

**Needham Finance Committee  
Minutes of Meeting of December 9, 2015**

The meeting of the Finance Committee was called to order by the Chair, Louise Miller, at approximately 7:00 pm in the Great Plain Room at the Town Hall.

Present from the Finance Committee:

Louise Miller, Chair; Richard Zimbone, Vice Chair

Members: Barry Coffman, John Connelly, Tom Jacob, Kenneth Lavery, Richard Lunetta, Richard Reilly, Carol A. Smith-Fachetti (arrived at 7:45 pm)

Others present:

David Davison, Assistant Town Manager/Finance Director

Jeanie Martin, Co-chairperson, Commission on Disabilities

Tatiana Swanson, Finance and Procurement Coordinator; Liaison to the Commission on Disabilities

David Tobin, Town Counsel

Ann MacFate, Director, Needham Public Library

Margaret Pantridge, Chair, Library Trustees

Lee Newman, Planning Director

Matthew Varrell, Director of Conservation

**Citizen Requests to Address Finance Committee**

There were no requests.

**Approval of Minutes of Prior Meetings**

MOVED: By Mr. Reilly that the minutes of November 2, 2015 be approved. Mr. Lunetta seconded the motion. The motion was approved by a vote of 8-0 (Ms. Smith-Fachetti had not yet arrived.)

**FY2017 Departmental Budget Requests:**

**Commission on Disabilities**

Ms. Martin described the goals of the Commission: to support programs for people with disabilities, and to ensure public buildings are accessible. She stated that the Commission has a grant program to support local groups that help with accessibility or educate people on disabilities. The grants are funded by handicap parking violation fees. She stated that grant applications have decreased so they are planning to advertise. She stated that they sell handicap parking signs at cost to businesses to encourage compliance. She stated that the budget consists of a \$1,500 stipend for the liaison and \$550 of expenses. The expenses cover office supplies and training. Commission members have had state-certified Community Access Training to learn about building access issues. She stated that an important issue they are facing is getting people to use the automark machines, which help voters with disabilities. She stated that there is one machine at each polling station, though not many people are trained how to use them. She stated that the Commission does not need any additional funds. She described grants in recent years.

She stated that the fund has built up over recent years, though income from violations has decreased.

### **Town Counsel**

Mr. Connelly introduced the budget. He stated that the FY17 budget request is level funded and includes a salary component and expenses for use of outside lawyers. He stated that \$65,000 has been spent this year so far. Ms. Miller stated that the legal expenditures vary widely from year to year. Mr. Tobin stated that he uses about 5 different firms or lawyers for issues such as cable communications, labor, affordable housing, and environmental issues. Mr. Reilly asked if Mr. Tobin had retirement plans. Mr. Tobin stated that he did not. He stated that other parts of his practice have decreased, but that he hoped to continue his work for the Town.

### **Needham Public Library**

Ms. Miller introduced the budget. She stated that there are minimum funding requirements to qualify for state aid which are laid out in the request. She stated that a few years ago, the Library used state aid funds to supplement the operating budget. Now positions that have been covered by state aid funds are being moved back to the operating budget through DSR4 requests. She stated that there are also trust funds and donation accounts shown in the budget attachment. She stated that the Finance Committee has encouraged the Library to spend down some of the funds. They are on track to start spending the state aid funds each year. She stated that there are 13 full-time and 37 part-time employees, which keeps the impact on Townwide expenses low. The DSR4 requests include some enhancements, and some items moved into operating budget from other funding.

Ms. MacFate stated that the Library is again a net lender, though the rate has decreased. This means that the Library's materials are in high demand, and that they lend out more to other libraries in the network than they borrow. She stated that there is a DSR4 request for a network box packer and unpacker. She stated that there have been huge increases in use of downloadable content. She stated that the request for funds to open Sundays in June is important, since schools are still open. She stated that state aid funds are now used for Sunday hours in June. If that cost is moved into the operating budget, that would free up some state aid funding to experiment with opening on Sundays during the summer. She stated that survey responses showed interest in the library being open later hours on Sundays, plus summer Sundays, which are in the long range plan. Ms. Miller stated that if there were salary savings, they would be used to fund positions, but if the budgets run over, then state aid would be used. Mr. Reilly asked if Ms. MacFate could provide statistics about Sundays. She stated that she could provide circulation data from those days. She stated that they are looking into devices to track headcount. She stated that the Library is open 68 hours per week, plus 4 hours when open Sunday. She stated that the different trusts have different terms, but Library Trustees preserve the endowment as well as a portion of the interest of certain funds. She stated that the permanent donation fund consists of gifts which are available to be spent immediately. Mr. Reilly asked about the prioritization of the DSR4s. Ms. MacFate stated that there was no method, so she put the requests that were continued from last year first, followed by the new requests.

### **Future School Needs Committee**

Ms. Miller stated that the Board of Selectmen has proposed to change the composition of the FSNC to seven appointees, made up of two appointments each by the Finance Committee, Board of Selectmen and School Committee, and one appointment by the Moderator. She stated that that proposal will require a majority vote of Town Meeting. Mr. Jacob asked the perspective of those losing an appointment on the FSN Committee. Mr. Zimbone stated that there is no objection. He stated that FSNC has been dysfunctional. He stated that the Superintendent suggested one appointment each by the Finance Committee, Board of Selectmen and School Committee, plus input from an outside demographics expert. The Town Manager is taking suggestions and creating a second draft proposal. The target is to make the change at the Annual Town Meeting. Mr. Zimbone stated that the FSNC has no scheduled meetings this year, and the School budget has relied on their own consultant's report.

