Needham Finance Committee
Minutes of Meeting of April 6, 2016

The meeting of the Finance Committee was called to order by the Chair Louise Miller, at approximately 7:00 pm in the Selectmen's Chambers at the Town Hall.

Present from the Finance Committee:
Louise Miller, Chair; Richard Zimbone, Vice Chair
Members: John Connelly, Tom Jacob (arrived 7:45 pm), Kenneth Lavery, Richard Lunetta, Richard Reilly, Carol Smith-Fachetti

Others present:
David Davison, Assistant Town Manager/Finance Director
Maurice Handel, Chair, Board of Selectmen
Matthew Borrelli, Vice Chair, Board of Selectmen
John Bulian, Board of Selectmen
Dan Matthews, Board of Selectmen
Marianne Cooley, Board of Selectmen
Doug Fox, Citizen Petitioner
Patricia Carey, Director of Park and Recreation
Dan Gutekanst, Superintendent of Schools

Citizen Requests to Address Finance Committee

Paul Good spoke on behalf of the Needham Business Association (NBA.) He stated that the NBA does not support the provisions of the proposed by-law that would allow food trucks to park near restaurants or in spaces that are needed for customers of other businesses. He stated that the brick and mortar businesses spend a significant amount of money for a storefront and taxes and having food trucks nearby could jeopardize their viability. He stated that the NBA is open to allowing flexibility for food trucks near athletic fields and areas not adjacent to businesses where the food trucks would serve a need that is not met otherwise.

Mr. Reilly asked about lunch restrictions for restaurants. Mr. Bulian stated that three restaurants in town, Farmhouse, Masala Art and Gari, that have restrictions on the number of tables they can use at lunch because of the limited parking in the Center.

Approval of Minutes of Prior Meetings

MOVED: By Mr. Zimbone that the minutes of March 30, 2016, be approved as distributed, subject to technical corrections. Mr. Reilly seconded the motion. The motion was approved by a vote of 7-0. (Mr. Jacob had not yet arrived.)

Discuss and/or Vote Annual Town Meeting Warrant Articles:

Article 25: Citizen's Petition – Food Trucks

Mr. Fox stated that Needham has had food trucks in the past with no detriment to local businesses, but then additional restrictions were put in place that made it very difficult for food trucks to succeed. He stated that food trucks are the fastest growing part of the restaurant industry and will attract energy and attention to town. He stated that they compete with fast casual restaurants that are not found in Needham. He stated that Needham has banished food trucks to the industrial park away from main roads. The Town charges $1,000 for a food truck license which is twice what the city of Boston charges for food trucks, and is ten times the state limit for such license. He stated that data shows that food trucks positively affect nearby businesses and restaurants. He stated that the proposed $250 fee would make up for losses of revenue from parking meters. He stated that there could be an additional charge per day if the town wanted.

Mr. Reilly asked about current food trucks that are licensed. Mr. Bulian stated that it is a summer business, and that last year Captain Marden's and Blue Ribbon had trucks. Mr. Connelly asked who authored the article. Mr. Fox stated that he took an existing town regulation and modified it in three ways: the permit cost was reduced, the zoning where the trucks could operate, and the distance from brick and mortar restaurants was changed from 200-250 feet to 15 feet. He stated that he tried to include locations that were near parks for people to have a place to eat with trash cans nearby. He stated that more specific details could be determined by the Town. He stated that studies show that food trucks bring economic benefits. Mr. Connelly asked the current criteria for the Board of Selectmen to choose among food truck applicants. Mr. Bulian stated that they take the number of available times and places and divvy them up among the trucks. Mr. Fox stated that there would be no change to the criteria.

Mr. Bulian stated that the Board of Selectmen supports loosening restrictions on food trucks, but disagrees with parts of this proposal. The Board has worked hard to support restaurants in Town and believes that the changes would be unfair to take away some of their business. He stated that the studies that show economic benefits of food trucks to nearby businesses are from big cities, which need food trucks to be able to feed the additional people who commute to the city. He stated that food trucks in Needham Center would take parking which will affect all businesses. He stated that Great Plain Ave has 5 parking spots by the Common. He stated that after the streetscape project, there will be two handicap spots and three others. Those three spots could be blocked under this proposal. He stated that the Board is looking to open underserved areas to food trucks. He stated that the Town needs to consider all the effects.

