

**Needham Finance Committee
Minutes of Meeting of January 23, 2019**

The meeting of the Finance Committee was called to order by Vice Chair Tom Jacob at approximately 7:10 pm at the Needham Town Hall.

Present from the Finance Committee:

Tom Jacob, Vice Chair

Members: William Doyle, Joshua Levy, Louise Miller, Carol Smith-Fachetti

Others present:

David Davison, Assistant Town Manager/Finance Director

Richard Merson, Director, Public Works

Robert A. Lewis, Assistant Director, Public Works

Carys Lustig, Director of Finance and Admin/Public Services

Citizen Requests to Address Finance Committee

No citizens requested to speak.

Approval of Minutes of Prior Meetings

MOVED: By Mr. Levy that the minutes January 16, 2019 be approved as distributed. Ms. Fachetti seconded the motion. The motion was approved by a vote of 5-0.

FY 2020 Department Budget Requests

Department of Public Works

Ms. Lustig stated that the most significant change to the FY20 budget is due to the fact that the RTS Enterprise Fund will be dissolved at the end of the fiscal year. The RTS budget is incorporated into the FY20 DPW budget request. She stated that the FY20 budget assumes that the services provided in FY19 will continue. She stated that the salaries for each division include the contractual cost-of-living increases and step increases. There are also funds for sick incentive payments for two new building maintenance positions added last year. She stated that there is an increase in the overtime budget based on a premium payment for overnight shifts in exchange for a change in the Sunday pay rate from double time to 1.5 times in the collective bargaining agreement for custodians. She stated that there is an increasing need for custodial work on Sundays. She stated that the energy expense budget for oil heat is increasing, and is based on a 5-year average consumption due to two recent mild winters.

Ms. Lustig outlined the most notable budget changes. The Vehicular Supplies fuel cost is going up primarily due to an increase in gasoline costs, as well as the ongoing shift from diesel to gasoline vehicles, which are more reliable and less expensive to maintain. The fuel consumption was based on a 3-year average. The Administrative Division out-of-state travel is increasing to allow for the administrative director to attend an additional conference. She stated the Building Maintenance budget is increasing due to a cost increase for contracts, as well as increasing services needed for the Williams School and the Memorial Park Field House. She stated that the plan is to move existing staff to the Williams School and to outsource the cleaning of Newman.

Ms. Miller asked why not outsource the cleaning of the Williams School. Ms. Lustig stated there is more night staff needed in Newman, and it is easier to transition to outsourcing there. Mr. Jacob asked the sizes of the schools. Ms. Lustig stated that Newman is 121K square feet and Williams is 91K square feet. The difference is approximately the amount of space that is covered by one custodian. Ms. Lustig stated that the Fleet budget includes software to track the repair process for vehicles and the recommended replacement schedule. The Police and Fire departments will use the software as well. She stated that there is additional cost related to moving the fuel tank above ground because of the need for an anti-freezing additive. The Highway division has contractual cost increases. Parks and Forestry has increased costs due to the transfer of certain grounds work at Schools from the Maintenance division.

Ms. Lustig stated that most of the costs of the RTS are included in the DPW budget, but the related electrical costs were moved to the Needham Electric Light and Gas budget line. Ms. Miller asked what would happen to the lease payments that are currently paid to the RTS Enterprise Fund. Mr. Davison stated that the payments would now go into the General Fund. Ms. Miller asked about the revolving fund for grinding work. Ms. Lustig stated that the Town no longer has a grinder. Mr. Davison stated that the grinding work was in the same fund as the screening work, which still continues.

Ms. Lustig stated that there is no longer a contingency for the loss of sticker sale revenue because there is now some history. She stated that the amount of solid waste being hauled per load has been decreased because the scale is too small to accurately measure each load, so they are making the loads smaller to ensure not going over the limit, which means an additional cost. She stated that recycling estimates are decreasing because the recycling is getting more expensive to get rid of. She stated that there are four items in the operating capital, two of which were regular annual equipment replacements at the RTS.

