

**Needham Finance Committee  
Minutes of Meeting of December 17, 2014**

The meeting of the Finance Committee was called to order by the Chair, John Connelly, at approximately 7:30 pm in the Great Plain Room at the Town Hall.

Present from the Finance Committee:

John Connelly, Chair; Louise Miller, Vice Chair (arrived approximately 8:20 pm)  
Members: Richard Creem (arrived approximately 8:00 pm), Richard Lunetta, Richard Reilly, Lisa Zappala, Rick Zimbone

Others present:

David Davison, Assistant Town Manager/Finance Director  
Jeanie Martin Co-Chair, Commission on Disabilities  
Dana Mastroianni, Assistant Director of Needham Public Library, and Liaison to Commission on Disabilities  
Rick Hardy, Chair, Historical Commission, and Chair, Trustees of Needham Public Library  
Ann MacFate, Director, Needham Public Library

**Citizen Requests**

No citizens requested to address the Committee.

**Approval of Minutes of Prior Meetings**

MOVED: By Mr. Lunetta that the minutes of December 10, 2014 be approved as amended and most recently distributed. Mr. Reilly seconded the motion. The motion was approved by a vote of 5-0.

**FY2016 Departmental Budget Requests:**

**Commission on Disabilities**

Mr. Davison explained that the \$1,500 stipend that was submitted as a DSR4 should have been included on the DSR2 since it is not a new or additional cost, but is being shifted from Park and Recreation budget into this budget. Ms. Mastroianni explained that she works at the Library and was involved with getting books to people who are shut-ins. When she heard that the Commission on Disabilities needed a liaison, she offered. She did not know there was a stipend. She stated that she makes sure that the Commission follows the Town rules for disbursements, and acts as a liaison with the Town Manager. Mr. Connelly asked if there are any unmet needs under the \$550 expense budget. Ms. Martin stated that they have funds from the parking fund for expenses and to award grants. She stated that they recently awarded a grant of \$2,500 to the Schools to fund a performer addressing disabilities. Ms. Mastroianni stated that the Commission has also purchased audio books for the Library, and devices to help hearing impaired people at public meetings. Ms. Martin stated that the funds come from parking violations, and also from the sale of handicapped parking signs to businesses. They make a \$10 profit per sign. Ms. Zappala asked the balance of the fund. Ms. Mastroianni stated that there is approximately \$6,000 left after the \$2,500 grant this year.

## **Historical Commission**

Mr. Hardy stated that the primary purpose of the Historical Commission is to delay demolition of structures of historical significance. The Commission conducts hearings and makes judgments whether a house or building is historically significant. If it is, they will put it on the inventory with the owner's consent. In response to a question from Mr. Connelly, Mr. Hardy stated that the determination is based on the age of the building, usually 100+ years, plus factors such as architecture, whether someone significant lived there, or whether something significant happened there. He stated that the Commission has the ability to put a building on the inventory without the consent of the owner, but does not do so as a matter of policy. There are over 100 properties on the inventory including homes, the Cricket Field building, Town Hall, and the Emery Grover building. The Commission is planning to begin a third round of inventory this year, so will use more of its budget. Ms. Zappala stated that they only used \$36 last year. Mr. Hardy stated that the expenses go in cycles, and that they were between rounds of inventory. Mr. Zimbone asked whether solar panels would be prevented on historical homes because of the appearance. Mr. Hardy stated that the Commission wants to keep properties usable, but they would want solar panels to be non-obtrusive and as minimally visible as possible.

Mr. Hardy stated that the demolition delay is started when someone applies for a permit, and the building department sees that the building is on the historical inventory. In response to a question Mr. Lunetta, Mr. Hardy stated that he had not seen a house saved by the delay, though there was a house on the St. Sebastian's property that was moved to Connecticut. In response to a question from Mr. Reilly, Mr. Hardy stated that the Commission does have a representative on the Large House Review Study Committee.

## **Needham Public Library**

Ms. MacFate handed out a document with the state aid expenses and the trust fund expenses. She stated that the permanent donations fund comes from the Friends of the Needham Library. Mr. Reilly asked the principal value of the trust funds. Ms. MacFate stated that it is between \$600,000 and \$700,000. She stated that generally, the Trustees put 10% of the annual interest back into principal and spend the rest. Mr. Davison stated that the trusts are set up differently, and some have interest rolled back in, some the interest rolls back in if it is not spent, and others have no restrictions and the money is available until it is used. Ms. Zappala stated that in FY14, state aid was approximately \$30,600. Ms. MacFate stated that they spent about \$67,700 from that account. She stated that state aid for FY15 has been cut, so it will not be at the level expected. Ms. MacFate stated that the Trustees vote to spend funds in the year after they are received, so they will not vote to spend FY15 funds until FY16.

