

**Needham Finance Committee
Minutes of Meeting of April 26, 2017**

The meeting of the Finance Committee was called to order by Chair Richard Zimbone at approximately 7:05 pm in the Selectmen's Chambers at the Town Hall.

Present from the Finance Committee:

Richard Zimbone, Chair; Richard Reilly, Vice Chair

Members: Barry Coffman, John Connelly, Tom Jacob, Ken Lavery, Richard Lunetta, Louise Miller, Carol Smith-Fachetti

Others present:

David Davison, Assistant Town Manager/Finance Director

Ann Marie Doyle, Citizen Petitioner

Joanne Ochalla, Community Center of Needham

Cynthia Chaston, Park and Recreation Commission

Dave DiCicco, Park and Recreation Commission

Patricia Carey, Director, Park and Recreation

Daniel Gutekanst, Superintendent of Schools

Anne Gulati, Director of Financial Operations, School Department

Stephen Popper, Director of Public Facilities Construction

George Kent, Chair, Permanent Public Building Committee

James Healy, Clerk, Trustees of Memorial Park

Citizen Requests

Joanne Ochalla of the Community Center of Needham spoke in support of funding the Rosemary Complex construction project. She stated that the CCN did a survey of local communities and found that while pools do not make money, having a pool co-located with a facility that can provide programs can generate revenue to break even. She stated that there is pent-up demand for a pool. She urged that to get the most of the facility, it must also be properly staffed. She strongly supports the approach of developing a business plan. She stated that the facility will rejuvenate that part of Town. She noted that the fee structure needs to make it accessible to all.

Approval of Minutes of Prior Meetings

MOVED: By Mr. Jacob that the minutes of March 29, April 5, and April 19, 2017, be approved as distributed. Ms. Miller seconded the motion. There was no further discussion. The motion was approved by a vote of 9-0. (Mr. Connelly abstained from the vote on April 19 minutes, as he was not at that meeting.)

Special Town Meeting – Citizen's Petition – Article 11 Veterinary Uses in the Mixed Use 128 District

Ann Marie Doyle stated that she is proposing to change zoning to allow animal care facilities in the 128 area. She stated that she is already in this business and is working with a consultant to address all of the necessary issues for a new facility in this area of Needham. Mr. Zimbone

asked if there is a financial implication. Ms. Miller stated that it only expands the use for an additional type of business. Mr. Jacob asked why the use was excluded originally. Ms. Miller stated that it is likely an old zoning by-law. This use is allowed in other parts of Town.

MOVED: By Ms. Miller that the Finance Committee take no position with respect to 2017 Special Town Meeting – Citizen’s Petition – Article 11 Veterinary Uses in the Mixed Use 128 District on the basis that there is no discernible financial impact on the Town. Mr. Reilly seconded the motion. There was no further discussion. The motion was approved by a vote of 8-0.

Facility Financing Plan Summary

Mr. Davison stated that he prepared an update to the prior Facility Financing Plan issued in June of 2016. The most significant changes are that the new elementary school is now funded with excluded debt, and that there is updated cost information on several projects including the Public Safety Complex/Fire Station 2 project and the High School expansion. The new elementary school also has an accelerated timeline which compresses the debt schedule. The Fuel Island project and the roads program will be funded with cash, which affects debt capacity. Mr. Davison stated that many assumptions remain the same. He assumes that open projects will fully expend the debt authorization except two that are closing out. He assumes that interest rates will be 6.5% for funds borrowed in the next 12 months, and 7% for funds borrowed after that.

In response to a question from Mr. Connelly, Mr. Davison stated that the Average Single Family Home tax bill in Needham in 2017 is \$10,034, which includes \$538 for excluded debt. Mr. Zimbone stated that tax bills go up about 2.5% each year, plus there is a 2% surcharge for the CPA, and there will be over \$1,000 of excluded debt added in coming years. Mr. Davison stated that property taxes have tended to increase at a linear rate of 5% each year, and he expects that to continue. He stated that to project tax increases going forward he would have to make a host of specific assumptions. If he continued with the same set of assumptions, then the increase in the average tax bill would be a linear 5% increase.

