

**Needham Finance Committee
Minutes of Meeting of December 19, 2018**

The meeting of the Finance Committee was called to order by Chair Barry Coffman at approximately 7:00 pm at the Great Plain room of Town Hall.

Present from the Finance Committee:

Barry Coffman, Chair; Tom Jacob, Vice Chair

Members: John Connelly, Carol Fachetti, Joshua Levy, Richard Lunetta

Others present:

David Davison, Assistant Town Manager/Finance Director

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

David Tobin, Town Counsel

Stephen Popper, Director of Building Design and Construction Department

Hank Haff, Senior Project Manager, Building Design and Construction Department

Timothy Muir McDonald, Director of Health & Human Services

Citizen Requests to Address Finance Committee

No citizens requested to speak.

Approval of Minutes of Prior Meetings

MOVED: By Mr. Jacob that the minutes October 24, 2018, and the minutes of the executive sessions of August 9, 2017, December 29, 2017, and February 28, 2018 be approved as distributed, subject to technical corrections. Mr. Levy seconded the motion. The motion was approved by a vote of 5-0. (Mr. Connelly had not yet arrived.)

FY 2020 Department Budget Requests

Police Department

Mr. Levy introduced the budget and outlined staffing levels, vehicles, calls, and revenue. He stated that he wanted to focus on anything new in the budget. Chief Schlittler stated that one officer that had transferred to Boston has returned, so there is no longer a vacancy in that position. There were three other vacancies, with three people going through the hiring process, two of whom are waiting to go to the academy. The other person being hired is an experienced officer and can go right on the road. He stated that the Department is seeking to add two additional officers in the FY20 budget. Mr. Levy noted that last year, an additional officer was added to the budget to handle more intensive follow-up calls. The plan was to move an established officer into that role, and backfill the original position with a new. That has not yet happened.

Mr. Levy stated that in the capital request, all of the weapons will be replaced. Chief Schlittler stated that they are changing to 9mm weapons which have changed and are now more efficient and accurate compared to the 40mm, and have the same stopping power. He stated that there is also a capital request to fund public safety equipment, which includes cruiser radios and portable radios for the police and fire departments. He stated that the need was established as part of the study for the construction project. Mr. Lunetta stated that these items were shifted from the construction project budget to the annual capital budget.

Mr. Levy stated that he and Mr. Lunetta had discussed the justification for the new officer positions. They found that, while there is good data on the number of calls, the information currently captured does not show how the complexity of calls has changed, which is an important reason given to support the need for the new positions. He stated that it could be worthwhile to invest in software that could track more metrics. Chief Schlittler stated that the duration of calls is tracked, but that would not effectively show the complexity of the call. He stated that complexity of cases could not necessarily be quantified. He stated that they try to capture data where they can, but it would not be reasonable for officers to log in and out of different activities since they have to act immediately to answer emergencies. Mr. Coffman asked if there is any way that new software with additional tracking capabilities could help the department run better. Chief Schlittler stated that the value of the software is only as good as the input, and he does not want to run the department focused on data collection rather than service. Mr. Lunetta stated that the nature of the work is more complex, and that the Department is requesting more staff, but the current information does not show a need for more staff. There should be more information to support the request. Chief Schlittler stated that the need to address mental health issues has continued to increase and is a big part of the need. He described the plan for how to deploy the officers in the various sectors. He stated that Chief Droney had wanted to add a sector to address additional service needs, but that he is addressing it with an additional “umbrella” car that can provide backup to all sectors. Mr. Levy stated that anecdotal evidence is not good enough support for the request. Chief Schlittler stated that the number of calls has increased significantly. He stated that some may be attributable to a new system capturing more information, but that there has been an increase. Mr. Lunetta stated that the number of priority calls has remained the same. Lt. Baker stated that the more complex calls are not necessarily priority calls. The priority 1 calls are generally a crime in progress or a life-threatening situation. A mental health issue may be complex but not a priority 1 call.

Chief Schlittler stated that there has also been an increase in the number of people and businesses in Town, and that additional staff will make the service more efficient. He noted that when there are Fire calls, the Police go, so as Fire calls increase, Police work increases. He also stated when there are additional students or new schools, there is additional crossing guard work for the Police. He stated that additional traffic in Newton has also affected Needham. Mr. Lunetta stated the request includes funding for an additional vehicle.

Mr. Lunetta noted that the Department’s requested budget increase is just over 2%, which is a small amount. Lt. Baker stated that the Police FY20 budget includes the additional cost of the rental of the public safety communications tower as part of the new system. Mr. Coffman thanked the department for its hard work.

