

**Needham Finance Committee
Minutes of Meeting of April 4, 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; Barry Coffman, Vice Chair

Members: Joshua Levy, Richard Lunetta, Louise Miller, Carol Smith-Fachetti

Others present:

Kate Fitzpatrick, Town Manager

David Davison, Assistant Town Manager/Finance Director

Marianne Cooley, Chair, Select Board

Daniel Matthews, Vice Chair, Select Board

Dan Gutekanst, Superintendent of Schools

Richard Merson, Director, Department of Public Works

Anthony DelGaizo, Town Engineer

Timothy McDonald, Director of Health and Human Services Department

Patricia Carey, Director, Park and Recreation Department

Citizen Requests to Address Finance Committee

No citizens requested to speak.

Approval of Minutes of Prior Meetings

MOVED: By Mr. Lunetta that the minutes of February 28, March 14, and March 21, 2018 be approved as distributed, subject to technical corrections. Mr. Levy seconded the motion. The motion was approved by a vote of 5-0. (Ms. Miller had not yet arrived.)

2018 Annual Town Meeting Warrant Articles:

Article 46: Non Betterment St. Acceptance - Pandolf Lane

Mr. Merson stated that there are two ways for a private way to become a public way: a betterment acceptance where the Town designs, constructs the improvements and assesses the properties, or a non-betterment where a developer builds the road to Town specification and gets all required approvals. Town Meeting must accept the change. In response to a question from Mr. Lunetta, Mr. Merson stated that if the article fails, the road will remain a private way. Mr. Reilly asked if there were financial implications. Mr. Merson stated that the Town will have to maintain the road. Mr. Davison stated that the Town will get additional Chapter 90 funds, though the amount would be minimal.

MOVED: By Mr. Coffman that the Finance Committee recommend adoption of 2018 Annual Town Meeting Warrant Article 46: Non Betterment St. Acceptance - Pandolf Lane. Ms. Fachetti seconded the motion. The motion was approved by a vote of 6-0.

Article 47: Amend Gen By-Law - Public Construction

Mr. Davison stated that the article is making several changes. It revises the by-law to recognize the transfer of maintenance work from the Public Facilities to the Public Works Department, broadens the requirements for serving on the PPBC (allowing members of other standing committees), and provides for building plans to be maintained in an electronic rather than paper format. He stated that the PPBC has had some trouble finding PPBC members with the very specific qualifications. Ms. Miller stated that there was a purpose behind the mix of specifications for the PPBC. Ms. Fitzpatrick stated that those specifications remain as preferred qualifications. Mr. Reilly stated that there is a potential financial benefit by having the PPBC fully functioning. Mr. Levy asked who were the appointing authorities for the PPBC. Ms. Fitzpatrick stated that it was School Committee, Park and Recreation Commission, Library Trustees, and the Moderator. Mr. Reilly asked why the Finance Committee was not included. Ms. Fitzpatrick stated that the appointing boards are stakeholders in buildings. Mr. Matthews noted that they were boards of elected members. Ms. Fitzpatrick stated that the change would no longer disqualify members on standing committees.

MOVED: By Ms. Miller that the Finance Committee recommend adoption of 2018 Annual Town Meeting Warrant Article 47: Amend Gen By-Law - Public Construction. Mr. Lunetta seconded the motion. The motion was approved by a vote of 6-0.

Article 13: Long Range Plan

Ms. Cooley stated that the Town is unsure about the expected size that the Town will ultimately be, particularly after ongoing new development finishes. Because the Town has been tightly focused on building infrastructure, this will provide a broader view of what is needed to support the infrastructure. Mr. Fachetti asked if these issues were addressed in the studies preparing for the new elementary school and the public safety buildings. Ms. Cooley stated that this work will be done in conjunction with committees like the Future School Needs Committee, and will look at traffic, water, sewer and other needs in addition to buildings. Mr. Levy asked if the plan would look at the appropriate workforce relative to the population at capacity, or if it would focus on the appropriate workforce under current population. Ms. Cooley stated that she proposed the plan to examine the Town in light of the existing Town projects, with build-out of certain areas. Ms. Miller asked what the Town would get from the work. Ms. Cooley stated that it would show the size of the Town, looking at the capacity and the constraints to growth. Mr. Coffman asked if the annual census provided the information. Mr. Reilly stated that last year, when reviewing the McKibben school enrollment projections, it was revealed that the annual census numbers are very different from federal census numbers. Some of the difference was attributable to college aged students, both those at Olin and those away at college, which differed on which location was considered a college student's residence. Mr. Lunetta stated that \$50K seems short to cover the proposed work, and asked if the plan would be done piecemeal. Ms. Fitzpatrick stated that there are already master plans for water, sewer and stormwater, but that this effort will gather a core group or steering committee that would work to fill in the gaps to create a comprehensive plan, and that they would get consulting assistance where needed.

