

**Needham Finance Committee
Minutes of Meeting of February 27, 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: John Connelly, Joshua Levy, Richard Lunetta, Carol Smith-Fachetti

Others present:

David Davison, Assistant Town Manager/Finance Director

Richard Zimbone, Member, Property Tax Assistance Committee; Taxation Aid Committee

Evelyn Poness, Town Treasurer/Collector

Dan Matthews, Select Board

Marianne Cooley, Select Board

Timothy Muir McDonald, Director of Health & Human Services

Joe McCabe, Warrant Article Proponent

Shirley Quinn, Warrant Article Proponent

Ruth Miller, Warrant Article Proponent

Citizen Requests to Address Finance Committee

No citizens requested to speak.

Approval of Minutes of Prior Meetings

MOVED: By Mr. Levy that the minutes of February 6, 2019 be approved as distributed.
Mr. Lunetta seconded the motion. The motion was approved by a vote of 5-0.
(Mr. Connelly had not yet arrived.)

FY 2020 Finance Committee Recommended Budget

2019 Annual Town Meeting Warrant Articles: Discuss and/or Vote

Appropriate for Needham Property Tax Assistance Program

Mr. Coffman stated that this is an annual article, and calls for an appropriation of \$37,000. Mr. Zimbone stated that he was new to the Property Tax Assistance Committee, and that some changes are being made. The program is for lower income seniors. There have not been many applicants, so the Town has started a campaign to let more people know about it. He stated that they have raised the maximum income level so that more people qualify. He stated that with the new changes in tax law relating to deductions, people may lose incentive to donate to the program. He met with the Select Board and requested that the program be increased to offer \$50K or perhaps eventually \$100K, of total assistance. The plan is to increase in increments of \$12K, so the FY20 article calls for \$37K. This would provide assistance to people in need but is not burdensome on the Town. Mr. Coffman asked how much is used every year. Ms. Poness stated that the past appropriations of \$25K are used every year. She stated that the pool of applicants has continued to be the same 18-20 people. She stated that the program does not seem

to be reaching the public, judging by the questions that people ask about it. She stated that they have produced flyers for the Board of Health, Meals on Wheels, and Aging Services to hand out.

Mr. Coffman asked the amount of citizen donations to the program. Ms. Poness stated that there is about \$10K-\$12K each year. Mr. Levy asked how the awards are distributed. Ms. Poness stated that they are based on availability. Mr. Zimbone stated that this is a start. They want to get the word out now, and provide more assistance to more people now, and then also to improve the program down the road and make it more effective. He stated that HHS Department conducted a survey that showed that 20-25% of Needham residents are seniors. Ms. Poness stated that there is a fuel assistance program as well.

MOVED: By Mr. Lunetta that the Finance Committee recommend adoption of 2019 Annual Town Meeting Warrant Article: Appropriate for Needham Property Tax Assistance Program in the amount of \$37,000. Mr. Levy seconded the motion. The motion was approved by a vote of 6-0.

Home Rule Petition – Resolution to Call for the United States to “Pull Back from the Brink” and Prevent Nuclear War – An Existential Threat to the Future of Humanity and the Planet

Mr. McCabe stated that he is a Town Meeting Member and has brought forth this article proposing that Town Meeting adopt the resolution to prevent nuclear war. He was accompanied by colleagues from the Peace Action Group at North Hill. Mr. McCabe stated that the resolution is part of a national movement is endorsed by a number of groups including the Union of Concerned Scientists and other groups. Cities and towns have adopted the resolution including Brookline and Somerville, MA, but also larger cities including Baltimore and Los Angeles. Mr. Jacob asked if the resolution would have any financial impact to the Town. Mr. McCabe stated that there is no direct expense or immediate financial concerns to the Town due to this article, although nuclear war would have a devastating impact. Mr. Coffman stated that the Finance Committee generally takes no position on articles with no financial impact, though the members of the Committee that are Town Meeting members may vote at Town Meeting.

MOVED: By Mr. Levy that the Finance Committee take no position with respect to 2019 Annual Town Meeting Warrant Article: Home Rule Petition – Resolution to Call for the United States to “Pull Back from the Brink” and Prevent Nuclear War – An Existential Threat to the Future of Humanity and the Planet. Ms. Fachetti seconded the motion. The motion was approved by a vote of 6-0.