Mr. Zimbone asked how the $1,000 fee for food trucks was determined. Mr. Handel stated that they usually compare what other communities charge. Mr. Bulian stated that they also look at how many departments are involved in permitting. He stated that Town staff recommended $1,000. He added that Boston charges $500. He stated that food trucks are a "want" rather than a "need."

Mr. Connelly suggested providing a time frame and the plans for loosening the restrictions at Town Meeting. He stated that the fairness argument is not compelling but the allowed locations could present an issue. Mr. Zimbone asked the results of the public hearing. Mr. Handel stated that there were a number of people who supported food trucks, but businesses were not happy. Mr. Zimbone asked if there were any discussions to try to come to an agreement. Mr. Handel stated that there is a fundamental difference of perspective. Mr. Zimbone stated that he expected that Town Meeting would refer the article back to the Selectmen. Ms. Miller asked about meals taxes. Mr. Handel stated that they are collected, though they are difficult to audit. Ms. Miller asked why the Planning Board was not involved in the permitting since parking is involved, and they have parking requirements for take-out restaurants. Mr. Handel stated that restaurants are required to have a certain number of spaces per seat, plus some for take-out. Some are waived.

He stated that a study was done for RFK, a new restaurant that is coming. Ms. Miller stated that there should be sufficient information to quantify the effect on parking for a food truck using 2 spots plus its customers.

Discussion: Mr. Zimbone stated that he needs more information. He stated that he would like the Finance Committee to take a different tack than usual for this article. He suggested recommending against this article, but to recommend that it go back to the Board of Selectmen. He stated that there are too many holes to support this proposal, but he wants to be positive about food trucks. He stated that would be better than trying to chase the numbers before Town Meeting. Ms. Miller agreed and stated that if the Committee recommends referring the issue back to the Selectmen, there still should be an itemized list of issues needs to be addressed. There was general agreement among the Finance Committee members. Mr. Reilly stated that Mr. Zimbone's suggestion would be a good approach since just voting against the article would create an implication on the merits. Ms. Miller stated that she needs time to review the issue before there is a motion.

Article 29: Transfer of Property for Municipal Use – Greendale Avenue; Article 30: Transfer of Property for Municipal Use – Hillside School, Daley Building and Nike Site; Article 31: Transfer of Property for Recreational Use – Greene's Field, and a Portion of DeFazio Park; Article 32: Transfer of Property for Recreational Use – A Portion of DeFazio Park; Article 33: Transfers of Use of Property – A Portion of DeFazio Park and Central Avenue (Owen's Farm); Article 34: Home Rule Petition/Change of Use of Property on Greendale Avenue under Article 97

Mr. Reilly asked about the financial implications of the transfers. Mr. Handel stated that the properties are just changing hands among Town boards. Ms. Miller stated that there is a financial implication since the Town spent $7 million on property for the Hillside School when Park and Recreation took Cricket Field off the table for consideration as a potential school site. She stated that who owns what property has consequences in feasibility studies. There are ongoing studies for the DPW and the Fire Station. Mr. Borrelli stated that the reason for doing the transfers at the same time is for efficiency and to get the properties into the hands of the groups that can effectively use them and help to meet department needs. He stated that all groups worked together to reach agreement on the transfers and have voted unanimously to go forward.

Ms. Miller asked how the transfers are satisfying Town department needs. Mr. Borrelli stated that the Selectmen are transferring the Central Ave. property to the School Committee as a site the Hillside School. He stated that the School Committee is transferring the current Hillside property to the Selectmen for an undetermined municipal use once the Schools have no further use for it. They will likely use it as swing space when Emery Grover is under construction. He stated that Parcel 74 was identified in the Facilities Master Plan as a potential DPW site, though that is unlikely. That parcel is part of a trade with Park and Recreation in exchange for Greene's Field. He stated that the Nike site is being transferred from the School Committee to the Board of Selectmen with the idea of a potential Ridge Hill community campus. The Nike site has been determined unsuitable to be reserved for a school site. Mr. Borrelli stated that the Daley Building is one acre behind the Fire Station now owned by the School Committee and used for storage but is being transferred to the Selectmen to provide the possibility of expansion of the Fire Station. Ms. Miller asked what the School Department would do for storage. Dr. Gutekanst stated that the supplies stored there are maintenance supplies and not school supplies, and the same use will continue. The building has never been used for a school purpose.

