

**Needham Finance Committee
Minutes of Meeting of February 14, 2018**

The meeting of the Finance Committee was called to order by Chair Richard Reilly at approximately 7:00 pm at the Needham Town Hall.

Present from the Finance Committee:

Richard Reilly, Chair

Members: John Connelly, Tom Jacob, Kenneth Lavery, Joshua Levy, Richard Lunetta, Louise Miller, Carol Smith-Fachetti

Others present:

David Davison, Assistant Town Manager/Finance Director

Kate Fitzpatrick, Town Manager

Marianne Cooley, Chair, Board of Selectmen

Daniel Matthews, Vice Chair, Board of Selectmen

Timothy McDonald, Director of Health and Human Services

Edward Cosgrove, Board of Health (BOH)

Colleen Schaller, Council on Aging (COA)

Dale Wise, Needham Commission on Disabilities (NCOD)

DPW Storage Facilities Presentation (Joint Session with Board of Selectmen)

There was a presentation by Jeff Alberti of Weston and Sampson regarding the design for the Public Works storage facility buildings. He stated that they reviewed the programmatic needs and did an inventory of all equipment to determine the space needs. The facility will need approximately 87,000 square feet of minimally heated indoor space and 11,000 square feet of canopied outdoor space. In response to a question from Mr. Reilly, Mr. Alberti explained that it costs approximately three times as much to store equipment outside, accounting for costs such as higher maintenance costs, lower vehicle life expectancy, and time spent accessing equipment, than the cost of building a minimally heated indoor storage facility. The plan includes consolidating equipment from 14 storage location spots to two buildings. He explained the various sites considered and the efficiencies of consolidating as much as possible. The time frame includes design of the facilities in May-November 2018, then bidding and construction November 2018-October 2019. He stated that the Public Safety equipment could be stored in the new facilities briefly during the fall of 2019 prior to the DPW moving its equipment in in order to save finding and/or renting alternate space in the transition before the Public Safety facilities are ready.

Mr. Connelly asked how formal the \$7.9 million designated in the warrant article is. Mr. Alberti stated that it is based on a 15-page independent estimate, but that it includes high contingencies because it is early. Ms. Fitzpatrick stated that the number includes design and construction, and will set the budget, so the Town will live within it. Mr. Alberti stated that it amounts to \$230/sf including construction and soft costs.

Finance Committee session:

Citizen Requests to Address Finance Committee

No citizens requested to speak.

Approval of Minutes of Prior Meetings

MOVED: By Ms. Miller that the minutes of February 7, 2017, be approved as distributed, subject to technical corrections. Mr. Jacob seconded the motion. The motion was approved by a vote of 8-0.

FY 2019 Operating Budget Discussion

Mr. Reilly stated that he wanted to review the areas that seemed to need further discussion. He stated that the Planning Department requested a recording secretary for the Conservation Commission. He stated that the function is part of the job description for the Conservation Specialist. Ms. Fachetti asked why the Planning Board recording secretary is temporary. Mr. Davison stated that positions are classified as temporary if the work is infrequent or there is no regular schedule, but does not imply that the position is going away. Mr. Connelly asked if the work is currently getting done. Mr. Davison stated that having a recording secretary would free up the person currently doing that work to answer questions during the meeting. Ms. Fachetti stated that an additional person seems unnecessary. Mr. Jacob stated that it is not clear why some boards have a recording secretary and some do not. Mr. Reilly pointed out that there is a person hired to do the minutes for this board, so the issue here is whether that function should be transferred from that position. He felt that the information provided does not warrant this. Ms. Fachetti and Mr. Connelly agreed. Ms. Miller stated that there also has not been information about what the Conservation Specialist would do with the additional time.

Mr. Reilly stated that there were outstanding questions about the Community Support Officer requested by the Police Department. Mr. Lunetta stated that he spoke with Chief Schlittler who stated that four new officers are needed in the next three years. The FY19 position would be a Community Support Officer to focus on community issues. In FY20, the department will request an additional Community Support Officer. Then in FY21 the department will request two new basic patrol officers. Mr. Lunetta described the evolving service delivery requirements of the department which gave rise to a need for the new position. The idea of the Community Support Officer position would be to address the community issues without taking an officer off patrol during the day. The intent is to post the position and to fill it with an experienced Needham police officer. Mr. Levy stated that supporting this position does not imply any judgment on the requests in future years. Ms. Miller asked whether a social worker could do the work for a lower salary. Mr. Lunetta stated that he did not ask that question, but he believes that a police officer should follow up on any incident that required a police response. Mr. Reilly stated that the description sounds like they will work mostly with victims. Mr. Davison stated that Police officers need to deal with these types of issues, and need the power of arrest and to carry a gun. It will fulfill a need in the Police Department to have an officer to focus on this type of incident. Mr. Reilly stated that it sounds like 90% social work and 10% police work. Ms. Fitzpatrick stated it is not just 10% police work. The offices will also need to interface with the District Attorney, and train patrol officers about related topics. The Police regularly deal with mental health and other issues in the course of their work. Mr. Jacob stated that he supports funding the position, and feels that the nature of Police work is changing. Mr. Reilly stated that he has reservations, but would agree with the consensus. The other members indicated that they wanted to leave the position in the budget.