Mr. Coffman noted that with the conservative assumptions, the debt service exceeds the 3% policy for four years. Mr. Reilly stated that the Town will stay within the 3% guidelines using the Debt Service Stabilization Fund as a gimmick to better align revenue and expenses. He stated that the 10% policy will be exceeded for over 10 years in order to do more projects. He questioned if the Town will be able to maintain all of the capital. Mr. Davison stated that he has a methodology from an architect that he uses to determine maintenance and energy uses which has proven to be reliable and conservative. He stated that he cannot estimate programmatic costs. He stated that repairs and maintenance are included in his projections and that that the Capital Facility Fund is available for extraordinary capital repairs. Mr. Coffman stated that the High School expansion project has increased in cost and asked that it has affected other projects. Mr. Davison stated that the fuel island project will be funded with cash, so that more debt capacity is available. He stated that the \$11.4 million High School project is doable only because of the Debt Service Stabilization Fund. Mr. Zimbone stated that in the Finance Committee’s report to Town Meeting, he plans to talk about the cash available due to high levels of Free Cash and Overlay Surplus and to tie this in with the financing plan. He expressed concern that the Town is up against its debt capacity, particularly with rising interest rates. Mr.

Reilly stated that the estimates are conservative, and overstate what will happen. Mr. Zimbone stated that the financing plan may change, since it is a living document.

Annual Town Meeting Warrant Articles

Article 33: Appropriate for Rosemary Recreation Complex

Mr. Zimbone stated that Park and Recreation Commission re-sent their revenue estimates. He stated that the project bids were also received. Mr. Kent stated that the PPBC voted to accept the lowest bid. He stated that there cannot be a contract until after the Town Meeting vote, then they will begin to negotiate. Mr. Connelly asked if there was concern that the lowest bid was so much lower than the other bids. Mr. Kent stated that they have questioned the contractor to make sure that nothing was left out, and are still in discussions. He stated that the contractor has built several other big projects in Town and they are very familiar with each other.

Mr. Connelly asked if the low bid meant a larger contingency. Mr. Popper stated that the article still seeks \$15.8 million. A contingency of \$1.8 million was assumed, but the estimate included a narrowed contingency. Mr. Kent stated that there is no signed contract, and that the contractor could still pull the bid, so the article is not changed. Mr. Zimbone stated that a typical contingency is about 8% and this includes 13% contingency. Mr. Popper stated that if the low bidder pulled out, the contingency in other bids would be very low. Mr. Kent stated that, in that case, some of the design might have to be backed off. Ms. Miller asked how much would be covered by CPA funding. Mr. Davison stated that it will depend on how much is CPA eligible which will be reviewed throughout the project. He expected it would be about 20% General Fund and 80% CPA funding.

Mr. Reilly stated that there are two issues for Town Meeting to consider: is this bid reasonable, accepting that this location is where the pool will be built, and does building in this location create unreasonable financial issues? He stated that, setting aside the second floor, the cost does not look excessive for building at this location. Even if the pool were built elsewhere, there would be other costs relating to this site, so the costs in general are not excessive. Ms. Miller stated that the expected maintenance costs seem inadequate, and that if the Town supports the project, there must be sufficient support to operate it. Ms. Chaston stated that the pool was old but was clean. She has not seen information that shows that the new pool will be more costly to maintain. She stated that the Park and Recreation revenue analysis showed that there would be \$150K of additional revenue from programming that will offset the \$60K net loss of the pool. Mr. Zimbone stated that there are more bathrooms and a bigger facility which will add to the costs. Mr. Jacob stated that if the Town does not go forward with the pool, there are \$2-\$3 million of decommissioning costs. Mr. Zimbone stated that the vote for design funds required a simple majority, but the construction costs will require a 2/3 majority vote at Town Meeting, which could make a difference.

MOVED: By Mr. Reilly, for purposes of discussion, that the Finance Committee recommend adoption of 2017 Annual Town Meeting Article 33: Appropriate for Rosemary Recreation Complex in the amount of \$15,800,000. Mr. Lavery seconded the motion.