Fire Department

Mr. Lunetta introduced the budget. He stated that Fire Department revenue has been increasing, and that one substantial reason is that the prices have increased in addition to and increased number of runs. He described the emergency equipment, and stated that 55% of the calls are for EMS. He stated that the Department is in the process of hiring new firefighters. Two are currently in training, four are in testing, and one position is open. There are four units of staff, ideally with 15 people each. If the number in the unit falls below 12 on a shift, then one piece of equipment must be taken out of service, which happens about 10 times per year. He stated that the current collective bargaining agreement will expire in at the end of FY19. Capital requests include protective gear and equipment for the new public safety building that was moved from the project budget to the capital plan.

There are two DSR4 requests. One request would fund for 8 additional firefighter positions in FY2020 for a total cost of \$928K, of which the Town would pay 25%. The second request would increase the hours to the Emergency Management Coordinator from 1300 to 1950 per year to make the position full time. He described the background of the position from 2016 when Town Meeting approved of the position at 25 hours per week, followed by a request to increase the hours from 25 to 37.5 hours per week in 2018 that was not funded. The position had been in the HHS budget, but is now being requested as part of the Fire Department budget. The request also includes funding for emergency management training exercises.

Mr. Coffman asked if there would be additional revenue with the new ambulance. Mr. Davison stated that additional revenue for the new ambulance is included in the revenue estimates. He stated that the Town anticipates that, in time, positions can be funded with the revenue. He stated that there people entering the fire academy in April 2019 who will not be in the Department until June or July. Mr. Connelly asked where additional staff would be housed. Chief Condon stated that the Department would not reach a staff of 72 until early fall of 2019. He stated that they can squeeze in the current facilities for the short term, and then in October 2019, the Hillside building will be ready to accommodate all staff. Mr. Levy stated that he will want to see the impact of the eight additional firefighter positions over the three years of the grant, in particular how the revenue and overtime is changed with the additional staff. Ms. Bonnano stated that there are grant reporting requirements that will show the number of calls, as well as how the money was spent. She will be able to provide those reports.

Chief Condon stated that the development in Needham Crossing would mean more emergency incidents. The amount of service needed has increased steadily, and he expects that trend to continue. He stated that there would be a second ambulance at Fire Station 2. They will need to hire more people or take apparatus out of service. If additional staff is not hired, then there will be additional risk for firefighters and for the Town. He stated that with a staff of 72 paramedics and firefighters, he expects the ISO (Insurance Services Office) level to change from 2 to 1 which will affect homeowners' insurance costs.

Mr. Levy asked what has changed since there was a request to increase the emergency management coordinator hours last year. Chief Condon stated that there is increasing reliance on the program as it has developed, and demand for the services has increased. He stated that the program will fall apart if the services are discontinued. The program must continue to hold drills and keep up to date. Mr. Connelly stated that he does not see 1800 hours of work that would justify a full-time position for this work. Mr. MacDonald stated that it is hard to show evidence of how the Town is not prepared. This position would knit together emergency services in different departments. Mr. Lunetta stated that it sounded like the position would be more like a

project manager than someone who would deal with individual residents. He asked if the position were full time whether they would be able to generate revenue or get additional grant funding. Chief Condon stated that grant funding did increase when the previous person was in this position. He stated that the Town can get substantial reimbursement for emergency services under FEMA. Mr. MacDonald stated there will be a much higher level of service if there is a full time person in the role who would be on-call for emergencies. That would not be the case for a part-time or shared position.

Town Counsel

Mr. Connelly stated that the fluctuation in this budget is due mostly to the need for outside counsel. Mr. Tobin stated that there is also fluctuation when additional hours are for his services as well. He stated that he thinks that \$254K will cover the needed services. He stated that some years, more funds are needed, and that he would then request more funds. Mr. Davison stated that the Reserve Fund calculation takes into account historical Legal and Snow & Ice fluctuations. Mr. Connelly asked how the expenses are tracking in FY19. Mr. Tobin stated that the first five months have seen expenses of \$98K. He stated that it could be calculated out to about \$236K for the year. Mr. Coffman stated whether the categories of expenses tend to change each year. Mr. Tobin stated that sometimes they do. He described the current expenses, and recent years' expenses.

Building Design and Construction

Mr. Connelly stated that the major projects are finishing up, so that the only ongoing project will be the public safety building project. Mr. Popper stated that the public safety project is really comprised of three projects. He described how the staff would be allocated. He stated that there would be two project managers on the public safety headquarters, one on fire station 2, and one addressing the wrap-up of the elementary schools. He stated that the Mitchell modular project will be finishing up, but then there will be much work with the MSBA in preparation for the next project. Mr. Connelly stated that the Committee needs to focus on projects that are actually approved. He stated that the number of project managers will decrease from 5 to 4 in FY21. Mr. Davison stated that the PRD1 shows all staff, but only four of the PMs are in the operating budget, and one is funded from a warrant article, which covers 104 weeks of salary for one PM.

