

**Needham Finance Committee  
Minutes of Meeting of January 4, 2017**

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

Present from the Finance Committee:

Rick Zimbone, Chair

Members: Barry Coffman, John Connelly, Tom Jacob, Ken Lavery, Rick Lunetta, Carol Smith-Fachetti (arrived 7:30 pm)

Others present:

David Davison, Assistant Town Manager/Finance Director

Stephen Popper, Director of Public Facilities Construction

Ann MacFate, Director, Needham Public Library

Rose A. Doherty, Chair, Library Trustees

John Schlittler, Police Chief

Chris Baker, Police Lieutenant

Dennis Condon, Fire Chief

Deborah Bonnano, Fire Department, Director of Administrative Services

Patricia Carey, Director, Park and Recreation Department

Matthew M. Toolan, Chairman

**Citizen Requests**

There were no requests to address the Committee.

**Approval of Minutes of Prior Meetings**

MOVED: By Mr. Connelly that the minutes of December 15, 2016 be approved as distributed, subject to technical corrections. Mr. Lunetta seconded the motion. There was no further discussion. The motion was approved by a vote of 6-0-1. (Ms. Miller abstained. Ms. Fachetti had not yet arrived.)

**Request for Reserve Fund Transfer**

Mr. Davison presented the request for \$10,000 to expand the scope of the current work by Dorr and Whittier for the proposed High School expansion study. The scope would include 4 new features: boiler replacement, chiller replacement, repair of the Gym A floor, and locker room upgrades. The gym floor and locker room components are expected to add no additional cost to the study. \$10,000 is the upper end of the expected cost for the additional work to study the boiler and chiller needs and to develop a recommended plan. Mr. Popper stated at the end of the work, there will be a recommendation of how to proceed and a basis to develop a cost estimate. Mr. Zimbone asked if the study would identify the root cause of the equipment failures. Mr. Popper stated that they will because that must be known to determine the next step. He stated that they will look at whether low gas pressure caused an issue. Ms. Miller stated that the boiler and chiller seem to be separate issues just tacked on to the High School project. Mr. Popper

stated that the Superintendent of School and the Town Manager felt that it is appropriate to add there items to the existing study in order to develop a comprehensive plan for work at the High School. Mr. Davison stated that all of the issues are all in the recommended capital plan. He stated that combining the issues could allow for economies of scale. Mr. Lunetta asked how they knew that \$10,000 is the right amount. Mr. Popper stated that he spoke with the consultant.

Mr. Coffman asked if the construction costs for all 4 projects were expected to be requested through one warrant article. Mr. Davison stated that the Town is planning one warrant article for \$9 million. Mr. Connelly recommended splitting the projects apart. Ms. Miller agreed and stated that it is not a foregone conclusion that all projects will be done. Mr. Connelly took issue with the timing, since the boiler and chiller are critical needs that could be delayed if combined with the High School expansion. Mr. Davison stated that the chiller cannot be installed by summer 2017 because of the design and bid times. He stated that the Town Manager recommends the High School expansion, and feels that it makes sense to combine all the work. He understands the Finance Committee may not support the expansion. Mr. Zimbone stated that if the issues were handled separately, the recommended chiller might not be adequate for an expanded building. He stated that at a recent Chairs' meeting, he was told that the reason for the boiler failure was the low gas pressure led to premature burn out of part of the burners. To determine what is happening will require NStar measurements which cannot be ready in time for a summer installation. He stated that he expects some of the \$10,000 additional funds would address the gas pressure issue. Mr. Connelly stated that combining the project gives the High School project more import than thee project alone. Mr. Zimbone suggested separating the High School expansion from the other projects. Ms. Miller stated that the projects could be separated for the request for design funds at Town Meeting in May.

Ms. Miller asked when the boiler and chiller problems arose. Mr. Davison stated that the boiler issue was realized in 2015. The chiller failed in May 2016 and the Town sought emergency approval from the state for a rental for the summer. Mr. Connelly noted that the issues could have been addressed at the Fall 2016 Special Town Meeting.

MOVED: By Mr. Connelly that the Finance Committee approve of the request for a Reserve Fund Transfer to the Public Facilities budget in the amount of \$10,000. Ms. Miller seconded the motion. There was no further discussion. The motion was approved by a vote of 7-0. (Ms. Smith-Fachetti had not yet arrived.)

### **FY2018 Departmental Budget Requests:**

#### **Public Library**

Ms. Miller introduced the budget. Library operations are funded through trust funds and donations and grants as well as through the operating budget. The budget must increase by a certain amount to qualify for state funds. The proposed budget meets the required amount. Increases in salary and expenses are low. The Library has completed a five-year long range plan which is posted online. The services are shifting from paper-based programs to electronic systems. There is more training for patrons on databases and computerized materials. There is a new people counter that will allow them to more accurately track library usage.