Mr. Reilly stated that the Fire Department has requested \$10,000 for community outreach work, which would pay for overtime. Mr. Lunetta stated that he spoke to Chief Condon. Since 1996, there has been a grant for \$10,000 for teaching fire safety to the community. The department is regularly asked to do more work than the grant funding can cover. The programs that they would like to do is to expand the CPR classes at the High School, to offer more programs at the elementary schools and the senior center, and to inspect private homes for fire safety issues. He stated that the community wants more of these services. Ms. Miller suggested that they could absorb this cost within their budget. Mr. Reilly stated that the request mentions attending school fundraisers, which does not seem appropriate for the operating budget. Mr. Connelly agreed. Mr. Davison stated that there was more than \$10,000 of overtime turn-back last year, but the Chief needs to make sure that the budget will last the year, so he cannot overspend. He noted that this funding would serve as a reaffirmation of the services that the community wants. Mr. Reilly stated that they have turned back close to twenty times this amount before. He asked for a vote, and three members voiced support for the expense, and five opposed it.

Mr. Reilly stated that there was a new estimate of the Minuteman Assessment, so that budget number was decreased.

Mr. Reilly stated that the Department of Public Facilities has requested an additional Project Manager position. He feels that the need will not be ongoing, and he therefore does not want to lock a new position into the operating budget. He proposed a warrant article which would fund the position for two years but will not guarantee anything beyond that. At the end of the time period, it is likely Mr. Popper will retire and there will be an open position in the department. Mr. Connelly stated that he feels the current staffing is sufficient to keep up their good work. He stated the projects vary, and that there is enough staff to handle a number of projects at once. The workload does not justify a new position, but if a position is added, it should certainly not be permanent. There is more staff than ever, and they are talented and able to handle the work. Mr. Reilly stated that if he is wrong about the need for an additional person temporarily, then there is two years of salary needlessly spent, while if Mr. Connelly is wrong, then the department would need to hire outside contractors. Mr. Connelly stated that the management resources are there, but they could hire people for a very limited scope of work in such a case. Mr. Jacob stated that he is unsure, since he trusts the people giving opinions on both sides. Mr. Reilly stated that he is inclined not to second guess Mr. Kent, Mr. Popper and Ms. Fitzpatrick, who see what is going on day to day. He stated that the warrant article approach would protect against a permanent increase in headcount. Mr. Connelly stated that that would mean the department has four project managers and one administrative support person in the operating budget, and one project manager outside the operating budget. Mr. Jacob stated that the warrant article should make it clear that the position ends after two years, and would not be expected to shift into the operating budget.

Mr. Reilly stated that the DPW has requested two additional custodians and one additional tradesperson. The Committee seemed satisfied with the need for the tradesperson and one custodian, but were uncertain about the second custodian. Mr. Levy stated that he met with the DPW and asked for metrics to support the request, but could not interpret the information, so he was unsure how well the second position will fit the needs. Mr. Reilly stated that in the information from Dr. Gutekanst, the Town would be in the middle of the pack of comparative communities if an additional person were added. Mr. Levy said it was not clear whether the existing staff can handle the work. Mr. Davison stated that they cannot handle it. This has been an ongoing request for years from different High School principals. Mr. Jacob noted that the

position is justified by the ratio of square feet of space per custodian, and also by the ratio of students per custodian. Mr. Reilly stated that it seems they have made the case to support the additional custodian. The Committee indicated consensus.

Mr. Reilly asked if there were questions about the request to fund Goose Control. Mr. Levy stated that there is no clear target for where the geese would go, so there is a risk that other communities would already be doing their own goose control measures and they would not go. Mr. Reilly stated that he expected that the residents want these measures.

Mr. Reilly stated that there is concern about the details of the Compliance Coordinator position. Ms. Miller stated that the position requires two separate skill sets: compliance for buildings which includes fire codes and elevators, and compliance for stormwater, which involves environmental issues. Ms. Fitzpatrick stated the plan is for a more administrative function, including tracking compliance requirements, and following up with subject matter experts to make sure requirements are met. She feels that the position is administrative in nature, and the same person could do both functions. Mr. Lunetta asked if they could obtain some kind of tracking software, and use a person with less expertise at a lower salary. Mr. Fitzpatrick stated that this could be an entry level professional. Ms. Miller stated that she is inclined to agree, but needs more firm detail about the actual work that would be done. Mr. Wise asked if this person would also track ADA compliance. Ms. Fitzpatrick stated that they would be responsible for ADA compliance for buildings in DPW's jurisdiction. Mr. Reilly stated that it seems some additional support is needed, but that further refinement of this position is needed. Ms. Miller stated that the list of compliance requirements is not realistic.