Appropriate for Senior Corps

Mr. McDonald stated that the program has had modest participation recently, but the goal is to fully use the funds. He has reached out to department managers to find projects, and are thinking of ways to better publicize the program. He stated that some of the volunteers have done work as a greeter at the CATH to ensure people who enter the side door sign in at the front desk, or doing desk work at the HHS. He stated that, like the taxpayer assistance, the program tends to have the same participants. He stated that they are looking for the same appropriation as last year. Mr. Coffman asked how many people participate. Mr. Davison stated that the number varies from five to high teens. He stated that some people finish a project in less than 100 hours,

while others stay on after completing 100 hours to finish up a project. They cannot get credit for more than 100 hours over the fiscal year. The payment is made at the end of the 100 hours, and the maximum credit is \$1300, which is 100 hours at minimum wage. The appropriation is valid until it is extinguished. Mr. Davison stated that this differs from the property tax assistance since this requires a skill set, and is not income restricted. Those with lower incomes would get preference. Mr. McDonald stated that they aspire to have more people in the program, and would like to find projects that align better with seniors' skills.

MOVED: By Mr. Jacob that the Finance Committee recommend adoption of 2019 Annual Town Meeting Warrant Article: Appropriate for Senior Corps in the amount of \$15,000. Mr. Lunetta seconded the motion. The motion was approved by a vote of 6-0.

Appropriate for Park and Recreation Pool Staffing

Mr. Connelly stated that the Finance Committee recommended funding these positions in a warrant article rather than in the operating budget in an earlier meeting.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of 2019 Annual Town Meeting Warrant Article: Appropriate for Park and Recreation Pool Staffing. Mr. Jacob seconded the motion. The motion was approved by a vote of 6-0.

Appropriate for Public Communications Staffing

Mr. Matthews stated that the Select Board was disappointed that this position was not funded in the operating budget, and still feels that it is needed. He stated that there are two differences now: the funding now would be through the separate warrant article outside of the operating budget, and the requested funding is for 30 hours rather than 40 hours per week, for 2 years. He stated that they want the position to be a career position within the Town. He requested that the Committee hold off on the vote until Ms. Fitzpatrick could attend. He provided a handout describing the functions of the new position. He stated that an important goal is to preserve the bandwidth of the Town Manager who uses a significant amount of time on communications issues on short notice when there are higher priorities. He stated that there are 10 policy-making boards and that this position would be a tool to tie things together. He stated that the public wanted responsiveness. He stated that they would not push for the position if they did not feel it was necessary. Mr. Coffman stated that the Committee has discussed the position at length. The benefit of this approach is that the position would not be permanently added to the budget. Mr. Levy asked what work would not be done in the 30-hour vs the 40-hour position. Mr. Matthews stated that the work already exists, but this will mean that a piece of it will not be done by the new person. Ms. Cooley stated that they discussed half-time versus 30 hours and felt that this would allow them to leverage it to achieve the goal to get someone to be able to fill the position on a full time basis so the Town can continue to benefit from one person. Mr. Jacob noted that the article does not say that the position would be part time. Mr. Matthews state that the article does not say it, but the funding is for 2 years at 30 hours per week.

Mr. Coffman stated that the Committee would not vote before the Town Manager comes.

Appropriate the FY2019 General Fund Operating Budget

Mr. Coffman stated that the Minuteman assessment has been updated, which should be reflected in the budget. Mr. Levy recommended that the Finance Committee take the \$45,472 of funds that were requested by the Library, but not added to the operating budget, and add that amount to the Debt Service line to pay down some debt. He felt that although it is a relatively small amount, this would be a better use of the funds than that amount of lower taxes. Mr. Connelly and Mr. Lunetta expressed support for the idea.

MOVED: By Mr. Levy that the Finance Committee recommend that the FY 2020 operating budget be appropriated in the amounts in the voted draft budget with the following changes: The Minuteman School line be increased by \$28,660 to meet the new assessment, and \$45,472 be added to the Debt Service line, for a total FY 2020 operating budget appropriation of \$178,260,006 (as depicted below.) Mr. Connelly seconded the motion. The motion was approved by a vote of 6-0.

Appropriate the FY2019 Sewer Enterprise Fund Budget

Mr. Davison stated that the Sewer Enterprise Fund budget is the same as previously discussed, but the MWRA assessment has been updated and increased due to higher water usage.