Ms. Miller stated that there is a DSR4 request for a new position, a full time young adult reference librarian. Young adult materials are intended for middle and high school students. There are additional DSR4 requests for a network transfer pack/unpack page, Comcast services, and three online resources. Except for the new position, the requests are all currently funded by state aid or trust funds. Ms. Miller asked why a full time young adult librarian is needed when children are in school much of the day. Ms. MacFate stated that the librarian could fill in at the reference desk during school hours. Ms. MacFate stated that a part-time person does the work when available. Mr. Connelly asked why they have decided now that this position is needed. Ms. Doherty stated that the survey conducted for the long range plan showed that people are looking for more young adult programming and materials. Mr. Lunetta asked if state aid could pay for the position. Ms. MacFate stated that it could, as long as there are funds available, but it might not be sustainable. Ms. Miller asked if two part-time people could do the work and save on benefits costs. Ms. MacFate stated that it could allow for more flexibility. She stated that she would bring the idea to the trustees. Mr. Zimbone stated that two part-time people would be preferable to one full-time person with benefits. Ms. Miller stated that the Library has two requests in the capital plan: for furniture, which would be a standalone warrant article and the carpeting which would be included in the Public Facilities capital article.

### **Police Department**

Mr. Lunetta introduced the budget, which, except for vehicle replacement costs, is predominately salary and wages. Five cruisers will be replaced as part of the replacement schedule. He stated that the DSR4 request for additional staff is not part of the FY18 budget request. Mr. Connelly asked why there was a DSR4 for additional officers when service requests are down. Chief Schlittler stated that calls were down in 2015, due to two factors: that harsh cold winter, and the transition to the new dispatch system where they were learning the new system and less efficient. Mr. Connelly asked if they expected FY17 calls to be significantly higher. Chief Schlittler stated that he did expect them to be higher to some extent. He stated that the DSR4 request applies to future years, but will not affect the FY18 budget.

Mr. Zimbone asked about grant funding. Chief Schlittler stated that they have received grants for reimbursement of certain expenses, but the funds go into the general fund, and are not guaranteed. Mr. Zimbone asked if the expenses would be incurred without the grants. Lieutenant Baker stated that they would. They would still replace the furniture in the 911 call center that is 20 years old, and put extra patrols on for DUI enforcement. He stated that they currently use some of their own budget to supplement regular enforcement. They stated that other states that allow recreational marijuana have seen an increase in DU I offenses, and issues with black market sales, but he cannot predict what will happen in Massachusetts.

### **Fire Department**

Mr. Lunetta introduced the budget. He stated that there are 4 new hires, and 3 current vacancies. When staffing dips below 12 on a shift, they need to take a vehicle offline and rely more on friendly aid. He stated that there are three DSR4 requests. The first is for a much-needed copier replacement. Ms. Miller stated that the price was low. Ms. Bonnano described the features and stated it was on the state bid price list. The second DSR4 request is for funding to continue a wellness program, originally funded with a grant. Chief Condon described the program that encourages physical fitness and healthy eating. He stated that there has been much staff turnover

in the past few years which has provided an opportunity to change the culture. The additional funding would be used to capture and expand upon the program that has been started. Many of the firefighters work out together. He wants to create a new cultural norm, though the activities are not required. There will be training areas in the new building to facilitate the wellness program. He expects fewer injuries when staff is more fit.

Ms. Miller asked for an update on the hazardous materials identification project that was funded last year. Chief Condon stated that they have developed pre-fire planning maps for all Town buildings identifying locations of hazardous materials. All churches and schools have been done as well. They are now working on businesses and commercial buildings. Mr. Zimbone asked about the safe seniors program. Ms. Bonnano stated that it is in its infancy. There have been some home visits and services provided. She stated that they will publicize the program when they figure out better who is the target audience.

Mr. Connelly asked whether the third DSR4 request for additional ambulance staffing is contingent upon the new building. Chief Condon stated that the additional ambulance cannot be put into service under current conditions because of where the third ambulance is housed. He stated that there is a new ambulance in the capital plan for next year. It will replace Rescue 1, which will then become Rescue 2. Current Rescue 2 will become Rescue 3, and the current Rescue 3 will be taken out of service. Chief Condon stated that when there are three ambulances in service, the Town will not need an additional ambulance on top of the current capital replacement plan, but the replacement plan may need to be shortened. With changes in Town, service calls are expected to increase which will lead to more wear and tear on vehicles.

### **Finance Committee**

Mr. Zimbone stated that there is a salary increase, and expenses are flat. In response to a question from Ms. Miller, Mr. Davison stated that the position is on the schedule for non-represented employees and receives the same salary increases.