DISCUSSION: Mr. Reilly stated that he still has the concerns from last year regarding the cost for a seasonal activity, but he felt that the community had spoken in favor of it. Mr. Lavery stated that the Town has a full line-up of projects to finance, including schools and the public safety building, which is leading him to vote against the pool. Mr. Jacob stated that this project will use \$4 million of CPA cash and \$8 million of CPA borrowing, none of which is available for schools or public safety buildings. This would only weigh against housing projects. Mr. Connelly stated that the CPA money does not need to be spent just because it is available. Mr. Zimbone stated that the CPA borrowing is factored into the 10% policy. This project also pushes the CPA balance and may still affect other priorities. Ms. Miller stated that the Rosemary project also uses \$3 million of General Fund debt and \$800K cash this year which does compete directly with other projects such as schools and public safety.

Mr. Jacob stated that he supports the project because there is significant public support. He stated that this is the type of project that fulfills the purpose of the CPA, preserving community assets. He stated that there has been no discussion of what would happen to the property if the pool is not built. Mr. Connelly stated that he voted against the pool last year and will again for the same reasons. He believes the Town should have a pool, but not at this location. He felt that the Town gave up too quickly to find a suitable location. He feels spending \$16.8 million for a pool is not reasonable. He is not convinced the proponents represent the whole community. The Town will not have this money again.

Mr. Lunetta stated that he first thought this was the right project, but now he thinks the Town is segregating community projects and wishes there had been one community center with a senior center, pool, recreation center, and skating rink. He felt this project is patched together because the Town needs a pool. He stated that this is not the right pool, and will not support the project as a Finance Committee Member or Town Meeting Member. Ms. Miller stated that she has struggled with whether to support this project. She stated that it is expensive to build in this location, and does not like the addition of the extra floor for year-round use. She does not feel that the Committee has all of the information needed regarding the business plan and is not sure the project makes financial sense.

Ms. Fachetti stated that she has also struggled with the decision. She stated that she is not convinced that the community space will be fully realized. However, she thinks that there is tremendous community support for a pool and a place to go. She feels the project should be put before Town Meeting to see if it will support the project. Mr. Coffman stated that he agreed with Ms. Fachetti that this should go before Town Meeting. He stated that he feels the Town has not done things small, and he wishes there had been a bigger vision for a more central community facility. He is not sure if a different project in a different location would be better financially, and felt that the finances do not preclude this project. He stated that it needs to be run as a business, with management staff with the appropriate skill set. Without that in place, he is a bit hesitant to vote in favor, but he will vote in favor as a Finance Committee member.

Mr. Zimbone stated that he has thought long and hard about this project. He has a daughter who was on the swim team at Rosemary and feels that sentimental support, though he was dead set against the project last year. He feels if the project goes through, proper management is needed to run this as a \$15 million asset, not just as a recreational pool. He stated that, given the site and other constraints, this is a commendable design and price. He has concerns about the second floor add-on, and whether something better would have worked at Memorial Park. He is

bothered by the current discussions of a community center at Ridge Hill, which seems to be re-living the senior center discussions. The Town seems to be trying to act fast and not setting priorities well. Unless there are changes, it looks like there will be overrides needed for the public safety building, the DPW building, and Mitchell. The Town has “wants” and “needs” and this seems to be a want. He stated that he is concerned that tax growth will be too high and that seniors are being driven out. He stated that this project should be off the list, and will vote against it.

Mr. Lunetta stated that the Committee has a responsibility to step back and look at the larger picture. He felt that there was a lost opportunity before, and that this is a time to stop consider the big picture and set a course.

VOTE: The motion failed by a vote of 4-5, with Ms. Miller, Mr. Connelly, Mr. Zimbone, Mr. Lavery and Mr. Lunetta dissenting.

Article 42: Appropriate for High School Chiller Replacement (\$125K for design)

Mr. Davison stated that the cost in the draft article was revised from \$630K for the whole project to \$125K for design. Mr. Popper stated that this includes design and looking at the variables that need to be determined before the hard cost can be established. Mr. Connelly stated that the ratio of \$125K design for a \$500K project seems strange. Mr. Popper stated that the chiller will actually cost about \$765K with soft costs. Mr. Kent stated that there may be changes to the facility, and that this is not a simple replacement. Mr. Popper stated that the expected cost is \$38K for the architect, \$61K for the structural and civil engineering due to space issues, plus OPM and other contingencies.