Mr. Borrelli stated that the DeFazio property is split in three. Park and Recreation will use most of it, while part is reserved for a school. Ms. Miller stated that this plan takes away the option of the DPW expanding into DeFazio. Moving DPW operations would be very expensive. Mr. Handel stated that a study determined that it is not feasible to have the DPW all in one location. Mr. Reilly asked why the memorandum of agreement did not mention the DPW use at DeFazio Field. Mr. Borrelli stated that he would look into that. Mr. Borrelli stated that it was a long process for the three groups to come to agreement, and this has been unanimously approved by all.

Mr. Connelly stated that he is frustrated with the Balkanization among the boards that all have their own territory. He suggested that the Board of Selectmen have control and decide the best use of properties. He stated that this would be a great opportunity to modernize. He stated that he plans to vote against these articles because there should be a more public process. There was not enough collective discussion leading to these articles, since only the three groups were involved. He stated that there should be more involvement and a more holistic approach. There are ongoing feasibility studies and this approach is presupposing results. Mr. Jacob stated that if the Board of Selectmen has control of all property eventually parks will be lost. There is a need for a board with the primary responsibility of protecting parks that it controls. He stated that the same reasoning applies to land available for schools. There are good reasons for maintaining the separate authorities. Mr. Lunetta stated that the Board of Selectmen are selling themselves short. They are elected to protect the properties, and will do what is needed. He stated that the same principle is being applied to the Future School Needs article, that more oversight will be better for the Town. He stated that there needs to be a better strategic approach. Mr. Handel stated that without these property transfers there will still be four jurisdictions controlling property. Mr. Lunetta stated that the bigger issue is why there are four jurisdictions. The Town is taking steps it does not need to take. Mr. Reilly stated that the arguments against the transfers arise because the properties will land with the people with parochial interests, but this will put the properties in the hands of the people with the appropriate parochial interests. He added that Parcel 74 must be transferred from Park and Recreation before the Home Rule petition can go forward.

Mr. Jacob stated that he did not see a financial implication to the articles. Ms. Miller stated that studies should determine what is best for the Town, regardless of the jurisdiction of the property. These transfers presuppose findings. Mr. Jacob stated that the properties could be swapped back. The advantage of ownership is passionate support of a mission. Mr. Reilly stated that the Cricket Field example shows that there are financial implications when a specific group has power over a piece of property. Mr. Zimbone stated that doing this swap is better than not doing it, but it should not prohibit any study from looking at any Town property for any purpose. He will support the article, but with reservations because he does not want it to hinder the study of all potential properties for projects.

Mr. Reilly argued that there is no financial impact for these specific articles. He stated the transferring all properties to the Board of Selectmen arguably has a financial impact, but there is no financial implication in these specific proposals. The arguments that there is a financial impact are based on associated issues. Mr. Lunetta stated that the parochial mindset cost the Town $7 million, and this sets the situation to do that again. Mr. Reilly asked if Mr. Lunetta is proposing to vote against these articles because of the process and not the merits of the swaps. Mr. Lunetta stated that the Town needs to look at this philosophically.

Mr. Davison stated that the MSBA is requiring that the School Committee have jurisdiction over the Central Ave. property as part of the building process for the new Hillside School. Mr. Reilly stated that in that case there may be a financial issue. Ms. Miller asked why the Central Ave. property transfer is combined in the same article with property at DeFazio Field. Mr. Borrelli stated that the goal is to transfer all of the properties to the right place at that same time. The transfers were not discussed individually.

MOVED: By Mr. Reilly that the Finance Committee recommend adoption of 2016 Annual Town Meeting Warrant Articles 29-33: Transfers of Property. Mr. Lavery seconded the motion.

DISCUSSION: Ms. Miller stated that she would vote against the articles. She does not object to all of them, but some of the transfers have a goal in mind. There is no reason to transfer the property without a specific plan. She is concerned about the location of the DPW and the cost of moving the operations. She stated that the options need to be better understood. She stated that Greendale Ave. is park land, and there is no need to transfer it. Ms. Smith-Fachetti stated that she agreed with Ms. Miller. She would support the transfer of the Central Ave. property to the School Committee and the Daley Building to the Board of Selectmen, but sees no need for the other transfers. She would like the DPW feasibility study to be finished before determining how to move forward. Mr. Connelly stated that the Central Ave. “Owens Farm” property was purchased for the school, and should be transferred to the School Committee. He suggested that could be done through a separate motion. He felt that that is the only correct transfer at this time. He stated because the Finance Committee can’t move to amend the article, the Committee can say that it hopes that would take place.

