

**Needham Finance Committee
Minutes of Meeting of October 10, 2018**

The meeting of the Finance Committee was called to order by Chair Barry Coffman at approximately 6:30 pm at the Needham Town Hall.

Present from the Finance Committee:

Barry Coffman, Chair; Tom Jacob, Vice Chair

Members: John Connelly, Joshua Levy, Richard Lunetta, Richard Reilly, Carol Smith-Fachetti

Others present:

David Davison, Assistant Town Manager/Finance Director

Citizen Requests to Address Finance Committee: No citizens requested to speak.

Approval of Minutes of Prior Meetings

MOVED: By Mr. Reilly that the minutes of October 3, 2018, be approved as distributed. Mr. Jacob seconded the motion. The motion was approved by a vote of 7-0. (Ms. Smith-Fachetti had not yet arrived.)

Special Town Meeting Warrant Articles

Article 1- Fund Collective Bargaining Agreement Custodians

Mr. Davison stated that this article would approve of the collective bargaining agreement reached with the custodians that was ratified by the union last week. The handout describes the changes to existing agreement, including a wage increase effective November 1. Mr. Levy asked if this agreement affected Articles 5-7. Mr. Davison stated that it would not. Mr. Reilly asked about the variation in the ratio of the step increases to the base wage increases. He asked why the step increases are about 60% compared to the amount of the base wage increase in FY19, about 50% compared to the base wage increase in FY20 and less than 25% compared to the amount of the base wage increase in FY21. Mr. Davison stated that part of this is attributable to the fact that step increases vary depending on which step employees are in. Another factor is that the base wage increase in FY19 will take effect on November 1, so the higher wages apply to only 8 months of FY19, while FY20 numbers reflect the full year of the F19 increase incorporated in the base, plus the full year of the FY20 wage increase added on. Mr. Lunetta asked if the unions have ever asked for bigger increases at upper steps so that longer term employees could have higher increases. Mr. Davison stated that the DPW union did request an additional step to provide an increase for employees at the highest step.

Mr. Levy asked where the funds were coming from, since the article does not have any amount being appropriated. Mr. Davison stated that the funds will come from the Classification, Performance and Settlement line in Townwide Expenses in the FY19 budget. He stated that the Enterprise Funds do not have a comparable line, so the budgets need to be amended to provide the funding.

MOVED: By Mr. Reilly that the Finance Committee recommend adoption of October 2018 Special Town Meeting Warrant Article 1: Fund Collective Bargaining Agreement

– Building Custodian/Trades Independent Association as set forth in the warrant. Mr. Levy seconded the motion. The motion was approved by a vote of 6-0. (Ms. Fachetti had not yet arrived.)

Article 2- Fund Collective Bargaining Agreement DPW/NIPEA

Mr. Davison stated that this article would approve of the collective bargaining agreement for the DPW workers union, which affects the Enterprise Fund budgets which are being amended in Articles 5, 6 and 7. The terms are consistent with the handout describing the changes. He stated that the contract was ratified yesterday, and includes an additional step in FY20. In response to a question from Mr. Levy, Mr. Davison confirmed that this agreement affects 59 employees, including some in the General Fund budget. He noted that there are 50 custodians covered by the agreement in Article 1.

MOVED: By Mr. Reilly that the Finance Committee recommend adoption of October 2018 Special Town Meeting Warrant Article 2: Fund Collective Bargaining Agreement – Needham Independent Public Employee Association/DPW as set forth in the warrant. Mr. Connelly seconded the motion. The motion was approved by a vote of 7-0.

Article 5- Amend the FY2018 RTS Enterprise Fund Budget

Mr. Davison stated that this article amends the RTS budget to fund the salary increases in the agreement in Article 2. In response to a question from Mr. Reilly, Mr. Davison stated that the \$72K increase in Article 2 for FY19 covers the employees in all of the Enterprise Funds. He stated that \$12K is needed for RTS employees.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of October 2018 Special Town Meeting Warrant Article 5: Amend the FY2019 RTS Operating Budget as set forth in the warrant. Mr. Reilly seconded the motion. The motion was approved by a vote of 7-0.

Article 6- Amend the FY2018 Sewer Enterprise Fund Budget

Mr. Davison stated that this article will amend the Sewer Enterprise Fund budget to fund the increases in the collective bargaining agreements in Articles 1 and 2, and also to amend the MWRA assessment line, which was based on an estimate before the final assessment was determined. He stated that the change will reduce what the Town can spend for the assessment. In response to a question from Mr. Levy, Mr. Davison explained that the assessment is calculated first by determining the volume of sewer usage by the Town, and then the assessment is based on the Town's share of total MWRA sewer usage. He noted that the determination of the MWRA assessment is the same, by calculating the Town's share of total MWRA water usage.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of October 2018 Special Town Meeting Warrant Article 6- Amend the FY2018 Sewer Enterprise Fund Budget as set forth in the warrant. Mr. Reilly seconded the motion. The motion was approved by a vote of 7-0.

Article 7- Amend the FY2018 Water Enterprise Fund Budget

Mr. Davison stated that this article, similar to Article 6, will amend the Water Enterprise Fund budget to fund the increases in the collective bargaining agreements in Articles 1 and 2, and also to amend the MWRA assessment line, which was also based on an estimate before the final assessment was determined.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of October 2018 Special Town Meeting Warrant Article 7- Amend the FY2018 Water Enterprise Fund Budget as set forth in the warrant. Mr. Levy seconded the motion. The motion was approved by a vote of 7-0.

Finance Committee Updates

The next meetings will be October 24, December 12 and December 19.

Adjournment

MOVED: By Mr. Connelly 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 7-0 at approximately 6:50 p.m.

Documents: October 10, 2018 Special Town Meeting Warrant; Handouts: October 2018 Special Town Meeting Warrant Article 1: Fund Collective Bargaining Agreement – Building Custodian/Trades Independent Association, Article 2: Fund Collective Bargaining Agreement – Needham Independent Public Employee Association/DPW.

Respectfully submitted,
Louise Mizgerd
Staff Analyst

Approved 10/24/18