

**Needham Finance Committee
Minutes of Meeting of December 16, 2013**

The meeting of the Finance Committee was called to order by the Chair, Richard Lunetta, at approximately 7:05 pm at the Town Hall.

Present from the Finance Committee:

Richard Lunetta, Chair;

Members: Richard Creem (arrived 7:30 pm), James Flinton, Louise Miller, Richard Reilly, Lisa Zappala, Richard Zimbone

Also present:

David Davison, Assistant Town Manager/Finance Director

Christopher Coleman, Assistant Town Manager/Director of Operations

Elizabeth Dennis, Director of Human Resources

Theodora Eaton, Town Clerk

Jeanie Martin, Co-Chairperson, Commission on Disabilities

Rick Hardy, Chair, Historical Commission

Janice Berns, Public Health Director

Stephen Epstein, M.D., Chairperson, Board of Health

Jon Mattleman, Director, Youth Services

Jamie Gutner, Director, Council on Aging

Citizen Requests

There were no requests to address the Committee.

Approval of Minutes of Prior Meetings

MOVED: By Mr. Reilly that the Finance Committee approve the minutes of the meeting of October 23, 2013 as most recently distributed. Ms. Zappala seconded the motion. The motion was approved by a vote of 4-0-1. (Ms. Miller had stepped out. Mr. Creem had not yet arrived. Mr. Zimbone and Mr. Flinton abstained.)

MOVED: By Mr. Reilly that the Finance Committee approve the minutes of the meeting of November 4, 2013 as distributed. Mr. Zimbone seconded the motion. The motion was approved by a vote of 5-0-1. . (Ms. Miller had stepped out. Mr. Creem had not yet arrived. Mr. Flinton abstained.)

Review of FY 2015 Budget Requests

Mr. Lunetta welcomed new Finance Committee Member James Flinton. He explained that the Finance Committee has changed its budget review approach and has not assigned a liaison to every department in order to use resources more effectively to focus on certain topics. He noted that whether or not a budget has a liaison assigned does not imply any different level of interest in the budget or operations each department.

Personnel Board

Mr. Coleman stated that the Personnel Board budget funds classification and compensation studies which provide necessary information for the Town to pay competitive salaries without overpaying. He stated that some towns simply add an annual factor to increase salaries, and tend to increase salaries about 3% annually, while Needham's salaries usually increase 2-2.5%. He noted that the Town had fallen behind the internal schedule set for the studies, but that Ms. Dennis is currently finalizing two studies. Ms. Dennis stated that they were behind schedule primarily because of the changes in the consultants' businesses. She stated that the budget reflected \$15,000 for the next study, and \$600 for the recording secretary. She stated that the project has not gone out to bid, but that she suspects that \$15,000 may not be sufficient, and that they may need to use some funds from the Town Manager's budget as they have in the past. Mr. Coleman stated that the FY13 budget was \$11,000 which was bumped up to \$15,000 for FY14. Mr. Lunetta stated that one lower cost option is to use the in-house committee to review classifications, and to hire a consultant for the less expensive work gathering salary data.

Mr. Reilly asked whether the studies looked at staffing levels compared to other towns. Mr. Coleman stated that they look at similar positions and salaries in other towns, but not staffing levels. Mr. Reilly noted that the headcount drives the personnel costs.

Mr. Miller asked whether the study schedule was been shifted back when they fell behind. Mr. Coleman stated that they were caught up in time for FY14, but that they may shift the order of the schedule in order to address areas that are going to be subject to collective bargaining soon. He stated that the Town will still accomplish all the studies within the five-year cycle. Ms. Dennis stated that they have not spent the FY14 study money yet. Mr. Coleman stated that this year they will decide what will be the scope of consulting services needed and whether to issue an RFP.

Town Clerk and Board of Registrars

Ms. Eaton stated that the budget reflects the costs of two additional elections compared to FY14. She stated that there are approximately 80 temporary workers needed for each election at a cost of approximately \$11,000 per additional election. Ms. Eaton stated that the overtime work has remained the same, but the budget has increased because of wage increases. Mr. Davison stated that also, some costs that were in a different line but which were associated with overtime were reclassified to the Overtime line. Ms. Eaton stated that the additional elections also create more programming costs in the Professional and Technical line, and additional postage costs.