Ms. Lustig stated that there are four DSR4 requests. The first request is to fund additional building maintenance staff, including a full time custodian and a building monitor for the Memorial Park Field House. She stated that an analysis of staffing showed that industry standards are one custodian per 24,000 square feet at a school. She stated that our custodians handle up to 28,000 per person because of absenteeism. However, they do not clean all of the space daily because they have to do other services at the school like setup and breakdown of equipment. Mr. Levy asked how much the custodians cover in the non-school buildings. Ms. Lustig stated that with absences, they are covering about 35,800 square feet overall and, accounting for the DSR4 request for FY20, about 17,000 square feet among the Rosemary, Town Hall, CATH and Memorial Park buildings. She stated that they are so busy at certain buildings that sometime they have to backfill positions at other buildings as needed. She stated that there has been an increase of programming at the Center at the Heights in the evenings, so more custodian hours are needed. Ms. Miller asked the overall average of floor space per custodian. Ms. Lustig stated that it is 26,318 sf per person. Ms. Miller asked the shifts of the custodians at Emery Grover and the Memorial Park buildings. Ms. Lustig stated that it would be second shift, 2-10 pm. Ms. Miller stated that they might not be able to do the work in those hours. She stated that they will likely need to use overtime there. Ms. Lustig stated that it has become more difficult to find people who want to work overtime. Mr. Jacob stated that when new programs are started, all of the ancillary costs are not always considered. Ms. Lustig stated that they are not yet sure of the full costs will be for the Rosemary building.

The second DSR4 is for a service and parts manager for the Fleet division. She stated that the position would be responsible for managing the workflow and the parts. She stated that the master mechanic is doing some of this work and does not have time for data gathering and analysis or for ordering parts. The new person would be non-represented and would do some supervising, and would come between the supervisor and the union mechanics. Ms. Miller stated that they should require that the person be a mechanic unless they want it to be an administrative analyst. Ms. Lustig stated that they want someone with a floor service background. Ms. Miller stated that she is not sure that this should be a full time position. Ms. Lustig stated that there are fewer bays than are needed for the number of mechanics. Mr. Jacob asked if less work is being done. Mr. Merson stated that they make do, and the mechanics can work outside if a bay is in use, waiting for parts. Mr. Levy asked if it is hard to get people to go part-time work, whether this would be harder to fill as a part-time position. Ms. Miller stated that the person could perform another function as well.

Ms. Lustig stated that the third DSR4 would fund an organics recycling program. She stated that they have been doing a collection program at Hillside, working with Natick, and hope to extend the program to all schools. This will allow residents to drop off food waste in separate bags at the RTS. She stated that food waste is heavy, and they hope to decrease municipal solid waste tipping fees. Mr. Levy asked if the reduction is expected to decrease costs by to \$43K to cover the program cost. Ms. Lustig stated that they are not expecting that at the start. Ms. Miller stated that she is concerned about rodents. Mr. Merson stated that he has spoken with the Board of Health about rodents, and the Town has no rodent problem.

Mr. Levy stated that the last DSR4 request would equip vehicles with GPS equipment to collect location and other data to help manage the work and fleet maintenance. She stated that other communities have been using it with great success. She stated when there are claims that a DPW truck damaged property, they can see whether a vehicle was in the area. She stated that they can ensure that the snow plows get to every street. She stated that they got some free equipment with a 6-month subscription to the communication service, and they will wait for a similar deal to start the program. Mr. Levy suggested that they might be able to use coordinates for this data, collected from the new communications towers.

In response to a question from Mr. Levy, Ms. Lustig provided updates on the FY19 DSR4 improvements: The new plumbing position was just filled. The day custodian is working at the High School, but frequently is called to fill in for absences at elementary schools. The 0.5 custodian position at Rosemary is not filled, but is in the interview process. The inspectional work will be outsourced, and the money has been encumbered. She stated that the baseball diamond was finished in the fall of 2018. She stated that they have been trying various methods of Canada goose deterrent. She stated that they are working on an IFB for Greene's beautification. The additional street sweeping work will be added in the spring. The Compliance Coordinator position was recently posted.

Sewer Enterprise Fund

Ms. Lustig stated that the budget is straightforward. The salary line includes a 2% cost-of-living and applicable step increases for NIPEA unit employees, and level funding for non-represented employees. Next year there will be more changes with the new NPDES regulations, and salary changes. She stated that the budget has some tweaks, though not major changes this fiscal year.

She stated that the fuel calculations are the same as the General Fund budget, with a 3-year average consumption and the same fuel costs.

Water Enterprise Fund

She stated that this budget is also straightforward. The salary changes are the same as Sewer. She stated that Water division is one of the largest electrical consumers in town, and most of the cost increase is due to the electrical cost increase.

Finance Committee Updates

There were no updates.

Adjournment

MOVED: By Mr. Levy 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 5-0 at approximately 8:20 p.m.

Documents: FY 2020 Town of Needham Department Spending Requests.

Respectfully submitted,

Louise Mizgerd
Staff Analyst

Approved February 6, 2019