mizgerd

Executive Secretary/Staff Analyst

Approved January 2, 2013