

**Needham Finance Committee
Minutes of Meeting of January 3, 2018**

The meeting of the Finance Committee was called to order by Chair Richard Reilly at approximately 7:00 pm at the Center in the Heights.

Present from the Finance Committee:

Richard Reilly, Chair

Members: John Connelly, Kenneth Lavery, Joshua Levy, Richard Lunetta, Louise Miller

Others present:

David Davison, Assistant Town Manager/Finance Director

Stephen Popper, Director of Public Facilities Construction

George Kent, Chair, Permanent Public Building Committee

John Schlittler, Police Chief

Chris Baker, Police Lieutenant

Paula Sheerin, Police Department, Administrative Assistant

Dennis Condon, Fire Chief

Deborah Bonnano, Fire Department, Director of Administrative Services

Citizen Requests to Address Finance Committee

No citizens requested to speak.

Approval of Minutes of Prior Meetings

MOVED: By Mr. Connelly that the minutes of December 20, 2017, be approved as distributed, subject to technical corrections. Mr. Lunetta seconded the motion. The motion was approved by a vote of 5-0. (Ms. Miller had not yet arrived.)

FY 2019 Department Budget Requests

Department of Public Facilities

Mr. Reilly stated that this budget has changed significantly, since the Public Facilities Maintenance expenses and functions have been moved to the Public Works Department, leaving only the Construction Division budget. Mr. Reilly stated that there are currently 10 active projects, being handled primarily in-house by Mr. Popper, the Director, and three additional project managers, with the support of one administrative person. He stated that the budget is personnel-driven, but that much of the expense is charged to projects so that the actual cost to the Town is less than the budget. He stated that the requested budget is fully loaded, and includes costs that are expected to be charged to projects. He stated that the funding of this budget could be revisited and reduced if funds are needed elsewhere later in the budget process.

Mr. Popper handed out a document outlining the workload for the department, and the costs of doing work in-house versus using external people. He stated that the workload is intensive and is more than the department can handle in the long run. He stated that rather than hire an additional, he retained the services of an outside firm to provide project management services for the Sunita Williams School project, as recommended by the Finance Committee liaisons last

year. This resulted in increased expenses of some \$500K for the project. Mr. Popper stated that over 50%, perhaps as much as 65%, of salaries are charged to projects. He stated that the cost of managing projects by the Town are about .4% of costs during the design phase and .8% during the construction phase, for a total additional cost of 1.2%. Other Towns spend 3-5% of the budget on management by using outside companies for management work. Mr. Kent stated that he surveyed some other towns similar to Needham, and found that they tend to have 1-2 in-house project managers, and farm out the rest of the work, which costs substantially more.

Mr. Reilly requested a statement of the expertise needed for project manager positions, including which functions can be handled in-house, and which would need external expertise. Mr. Popper stated that an additional benefit of an in-house person is the ability to make decisions without approval of the building committee, which is an advantage that makes the project run more fluidly. Mr. Connelly stated that the department does great work, but questioned whether there is a true need for an increase from 4 to 5 project managers. He stated that the Town cannot afford to do too many projects at one time, and he did not see the justification. Mr. Kent stated that the current project managers work amazingly hard and put in many hours. Mr. Popper stated that the project managers must do significant work even before construction begins to integrate the work of the contractors, the designers, and the school department. Mr. Popper added that he expects to retire in the next few years, and that this would be a good time to start the transition. Mr. Kent stated that the succession planning could begin with finding a person with a similar skill set to Mr. Popper, hopefully an engineer with project management skills, to complement the other skills in the department. He stated that if the person is hired now, they can be paid out of construction budgets. He stated that he does not generally support expanding municipal government, but this is needed. Ms. Miller stated that if this position is added as part of a succession plan, that would anticipate a staff reduction later when Mr. Popper retires. She stated that is a different situation than adding a position because of the workload. She stated that it would be worthwhile to look at the Capital Plan and see what staffing costs are included in the project budgets.

Mr. Popper stated that the DSR4 request write-up includes estimated work hours needed for 6 of the 10 ongoing projects. Mr. Connelly stated that the FY19 budget will cover 7/1/18-6/30/19, so the important factor for this budget is the project manager work hours that will be needed during that time period. He questioned whether there would be 1500 hours of work for the additional project manager. He stated that he is not trying to avoid recognizing the hard work and workload of the existing staff, but each request must be fully examined and evaluated. Mr. Popper stated that he feels the \$500K cost of bringing in an outside person should not be overlooked. Mr. Reilly stated that the request is for a 25% increase in terms of professional staff, so he would like to see the line-up of FY19 projects. Mr. Popper stated that the High School, Williams School, Police/Fire headquarters and Memorial Park building will all be included. He added that the coordination of the full-day kindergarten project will also be underway. He stated if all of the design work in the Capital Plan goes forward, an additional person will be needed. Mr. Reilly stated that he is wrestling with whether it is better to hire outside or hire a new employee. Mr. Connelly stated that he would need to understand whether an outside person would really cost \$500K and what work would be done with that person that would otherwise not be done. Mr. Kent stated that additional hours are now being absorbed by current staff. He stated that they can put together information about man hours being worked, and will include 60 hours in a week if that is what staff is working. He noted that they are charging even more salaries to projects this year as requested, and that they plan to charge even more in the future. It was left that Messrs.