MOVED: By Mr. Reilly that the Finance Committee recommend adoption of 2017 Annual Town Meeting Warrant Article 42: Appropriate for High School Chiller Replacement Design in the amount of \$125,000. Mr. Lavery seconded the motion. There was no further discussion. The motion was approved by a vote of 9-0.

Article 43: Appropriate for High School Expansion

Mr. Zimbone stated that the School Committee and the PPBC voted to support Option F for the project. Mr. Kent stated that they intend to use a construction manager at risk (CMR), which means that the contractor will be engaged as a member of the design team, instead of later as a low bidder, in order to have to CMR’s input in design and building. He believes there will be need for creative thinking with the time constraints, which will lead to the best project.

Ms. Miller stated that the enrollment projections have been increasing from 1,620 to almost 1,800. Dr. Gutekanst stated that they did increase in a second report on long term projections. Mr. Connelly stated that he took the number of students currently in the 2nd-4th grades, which will be the peak in the High School if they all stay, at 1,758. He stated that the elementary enrollment numbers are decreasing, but the High School numbers keep going up. Mr. Davison stated that some students from St. Joseph’s come into the system, though some leave. Dr. Gutekanst stated that the McKibben analysis is more sophisticated than just pushing the numbers forward. Even at 1,758, the enrollment would be above design capacity by 300, and that will last

for 20 years. He stated that they have had more enrollment analysis done as requested and he believes that the data they have provide good guidance to the School Committee.

Mr. Connelly asked about the proposed timeline. Mr. Popper stated that they would bring in the project manager at risk by June 1. By the October Town Meeting they would have a cost estimate to seek approval to enter into a GMP with the construction manager. They would plan to start construction, which will take 12-15 months, during April 2018 – September 2019. Mr. Connelly asked what the Town would get for \$950K. Mr. Popper stated that included the designer cost estimate, CMR pre-construction services, OPM surveying, and testing, and design development beyond schematics. He stated it includes the design for renovations of Gym A and that he is confident in the number.

Mr. Connelly asked why the project had grown from 6-8 classrooms to the space equivalent of 15 classrooms. Dr. Gutekanst stated that some is due to special education space and some is for core classes. He stated that a better design analysis was done and concluded that this is what is needed for the next generation. He stated that all of the spaces taken for classrooms will remain classrooms, and this is all moving forward. This will provide for the needed programming. Mr. Connelly asked if there has been analysis of the additional operating costs to meet programming changes that will result, or how many staff will be needed for an additional 15K square feet. Dr. Gutekanst stated that the plan is to move the current staff around. As enrollment grows, staff will be determined through the budget process. Mr. Connelly asked how many new teachers will be needed for 1,800 students versus 1,560 students. Ms. Gulati stated that staffing projections are in the five-year forecast. Mr. Zimbone stated that he and Mr. Coffman were part of a study group that requested that another consultant/designer look at the project again. The analysis was better and gave a new perspective and range of ideas. He stated that they did a good job and answered all of the questions. Mr. Coffman stated that, given the projected enrollment growth, this maintains the status quo. It does not make significant changes in programming. It provides additional special education space, which is needed as SPED enrollment growth is higher than other enrollment growth, and also will allow for the additional programming designed to keep students in the district which has had positive results and been cost effective.

MOVED: By Mr. Reilly that the Finance Committee recommend adoption of 2017 Annual Town Meeting Warrant Article 43: Appropriate for High School Expansion in the amount of \$950,000. Mr. Lavery seconded the motion.