Ms. Miller stated that there was a previous chair of the FSNC that had relevant expertise. She stated that the Schools have been unhappy with the results, but the projections have historically been quite accurate. She stated that when the previous chair left, the FSN Committee did not continue to function. Mr. Lunetta stated that the huge part of the Town's budget goes to the Schools, and that the projections should be done professionally. He would favor sunsetting the committee of volunteers. Mr. Miller stated that she is concerned about who controls the expert because the report will be at the direction of that group. Mr. Zimbone stated that last year's study commissioned by the Schools had a specific result with no range or sensitivity analysis to provide more context. Mr. Reilly stated that there is a need for expertise, and that there will be unavoidable bias if the School Committee directs the work. Ms. Miller stated that there will be a draft warrant article in 5-6 weeks, and the Finance Committee will be asked for an opinion. Mr. Lunetta stated that some authority needs to be with the appointing committee and board members, otherwise we have just circled back. Mr. Jacob stated that the appointees should be members of the Finance Committee, Board of Selectmen and School Committee. Mr. Zimbone stated that was the intention.

### **FY2016 Departmental Budget Request:**

#### **Planning and Community Development**

Mr. Lunetta introduced the budget, which is a result of merging previously separate budgets of Planning and Economic Development, Conservation, and the Zoning Board of Appeals. He stated that the budget is essentially level funded with a small increase in expenses. He stated that there are two DSR4 requests. The first DSR4 would cover the second half of the year for the Community Housing Specialist. The CPA funded half of the salary for the position this year, and the other half is in the operating budget. They have applied for half funding again from the CPA, but if that is not successful, the DSR4 would cover it within the operating budget. Mr. Lunetta stated that the second DSR4 would increase the hours of an administrative specialist by 5 hours per week, which has been planned.

Ms. Newman stated that this is the first year of a truly consolidated budget. She stated that salaries are increasing only by step increases and cost-of-living adjustments, while expenses are essentially level. She stated that most revenue comes from permitting or other fees relating to the business center. Mr. Varrell stated that they were awarded \$50,000 in grant funding to complete the rail trail construction. He stated that they are planning to apply for a grant for a new trail project. Mr. Reilly asked when the fees were last examined. Ms. Newman stated that

planning fees were increased significantly two years ago, and that the Board of Appeals reviewed fees last year, and that conservation also tweaked its fees last year. She stated that estimated fee revenue in FY16 is expected to be \$82K, but the level will probably not be as high in FY17. Mr. Varrell stated that fees in Conservation are unpredictable, and depends how many people undertake projects, and the complexity of those projects.

Mr. Zimbone asked about the Large House Study Committee. Ms. Newman stated that they are looking into making adjustments to setback requirements, height restrictions, and lot coverage and floor area ratios. She stated that a survey showed that people found that appearance and architectural details were more important than the floor area ratio, so they are considering how to address that. Mr. Reilly noted that the Building Department budget data show that the demolition rate in homes is steady and not decreasing. Ms. Miller asked why the planning department is not seeking full coverage of the Community Housing Specialist position from CPA funds. She stated that there are sufficient CPA funds, and she thinks this expense would be allowable since the work is for community housing. Ms. Newman stated that the position has been viewed as a partnership with the Town that she anticipated would continue. She stated that she would speak to the Town Manager about the program.

### **Debt Service Policy**

Ms. Miller stated that there was a Chairs/Vice Chairs meeting to start considering the components of the debt policy and whether to make changes. She proposed a subcommittee of the Finance Committee to work with the Finance Director to look at the effect of changing aspects of the debt ratios, and also whether a limit to increases on tax bills makes sense. Mr. Connelly asked what is precipitating the review. Ms. Miller stated that there are huge projects in the Capital Improvement Plan, and the Town needs to figure out how to fund all of the projects. She stated that there is a 10% total debt service policy and the Town does not adhere to it. Mr. Connelly noted that the issue may be in the capital plan and the prioritization of projects rather than in the debt policies. Mr. Reilly cautioned that increases in construction costs usually lead to increased costs not only for debt service but for other operating costs. Mr. Davison stated that the Town pays attention to this, and that it is necessary to understand that there are many factors when considering capital spending. Ms. Miller stated that there is phenomenal new growth revenue now, and she feels it would make more sense to fund capital rather than putting it into the operating budget. She stated that a 20-year projection and plan needs to be considered.

Mr. Connelly, Mr. Reilly, and Mr. Coffman volunteered for the subcommittee to consider debt policies. Ms. Miller stated that she would talk to the Board of Selectmen and the Town Manager about using Mr. Davison as a resource.

### **Finance Committee Updates**

Mr. Zimbone stated that the School Department presented its budget at a liaison meeting. The Finance Committee liaisons sent the first set of information requests. There are 3 additional meetings between now and January 20, the date of the Finance Committee's hearing regarding the School budget.

### **Adjourn**

MOVED: By Mr. Lavery 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 9-0 at approximately 8:40 p.m.

Town of Needham, Departmental Spending Requests, December 2015

Respectfully submitted,  
Louise Mizgerd  
Staff Analyst

*Approved December 16, 2015*