

**Needham Finance Committee
Minutes of Meeting of May 3, 2017**

The meeting of the Finance Committee was called to order by the Chair, Rick Zimbone, at approximately 6:35 pm in the Great Plain Room at the Town Hall.

Present from the Finance Committee:

Rick Zimbone, Chair; Richard Reilly, Vice Chair

Members: Barry Coffman, John Connelly, Tom Jacob, Ken Lavery, Rick Lunetta, Louise Miller (arrived 7:00 pm), Carol Smith-Fachetti

Others present:

David Davison, Assistant Town Manager/Finance Director

Citizen Requests

There were no requests to address the Committee.

Annual Town Meeting

Article 43: Appropriate for High School Expansion (as amended)

Mr. Zimbone stated that there was a motion to recommend adoption of Article 43 which was seconded on the table from the meeting of April 26.

DISCUSSION: Mr. Reilly stated that he was concerned that the 1,800 high school enrollment number was a stretch, and that the realistic number would be 1,760. He stated that Dr.

Gutekanst's memo responded that these amounts would probably not make much difference.

The High School Expansion study said there could be a swing in enrollment of 2% either way. Assuming enrollment of 1,760 students would mean the swing could be 1,725-1,795. He stated that he is comfortable designing for an enrollment of approximately 1,800. He stated that the work was done in good faith, and he has no reason to second-guess it.

Mr. Coffman stated that the project maintains the status quo in terms of use of space. He stated that collaboration space that is currently needed at the High School is not accommodated. This will help but not entirely solve the need. He stated that collaboration is the way of the future in education. He stated that additional special education space is also important. The new Pathways program has been successful and is paying dividends to the Town. He is favor of Option F and in favor of this article. While the expense is not insignificant, the project has merit. Mr. Lavery stated that he is in favor of the project because it is critical to the community, and that it is important to get it right. He stated that the cost is big, but the project is needed.

Ms. Fachetti stated that she has reviewed the study, the plans, the demographics, and the anticipated enrollment. She stated that the project will provide the same level of service. It is expensive but not overreaching. She stated that this is needed to satisfy the next generation of students, and that it is important not to need to come back again. She stated that she would have supported option C or F, and will vote in favor of this article. Mr. Lunetta stated that he walked

through the High School with the Principal and the Superintendent. He stated that if the town had the money, option D would be great for the students. He stated that option B would be most appropriate to get through the bump in enrollment. Although he supports option B, he fears no one else supports that option, and will reluctantly support this article.

Mr. Connelly stated that he appreciated all of the hard work that went into the development of this project but he thinks it is not right. It is based on faulty assumptions by relying strictly on enrollment projections from McKibben whose track record does not justify it. McKibben projected the HS enrollment for school year 2024-25, the peak year, to be 1,695 in a report in March 2015, then 1,774 in November 2016 and 1,835 in December 2016. He changed the position three times in less than two years. There are no factors internal or external to Needham to support the increases, and the numbers are unreliable. He stated that the Dore and Whittier report says that in order to serve a population of 1,800, the school needs an additional 8 classrooms plus one science lab, but the project has 13 classrooms plus collaboration space equal to two additional classrooms. The current building is only 10 years old and the Town recently spent \$2.1 million to expand the cafeteria, which is space that can be used for more activities. He stated that there is other underutilized space that could effectively add space less expensively. He is also concerned about the placement of the proposed project. The first floor is administrative and storage space, with cantilevered classrooms above it in a difficult part of campus with power lines and the topography. He stated that \$11.4 million is a lot of money, especially when other school buildings have more needs, including Mitchell and Emery Grover. He stated that there is no safety or accreditation issue, the scores and college acceptances are not being affected. He stated that this project would be nice, but is not necessary. There is no MSBA reimbursement. He stated that this would put additional pressure on seniors by increasing taxes. Since there is no crisis or need, he will not support the article.

Mr. Jacob stated that he supports the project. His daughter graduated from the High School in 2015, and the school was very crowded. He finds option B terrifying because of having construction with students walking around. He understands the questions about the enrollment figures, but the Town hired a professional who should be given credibility. He stated that enrollment has grown approximately 2% per year on average, and has slowed over several years. He stated that to overbuild is not terrible, since space is always needed and will be utilized. He stated that construction is always expensive.

Mr. Zimbone stated that he understands Mr. Connelly's concerns about the McKibben method. His question of how interest rates of greater than 5% would affect the High School enrollment has never been answered. McKibben has held steady on the assumption that interest rates will not go past 5%. He stated that interest rates are expected to be increased soon. He stated that he supported the by-law change for the Finance Committee to have more input on the questions asked of the demographer. He stated that this project gives the Town a cushion if the enrollment numbers increase. He stated that special education space is needed, though he thinks it was not studied enough. He stated that he would support this article because it will provide sufficient space, although he agrees with Mr. Connelly's comments on the economics and thinks priorities have not been established well.

Ms. Miller stated that she was not present for the comments, and will abstain from the vote. She was concerned that the enrollment numbers drive the conclusions which makes it more important that they are reliable. She stated that the fact that the McKibben numbers changed drastically within 15 months is concerning. She stated that she would have preferred an approach that asked what space is actually needed. The approach of just taking enrollment and dividing by class size to get the number of classrooms needed does not make sense. She stated that at this point, Finance Committee feedback is too late. There is only an up or down vote. She stated that the Committee should participate earlier in the process.

VOTE: Mr. Reilly's motion to recommend adoption of Article 43 was approved by a vote of 7-1-1, with Mr. Connelly dissenting and Ms. Miller abstaining.

Suspend

MOVED: By Mr. Reilly that the Finance Committee meeting be suspended to attend the Annual Town Meeting and to reconvene as necessary. Mr. Lavery seconded the motion. The motion was approved by a vote of 9-0, at approximately 7:11 p.m

Adjourn

MOVED: By Mr. Reilly that the Finance Committee meeting be adjourned, as there was no further business. Mr. Jacob seconded the motion. The motion was approved by a vote of 9-0, at approximately 11:04 p.m.

Documents: Town of Needham, 2017 Annual Town Meeting Warrant; Responses to Questions to Finance Committee from Superintendent Dan Gutekanst and Anne Gutlati, Director of School Financial Operations dated May 1, 2017; Classroom Expansion Feasibility Study, Final Report April 14, 2017 by Dore & Whittier Architects, Inc.

Respectfully submitted,

Louise Mizgerd
Executive Secretary/Staff Analyst