

**Needham Finance Committee  
Minutes of Meeting of January 9, 2013**

The meeting of the Finance Committee was called to order by the Chair, Richard Reilly, at approximately 7:03 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 (arrived 7:08), Lisa Zappala, Richard Zimbone

Also Present:

David Davison, Finance Director

Janice Berns, Director, Health Department

Chief Paul Buckley, Fire Department

Deborah Bonanno, Fire Department, Director of Administrative Services

Chief Phil Droney, Police Department

Lieutenant John Kraemer, Police Department

Lieutenant Chris Baker, Police Department

Charles Laffey, Director of Facility Operations

Carys Lustig, Supervisor of Administration, DPW

Stephanie Maloney, Administrative Analyst, Department of Public Facilities

**Citizen Requests**

No citizens requested to speak.

**Minutes of Prior Meetings**

Mr. Creem stated the Minutes of December 19 should be amended to add to the sentence on page 3, "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" the phrase "or unavoidable," and to insert immediately thereafter the following sentence: "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."

MOVED: By Mr. Creem that the Minutes of December 19, 2012 be approved as amended. Ms. Zappala seconded the motion. There was no further discussion. The motion was approved by a vote of 5-0-1. (Mr. Connelly abstained; Ms Miller had not yet arrived.)

MOVED: By Ms. Zappala that the Minutes of January 2, 2013 be approved as circulated. Mr. Zimbone seconded the motion. There was no further discussion. The motion was approved by a vote of 6-0. (Ms. Miller had not yet arrived.)

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

Mr. Reilly stated that, looking at the Finance Director's Pro Forma and the Departmental Budget Requests, there is a \$2 million gap. Assuming that the revenue figures will be adjusted to be approximately \$1 million higher than the initial conservative estimates, there is approximately a \$1 million gap left to be filled due to higher revenue or cuts to budget requests.

## **Health Department**

Ms. Miller introduced the budget. She stated that there were some errors with FTEs, but they were not material to the budget numbers. She stated that approximately half of the Department's expenditures are covered by grants and if that money is lost, they will have to lay off staff and cut back programming. Ms. Miller stated that there is approximately \$80,000 in federal grant money and \$290,000 in other grants. The federal money is used to support salaries and the other grants support programming. Ms. Berns stated that they are losing money from trust funds, and they are down to their last year before there is nothing from the trusts available to spend. Ms. Zappala asked what programs would be cut if grants are decreased. Ms. Berns stated that much of what the Public Health Nurses do would be cut such as substance abuse programs, programs for student health, and parent groups. Ms. Miller described the DSR4 requests, and stated that there may not be funding available. The Department's top priority is to increase Riverside Health home services to help the most mentally ill in the community. Ms. Berns stated that the Riverside contract supports not only Public Health, but also Police, Fire and other departments.

Mr. Creem suggested that grant funding may become available given the recent emphasis on gun safety and mental illness. Mr. Creem asked whether there is coordination with Youth Services. Ms. Berns stated that the Youth Services is on all of their committees, but that their work and approaches are quite different and their programs do not overlap. Youth Services are more focused on individuals and the Health Department's focus is on a more macro policy level. Mr. Reilly asked about the increase in Other Purchased Services. Ms. Berns stated that the increase covers increases for contracting the same services in FY14. She stated that the Riverside contract constitutes most of the increase. She confirmed that if the Riverside DSR4 is funded, that additional funding would go into the Professional and Technical Services line.

## **Public Facilities**

Mr. Creem explained the budget. He noted that the two divisions, Operations and Construction, are working more closely together, especially to address building concerns that can ultimately affect operating costs. He stated that Mr. Laffey installed a software system for tracking and scheduling maintenance in the Operations Division that has led to great efficiency. In response to a question from Mr. Reilly, Mr. Laffey confirmed that the Schools account for 2/3 of the square footage of facilities as well as 2/3 of the number of work orders. Mr. Creem stated that in FY14, the Department's headcount will increase by 1.2 FTEs to 56.0, with one new full time added custodian when the Senior Center opens, and an additional 0.2 FTE added to an Administrative Specialist since that position was upgraded to full time this year. He stated that the Operations overtime expenses are increasing due to COLAs and step increases but also increased hours. Ms. Lustig stated that there has been increased activity in buildings after hours. Mr. Creem stated that, in addition to increasing overtime in the budget request, some overtime grounds work has been contracted out, and the additional expense was moved to the Other Property Related Services line. Mr. Laffey stated that it was the only feasible way to ensure that the work is done.

Other significantly increasing expenses are in the Repairs and Maintenance line and the Communications line. Repairs and Maintenance expenses are rising due to increasing contract costs. Communications expenses are increasing because the Public Facilities Department budget is now absorbing the facility communication costs previously in the Town Manager's budget. Mr. Creem noted that there should be a corresponding decrease in the Town Manager's budget. Mr. Creem stated that the Energy budget is decreasing due to energy management efforts, as well as conversions from oil heat to natural gas. Ms. Lustig stated that the overall additional operating costs of the new Senior Center, including salaries and energy, is expected to be about \$130,000 annually. Mr. Zimbone asked Ms. Lustig to prorate the electricity cost for the Senior Center to reflect that it will be open for just 8 months of FY14. Ms. Lustig stated that she would also need to adjust other costs because of the way she calculated the projected Senior Center operating costs. Mr. Zimbone also asked for the Senior Center natural gas projection to be adjusted by using the consumption from another comparable building such as High Rock. He stated that the architect's projection is insufficient. Mr. Zimbone asked for revised copies of the Energy consumption charts.