Mr. Reilly asked how they decided on \$50K. Ms. Fitzpatrick stated that a community master plan costs approximately \$100K, and she felt that \$50K would work for what is needed. Mr. Coffman stated that that Town has already committed significant spending to the new school and the public safety building with the assumption that the services needed were understood. This request implies that the Town did not know what it was doing before planning those projects. Ms. Cooley stated that the concern is that the investments in infrastructure were not made soon enough. She stated that during various planning discussions, it has been clear that there were

disconnects in available information. Mr. Reilly stated that it is important to be careful about the descriptions as this is early in the warrant before some significant projects. He stated that it is important to emphasize that this will integrate existing information. Ms. Miller stated that the Future School Needs Committee should determine the school enrollment numbers.

Mr. Levy asked how much of this would be a snapshot or current inventory, and how much would be a projection of expected changes. Ms. Fitzpatrick stated that this plan will bring together already existing information, and will help the Town to understand where it will be in the next 20 years. Ms. Fitzpatrick indicated that the warrant explanation would be revised to reflect the issues discussed. Mr. Reilly stated that the Committee would defer the vote on this article pending the re-write.

Article 45: Amend Gen By-Law - Marijuana Establishments

Ms. Cooley stated that, in the state referendum, the Town residents voted 45-55, not to support the legalization of recreational marijuana. She stated that the zoning law prohibiting recreational marijuana in Town will be voted on first in the warrant because it needs a 2/3 majority. If the zoning passes, then the general law would also be considered because the threshold to pass the general law is lower. If the zoning by-law fails, then the Select Board will refer the general by-law back for further consideration, and not discuss the article at Town Meeting. She stated that the legal advice was to have both a zoning by-law and a general by-law because the state statute is not clear. Mr. Levy asked if the primary motivation to seek the prohibition was the 45-55 vote in the state referendum. Ms. Cooley stated that the Town has a current moratorium against recreational marijuana that is in place until the end of the year, and that the intention is to make it permanent because of the vote. Ms. Miller suggested that it might make more sense to bring up the general by-law first, because if the prohibition passes, then there is no need to consider zoning. Ms. Fitzpatrick said that approval of both matters was the more prudent approach.

Mr. Reilly asked whether there are financial implications. Mr. Coffman stated that empty storefronts could be filled. Mr. Reilly stated that there may be more Police services needed if recreational marijuana establishments were approved. Mr. McDonald stated that in other places that allow recreational marijuana, the revenue produced has only met the cost or been less than the increased needs. Mr. Cooley noted that Massachusetts' tax rate is lower than in other states. Mr. Reilly asked if Needham has experienced additional public safety needs since adding package stores. Ms. Fitzpatrick stated that there does not appear to have been more public safety services needed as a result. Mr. McDonald stated that there has not been a clear answer looking at the youth substance abuse survey. He stated that prevention literature has shown that to reduce youth substance abuse, the best approach is to reduce access and availability.

Mr. Levy asked why not continue the prohibition for a limited amount of time. Ms. Cooley stated that the Town cannot extend it. Mr. Levy asked why a prohibition is better than trying to regulate recreational marijuana. Ms. Cooley stated that the vote showed that the Town does not want recreational marijuana. Mr. Matthews stated that this is a brand new market, and that it is often best to let others work out the issues. Mr. Reilly stated that a vote to allow recreational marijuana will potentially increase public safety costs, though it is his expectation that it will bring more business traffic to town, but his sense is that the overall financial effect would likely be negative. Mr. Coffman stated that he did not agree, and that in Colorado the establishments are nice and people behave appropriately and he felt that the financial impact would be positive. Mr. Reilly stated that the Committee could take no position on the basis that the financial implication is not clear. Mr. Levy stated that he felt there would be a positive financial impact,

and that he expects that the zoning could bring in ancillary businesses. Ms. Fachetti stated that it would be hard to argue there is no financial implication. Mr. Reilly stated that, on that basis, from a Finance Committee perspective, it would be hard to recommend that Town Meeting should support the prohibition. Mr. Coffman stated that he agreed when considering purely financial reasons.

MOVED: By Mr. Levy that the Finance Committee recommend that Town Meeting not adopt of 2018 Annual Town Meeting Warrant Article 45: Amend General By-Law - Marijuana Establishments. Ms. Miller seconded the motion. The motion was approved by a vote of 5-1, with Ms. Fachetti dissenting.

