

**Needham Finance Committee
Minutes of Meeting of January 30, 2019**

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

Present from the Finance Committee:

Barry Coffman, Chair; Tom Jacob, Vice Chair

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

Others present:

David Davison, Assistant Town Manager/Finance Director

David Roche, Building Commissioner

Lee Newman, Director, Planning and Community Development

Paul Alpert, Chairperson, Planning Board

Patricia Carey, Director, Park and Recreation Department

Christopher J. Gerstel, Chair, Park and Recreation Commission

Cynthia Chaston, Vice Chair, Park and Recreation Commission

Citizen Requests to Address Finance Committee

No citizens requested to speak.

Building Department

Mr. Roche stated that the department has purchased the scanner that was funded last year. The request was intended to cover a refurbished unit, but the IT Director recommended new equipment, so additional funds from the Building and IT department budgets were used. The department is still working on getting documents scanned in. The FY20 expense request is back to the usual level without that extra equipment request. Fee revenue is also returning to more typical level after a few years with huge commercial projects bringing in significant permit fees. There are some upcoming large Town building projects which will require permits and inspections, but will not generate fees. He stated that the number of permits is decreasing, but the sizes are increasing so the revenue is still increasing. There are currently two huge Chapter 40B housing projects that are winding down which have required many inspections and re-inspections. He stated that there has been some staff turnover, including the retirement of a long-time employee. He stated that he would like to reclassify the Department Assistant II position at some point because he feels that that person does more than the same level position in other departments. He stated that he has still been unable to fill the part-time plumbing inspector position. He stated that most plumbers are very busy, and the pay is too low to draw anyone in, particularly for part-time work. He stated that they are currently managing to keep wait times to within 1.5 days of an inspection request.

Mr. Coffman asked how far back they intend to go when scanning plans and creating electronic records. Mr. Roche stated that they are not sure yet, but will work from most recent back, and will not scan buildings that are no longer in existence. He stated that eventually, he hopes that the scanned records will be online and available to the public. He stated that they are looking at online permitting. There will be in-person permitting available as well. He wants to start online permitting with simple applications that do not require plan review. Mr. Coffman asked if

permit activity changed after the zoning changes at the last Annual Town Meeting. Mr. Roche stated that he did not notice much change. He said that it has been helpful to have more clearly stated ways to measure the various requirements such as setbacks and height. He thinks there may be fewer complaints. Mr. Levy stated that he was surprised to hear that the Building Commissioner spends about 3 hours per day working on zoning issues, and stated that a zoning enforcement officer could be worth considering. Mr. Roche stated that he receives many calls with complaints. He stated that a zoning enforcement person would be helpful because the zoning matters take him away from other work. Mr. Lunetta asked what performance metrics were being used to determine when things are working well. Mr. Roche stated that the spring and fall are the busiest times, and that recently has been particularly frustrating since one of the Chapter 40B project has required hundreds of reinspections. He stated that reinspection fees do not seem to discourage people from calling for inspection when they are not ready.

Mr. Levy asked how long each inspection takes. Mr. Roche stated that on average, an inspector can do 13-14 inspections per day. Each one takes 30-45 minutes, including travel. They are careful to set up a route for each day that is most efficient. Ms. Fachetti stated that the number of inspections has decreased, and asked if there is a point at which they would not seek to fill vacancies. Mr. Roche stated that the inspectors are currently overworked, and that finding alternates to do the work is crucial. He stated that the department needs the currently staffing level. Mr. Coffman asked if the part-time plumbing inspector position would be easier to fill if it were a full-time position. Mr. Roche stated that it could help, but given the volume of work, he could not justify a full-time position. He stated that he did fill the part-time electrical inspector position.

Planning and Community Development

Ms. Newman stated that the budget is essentially level-funded compared to FY19. She stated that the salary line contains contractual step increases and performance increases. She stated that they have carried funding for the Conservation Specialist forward for another year with 50% in the operating budget, with the funding shared equally with the CPA. They still have some CPA funds for this, but next year, they will need to request additional funds from the CPA to continue the same arrangement. She stated that last year, the Department was granted funding for a recording secretary. They had planned to have the Administrative Specialist from the ZBA do the work. However, now they plan to hire a new Conservation Specialist and to increase that position to include the recording work. She stated that this plan is new, and is different than the written FY20 budget request.