Ms. Miller asked why the underground storage tank at the Police Station is being removed at this time. Mr. Laffey stated that he provided the estimate, but did not make the decision. Mr. Davison stated that it was in anticipation of complaints when the adjacent houses are removed. There was a discussion of the capital requests. Mr. Laffey stated that the portable generator could be used right away at the Library, or later at the Senior Center, and should be able to power the lights, safety needs and the kitchen. Mr. Reilly asked if the Tier 2 portion of the Maintenance Program is not funded, what work would not be done. Ms. Lustig stated that it would be the items lower on the list generated by the maintenance software program.

## **Fire Department**

Ms. Miller presented the budget. She stated that salaries are increasing 6.7% mostly because of contractual increases. Mr. Davison stated that there is a spike in FY14, but the annual average increase over the 3-year contract is about 4%. Ms. Miller stated that the Overtime budget is up about \$120,000 and the Committee should consider whether the increase should be made more gradually. Ms. Bonanno stated that she calculated the need using historical averages of what has been needed for sick, vacation, mutual aid, and other additional coverage. Chief Buckley stated that the Town Manager instructed them to include the whole amount projected. Ms. Zappala noted that previously Reserve Fund transfers were needed. She stated that last year's budget increased areas such as Fire Overtime, Legal and Snow and Ice, that has previously needed to use the Reserve Fund. Chief Buckley stated that in last year's budget, two positions were eliminated and the funds were moved into the Overtime line. Mr. Zimbone stated that the money should not be put into the budget if it is known that it is higher than what will be needed.

Ms. Miller stated that expenses were adjusted to reflect the reality of where the money was being spent. Chief Buckley stated that fire hoses and uniforms are expenses that have been put off and now are an important unmet need. Ms. Miller also discussed the capital requests. Chief Buckley stated that the Core Fleet is balanced across the years. They could forego one year, but that would mean a big expense in the following year. Ms. Miller stated that the defibrillator is needed because there will soon be no replacement parts available for the one being replaced. The Fire Box system will eventually allow the Department to get rid of the bucket truck and

eliminate one position, and will result in overall savings. Chief Buckley stated if the system is installed in the next 12-24 months and before the Add-a-lane project is completed, they will avoid having to go under the highway.

### **Police Department**

Ms. Miller introduced the budget and stated that the Salary line is increasing 4.4%. The only notable issue is additional hours for crossing guards, who also do some parking enforcement. Chief Droney stated that the guards will still work less than 20 hours per week, but additional guards were needed near Newman School, and additional parking enforcement was also needed. Chief Droney stated that 5,124 citations were issued last year. Ms. Miller stated that the fuel costs were determined using average consumption and the rate provided for 89 octane gasoline. She noted that the Department had not yet determined which model of cruisers they will be buying, so they are not sure if they will be able to use lower octane fuel. Mr. Reilly noted that it is important since the Town is planning to remove the fuel tank, and the other tank is at the DPW, which contains 87 octane fuel. Mr. Davison stated that the Town intends to remove the tank in conjunction with work on the newly acquired adjacent lots in order for economies of scale.

Ms. Miller stated that the Department receives funding from two grants. The funds are used for enhancements so if they are lost, it should not affect the budget. Lt. Drake stated that they have received consistent funding through the State 911 grant, based on 911 call volume. They also receive funding from Mass Highway for additional enforcement programs, which has decreased. He noted that the State no longer funds the Quinn Bill education incentives.

### **Finance Committee Updates**

Mr. Creem stated that the MMA Annual Conference is later this month. The Town Manager will be sworn in on Saturday as the new President of the MMA. Also, Mr. Creem will be giving the Invocation at the Friday night dinner as a representative of the ATFC.

Mr. Zimbone reported on the progress of the RTS Committee. They are currently putting together their report with conclusions and recommendations. They will probably recommend a change to the policy of General Fund contributions to the RTS for the Town's solid waste disposal. The new policy would give some flexibility to the Finance Director to make adjustments to the calculation. Another area that the Committee wants to further explore is curbside pickup. He stated the Committee thinks that the RTS can be made self-sustaining. They have asked Mr. Davison to create an RTS 5-year Pro Forma budget.

### **Adjourn**

MOVED: By Ms. Zappala 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 9:17 p.m.

Documents: Town of Needham Departmental Spending Requests, Fiscal Year 2014;  
Department of Public Facilities Energy Consumption/Costs (3 pg.); Police Department Vehicle Replacement Schedule

Respectfully submitted,

Louise Mizgerd  
Executive Secretary/Staff Analyst

*Approved January 16, 2012*