Mr. Reilly asked why the dog licensing revenue has decreased when the number of licenses is increasing. Mr. Davison stated that the revenue includes fees violations, not just license fees. Ms. Miller asked if funds were being set aside for a dog park. Ms. Eaton stated that they are not, and there is no revolving fund. Ms. Miller asked if whether it would make sense to replace all of the remaining wood voting booths all at once. Ms. Eaton stated she discards any that are not safe, and is doing well with the amount she has requested.

Commission on Disabilities

Ms. Martin stated that the funds have been used in the past for cameras to help the volunteers document handicapped parking violations. The fees collected are placed in a fund for grants. She stated that last year, they made a major donation of \$5,000 for playground equipment. She stated they have also provided grants for listening devices for public meetings. Mr. Lunetta

asked how much was collected in fines in FY13. Mr. Davison stated that he would provide that information. Mr. Davison stated that the fines are reserved in an account. The Commission on Disabilities may request an expenditure, which must then be approved by the Board of Selectmen. Mr. Zimbone asked how much is collected each year. Mr. Davison stated that the amount is in the Town report, but that there are about eight violations each month.

Ms. Martin stated that the volunteers are trained by the police. They take photos to show the rear of the car with the license plate in the marked space, and the windshield with no handicap placard. The violation is mailed out. Ms. Martin stated that they had no volunteers a while ago, but are in the process of bringing more in. Ms. Martin stated that the Commission does other activities such as inspecting buildings for ADA compliance. Mr. Lunetta asked if the Commission feels limited by its budget. She stated that they do not feel they need more money from the Town, but do seek grants which they give away for disability awareness and things like large print books as the library. Mr. Reilly asked if there was still an issue of businesses not properly marking handicapped parking spaces with both signs and paint on the pavement. She stated that the problem is ongoing and that they will soon start legal action for those businesses not responding. She stated that the Commission now has new signs with a more active looking logo which hopefully will draw some attention to the issue.

Historical Commission

Mr. Hardy stated that the Historical Commission conducts research to find properties or monuments of historical significance. In 1976, the Town began an inventory of historical properties. In 2009 a second round was started with funding from the CPC. He stated that the Historical Commission can place buildings on the registry unilaterally, but the Commission's policy is to ask the owner. They owner may choose not to participate, and if they do, then their property is not on the inventory. Buildings that are part of the inventory are subject to the demolition delay by-law. He stated that the second round inventory has been completed. The town-wide GIS includes an overlay for the historical property inventory. The information is also on the state website. Ms. Zappala stated that in years past, the Commission has not always used its funds, and asked if there are plans for spending in FY14 or FY15. Mr. Hardy stated that the expenditures tend to occur every other year, since they spend some years researching additional inventory, then other years sending mailings, putting together packages for newly registered properties and holding meetings with property owners. He stated that the cost of historical marker plaques are paid by the owner.

Department of Health

Mr. Zimbone asked about the nature of the Health Department's work with the Charles River Center because he has recently joined its Board. Ms. Berns stated that they work mostly with their employees. Mr. Zimbone stated that he did not feel there was a need to recuse himself.

Ms. Berns stated that the department continues to bring in grants and donations, which enables them to do much of their work. She stated that she has heard that much of that funding will soon be restricted to departments that are accredited. She stated that the department has been working with surrounding towns since funding is expected to become tighter.

Ms. Berns stated that she has requested additional money for travel reimbursement since they have been allowing the Building Department to use their car. The Building Department has

needed a car, and the Health Department people have found it difficult to find parking for the car downtown. Mr. Reilly stated that the \$2,600 per year for the mileage seems like a less expensive alternative. Ms. Berns stated that there are two revolving funds for their programs: immunizations and travelling meals. Ms. Berns stated that the increased funding for Riverside Community Care in FY14 has provided great value for the money. Mr. Lunetta asked whether the services were duplicative of Youth Services at all. Ms. Berns stated that they have a different focus, and even where there is overlap, they have different clients. Ms. Berns stated that they also do substance abuse prevention education in the schools. She stated that they use privately-raised funding for youth events. She stated that they have raised sufficient funding for the next 18 months.