Ms. Newman stated that the Department expense line has been stable, with a 3.5% increase. She stated that revenue is also stable, though there was a temporary increase when Route 128 East was built out, but revenue is back to more typical levels. She stated that there are some additional fees from the permit for the new Homewood Suites hotel, which has added more rooms to the building plan. They will be providing an additional \$90K funding for I/I work.

Ms. Newman stated that there is a request for a warrant article for \$50K to fund a small repair grant program for low to moderate income residents for modest home repairs, such as boiler repairs. The Housing Specialist is working on setting up the program. Ms. Newman stated that it does not fit in with the CPA funding purposes. She stated that Sudbury has such a program, and that the recipients have been mostly seniors.

Mr. Alpert stated that the Planning Board has requested zoning changes for the Annual Town Meeting warrant. He stated that they will be finalized soon, but most will be about the Channel 5/Muzi Ford property. He stated that they are also trying to address height and traffic issues at the Hartney Greymont property. He stated that the zoning article last year for accessory structures was withdrawn, but has been refined and streamlined and will be included this year. He stated that the purpose is to allow for a small additional separate living space at a home, possibly for in-laws or a caregiver, but not to allow two families to live in a single family residence.

Mr. Levy asked when traffic mitigation fees were collected as part of a project. Ms. Newman stated that in FY15, \$950K in traffic mitigation fees were assessed, and were related to the density of the development. The funds were used for a transportation study and for the installation of a traffic signal. The study identified transportation needs with the rezoning of the New England Business Center. She stated that it looked at the infrastructure improvements that were needed to support the build-out. Mr. Levy asked if this can be done more often since traffic has gotten worse with development. Ms. Newman stated that that assessment was to address transportation needs. She stated that they are considering an assessment at the Muzi Ford property. A new traffic light may be needed at Gould St. and Central Ave. She stated that the Town will probably not be able to do it at the Hartney Greymont site.

Ms. Miller asked if the warrant article funding for consulting work had been used. Ms. Newman stated that they hired a consultant for a traffic study at the Muzi/Channel 5 site, and also for an architect to create 3D drawings. Ms. Miller asked if additional funds were needed. Ms. Newman stated that the funding is not exhausted.

Park and Recreation Department

Mr. Jacob introduced the budget, and stated that there was a \$117K increase in FY20. He stated that the increase in salary and wages is primarily due to changes in the minimum wage, which increased on 1/1/19 and will increase again on 1/1/20. These changes will affect pool staff in the summer of 2019 and the late spring of 2020, both of which affect the FY20 budget. He stated that the Personnel Board also increased wages.

Mr. Jacob stated that the Department expenses will increase due to the new pool filter system. He stated that the FY20 cost is an estimate because they do not have historical experience, and they hope that the number is conservative, on the high side.

Ms. Carey stated that there is a DSR4 request for a new position to be a frontline person to help the public, and allow the other staff to work with less interruption. She stated that the Department has had no staffing increase since 1995, when the department increased from 3.5 to 4.0 FTEs. They have not requested any additional staff until FY20. She stated that the Town Manager's budget recommended funding an additional position that would be covered 60% in the Park and Rec budget and 40% in the Health Department budget. Ms. Miller asked what will be done that is not being done now. Ms. Carey stated that the people whose time is freed up will be focused on taking more calls, keeping records, and budgeting. She stated that the Recreation Supervisor and the Assistant Director also have to cover the front desk at times, and they should concentrate on programming. She herself also works the front desk if necessary, taking away from her work on long term projects. Mr. Jacob stated that staff has to put in additional hours, and their quality of work life is suffering.

Ms. Miller asked about using the recreation department's revolving fund for additional staff hours. Ms. Carey stated that this type of revolving fund cannot be used for wages for benefited staff, and must be spent on programs. Mr. Levy asked if it would be better to change to a different type of fund which could pay benefited employees with it. Ms. Carey stated that there are benefits to this type of fund that would be lost: it does not need an annual appropriation from Town Meeting; it is not bound to a budget, allowing the department to keep adding programs; and this fund can provide up to \$10K to start up a new program. Ms. Miller asked the fund balance. Ms. Carey stated that there is about \$300K, but it rolls over quickly. The unexpended and unencumbered balance is about \$5K. Mr. Davison stated that there is a cash flow and there is a cash balance, but the "profit" is \$5K.