Mitchell Modular Classroom Project Update

Mr. Popper stated that the project drew only one bid, and it was significantly above the budgeted amount. The options are to get additional funding for the project now at the current bid price, or to wait a year and go out to bid again without knowing whether the cost will decrease and with the understanding that the cost may increase. Mr. Coffman asked if Dore and Whittier explained how their estimate was so far off. Mr. Popper stated that they blamed a lack of competition. Mr. Coffman questioned whether the bidder could have known whether there was competition. Mr. Popper stated that one PPBC member is an architect and said that small projects can be wild cards and unpredictable. Mr. Popper stated there may be room to narrow the cost. He stated that if they can do borings and get additional information about site costs, they may be able to reduce the premium that is built in for site-related risk. He stated that they would not be able to reduce the costs by \$600K. Mr. Connelly asked if the additional \$600K is spread out, or in one area of expenses. Mr. Popper stated that he does not know where the premiums are, but that project costs are 40% for the boxes (modular units), 30% for site costs, and 30% for site mechanical, electric,

and plumbing such as sewer tie-ins and utilities. Mr. Haff stated that the estimate had \$550K for the boxes, and the bid had \$700K. He stated that Triumph, the bidder, said that they were surprised by the cost of the boxes and had gone to three suppliers. Mr. Popper stated that they fully intend to negotiate after the award. He stated that Triumph has worked with the Town before, and will want to continue to do so. Mr. Connelly stated that he did not think that they will come down, and that they may even be losing out since it is a project that no one else even wanted to bid. Mr. Popper stated that they could consider a scope change.

Mr. Levy asked if other options were explored such as leasing or renting units from another Town, or redistricting the schools. Mr. Haff stated that the building is already at capacity. Other schools will be re-purposing space for full day kindergarten, and the school population continues to rise. He stated that Mitchell's enrollment is expected to peak in 5 years depending on housing development. Mr. Coffman noted that Mitchell has already had its major building project pushed off, and that this project needs to be done. Mr. Davison stated that there are funds in Free Cash, but Town Meeting must appropriate the funds. He stated that whether the choice is to lease, re-bid, or go forward, that a Town Meeting vote will be needed. Town Meeting would not need to vote for redistricting. He stated that the 60% difference would not be made up with a change of scope. He stated that the School Committee has voted to request a warrant article to move forward with the current bid. The Selectmen are planning to meet this week to open and close the warrant for a Jan. 22, 2019 Special Town Meeting. Mr. Levy asked if leasing the units was on the table. Mr. Davison stated that it was not since the Selectmen want to go forward with this procurement to keep the project on schedule. Mr. Connelly stated that public construction laws do not allow the Town to go to the bidder and say that they will lease the units. Mr. Popper stated that they had explored lease-to-buy, but it was not viable. Mr. Haff stated that the modular classrooms currently at Pollard are close to 20 years old, and are currently fully used by the language program. Ms. Fachetti asked if re-districting could ameliorate the problem at Mitchell. Mr. Connelly stated that the School Committee would have to address that question. Mr. Popper stated that it is currently a difficult bidding environment. Mr. Jacob stated that he is disappointed in Dore and Whittier. This is a difficult story to tell Town Meeting. Mr. Connelly stated that it is good to set up the process for a Special Town Meeting in January, but this is a starting point in deciding what to do. Mr. Popper stated that he would not want to change the scope of the project. Mr. Lunetta stated that since the school has said that they can get by for a year, it makes the most sense to rebid the project, possibly with a better plan. Mr. Haff stated that the school is cramped and not fully accessible. Mr. Coffman stated that would not be fair to the Mitchell community. Mr. Connelly agreed and stated that the Town should do all it can to get the project done.

Finance Committee Updates

Mr. Coffman stated that Ms. Marianne Cooley is looking for a member of the Finance Committee to sit on the Needham 2025 Committee that is seeking to develop long-term planning. Mr. Connelly agreed to take the position.

Mr. Davison stated that he is exploring creating a Stormwater Enterprise Fund, and is putting together task force to look into it. He stated that there would be representatives from the Water and Sewer Rate Structure Committee, the Conservation Commission, the Finance Committee, and a citizen-at-large. He stated that there will be about 4-6 meetings in 3 months, probably Thursday evenings. Mr. Levy asked about a revenue source for the fund. Mr. Davison stated that new stormwater fees are coming. Mr. Coffman stated that he would ask Ms. Miller to take the position. He stated that if two representatives were needed, he would do it as well. Mr.

Davison stated that he expects the Town to propose the enterprise fund for FY 2021, to allow one year of build-up so that people will know if it coming, and to allow it to be worked into the budget requests next year.

Adjournment

MOVED: By Mr. Connelly that the Finance Committee meeting be adjourned, there being no further business. Mr. Jacob seconded the motion. The motion was approved by a vote of 6-0 at approximately 9:25 p.m.

Documents: FY 2020 Town of Needham Department Spending Requests

Respectfully submitted,

Louise Mizgerd
Staff Analyst

Approved January 2, 2019