Mr. Reilly asked about the parking contract. Mr. Davison stated that the Town is in the process of renegotiating a lease. He stated that the expense for the new contract will be moved into the Municipal Parking budget.

Ms. MacFate stated that the top priority DSR4 request is to move the Children's Programming Librarian into the operating budget. The position is 19 hours/week. She stated that the position

is being paid from state aid, but that will be used up eventually and the position is important. Ms. Zappala stated that every year the Finance Committee discusses whether to move certain positions into the operating budget. Mr. Hardy stated that there are serious problems with the audio visual system in the meeting room at the Library, and they will need state aid funds to repair it. Ms. MacFate stated that she had an estimate of \$70,000. Mr. Zimbone asked it could be funded with cash capital. Mr. Hardy stated that the expense would need to be in the capital plan for 5 years first.

Ms. MacFate stated that the second priority DSR4 was seeking additional hours for part-time work at the circulation desk. The work is currently being funded by state aid. She stated that the next request was for a page to pack and unpack materials for network transfers or interlibrary loans. This work is also being funded through the state aid account. The fourth request is for museum pass software which allows residents to reserve museum passes online from home, saving staff time. This expense is being paid from state aid. The last request would fund the library Sunday hours. The base budget covers Sunday hours from September through May, and the summer Sundays are funded through state aid.

Mr. Creem asked why the library changed from being a net borrower of materials to a net lender in the network. Ms. MacFate stated that people want the materials that the library has, but she cannot say specifically why. Mr. Lunetta asked if they track how the library is used, aside from what is checked out. Ms. MacFate stated that the most important metric is circulation, and that they also track attendance at programs, reference questions, and technical questions, but they do not track people who come to the library to use the space or read materials without checking them out. Mr. Lunetta stated that it would be helpful to have a metric to help justify moving an expense into the levy from state aid. Ms. Miller noted that the state aid account was built up before the library project, and the state aid account has been spent down as the Finance Committee requested. She stated that the Library budget has not increased much in the last 10 years. She stated that one position was moved into the operating budget with the idea that more would follow. She stated that some of the costs can be funded with salary savings, but that means that money is not going into free cash, which the Town does rely on. She suggested that the Committee look closely at moving a position into the operating budget this year.

Mr. Connelly asked whether there was a reason why these positions were funded with state aid rather than put into the operating budget originally. Ms. MacFate stated that when the new building opened, there was an increase in work, and part-time people were hired to handle the extra work. Mr. Zimbone asked if it would be better to fund the "Other Supplies and Equipment" through state aid so that those expenses would be what is vulnerable to a shift in state aid. Ms. MacFate stated that much of that covers library materials, and one of the requirements for state aid is that 13% of the budget is spent on library materials, so it is important not to cut that line. Mr. Reilly stated that the budget seemed to be built on last year's spending and asked what the management policy was, and whether the appropriateness of the expenses was considered. Ms. MacFate stated that the best approach is to look at the prior year's demand. She stated that relying on FY14 numbers to predict needs in FY16 will most likely come up with less than the library will need. Mr. Zimbone asked if there is information about comparable towns, Ms. MacFate stated that Needham's library budget is about 1% of the Town budget, while

Wellesley's library budget is about 2% of the town budget. They have a larger staff and a bigger book collection, since they were once considered a sub-regional base. Ms. MacFate stated that the library budget has been bare bones since it was cut due to a failed override, and several full time positions were lost. The work has been filled with part-time people, and despite increasing services provided, the budget has not received any big increases. Mr. Connelly stated that the Committee will have to decide whether to move some or all DSR4 positions into the operating budget, with the understanding that if they are not in the operating budget, they are subject to being discontinued in the future. Ms. Zappala stated that former Finance Committee member Steve Rosenstock used to argue that if all the positions were moved into the budget in one year, the Town would have to budget the minimum increase off a larger base in the following year in order to meet state aid requirements. She stated that she would recommend not moving all of the positions at once, though eventually the positions should be included in the operating budget. Ms. MacFate stated that the state requires a 2.5% library budget increase over the average of the last three years' operating budgets, so that there is some cushion.

### **Finance Committee Updates**

Mr. Davison stated that the auditors would be presenting the annual audit to the Board of Selectmen on December 23. He stated that he would also present the first iteration of the Facility Financing Plan to the Board, along with the potential implications for taxpayers.

### **Adjourn**

MOVED: By Mr. Zimbone that the Finance Committee meeting be adjourned, there being no further business. Mr. Reilly seconded the motion. The motion was approved by a vote of 7-0 at approximately 8:50 p.m.

Documents: Needham Public Library FY14 State Aid and Trust Fund Expenses

Respectfully submitted,

Louise Mizgerd  
Executive Secretary/Staff Analyst

*Approved January 7, 2015*