Mr. Reilly stated that HHS has requested a recording secretary for the Council on Aging and Youth Services Commission meetings. Mr. McDonald stated that these are elected boards, and they need detailed minutes and records of the proceedings. He stated that there is no one responsible for this function, and that he has been doing the minutes for the COA. If a member does it, it turns out to be a list of bullet points. Ms. Schaller stated that she does not feel it is the responsibility of the members of the board. Mr. Cosgrove stated that the Board of Health had a recording secretary who left. Mr. Connelly asked if the position is in the budget. Mr. McDonald stated that there is \$2,960 in the BOH budget, but that the Youth Commission budget is not sufficiently detailed to be clear. Mr. McDonald stated that since he has been Director, there has been no recording secretary.

Mr. Reilly stated that there are questions about the need for the Emergency Management position. Ms. Fitzpatrick stated that the plan is to transfer the funding for the Emergency Management Program Coordinator into the operating budget, as a full-time position. The position has been funded on a part-time basis for two years through a warrant article in the operating budget. Mr. Jacob stated that 2/3 of the funding for the position is in the FY19 base budget and the remaining 1/3 funding is requested in a DSR4. Mr. Connelly stated that the whole request should be in a DSR4. Mr. Davison stated that the warrant article indicated that the position would be re-examined after 2 years. The Town reviewed it, and determined that the position should continue, and so it was included in the operating budget. Ms. Fitzpatrick noted that they called it out. Mr. Connelly stated that the trial has gone well, so the position should remain part-time. However, the Town needs to be careful about adding onto the operating budget. He stated that he does not support expanding the position. Mr. Wise explained that he is the NCOD representative on the LEPC (Local Emergency Planning Committee) and spoke in support of making the Emergency Management position permanent. He stated that it is critical to

be proactive to be ready for emergencies. He stated that the members of the LEPC were impressed by what the Emergency Management Program Coordinator is doing, and that she has worked with disabled people to help prepare that population for emergencies as well.

Mr. Jacob stated that the part-time position has done so well getting the Town up to speed that it does not seem that a full-time position is necessary. Mr. McDonald stated that it would enable the Town to meet the goals in the multi-year emergency management plan more quickly, and to keep up, test, and improve the plans. Mr. Reilly read a portion of a letter he received from Justin McMullen, a member of the LEPC, who described how emergency management is a continuous cycle and requires a dedicated staff member, with consistent funding. Mr. Connelly stated that the advocates are doing their job, and the Finance Committee is also doing its job by questioning the costs. He stated that the Committee needs to weigh whether the part-time position is enough. He stressed the importance of being careful when adding a new recurring cost to the budget. He stated that he was not convinced by the need for a full time position. Mr. Jacob stated that he does not like to spend out of fear, but it is better to be over-prepared than under-prepared for emergencies. The additional \$30K is not a large part of the overall budget. Mr. Levy stated that every request can be viewed as a small part of the budget. Mr. McDonald stated that this position requires a particular skill set. He stated that except for larger cities, this is not usually a standalone position, but is an additional function for the fire chief, fire lieutenant or a police sergeant, but he feels it is inappropriate not to have this work be a primary function. Mr. Lunetta asked why this request is in the Health Department instead of Public Safety. Mr. McDonald stated that it was for expediency. He stated that he did this type of work for years, so he knows a lot about the function. Ms. Miller asked if Needham could share services with another community. Mr. McDonald stated that he had tried, and it would be difficult to share. Mr. Reilly stated that from what he has read, problems in emergency management tend to stem from communications issues. He asked how the full-time position would address that issue better than a part-time position would. Ms. Fitzpatrick stated that if a part-time person works somewhere else, they will be focused on the other work at a potentially critical time. Mr. McDonald stated that he thinks it is important for the person to be available and dedicated to this position.

MOVED: Mr. Connelly that the Finance Committee not support the DSR4 to increase the Emergency Management position to full-time. The Committee voted 6-2 to support Mr. Connelly's motion not to expand the position.

The Committee agreed that the funds for all requests that are removed from the budget would be shifted in to the Reserve Fund line, with the exception of the Public Facilities Project Manager funding which should be deducted from the bottom line.

MOVED: By Mr. Jacob that the Finance Committee approve of the draft budget in the amount of \$162,720,589 with the agreed upon changes. Mr. Connelly seconded the motion. The motion was approved by a vote of 8-0. [See details of Finance Committee's voted draft budget below.]