DISCUSSION: Mr. Connelly agreed that Dore and Whittier did good work, but it is difficult to vote on an \$11 million project having received the report 4 days earlier. He feels that this process is not fair to the Town. He stated that the Finance Committee is charged with a job, and to make this decision at this point is frustrating. He stated that he has already explained the challenges of the McKibben enrollment report. He also took issue with the focus on the design enrollment figure of 1,450, because the capacity of the building is much higher. He stated that the Q & A for the new elementary school last year discusses how a lower design enrollment is acceptable despite a higher anticipated enrollment because the MSBA wants the design enrollment as low as possible, even though the actual building capacity is much higher. The High School is not necessarily 200 students over capacity right now. He stated that for gaining 6-8 classrooms, the project will have the space equivalent of 15 classrooms. He thinks the project has too much space, and costs too much, which is taking away from other projects. The additional square footage is 14,950. At a rate of 38.3 sf per student, which the study says is

appropriate, the project would provide for 388 additional students. Even assuming a capacity of 1,450 students, this would be building for 1,838 students, which is far above the highest enrollment projections, and beyond what the numbers support. He stated that the issue is what is nice to have versus necessary, and not necessarily about the competing projects. He stated that this project is challenging to design and to build, and he has not seen the layout, which may be in the report. He expects there will be additional operating costs, including salaries in the School budget and benefits in the Town budget, but there is much less information than has been asked for. He stated that the project is too big and too expensive and he will not support it.

Mr. Reilly asked how the time table would change if the project were delayed until the fall town meeting. Mr. Kent stated that it would be delayed a year until 2020 because of the school schedule. Mr. Reilly stated that the Finance Committee's role is not to second-guess studies, but it does need to review the central analysis, which there has not been time to do. He stated if the project were pushed out a year, it would not be the end of the world. He suggested deferring the Finance Committee vote until there was a chance to read the study. Mr. Jacob stated that it would be helpful to have a week or two to absorb the material if it would not be a disservice to Town Meeting to defer the vote. Mr. Zimbone stated that he understood the position, but this project has been discussed for a more than a year when there have been briefings and questions asked. Questions can still be asked, but he does not think the answers will materially change opinions. He is not in favor of delaying the vote. He stated that the project has not changed from 8 to 15 classrooms, but there are 8 classrooms and additional special education space. He stated that there are some issues with the enrollment that have not been factored in such as the effect of the new Minuteman School, but it is likely negligible compared to the increases. There is a potential impact of zoning articles limiting home size. Mr. Lunetta stated that reading the report would be helpful. He is not ready to move this quickly, and suggested postponing the vote one week. Mr. Reilly offered a second motion.

MOVED: By Mr. Reilly that the Finance Committee delay the vote on 2017 Annual Town Meeting Warrant Article 43: Appropriate for High School Expansion until a meeting on May 3, 2017 at 6:30 pm. Mr. Jacob seconded the motion.

DISCUSSION: Mr. Reilly stated that it would be helpful if the School Committee answered the question on staffing. Mr. Jacob stated that there should be an explanation of the 38.5 square feet of space needed per student. Ms. Miller stated that the MSBA recommends classrooms be used 6 periods and free one period, but since Needham has a 7 period system, the usage should be 7 classes and 1 free period. Mr. Coffman stated that the plan calls for 90% utilization. Mr. Connelly stated that he wants to be clear on how many classrooms, whether it is 8 or 15.

VOTE: Mr. Reilly's motion to delay the vote was passed by a vote of 7-2 with Mr. Zimbone and Mr. Coffman dissenting.

Mr. Pressman stated that the plan is for 8 additional general classrooms, 1 science lab, 4 special education spaces and collaboration space in hallways to gather and it.