Mr. Reilly suggested voting the articles separately. Mr. Zimbone stated that in that case, the agreement between the parties falls apart, since there was unanimous agreement to the whole plan. He stated that he would vote in favor of the articles, but he does not think that the change of jurisdiction of properties should have any effect on the feasibility studies. It is one town, and all properties should be considered for projects.

VOTE: The motion failed to be approved with a vote of 4-4. Ms. Miller, Mr. Lunetta, Mr. Connelly and Ms. Smith-Fachetti dissented.

<u>Discuss and/or Vote May Special Town Meeting Warrant Articles:</u>

Article 6: Minuteman School Bonding

Mr. Matthews stated that all member towns have ratified the changes to the district agreement. Six members have reserved the right to leave the district, although it is not certain which ones will leave. He stated that the current issue is whether to allow the bonding of $150 million to build a new school building. The existing building would be demolished or repurposed. He stated that MSBA made a $43 million commitment toward the project. The Minuteman school committee has bonding authority which it has exercised, but that authority is subject to veto by any member town. He stated that all the towns that have decided to leave the district have opted to "pass over” which has no effect on the bonding authority. Belmont and Arlington are unsure whether they want to go forward. He stated that the project is expensive and will cost approximately $8,000 more per student per year. It will be a state of the art vocational educational facility. Mr. Matthews stated that there are significant downsides to not going forward. It would cost approximately $100 million over 10 years to repair the current building, none of which can be reimbursed. Under the new district agreement, capital costs can be assessed to non-members only for a MSBA project. The repair option is not MSBA eligible and therefore, the costs of the repair option cannot be assessed outside of the district. Ms. Cooley noted that other school projects are not discussed on a cost per pupil basis, and it does not make sense to focus on that point.

Mr. Connelly stated that Arlington has high costs for the building project because they send a lot of students to Minuteman. He asked if Needham's share would be bigger if Needham voted to go forward and another member town were to vote against the project. Mr. Matthews stated that if any town votes against it, then the bonding authority is vetoed and the borrowing cannot take place. He stated that there could be a referendum, but that would be messy and problematic. Mr. Matthews stated that Belmont is concerned that the enrollment will be low making the costs very high for the member towns. Mr. Matthews stated that the MSBA capped reimbursement for the construction at $300 per square foot when the cost of the school is $500 per square foot. He stated that $300 per square foot is the cost of an elementary school, while this is a vocational school with specialized needs.

Mr. Reilly asked why Needham is going this route rather than choosing the option of sending students to another school. Ms. Gulati has presented costs that would be lower than the costs of the new school. Mr. Matthews stated that would mean dismantling the district. Ms. Cooley stated that Ms. Gulati's numbers assumed that the Town would send out only about half of the number of students currently enrolled at Minuteman, and that the students would be going to schools with a different curriculum than at Minuteman. Also, the students could not be placed all at one school, and the availability at any school is uncertain. Mr. Zimbone asked what the Town would do if Minuteman closed, since it is required to provide a vocational education if a student wants it. Mr. Matthews stated that the Town would have to either provide that education or pay for the students to go to another school. He stated that it would be difficult to unravel the district and it would be disruptive to the students. Mr. Zimbone suggested that the Finance Committee could vote to go forward with the project, subject to change if another member town disapproves of the project. Mr. Matthews stated that he would like for the Town to be on record as supporting the project even if another town vetoes it. Mr. Zimbone asked for updates if there are any negative votes.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of May Special Town Meeting Warrant 6: Minuteman School Bonding. Mr. Reilly seconded the motion. There was no further discussion. The motion was approved by a vote of 8-0.

<u>Discuss and/or Vote Community Preservation Articles, Annual Town Meeting Warrant</u>

Article 35: Community Housing Specialist

Ms. Carey stated that the Town Manager feels that having this position be funded half within the operating budget and half from the CPA funds is the best balance. This article allocates $60,000 from the existing community housing reserves for partial funding of the position for up to three years.

MOVED: By Mr. Zimbone that the Finance Committee recommend adoption of 2016 Annual Town Meeting Warrant Article 35: Community Housing Specialist in the amount of $60,000 from the Community Housing Reserve. Mr. Lavery seconded the motion. There was no further discussion. The motion was approved by a vote of 8-0.