MOVED: By Mr. Levy that the Finance Committee recommend adoption of 2019 Annual Town Meeting Warrant Article: Appropriate the FY2019 Sewer Enterprise Fund Budget in the amount of \$8,926,251 as set forth in the warrant. Mr. Connelly seconded the motion. The motion was approved by a vote of 6-0.

Appropriate the FY2019 Water Enterprise Fund Budget

Mr. Davison stated that the Water Enterprise Fund budget is also changing due to an increased MWRA assessment. This reflects the greater use of water since the Town abandoned its pater permit, and because there is no longer a ban affecting water usage in the summer. He stated that 2/3 of homes have an outdoor meter, so that outdoor water usage does not affect sewer costs.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of 2019 Annual Town Meeting Warrant Article: Appropriate the FY2019 Water Enterprise Fund Budget in the amount of \$6,294,271, as set forth in the warrant. Mr. Levy seconded the motion. The motion was approved by a vote of 6-0.

Set the Annual Department Revolving Fund Spending Limits

Mr. Davison stated that these same revolving funds have been in place since last year, and there are no new funds. The Annual Town Meeting vote will determine the maximum amount that can be expended in FY 2020. These amounts in the article are the same limits as set for FY 2019. It includes School buses. Mr. Coffman asked what amount of the \$819K is spent. Mr. Davison stated that it all depends on the timing, which will affect which fiscal year the expenses fall into. There is a cushion built in in case the program expands. They need to set a limit each year by law. Mr. Davison stated that the bus revolving fund applies to the voluntary pay bus service, not the service required by law.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of 2019 Annual Town Meeting Warrant Article: Set the Annual Department Revolving Fund Spending Limits, as set forth in the warrant. Mr. Jacob seconded the motion. The motion was approved by a vote of 6-0.

Appropriate for General Fund Cash Capital

Mr. Coffman stated that the infrastructure article is no longer separate. Mr. Davison stated that the funding is now all cash, and no longer requires any debt funding. The Committee indicated that there are questions on DPW capital items that have not yet been discussed.

Appropriate for Sewer Enterprise Fund Cash Capital

Mr. Davison stated that this article provides funding for one piece of equipment, the catch basin cleaner. It is part of the fleet program, and will cost \$201,487 from the Sewer Enterprise Fund retained earnings. Mr. Coffman stated that this is a replacement in kind.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of 2019 Annual Town Meeting Warrant Article: Appropriate for Sewer Enterprise Fund Cash Capital, in the amount of \$201,487. Mr. Lunetta seconded the motion. The motion was approved by a vote of 6-0.

Appropriate for Workers Compensation Reserve

Mr. Davison stated that this reserve is not like the stabilization fund, but is an amount reserved for the Workers Compensation program, which is self-insured. The Town needs to keep adequate reserves, and is seeking a \$1 million contingency as of FY 2020 in accordance with the guidance of a third party administrator. He stated that the Town has a stop loss policy for amounts above the reserve. He stated that there is an annual line item in the operating budget to cover workers compensation and injuries in the line of duty. He stated that there are \$250K-\$550K per year of annual costs. Balances close out to an internal saving account for injuries related to that line item. He stated that the injured on duty claims are the most volatile. He stated that most claims are routine workers compensation, but there have been significant claims, such as the Pollard air quality claims still being paid after 30 years. Mr. Davison confirmed that this appropriation will supplement the funding done in the annual operating budget, to meet a threshold. He stated that the Town has been advised that with the transition to the higher deductible insurance plan, workers tend to be more aggressive about pursuing workers compensation claims that otherwise would not have cost them as much, so they might have been less likely to claim. Also, insurers are being more proactive about asking questions about injuries and whether they happened at work or are covered by other insurance. Mr. Levy asked about what other towns are doing. Mr. Davison stated that he knows that the Town is saving money by self-insuring in this area. He stated that he has received quotes for coverage that were 3 times the annual budget line. He stated that there are high risk factors for certain occupations.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of 2019 Annual Town Meeting Warrant Article: Appropriate for Workers Compensation Reserve, in the amount of \$283,706. Mr. Lunetta seconded the motion. The motion was approved by a vote of 6-0.