Ms. Carey stated that the new indoor space is being well used. The Memorial Park Trustees are using the space while their building is under construction; the Health Department held flu clinics there, Park and Rec held a camp fair in the room.

Mr. Jacob stated that the next three DSR4s are all connected and relate to the running of the pool. Ms. Carey stated that there was no Assistant Director for 2 years, including when the pool was opened. She hired a Pool Specialist part-time to help open and close up the pool, who worked close to full time in the summer. The person had the certifications needed to run the program and they learned all about the pool. She stated that there were three people in the department who worked about 70 hours and 7 days per week on the pool. The part-time Pool Specialist needs to help for at least a couple of years to train staff and learn the system. She stated that it will take a couple of years for the department to adjust to the year-round facility and the new pool. She is now hiring an Assistant Director who can do daily operations while she, the Director, plans for the next season. Ms. Miller stated that the Finance Committee was told that the new pool would be easier, not harder, to run. Ms. Carey stated that the filter system is easier. However, more staff is needed because they need to manage the bigger crowds. Mr. Jacob noted that the data show that the new pool is generating more memberships. Ms. Miller stated that there was a study last year to see if the pool could be self-supporting. Ms. Chaston stated that the new pool is not easier to run, but it is easier to operate from a maintenance point of view, but it is more demanding, so that more staff is needed. Mr. Levy stated that the position sounds like it is managerial. Mr. Jacob stated that there is a correlation between the staffing needed and the pool activity. Since the pool is expected to be busy, staff needs to be hired. Mr. Coffman stated that it might be best to have a warrant article to fund the staff for two years before putting new positions in the budget, since there seems to be uncertainty about the long term need. Ms. Carey stated that eventually, returning staff will be able to help with new staff, and they will have manuals about the work. Ms. Fachetti asked if they have the necessary certification to run the pool. Ms. Carey stated that she herself has it, and the Pool Manager as well.

Mr. Connelly agreed that the three DSR4 requests should be compiled into one warrant article, to give them time to determine what staffing is ultimately needed. It is very hard to pull a position out of the operating budget. This approach would address the current concerns and provide a chance to review the needs later. Mr. Jacob stated that they can fund the staff to get through the learning curve. Ms. Chaston stated that the warrant article will also highlight to Town Meeting that the Town needs guards and pool staff. Mr. Jacob stated that the lifeguard retention funds are uncertain, and would be better funded in a warrant article. Mr. Lunetta asked who is doing the Pool Specialist work from September to April. Ms. Carey stated that she does the work or the

Assistant Director. She stated that the person will come in in April to do training and prepare to do hirings. Mr. Lunetta asked if the position could be made not seasonal and work at the lower rate. Ms. Carey stated that there is not enough pool work for 12 months. Ms. Fachetti asked if they have had to shut down any of the pool because of the number of people. Ms. Carey stated that there is a limit to the number of people per guard, so they have had to shut sections down if there are not enough guards. When that happens, people leave.

Mr. Lunetta asked how long they would keep the pool open if they had enough staff. Ms. Carey stated that they would not keep it open past Labor Day, though they do keep the spray deck open into September. They now stay open until about August 18 or 19, with reduced hours so that there is only one shift. Mr. Lunetta asked if the funding provided for lifeguard retention worked as planned last year. Ms. Carey stated that people did show up. The guards did some painting and other work, and also attended some additional training until the pool opened.

Finance Committee

Ms. Mizgerd stated that the budget has minor changes for a cost of living salary increase. The expenses cover dues for the MMA/Association of Town Finance Committees, office supplies, and registration fees for conferences for her and for members.

FY 2020 budget discussion/vote if appropriate

Mr. Coffman suggested that the discussion focus on request for improvements and new positions. There was discussion of the Town Manager's reduction in the recommendation for program expansion at the Center at the Heights. Mr. Davison stated that she pulled out the funding that would be needed to make the fitness facility a fee-less program, and the associated expenses related to staff. She is recommending the funds for additional bus drivers and the additional activities at the CATH.