Article 36: Memorial Field Drain Improvements

Ms. Miller stated that there was a new estimate for the project for $310K. Ms. Carey stated that it is a recreation project, so the funds would come from CPA free cash.

MOVED: By Mr. Jacob that the Finance Committee recommend adoption of 2016 Annual Town Meeting Warrant Article 36: Memorial Field Drain Improvements in the amount of $310,000 from the CPA Free Cash. Mr. Reilly seconded the motion. There was no further discussion. The motion was approved by a vote of 8-0.

Article 37: Trail Improvements - Student Conservation

MOVED: By Mr. Lunetta that the Finance Committee recommend adoption of 2016 Annual Town Meeting Warrant Article 37: Trail Improvements - Student Conservation in the amount of $25,000 from the CPA Free Cash. Mr. Reilly seconded the motion. There was no further discussion. The motion was approved by a vote of 8-0.

Article 38: Conservation Fund

Ms. Miller stated that this article was amended to appropriate $25,000 of CPA funds to the Conservation Fund. There would then be $100,000 in the Conservation Fund and $125,000 of other funds available for Conservation projects. Mr. Reilly asked if the additional $25,000 of conservation funds would be limited to use for the purchase of conservation property since the article does not specify. Mr. Davison stated that the funds would be limited to being used for purchase of property or easements or title costs. Mr. Davison stated that the Town must sign under pains and penalties of perjury when any conservation funds are used that they are being used for such purposes. Mr. Reilly stated that that point did not seem to be generally understood by the parties at the last meeting when this was discussed.

Mr. Zimbone stated that he does not see the need to increase the Conservation Fund money from $75,000 to $100,000. The request did not contemplate that the funds would be used only for conservation property, but that they would replenish funds that had been used for other projects. He does not want to tie up funds for this purpose.

MOVED: By Mr. Reilly that the Finance Committee recommend *against* adoption of 2016 Annual Town Meeting Warrant Article 38: Conservation Fund in the amount of $25,000 from the CPA Open Space Reserve. Mr. Zimbone seconded the motion. There was no further discussion. The motion to recommend against adoption of Article 38 was approved by a vote of 8-0.

Article 39: Rosemary Lake Sediment Removal Design

Ms. Carey stated that the Town Counsel was more comfortable using CPA Free Cash for this article, since it was not clear it could be funded from Open Space funds. Mr. Zimbone asked if using the Free Cash meant that there is less Free Cash that could be used to buy down debt for the Rosemary Pool project. Mr. Davison stated that any use of CPA Free Cash would leave less cash to be used for other projects.

MOVED: By Mr. Zimbone that the Finance Committee recommend adoption of 2016 Annual Town Meeting Warrant Article 39: Rosemary Lake Sediment Removal Design in the amount of $188,000 from CPA Free Cash. Mr. Reilly seconded the motion.

In response to a question, Mr. Reilly stated that there has already been remediation of the sources of sediment that were flowing into the lake.

VOTE: The motion was approved by a vote of 8-0.

Snow and Ice Update/Spending Authorization

Mr. Davison stated that there is $60,000 left in the most recent Snow and Ice spending authorization after the storms of April 3 and 4. He stated that he would not need to request additional authorization at this time.

Finance Committee Updates

There were no updates.

Adjourn

MOVED: By Mr. Connelly 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 8-0 at approximately 9:50 p.m.

2016 Annual Town Meeting Warrant draft 3-18-16; May 9, 2016 Special Town Meeting Warrant, draft 3-18-16; Needham Business Association letter of March 8, 2016 to Needham Board of Selectmen regarding Food Truck Citizens' Petition; Letter from Council of Economic Advisors re: Citizens' Petition on Food Truck By-law dated February 24, 2016; Minuteman Regional High School Projected FY20 Revenue Plan and Assessments, and Revised Agreement, New School Building Project; Minuteman FY17 Budget presentation by Needham Minuteman Committee dated March 14, 2016; Town of Needham 2016 Land Swap Sites (maps); Agreement between Needham Board of Selectmen and School Committee and Park & Recreation Commission re: Transfer of Property Jurisdiction.

Respectfully submitted,

Louise Mizgerd
Staff Analyst
Approved April 13, 2016