Ms. Berns stated that the first DSR4 is for funding for 75% of the salary of the Senior Substance Abuse Program Director. The position had federal funding for five years which will end on September 30, 2014. The request is to move the position into the operating budget in case they do not get another grant. Mr. Reilly asked whether the position could be funded from the Reserve Fund if the grant request is not funded. Mr. Davison stated that the law requires expenses to be emergency or unforeseen at the time of budgeting. He noted that the state has allowed communities much discretion in that determination. Ms. Berns handed out a draft job description. Mr. Davison stated that the benefits for the position are already being paid by the Town.

Ms. Berns stated that the second DSR4 seeks funding for a contract for maintenance and service of AEDs. She stated that there are 12 AEDs in Town buildings that her department has been servicing. She stated that all other AEDs in Town all have contracts, and that she has a bid from the same company. There was discussion about combining the contracts for savings. Mr. Davison stated that the services are under the state contract.

Ms. Berns stated that there is a DSR5 request for funding for a consultant to help with the five-year accreditation process. She stated that it is a difficult process, but accreditation may be needed for funding opportunities. She stated that the funding would provide technical assistance to help strengthen areas needed for accreditation. Mr. Davison stated that this will be a special warrant article if requested by the Board of Selectmen.

Human Services- Youth Services

Mr. Mattleman stated that he has asked for no additional funding in 20 years, but now is seeking funding for a part-time social worker. He stated that with technology issues and bullying, there is more need for services. He stated that he will not be back asking for more hours next year. This is intended to stay a part-time position, with no legacy costs. Mr. Lunetta asked why he would not potentially seek more hours in the future. Mr. Mattleman stated that there is no space, and that he has considered this request carefully, and it will meet the needs of the department. Mr. Flinton asked how the new social worker would affect the 12-month wait for services. Mr. Mattleman stated that they should be able to meet with people within a month of when they called. Ms. Miller asked what the hours would be. Mr. Mattleman stated that the person would see clients after school from 3:00-7:00 pm, and also do some counselling for bullying. He stated that the person would see about 7 clients per week. Ms. Miller asked whether the schools or others provided this service. Mr. Mattleman stated that the schools only discipline students, and that the Youth Commission is more focused on education. Ms. Miller asked if they had considered having an office at the High School. Mr. Mattleman stated that there is no space, and

that it has been done and does not work. Mr. Creem stated that he served on the Youth Commission, and that it is best to be separate from the schools. Mr. Creem asked if the programs had been successful. Mr. Mattleman stated that he has done surveys, but they are too small to provide reliable data. He stated that the Metrowest survey has larger numbers.

Mr. Zimbone stated that the Youth Commission should not be inhibited about asking for additional funds. He asked whether they would be able find a use for \$10,000. Mr. Mattleman stated that he could find a use for it. Mr. Zimbone stated that if they could present a program to address some of the problems being faced, the Committee would likely support it. Mr. Mattleman stated that he does not anticipate additional needs. He stated that he prefers to keep the programs smaller and in-house for quality control and consistency.

Human Services- Council on Aging

Ms. Gutner stated that all is well, even though they are down one staff member and have recently moved to the new senior center building. Mr. Zimbone asked if there has been an increase in utilization in the new facility. Ms. Gutner stated that she will know next year since it has only been two months. She stated that they do not require people to sign in, but there was an open house which was very successful, with many new faces. She stated that the Formula grant and the SHINE grant provide about \$134,000 in salaries. She stated that there is a new custodian in the building who is doing a great job. She stated that she does not have access to data from the Friends of the Elderly.