Article 48: Amend Gen By-Law - Contract Procedures

Mr. Davison stated that there are four changes in this article. Two changes are a result of the state Municipal Modernization Act. One change will increase the threshold amount of contracts procured pursuant to Chapter 30B that require the approval of Town Counsel from \$25K to \$50K. Contracts would still be required, but not the approval of the Town Counsel. The second change will add a section to the by-laws allowing appraisal contracts for up to 5 years, rather than the current 3-year limit. This will allow the Town to secure one appraiser to use for a full valuation cycle. The other provisions will amend language to allow the Town to enter online service contracts for any online service, not limited to an online service “for Curriculum.” The last provision will allow the contract types and term limits listed in the article to be published in alphabetical order, rather than in the order that the provisions were added to the by-law.

MOVED: By Ms. Miller that the Finance Committee recommend that Town Meeting adopt of 2018 Annual Town Meeting Warrant Article 48: Amend Gen By-Law - Contract Procedures. Mr. Lunetta seconded the motion. The motion was approved by a vote of 6-0.

Article 49: Amend Gen By-Law – Vaccination Requirement

Mr. Davison stated that the Town Clerk is recommending this new provision to enforce the state vaccination requirement for certain pets. Mr. Lunetta asked if there is a way to police the requirements. Mr. Davison stated that this will provide a more practical way to enforce, by fining owners. He stated that it will be easiest to enforce for dogs, which much be licensed, but more difficult to enforce for cats and ferrets. Ms. Miller asked if the fines are set by state law. Mr. Davison stated that the \$100 criminal violation is a state law, but the \$50 non-criminal law is by Town by-law. Ms. Miller stated that the fine should be significantly higher than the cost of vaccination. Mr. Levy asked if there is an existing problem in Town with unvaccinated pets. Mr. Davison stated that the Town Clerk has requested this in order to address an issue with respect to licensing and enforcement.

MOVED: By Ms. Miller that the Finance Committee recommend that Town Meeting adoption of 2018 Annual Town Meeting Warrant Article 49: Amend Gen By-Law – Vaccination Requirement. Ms. Fachetti seconded the motion. The motion was approved by a vote of 6-0.

Article 51: Amend Home Rule Petition – Amend Town Charter

Mr. Davison stated that the article changes the title of the Board of Selectmen to Select Board, and increases the size of the Board of Health from 3 to 5 members. Mr. McDonald stated that the Board of Health will make a formal vote on April 13, but has indicated support. Mr. Davison stated that the article also specifies the timing of the designation of Town Meeting Member at large, since it has not been clear due to the way different boards operate. Mr. Lunetta asked how the name Select Board was chosen. Ms. Cooley stated that the term is recognized and being used in other towns. Ms. Miller stated that the Mass. General Laws refer to the Board of Selectmen. Mr. Davison stated that the IGR informational guidelines have changed their usage from Board of Selectmen to Select Board. Ms. Miller stated that there is no financial implication to the article.

MOVED: By Ms. Miller that the Finance Committee take no position with respect to 2018 Annual Town Meeting Warrant Article 51: Amend Home Rule Petition – Amend Town Charter, since there is no financial implication. Mr. Coffman seconded the motion. The motion was approved by a vote of 6-0.

Article 52: Amend Gen By-Law Stormwater

Mr. Reilly stated that this article has financial considerations for individual homeowners. Mr. Matthews stated that adoption of the by-law is needed as it would help bring the Town in compliance with the currently NPDES requirements. It will require property owners to infiltrate roof runoff as best they can. The by-law requirements will be imposed when homeowners make substantial changes to property, adding more than 25% of a home, or tearing down and rebuilding. Mr. Reilly asked if there is chance of perpetuating noncompliance by not requiring changes to existing homes. Mr. Matthews stated that the Town believes it will be in compliance with NPDES requirements by enacting the by-law. He stated that the issue has been around a long time, but has been exacerbated by significant new construction. He stated that over the years, he feels that the requirements will be applied to most properties. Ms. Miller noted that enacting the by-law is the first step in compliance. Mr. Matthews stated that he believes that this step will protect the Town for now. He stated that commercial properties and larger developments are not impacted by this by-law, but they are already covered by substantially similar regulations. He stated that there are three safety levels, but that the cost is expected to be about \$4000 per house for the needed additional work. He stated that homeowners can either install a dry well on their own property or hook up to the storm drain if they are within 100 feet, or can take other mitigating actions. If the Town were to try to address this issue on a larger scale, the cost would be approximately \$100 million. Mr. Reilly asked what the penalty would be if the Town ignored this issue. Mr. Matthews stated that the potential fine is \$25K per day. Mr. Coffman asked if a house would need to be in compliance with these provisions to be sold. Mr. Matthews stated that under these provisions it would not. Ms. Fitzpatrick stated that the provisions only apply to roof runoff, not from driveways.

