

**Needham Finance Committee
Minutes of Meeting of June 28, 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: John Connelly, Louise Miller, Carol Smith-Fachetti

Others present:

Kate Fitzpatrick, Town Manager
David Davison, Assistant Town Manager/Finance Director
David Tobin, Town Counsel

Citizen Requests

There were no requests to address the Committee.

Approval of Minutes of Prior Meetings

MOVED: By Mr. Reilly that the minutes of the executive session of April 27, 2016 be approved and released. Mr. Connelly seconded the motion. The motion was approved by a vote of 5-0.

Reserve Fund Transfer Requests

Snow and Ice

Mr. Davison stated that the FY17 spending for snow and ice removal was \$1,004,369. That amount is high, but lower than the past two years. This amount is \$596,330 above the current budget.

MOVED: By Mr. Reilly that the Finance Committee approve of the request to transfer \$596,330 from the Reserve Fund to budget line 24D, Snow and Ice. Ms. Miller seconded the motion. The motion was approved by a vote of 5-0.

Legal Department

Mr. Davison stated that the request includes funds for legal service already incurred as well some anticipated costs for the remainder of the fiscal year. The request is for \$103,425 for areas of extraordinary need including the need for outside counsel to address Eversource's relocation of transmission lines, and experts and consultants needed for health-related issues and siting options for certain Town offices. Mr. Zimbone asked if these expenses are expected to continue next year. Mr. Davison stated that they would. He noted that some other FY17 legal expenses, such as cable licensing, would not be as high in FY18. The tax increment financing issue from FY17

is not expected to recur. Mr. Connelly asked what changed since the late April memo that stated that excess legal costs were expected to be about \$40K. Mr. Davison stated that the Eversource issue was significantly more involved than he had realized at that time. He stated that the costs include both technical experts and legal services needed to work with regulatory agencies. Ms. Fitzpatrick stated that there have been five hearings, and that the Town is seeking to have Eversource change the route. She stated that much of the route has been changed because of these efforts.

MOVED: By Mr. Reilly that the Finance Committee approve of the request to transfer \$102,425 from the Reserve Fund to budget line 12B, Legal Department. Ms. Miller seconded the motion. The motion was approved by a vote of 5-0.

Water Enterprise Fund

Mr. Davison stated that this request is for \$5,068 to be transferred from the Water Enterprise Fund reserve fund line to the expense line. The additional costs are needed due to three water main breaks and include parts and contractors. He stated that the request is an upper limit or worst-case scenario. The final amount will depend on the energy costs in June. Ms. Miller asked if that was an unusual amount of water main breaks. Mr. Davison stated that the usual average is one, but this was three, which occurred in areas of Town that had no records or previous breaks, and which cover more demand.

MOVED: By Mr. Reilly that the Finance Committee approve of the request to transfer \$5,068 from the Water Enterprise Fund Reserve Fund to budget line 301B in the Water Enterprise Fund budget. Ms. Miller seconded the motion. The motion was approved by a vote of 5-0.

Election of Officers for Fiscal Year 2018

Mr. Zimbone stated that Mr. Reilly has been nominated to be the Finance Committee Chair for fiscal year 2018. Mr. Connelly seconded the nomination.

VOTE: Mr. Reilly was confirmed as Chair by a vote of 4-0-1, with Mr. Reilly abstaining.

Mr. Zimbone stated that Mr. Coffman was nominated to be the Finance Committee Vice Chair for fiscal year 2018. Mr. Connelly seconded the motion.

VOTE: Mr. Coffman was confirmed as vice Chair by a vote of 5-0.

Mr. Zimbone handed the meeting to Mr. Reilly.

Planning for Fiscal Year 2018

Scheduling: Mr. Reilly stated that the Finance Committee will plan to meet each Wednesday in September, starting September 6, to prepare for the Special Town Meeting on October 2. Ms. Miller suggested keeping an eye on the progress of the Police/Fire building project. Ms. Fitzpatrick suggested a meeting in August for that topic. Mr. Reilly requested that as much information as possible be provided as early as possible in the process.

Issue Planning: Mr. Reilly stated that he planned to have the Committee address three areas of focus outside of the Committee's normal annual activities:

- (1) Rationalize and review target amounts for reserve accounts. Are they correct? What are the terms for deposits to and withdrawals from these funds? A clearer articulation of the uses and needs of the funds may be needed.
- (2) Review the approach toward maintenance of public buildings. Maybe a consultant will be needed to establish best practices. Work with the new Director of Building Maintenance.
- (3) Consider a strategic approach to core competencies of businesses: insourcing versus hiring staff. Review the different areas where the Town is functioning and whether there are in-house competencies.

Mr. Connelly stated that he is happy to help with the building maintenance review. He also suggested an additional topic:

- (4) Reconsider the 2.5% tax rate and whether it is appropriate.

Mr. Reilly suggested that a session on how the tax rates are determined could be useful. Ms. Miller stated that some towns have held "override" votes to decrease the tax rate. Ms. Fitzpatrick stated that the School Department is planning a new initiative in FY20.

Adjourn

MOVED: By Mr. Zimbone that the Finance Committee meeting be adjourned, as there was no further business. Ms. Miller seconded the motion. The motion was approved by a vote of 5-0, at approximately 7:00 p.m.

Documents: Request for Reserve Fund Transfer to the Legal Department dated June 23, 2017; Request for Reserve Fund Transfer to the Snow and Ice budget dated June 23, 2017; Request for Water Enterprise Reserve Fund Transfer dated June 23, 2017.

Respectfully submitted,

Louise Mizgerd
Executive Secretary/Staff Analyst

Approved August 9, 2017