Article 46: Memorial Park Building and Grounds Improvements

Mr. Zimbone stated that this article is being amended to be funded with cash instead of debt. Mr. Reilly stated that the preliminary estimated cost is \$5.9 million, and asked the normal usage of the building. Mr. Healy stated that the consultant determined that it is used 220 times per year for meeting space, sign up space, Exchange Club July 4th activities, Parks and Forestry storage, concessions, rest rooms, and team space. He stated that the second floor has a Trustees' room, American Legion room, a multi-purpose room, and rest rooms. Mr. Reilly stated that the cost seemed high for simple uses and asked if meeting space could be elsewhere. Mr. Popper stated that the square footage drives the cost, and that the architect looked at programming needs to determine the size. Mr. Kent stated that the current building is 8,300 square feet, and the proposed building is 11,000 sf. Because of code requirements, it needs to be demolished and rebuilt. Mr. Popper stated that the cost is \$400 per square foot including costs and furnishings. Mr. Reilly stated that the office space is only used occasionally and asked if they could use the recreation complex instead. Mr. Healy stated that it is not cost effective to try to rehab the building since it is out of code and not accessible, so there is no other option. He stated that the first floor needs are driving the project. Mr. Connelly stated that the building costs are what they are, based on labor and materials, so the issue is what space is needed. Ms. Miller stated that the DPW equipment that is stored there is used there, and it would be inefficient to store it elsewhere and bring it here every time it is needed. Mr. Kent stated that the proposed space is about 10% is garage space.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of 2017 Annual Town Meeting Warrant Article 46: Memorial Park Building and Grounds Improvements, as amended, in the amount of \$375,000. Mr. Reilly seconded the motion. There was no further discussion. The motion was approved by a vote of 9-0.

Article 37: CPA: Appropriate to Community Preservation Fund

Mr. Davison stated that these amounts are based on the CPA surcharge, and calculated in order to put enough in the specific reserves. If an article does not pass that would affect the numbers, then it could be amended at the fall Special Town Meeting.

MOVED: By Ms. Miller that the Finance Committee recommend adoption of 2017 Annual Town Meeting Article 37: CPA: Appropriate to Community Preservation Fund, as designated. Mr. Reilly seconded the motion. There was no further discussion. The motion was approved by a vote of 9-0.

Appropriations to Reserves

Mr. Davison stated that he will recommend that Annual Town Meeting Article 52 and Special Town Meeting Articles 6 and 9 be withdrawn. He stated that he would also recommend that Annual Town Meeting Article 55 be withdrawn unless the Finance Committee votes to add funds to the Capital Facility Fund. Mr. Reilly stated that he prepared a handout with the fund description. He stated that the Town needs to reassess the targets because of changing costs.

Annual Town Meeting Reserve Articles

Article 52: Workers' Compensation Fund – To be withdrawn

Article 53: Appropriate to Athletic Facility Improvement Fund

Mr. Davison stated that the Athletic Facility Fund is setting aside funds for two major projects, the replacement of synthetic turf on fields, and cash for the Memorial Park building. He stated that the current target of the Capital Improvement Fund is \$1 million and the target of the Capital Facility Fund is \$2 million. Additional money is being recommended for the CFF in order to set aside available funds for the High School chiller replacement. Mr. Reilly asked why there were reserve articles in both the Special and Annual warrants. Mr. Davison stated that it is in case the Moderator is firm about the rule that funding amounts in articles cannot be increased, it would be best to have the entire amount in the Special Town Meeting warrant. Mr. Jacob stated that there are significant funds proposed for the AFIF, and asked about the funding for Memorial Park. Mr. Davison stated that the Memorial Park building is slated to use \$500K CPA funds, \$3 million debt, and the rest in cash.

MOVED: By Mr. Reilly that the Finance Committee recommend adoption of 2017 Annual Town Meeting Warrant Article 53: Appropriate to Athletic Facility Improvement Fund in the amount of \$1,295,000. Mr. Connelly seconded the motion. There was no further discussion. The motion was approved by a vote of 9-0.

Article 54: Appropriate to Capital Improvement Fund

MOVED: By Mr. Reilly that the Finance Committee recommend adoption of 2017 Annual Town Meeting Warrant Article 54: Appropriate to Capital Improvement Fund in the amount of \$28,051. Mr. Connelly seconded the motion. There was no further discussion. The motion was approved by a vote of 9-0.

Article 55: Appropriate to Capital Facility Fund – To be withdrawn

Article 56: Appropriate to Debt Service Stabilization Fund

MOVED: By Mr. Reilly that the Finance Committee recommend adoption of 2017 Annual Town Meeting Warrant Appropriate to Debt Service Stabilization Fund in the amount of \$1,091,874. Mr. Connelly seconded the motion.