Ms. Miller asked when the SAFER grant can be applied to firefighter salaries. Mr. Davison stated that the grant is now in effect, and the funds can be used as soon as the new hires are through the academy. Ms. Miller stated that she did not think the funds would be used on FY20. Ms. Miller stated that she would recuse herself from the vote on the Fire Department, since her son was hired as a firefighter. He has been told that he has to wait until the vacant positions are filled first, so cannot go to the academy until July. She stated that the eight grant-funded firefighters will not go to the academy for a long time. Mr. Davison stated that typically, a town could not reserve a place at the academy until there is a named individual, but under the SAFER grant, they can reserve spots at the academy as long as they have the funds, without specific names. Ms. Miller stated that she would like the Fire Department to say when the eight firefighters under the SAFER grant will begin working for the Town, and how long they will be at the academy before recommending the funding. Mr. Coffman asked why there was concern if the positions in the budget are not filled for a time since the money cannot be spent elsewhere. Ms. Miller stated that the Town allocates a lot of free cash to the operating budget, and it may not be necessary. She stated that the budget is growing at an unsustainable level and the Town is collecting too much in taxes. Mr. Davison stated that the SAFER funds need to be used by the end of the 3rd year. The grant covers 75% of the salaries for the firefighters for the first year, starting from their date of hire. Mr. Connelly stated that to the extent the clock is ticking, the funds should be locked in. The Town does not want to hold back funding and not have appropriated the necessary funds to hire the firefighters and use the grant funding when the time

comes. He stated that he does want to discuss the issue of collecting too many taxes, but it does not apply here.

Mr. Davison stated that the eight firefighters to be hired under the SAFER grant are in the FY19 operating budget, since the Town needed to be ready to hire them in FY19 because of the grant. They are included in the FY20 base budget. The DSR4 was provided to illustrate the new positions, but should not be added again. Mr. Connelly stated that the Town needs to pay for firefighter staffing. However, there should not be new positions like the Public Information Officer.

Mr. Coffman asked whether the Library's DSR4 requests should be moved to the operating budget or funded with trust funds or state aid. Mr. Levy stated that the question to consider is what the Library might otherwise use the funds for. Ms. Miller stated that the Finance Committee has wanted to fund staff wages within the operating budget rather than with other funding, and leave other expenses to be funded with state aid.

Mr. Levy stated that when he met with the Police Department, he felt that the metrics that were used to justify the new officer position did not provide the best support. He is interested in understanding how the position would make operations better. He stated that a new officer position was funded last year for FY19 and has not yet been filled. Mr. Lunetta stated that the Police Department has explained that police work has changed over the years, but the metrics that they are using to support the new position seem to go with the old model. Ms. Fachetti asked why they have not hired the additional officer. Mr. Levy stated that they plan to move someone from a different position to the new position, and then backfill the old position. They decided to stall because of a staffing issue.

Mr. Connelly confirmed that the Finance Committee does not need to have the same bottom line as the Town Manager's recommendation, and that if it is lower, the Committee does not need to reallocate the funds. He suggested that a warrant article can be a good way to fund some positions for a limited period of time.

Mr. Coffman stated that the School Department held off on hiring staff in recent years in order to add staff for full-day kindergarten in FY20. In response to a question from Mr. Levy, Mr. Connelly stated that the Finance Committee's recommended budget can include only a single bottom line budget for the School Department. Mr. Levy stated that if there are additional funds, he would support a zoning enforcement support in the Building Department. Ms. Fachetti stated that the Building Commissioner is arbiter, and that residents will want to have him personally involved. Mr. Connelly stated that there might be an issue there, but the Committee should not be the one to raise it. Mr. Jacob stated that there could be fewer zoning complaints if there were more information available online.

Finance Committee Updates

The Committee would like to hear from the Police Chief about the need for an additional officer. The Committee would also like a presentation on revenue.

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 7-0 at approximately 9:15 p.m.

Documents: FY 2020 Town of Needham Department Spending Requests; Park and Recreation: Use of the Multi-Purpose Room; Pools at Rosemary Complex Memberships/ Summer 2019 Fees.

Respectfully submitted,
Louise Mizgerd
Staff Analyst

Approved February 6, 2019