Finance Committee Updates

Mr. Reilly asked Mr. Davison the purpose of the general Stabilization Fund, since he has been unable to find a record of it. Mr. Davison stated that it was created in 1945 following legislation to allow much funds. The fund was created to provide an emergency reserve when there is a

need for cash, and no other mechanism to get cash. It is something the Town hopes to never have to use. There have been varying opinions as to whether it should hold 2% or 3% of the annual budget. He stated that it protects against an unexpected large drain on resources. Mr. Levy asked if the subcommittee on reserves could discuss what to do with additional funds when the target funding level has been met. Mr. Reilly stated that this question will come up this year with the proposed funding for the Debt Service Fund of \$1.9 million.

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 0-0 at approximately 9:20 p.m.

Documents: Town Manager’s Proposed Annual Budget for FY 2019; Finance Committee Draft FY19 Budget Spreadsheets, Sheet on Community Support Officer ; Memo from Superintendent of Schools to Town Manager re: Needham HS Custodial Services dated Feb. 13, 2018; DPW Central Ave Storage Facility Presentation dated Feb. 14, 2018.

Respectfully submitted,

Louise Mizgerd
Staff Analyst

Finance Committee Voted Draft Budget for Fiscal Year 2019:

Line #	Description	FY2019 Finance Committee draft Recommendation
--------	-------------	---

Townwide Expenses

1	Casualty, Liability, Property & Self-Insurance Program	626,790
2	Debt Service	14,904,503
3	Group Health Insurance, Employee Benefits & Administrative Costs	15,288,352
4	Needham Electric, Light & Gas Program	3,586,259
5	Retiree Insurance & Insurance Liability Fund	6,906,705
6	Retirement Assessments	7,934,482
7	Workers Compensation	679,253

8	Classification Performance & Settlements	527,090
9	Reserve Fund	1,834,010

Townwide Expense Total	52,287,444
------------------------	------------

**Board of Selectmen and the Office of the
Town Manager**

10A	Salary & Wages	875,526
10B	Expenses	151,699
	Total	1,027,225

Town Clerk and Board of Registrars

11A	Salary & Wages	373,098
11B	Expenses	60,035
	Total	433,133

Town Counsel

12A	Salary & Wages	75,442
12B	Expenses	254,000
	Total	329,442

Personnel Board

13A	Salary & Wages	
13B	Expenses	
	Total	0

Finance Department

14A	Salary & Wages	1,905,197
14B	Expenses	949,492
14C	Capital	75,000
	Total	2,929,689

Finance Committee

15A	Salary & Wages	37,448
15B	Expenses	1,320
	Total	38,768

Planning and Community Development

16A	Salary & Wages	523,523
16B	Expenses	31,900
	Total	555,423

General Government	5,313,680
--------------------	-----------

Police Department

17A	Salary & Wages	6,350,537
17B	Expenses	311,290
17C	Capital	153,574
	Total	6,815,401

Fire Department

18A	Salary & Wages	7,763,983
18B	Expenses	376,822
18C	Capital	23,778
	Total	8,164,583

Building Department

19A	Salary & Wages	701,713
19B	Expenses	55,040
	Total	756,753

Public Safety	15,736,737
---------------	------------

Minuteman Regional High School Assessment

20	Assessment	914,236
	Total	914,236

Needham Public Schools

21	Needham Public School Budget	71,105,943
	Total	71,105,943

Education	72,020,179
-----------	------------

Public Facilities Design & Construction

22A	Salary & Wages	488,361
22B	Expenses	19,495
Total		507,856

Department of Public Works

23A	Salary & Wages	7,482,721
23B	Expenses	4,537,940
23C	Capital	29,993
23D	Snow and Ice	416,232
Total		12,466,886

Public Facilities and Public Works		12,974,742
------------------------------------	--	------------

Municipal Parking Program

24	Program	106,382
Total		106,382

Health and Human Services Department

25A	Salary & Wages	1,519,748
25B	Expenses	341,986
Total		1,861,734

Commission on Disabilities

26A	Salary & Wages	1,500
26B	Expenses	550
Total		2,050

Historical Commission

27A	Salary & Wages	
27B	Expenses	1,050
Total		1,050

Needham Public Library

28A	Salary & Wages	1,397,232
28B	Expenses	358,677
Total		1,755,909

Park and Recreation Department

29A	Salary & Wages	575,332
29B	Expenses	84,600
	Total	659,932

Memorial Park

30A	Salary & Wages	
30B	Expenses	750
	Total	750

Community Services	4,387,807
--------------------	-----------

Department Budget Total	110,433,145
-------------------------	-------------

Total Operating Budget	162,720,589
------------------------	-------------