Mr. Reilly stated that this is a way to set aside funds to be used to keep the Debt Service line technically at the 3% policy guideline. He stated that the Facility Financing Plan shows that the Town will exceed the 3% debt service limit for 4 years. Ms. Miller stated that she is not in favor of putting so much money into this fund. There is \$900K already, and this adds another \$900K for \$1.8 million, although even the conservative estimates do not show a need for that much. Mr. Zimbone stated that the funds that are not needed it will stay there unless Town Meeting appropriate the funds to buy down debt. He stated that there is a clear need for \$1.7 million. Ms. Miller noted that the plan assumes every project moves forward at the planned time, and that interest rates will be 6.5% or 7%. Mr. Zimbone stated that the Town can use the money to buy down debt, and get closer to the 10% guideline. Ms. Miller stated that that is not the purpose of this fund. Town Meeting was told that the fund would be rescinded when it was no longer needed. Mr. Davison stated that the funds are recurring funds. Mr. Reilly stated that the schedule shows that \$2 million is needed, and this appropriation will get the Town to that level.

Mr. Davison stated that the rating agencies will see if the Town does not protect against violating the 3% policy.

VOTE: The motion was approved by a vote of 8-1, with Ms. Miller dissenting.

Special Town Meeting:

Article 6: Workers' Compensation Fund – to be withdrawn

Article 7: Athletic Facility Improvement Fund

MOVED: By Mr. Reilly that the Finance Committee recommend adoption of May 2017 Special Town Meeting Warrant Article 7: Appropriate to Athletic Facility Improvement Fund in the amount of \$376,990. Mr. Lavery seconded the motion. There was no further discussion. The motion was approved by a vote of 9-0.

Article 8: Appropriate to Capital Facility Fund

MOVED: By Mr. Reilly that the Finance Committee recommend adoption of May 2017 Special Town Meeting Warrant Article 7: Article 8: Appropriate to Capital Facility Fund in the amount of \$505,000. Mr. Jacob seconded the motion.

DISCUSSION: Mr. Reilly stated that these additional funds are being set aside for the High School chiller replacement. Ms. Miller stated that this fund is set up to be an emergency fund. It sets up the need to achieve a 2/3 vote for an appropriation from the fund instead of a majority vote to spend cash on the project. She stated that the funds should not be earmarked a year ahead, since it limits the use of the funds. Mr. Zimbone stated that if the funds are not used they will go to free cash. Mr. Davison stated that the funds will potentially be needed in October, but possibly not until May of next year. Mr. Coffman stated that it seems important to Town Meeting to limit deposits to reserves. Mr. Davison stated that rating agencies like to see towns putting money into reserves. He stated that there is a significant \$66 million debt exclusion. A drop in the Town's credit rating would affect interest rates on that and all projects. He stated that the Town does not have a strong AAA rating. Mr. Reilly stated that Town Meeting should be told how this is working toward the \$2 million fund target.

VOTE: The motion was approved by a vote of 9-0.

Article 9: Debt Service Stabilization Fund – to be withdrawn

Handout to Town Meeting- Zoning Articles

The Finance Committee agreed to place the document that was circulated on the table at Town Meeting.

Finance Committee Updates

Mr. Reilly stated that NBC Universal met with the Board of Selectmen about the TIF agreement. He stated that they were asked about personal property, and they expected to have \$52 million of personal property and guaranteed a minimum of \$15 million. They said that their equipment is critical to running the studios, and will be used and replaced.

Ms. Miller stated that at the League of Women Voters warrant event, questions were raised about why the Town really wanted to do the environmental assessments. There was also a concern about anything at the RTS that would affect traffic.

Adjournment

MOVED: By Mr. Reilly that the Finance Committee meeting be adjourned, as there was no further business. Mr. Jacob seconded the motion. There was no further discussion. The motion was approved by a vote of 9-0, at approximately 10:00 p.m.

Documents: 2017 Annual Town Meeting Warrant; May 8, 2017 Special Town Meeting Warrant; 2017 Facility Financing Summary From David Davison to Board of Selectmen dated April 21, 2017, with attachments; Town Reserve Articles; Draft Memo from Finance Committee to Town Meeting re: Zoning Articles, dated May 1, 2017.

Respectfully submitted,

Louise Mizgerd
Staff Analyst

Approved May 10, 2017