Human Services- Veterans' Services

Mr. Coleman stated that the Town is part of the West Suburban Veterans' Services District with two full-time employees and one part-time employee. The budget request for FY15 has increased because there has been outreach to find more eligible veterans, and because of the increasing number of programs. Needham's assessment increased during FY14 by \$5,000. There is projected to be an additional \$7,500 increase in the assessment for FY15. Mr. Coleman stated that there are six people receiving benefits in Needham. He stated that there are four communities being served by the District, and that the workload is increasing. He stated that the District is considering increasing the staffing level. Mr. Lunetta asked how many people the district served. Mr. Coleman stated that he did not currently have that information. Mr. Reilly asked whether the services have improved since the District started in 2010. Mr. Coleman stated that there has been an increase in services, and that a different approach is used, with more outreach. Ms. Coleman stated that the Town receives 75% reimbursement for expenses for eligible benefits, flags, and markers. He added that there is an 18 month process between paying the benefits and receiving reimbursement. The reimbursement appears on the Cherry Sheet, but it is not a cleanly broken out number.

Finance Committee

Ms. Mizgerd stated that the salary is increasing by the COLA for non-represented employees and that expenses have remained flat. The dues are for the MMA and the Association of Town Finance Committees. The professional and technical expenses are for registration fees for four people to attend the MMA annual conference and for two people to attend the ATFC meeting.

Finance Committee Updates

Mr. Zimbone stated that the School Department budget request includes a supplementary request to be funded with an override. He stated that there was a liaison meeting which addressed the \$2.1 million override, and the proposed \$60,000 increase in the transportation subsidy. He stated that the School budget, page Summary-12 shows the items proposed for the override. The list includes funds for extending the school day in the elementary and middle school, but also some additional items. Mr. Zimbone stated that he felt the budget should be reviewed as a total request for a 9% increase, and that the Committee should not limit its review to the 5.2% request without the propose override items. He stated that he asked the Schools for a justification of the need for extended hours, and whether any steps were needed to meet state requirements. The School Department stated that number of hours at the Middle School is low enough that it is actually an elementary school according to the state. Mr. Zimbone stated that the proposed increase of 25 minutes per day at the elementary schools would add 75 hours over the school year, and push the number of hours to 981 per year. Adding 10 minutes per day to the Middle School would result in an increase of 30 hours per year, which would bring it to 1000 hours, above the required 990 hours.

Mr. Zimbone stated that he received calls from residents and Town Meeting Members who were not supportive of an override. Ms. Miller stated that she also receive calls that were not supportive, and stated that people were concerned that Hillside would not be rebuilt if the Schools pursue this override. Ms. Zappala stated that there is no teacher contract currently, and that there has been talk of increasing teacher pay in exchange for additional hours. She stated it is not the best approach to start negotiating and then see how it can be paid for. Ms. Miller expressed concern that the override is based on the assumption that the entire underlying budget will be funded. She stated whether the budget request is funded will make a difference what they might feel the need for an override.

Mr. Zimbone asked the Committee for its sense of how to review the two parts of the budget. Mr. Zimbone stated that the Schools assume that the supplemental part will not be funded, and that the Board of Selectmen will support an override, and that therefore the Finance Committee will not comment on the override portion. Ms. Miller stated that since the supplemental request is included in the budget request, the Finance Committee should review it. Mr. Lunetta stated that the Finance Committee must comment on it. Mr. Zimbone asked if the Committee agreed that it will review the entire 9% increase, and will discuss how much revenue is available, and then make its recommendation of how much of the budget request should be funded, and whether an override would be needed to fund the request.

Mr. Zimbone stated that stated that the School budget includes a \$60,000 transportation subsidy in order to avoid raising the fee over \$395. Mr. Zimbone reported that Ms. Gulati renegotiated the bus contract so the \$60,000 subsidy is no longer needed. Mr. Zimbone stated that the School Department budget assumes Circuit Breaker reimbursement of 70% for FY15 while in FY14 the reimbursement rate is 75%. He stated that the next liaison meeting will address savings from the SPED reorganization. Ms. Zappala stated that the School Committee's job is the make the schools robust, but they have increased the Special Education budget which ends up squeezing the rest of the budget. She noted that even if an override passes, the Finance Committee can comment on the best way to spend the money.

Adjourn

MOVED: By Mr. Reilly that the Finance Committee 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 9:55 p.m.

Documents: Town of Needham Departmental Spending Requests, FY2015, December 11, 2013; Needham Public Schools, FY15 Superintendent's Proposed Budget Request.

Respectfully submitted,

Louise Mizgerd,
Executive Secretary/Staff Analyst

Approved January 8, 2014