Popper and Kent would develop a clearer projection of the projects to be covered in FY19 together with the skill sets and hours needed to provide the appropriate project management

Police Department

Mr. Levy introduced the budget and outlined staffing levels, vehicles, number of calls received and grants and fees brought in. He stated that the department is seeking to shift some focus toward offering certain community services to reduce acute response needs. Chief Schlittler stated that there is a DSR4 request for an additional officer who would focus on community-based outreach to address certain mental health, domestic violence and substance abuse issues that involve people who have repeated interactions with the police. This officer would build a relationship with these people and hopefully address some issues without needing an emergency call. The officer would have crisis intervention training (CIT) and would help train others how to handle mental health situations. Chief Schlittler stated that there has been no change in police staffing levels since 2000, when two new officers were added, despite growth in population, significant growth in school enrollment, and growth in the commercial areas.

Mr. Connelly asked whether specialized training is needed for this position, and if the \$69K request was enough. Chief Schlittler stated that the salary is enough to get someone in, and that they will get the CIT training. He is also trying to get CIT training for more of the officers. Mr. Connelly asked if an additional vehicle would be needed for the additional officer. Chief Schlittler stated that there are spare vehicles in the fleet that this person would use. They would most likely use an unmarked vehicle. Mr. Connelly asked whether this officer position is a higher priority than the requested additional officers planned for FY20 (1 new officer) and FY21 (2 new officers). Chief Schlittler stated that the two additional officers planned for FY20 will need an additional patrol car. He stated that they do not currently plan to add another sector until they see how things work out, since that will be a significant amount of work to reconfigure the CAD system. Lieutenant Baker stated that they will follow up once the commercial buildings are done and may add a sector if needed.

Mr. Reilly stated that overtime rose by 92% in the last five years, and that there was a significant jump from FY17 to FY18 and asked what the cause was, and whether the overtime would decrease with an additional officer. Chief Schlittler stated that there is a mandatory 40-hour training for each officer which is all overtime. He stated that the increase in staffing would decrease overtime needed for shift coverage for sick leave and vacation time. Ms. Sheerin stated that the overtime increased last year in part due to increases in salary when an additional step was added, with a salary increase on top of that. Mr. Lunetta stated that looking at just overtime hours would help clarify the reason for the increase. Ms. Miller stated that looking at the BVA could help, since these numbers are a comparison of budgets, and the budget might have overstated the overtime. Chief Schlittler and Ms. Sheerin said that they would review the increase in the budgeted overtime expense and get back to the Committee.

Fire Department

Mr. Lunetta introduced the budget, and described the staffing and deployment of vehicles and services. He stated that the 4th priority DSR4 was withdrawn, since it requested staffing an additional ambulance and there is currently no space to garage an additional ambulance. He stated that there are three additional DSR4s: for community outreach, for communications equipment to improve safety for officers, and for an automatic CPR device (Lucas) for Rescue 2.

Mr. Reilly asked why the Lucas device was 3rd priority. Chief Condon stated that they just bought one Lucas with end-of-year funds, and that the community outreach is very important, since they put in a lot of work to get grants every year for that program. Mr. Connelly asked whether the DSR4 request for additional staffing would be submitted again. Chief Condon stated that there is currently no place to house an extra ambulance, but when there is a temporary facility, which is planned to be installed in the parking lot at Hillside School and ready in the fall of 2019, they may be able to introduce the new ambulance.

Finance Committee

Mr. Reilly stated that there is a contractual salary increase and a small increase in expenses to cover an increase in conference registration fees.

Finance Committee Updates

Ms. Miller stated that there is a planned public hearing on zoning changes in the Business Center. She plans to speak against proposed changes as a resident, not a Finance Committee member, in case other members were asked about her comments.

Adjournment

MOVED: By Mr. Connelly that the Finance Committee meeting be adjourned, there being no further business. Ms. Miller seconded the motion. The motion was approved by a vote of 6-0 at approximately 8:35 p.m.

Documents: Town of Needham FY2019 Department Spending Requests; Police Vehicle Chart

Respectfully submitted,

Louise Mizgerd
Staff Analyst