### **Park and Recreation Department**

Mr. Lunetta introduced the budget. He stated that the salary increase is due to contractual wage increases. He stated that the budget is essentially level-funded except for the DSR4s. He stated that there is a DSR4 seeking to redirect funds usually used for summer pool staff to hire some of the summer staff for trail projects and additional summer programs and parks work. The goal is to retain the summer staff and continue to advance leadership skills. Mr. Lunetta stated that from a human resources perspective, this seems wise since it can be difficult to secure and train staff each year. Ms. Carey provided a list of planned projects for the summer workers. Mr. Jacob stated that the FY18 budget includes \$113K for summer staff wages. He stated that there are 2 issues: what to do with the staff this year, and the financial issue of whether it makes sense to pull the funds from the budget and to put them back in the following year. Ms. Carey stated that approximately 2/3 of the money in the FY18 budget funds the summer 2017 wages, and 1/3 is for the beginning of summer 2018. Mr. Toolan stated that the \$113K amount was a placeholder amount based on prior needs. The Park and Rec Commission is currently working to determine the operating expenses of the new pool.

Ms. Carey stated that she expects to use about \$60K for projects in the summer of 2017 to get projects done, by hiring previous pool staff to retain them and foster their development. Ms. Miller asked if the Town would pay the same wages for a certified lifeguard for doing painting or trail work as lifeguarding. Ms. Carey stated that they need to work with HR to determine how the pay will work. Mr. Zimbone asked how this kind of work usually gets done. Ms. Carey stated that they currently use volunteers for some the work or it is done on an overtime basis by DPW workers. Mr. Zimbone stated that the plan is too unclear about who is doing what work, and whether the work is usually done by other Town employees on an overtime basis. Mr. Connelly concurred and stated that there has also been no talk of training or oversight for the summer work.

Mr. Zimbone asked why pool supplies were in the budget when there should be supplies to open the pool in the construction funds. Ms. Carey stated that there would not be enough. Mr. Zimbone questioned whether the costs for lifeguard and CPR training are appropriate if the new pool does not open. Mr. Connelly suggested it could be better to have the staffing costs in the budget in case they are needed. If they are not spent, they will be returned. Mr. Toolan stated that the issue is whether to cut funding and replace it later or go with the old numbers while we are waiting for new data. Mr. Zimbone stated that they could strip the budget and keep funds in the Reserve Fund until there are actual numbers to work with.

Mr. Connelly requested staffing data for the past five years at Rosemary Pool showing the numbers of lifeguards and non-lifeguards that were hired each year, and how many had returned from a prior year. He said that he would need the actual data about returning staff in order to make a decision. Mr. Toolan stated that they looked at that issue during the prep work for the pool and found a 60-70% retention rate. Mr. Zimbone stated that it is important to analyze staff members returning for two years, not just one year, to see whether it makes sense to hire people this summer with the expectation that they will return the following summer.

Ms. Miller expressed concern about the proposed summer work. She stated that if they could use more people for more summer programs, then they should hire more. She also stated that the Finance Committee asks every year if additional funding is needed for any additional work that needs to be done. She stated that there is no reason to keep the Park and Recreation budget low every year if there are more needs. This budget grows less than revenue growth and less than any other budget. There should not be a list of work that needs to be done. Mr. Zimbone noted that there is also the outstanding issue of whether the fees should be higher. Mr. Toolan stated that is being examined with the operating costs.

Ms. Carey handed out spreadsheets showing revolving fund and fee revenue, and discussed the programs and revolving fund expenditures. She stated that without Rosemary Pool, she expects FY17 fees to be about \$200K.

### **Finance Committee Updates**

Mr. Zimbone stated that the hearing for the Public Facilities budget is next week. He asked the liaisons to carefully examine the circumstances surrounding the failure of the boiler and the chiller at the High School. He has concern whether the staff responsible for maintaining the equipment has the necessary expertise and experience. The boiler problem is described as being due to low gas pressure which could affect the other boilers as well so there is a need for close

monitoring. Mr. Connelly suggested that an independent assessment would be more effective than asking for a self-assessment. Mr. Coffman asked if this is an appropriate Finance Committee line of questioning. Ms. Miller stated that these problems can cost a lot of money. Mr. Jacob stated that it is an operational issue. Mr. Davison noted that the chiller failed a few months after the warranty ended. He stated that the Town will learn from having a consultant looking into it.

### **Adjournment**

MOVED: By Ms. Miller that the Finance Committee meeting be adjourned, as there was no further business. Mr. Lavery seconded the motion. There was no further discussion. The motion was approved by a vote of 8-0, at approximately 9:05 p.m.

Documents: Department Spending Requests FY2018; Request for Reserve Fund Transfer to Public Facilities; Library Sunday Hours Statistics; Library FY16 Trust Fund Expenses by Category/State Aid Expenses; Library State Aid Account/FY17 Annual Planned Expenses; Calculation for FY18 Municipal Appropriation Requirement; Police Vehicle Replacement Schedule; Park and Recreation Town Trails as of January 2017; Park and Recreation Summer 2017 Projects; Park and Recreation Revolving Fund Revenue; Park and Recreation Revenue Chart.

Respectfully submitted,

Louise Mizgerd  
Staff Analyst

*Approved January 11, 2017*