Mr. Coffman asked if there were comments at the public hearing. Mr. Matthews stated that there were few, but there were a number of written comments. Ms. Fitzpatrick stated that there have been useful comments, and that the Town has been working to incorporate them. Mr. Merson stated that the regulations have been drafted to require compliance measures that reflect the amount of disruption to the property. Ms. Fitzpatrick noted that Town buildings and parking lots are already in compliance. Mr. DelGaizo stated that the \$4,000 cost would cover the addressing the imperviousness of a large house, and that smaller houses would have a cost of \$2,000-\$4,000 for the mitigation costs. Ms. Miller stated that the contribution should be in the same cost range.

Mr. Reilly stated that the Committee would defer the vote until the final language is ready, and until information is provided about the financial implications of the changes to the proposal and the basis for determining those financial implications.

Reserve Warrant Articles

Article 42: Capital Facilities Fund

Mr. Reilly stated that this article would reinstate funds from the CFF that were appropriated in the fall. Mr. Davison stated that \$471K for this article would come from the levy rather than free cash so those funds could be used for an article in the Special Town Meeting warrant to fund work at the High School. He stated that \$1,386,000 would come from free cash.

MOVED: By Ms. Miller that the Finance Committee recommend adoption of 2018 Annual Town Meeting Warrant Article 42: Appropriate to Capital Facilities Fund in the amount of \$1,817,000 as indicated. Mr. Lunetta seconded the motion. The motion was approved by a vote of 6-0.

Article 43: Debt Service Stabilization Fund

Mr. Davison stated that this article would be withdrawn.

Re-Consider Article 31: Appropriate to Community Preservation Fund

MOVED: By Ms. Miller that the Finance Committee recommend adoption of 2018 Annual Town Meeting Warrant Article 31: Appropriate to Community Preservation Fund as updated. Mr. Lunetta seconded the motion. The motion was approved by a vote of 6-0.

Mr. Davison stated that this article has been updated. The amount of funding being appropriated to the CPA General Reserve fund would be reduced in order to fund part of the Memorial Park building project.

Reserve Fund Transfer Request - Park and Recreation

Mr. Reilly stated that during the FY 2018 budget process, the Park and Recreation budget for summer wages for pool staff was defunded because there was uncertainty whether the Rosemary Pool project would be finished in time to need the funding in FY 2018. The funds were moved to the Reserve Fund, and the Finance Committee told the Town staff to request a Reserve Fund Transfer if the funds were needed. He stated that the Park and Recreation Department has requested \$47,538 for the pool staff. Ms. Carey stated that the exact opening date is not yet certain, but these funds are needed to get the staff hired and trained. Mr. Coffman asked if the number of positions are in line with past staffing levels for these positions. Ms. Carey stated that they will need more lifeguards, and to add slide monitors. The staff is increasing from 22 to 32. Ms. Miller asked what they would do during 25 hours per week of training for four weeks. Ms. Carey stated that training will be significant because it is a whole new site. She stated that some would be off site and some on site. She stated that they would not be paid if there is not

something productive to do. Ms. Miller stated that 100 hours of training seems like a lot, and that there should be back up plans to give them work to do.

Mr. Levy asked if they have had problems recruiting staff at their wage rates. Ms. Carey stated that they have been increased to be in line with or higher than surrounding towns. She stated that the Recreation Specialist 1 includes slide monitors, and camp counsellors, which requires no certification. Level 3 includes swim lesson instructors with lifeguard and water safety certifications. Level 5 includes pool supervisors who oversee other staff. Ms. Carey listed the websites and places where she advertises the positions, and other recruitment efforts.

MOVED: By Mr. Coffman that the Finance Committee approve the Request for a Reserve Fund Transfer of \$47,538 to the Park and Recreation Department salary line. Mr. Lunetta seconded the motion. The motion was approved by a vote of 6-0.

Finance Committee Updates

Adjournment

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

Documents: Capital Improvement Plan, FY2019-FY2023, Office of the Town Manager; Town of Needham 2018 Annual Town Meeting Warrant, Draft of 3-23-2018; Request for Reserve Fund Transfer

Respectfully submitted,

Louise Mizgerd
Staff Analyst