

**Needham Finance Committee
Minutes of Meeting of May 9, 2016**

The meeting of the Finance Committee was called to order by the Chair, Louise Miller, at approximately 6:30 pm in the Great Plain Room at the Town Hall.

Present from the Finance Committee:

Louise Miller, Chair; Rick Zimbone, Vice Chair
Members: Barry Coffman, John Connelly, Tom Jacob, Rick Lunetta, Richard Reilly, Carol Smith-Fachetti

Others present:

David Davison, Assistant Town Manager/Finance Director
Jeffrey Stulin, Chair, Minuteman School Committee
Daniel Matthews, Board of Selectmen
Matthew Borrelli, Chair, Board of Selectmen

Citizen Requests

There were no requests to address the Committee.

Special Town Meeting

Article 6 - Minuteman Bonding Authority

Ms. Miller stated that Belmont Town Meeting voted not to approve the bonding authority needed for the Minuteman school building project. Mr. Connelly stated that this does not affect the Finance Committee's position. He stated that because the district agreement requires unanimous approval for bonding, the Needham Town Meeting vote is technically a nullity, but it is important to show support for the project moving forward. Mr. Connelly stated that the plan of the Minuteman School Committee is not to seek a district election, but instead to have another Minuteman School Committee vote to approve the debt. This will trigger another 60 day window for Belmont or any town to call a Town Meeting if it wishes to disapprove the bonding authority. Mr. Matthews stated that the negative vote in Belmont is a setback since all 16 towns must agree to move forward. He stated that a couple of the town votes in support of the project are contingent on Proposition 2 ½ overrides. He stated that during the new financing cycle there will be stakeholder meetings to decide what to do and whether they can get consensus for the project.

Ms. Miller asked what happens if Belmont votes no again. Mr. Stulin stated that the assistance from the MSBA will most likely be lost. He stated that it is unlikely that they could get the project back in the pipeline before certain regulations would kick in requiring upgrading the facility. Mr. Zimbone asked whether Belmont is required to share costs for an alternative solution if the new building does not go forward. Mr. Matthews stated that they are, as long as they are part of the district. He stated it will be a huge complicating factor if various towns start trying to withdraw piecemeal. The new district agreement was made with the expectation that certain towns were staying and those withdrawing. He stated that many towns stayed in the district for the new building, and not to renovate the existing one. Mr. Connelly stated that

Needham should be counted as part of that group, since there is a big difference between an MSBA supported project and one that is not. Mr. Zimbone stated that the process should continue with the view that Needham will not plan to stay if there is no new building. Mr. Matthews stated that one scenario moving forward is dissolution of the district. Mr. Stulin noted that in that instance there will be 600 students from Minuteman vying for about 50 spots in vocational schools within a 60 minute drive. He stated that the Minuteman School Committee did not examine the costs of dissolution because there is no alternative for vocational education within a reasonable distance. He stated that dissolution will be on the table if there is no new building.

Annual Town Meeting

Articles 29-33 - Land Transfers

Ms. Miller stated that the Board of Selectmen is not doing anything differently after the transfer in Article 29 failed to pass at Town Meeting.

Annual Town Meeting Update

Mr. Reilly described two Town Meeting handouts that showed effects of the costs of the proposed Rosemary Pool project, along with other proposed projects, on CPA debt capacity and debt capacity within the levy. He stated that the Board of Selectmen contends that there may be other sources of funding for the Memorial Park Building. Mr. Borrelli stated that the plan is to put funds into the Athletic Facilities Fund to fund the replacement of the turf fields, and also to help fund the Memorial Park Building. Mr. Reilly stated that he planned to tell Town Meeting that the Finance Committee is skeptical that there are additional funds sufficient to pay for the whole project without using debt within the levy.

Mr. Zimbone stated that the Board of Selectmen's proposal includes appropriations of \$300K per year for the next three years into the Athletic Facility Fund. He asked where the funds would come from. Mr. Davison stated that the funds would come from Free Cash as well as the annual funding from Park and Recreation field use fees which amounts to approximately \$50K per year. Mr. Zimbone asked where the funding for full day kindergarten will come from. Mr. Davison stated that the additional recurring funds that are planned to be allocated to the Debt Service Stabilization Fund for a few years will later be used for full day kindergarten.

Ms. Miller noted that the Town Meeting handouts did not include all projects in the Capital Improvement Plan. She stated that the Debt Service Stabilization Fund has a limited purpose for a limited number of years. Mr. Borelli stated that a 2/3 vote is needed both to put money in and to take money out of the fund, so there will be continuing discussions of how it will function.

Suspend

MOVED: By Mr. Zimbone that the Finance Committee meeting be suspended to attend the Annual and/or Special Town Meeting and to reconvene as necessary. Mr. Reilly seconded the motion. The motion was approved by a vote of 8-0, at approximately 6:50 p.m.

Adjourn

MOVED: By Mr. Zimbone that the Finance Committee meeting be adjourned, as there was no further business. Mr. Reilly seconded the motion. The motion was approved by a vote of 8-0, at approximately 10:50 p.m.

Documents: Town of Needham, 2015 Annual Town Meeting Warrant; May 9, 2016 Special Town Meeting Warrant; CPA Debt Capacity/Debt Capacity within the Levy, Finance Committee, May 2, 2016; Memorial Park Building Financing Strategy.

Respectfully submitted,

Louise Mizgerd
Executive Secretary/Staff Analyst

Approved May 18, 2016