Home Rule Petition - Town Meeting

Mr. Levy stated that he is proposing to have two annual town meetings to add predictability in the timing. He stated that the Town consistently has an annual town meeting in May, and a fall town meeting in October or November. He stated that the law allows this, and that there are two annual town meetings in Natick and Westwood. The proposal would be to discuss zoning in the fall. He stated that it works well to keep it all to one time, since zoning can be a sensitive topic as it affects what people can do with their property, and affects the character of the Town. He is not proposing to preclude financial articles, nor to preclude zoning at a Special Town Meeting, but this would help add some predictability. Mr. Coffman asked why the proposal would fix the date in November, and not have the flexibility to meet other times. This year's fall Special Town Meeting was early to meet a construction schedule. Mr. Levy stated that holding a Town Meeting in October leaves little time for preparation after most boards and committees meet infrequently in the summer when people are away. Mr. Jacob stated that he is not clear why the change is needed. Mr. Levy stated that there is no codification of the fall Town Meeting, so it is ad hoc rather than a scheduled event. Mr. Connelly asked if he had spoken to the Moderator or the Select Board. Mr. Levy stated that he did not have a detailed discussion with the Moderator, but he is aware of the proposal. He stated that he had not yet met with the Select Board, but was meeting soon with the Planning Board. Mr. Connelly stated that he was interested in the idea, though he was not sure of the financial impact. He encouraged Mr. Levy to think about how things are done and to go forward.

MOVED: By Ms. Fachetti that the Finance Committee take no position with respect to recommend adoption of 2019 Annual Town Meeting Warrant Article: Home Rule Petition - Town Meeting. Mr. Lunetta seconded the motion. The motion was approved by a vote of 5-0-1, with Mr. Levy abstaining.

Finance Committee Updates

There were no updates.

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 8:35 p.m.

Documents: Town of Needham 2019 Annual Town Meeting Warrant (draft dated 2/22/2019); Public Information Officer/Communications Director, Examples of Opportunities in Needham; Back from the Brink: A Call to Prevent Nuclear War.

Respectfully submitted,

Louise Mizgerd
Staff Analyst

Approved March 13, 2019

Line #	Description	FY2020 Finance Committee Recommendation
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Townwide Expenses

1	Casualty, Liability, Property & Self-Insurance Program	626,790
2	Debt Service	19,038,470
3	Group Health Insurance, Employee Benefits & Administrative Costs	15,533,760
4	Needham Electric, Light & Gas Program	3,746,587
5	Retiree Insurance & Insurance Liability Fund	6,906,705
6	Retirement Assessments	8,688,258
7	Workers Compensation	706,400
8	Classification Performance & Settlements	835,500
9	Reserve Fund	1,881,500

Townwide Expense Total	57,963,970
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**Board of Selectmen and the
Office of the Town Manager**

10A	Salary & Wages	902,135
10B	Expenses	142,869
	Total	1,045,004

**Town Clerk and Board of
Registrars**

11A	Salary & Wages	359,747
11B	Expenses	53,850
	Total	413,597

Town Counsel

12A	Salary & Wages	75,140
12B	Expenses	254,000

Total	329,140
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Finance Department

13A	Salary & Wages	2,015,110
13B	Expenses	1,043,755
13C	Capital	80,000
	Total	3,138,865

Finance Committee

14A	Salary & Wages	38,532
14B	Expenses	1,360
	Total	39,892

Planning and Community Development

15A	Salary & Wages	554,745
15B	Expenses	33,050
	Total	587,795

General Government	5,554,293
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Police Department

16A	Salary & Wages	6,536,805
16B	Expenses	380,733
16C	Capital	132,983
	Total	7,050,521

Fire Department

17A	Salary & Wages	8,275,489
17B	Expenses	390,130
17C	Capital	0
	Total	8,665,619

Building Department

18A	Salary & Wages	728,046
18B	Expenses	51,040
	Total	779,086

Public Safety	16,495,226
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Minuteman Regional High School Assessment

19	Assessment	1,084,783
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	Total	1,084,783
Needham Public Schools		
20	Needham Public School Budget	76,005,765
	Total	76,005,765
	Education	77,090,548
Building Design & Construction Department		
21A	Salary & Wages	507,317
21B	Expenses	19,495
	Total	526,812
Department of Public Works		
22A	Salary & Wages	8,809,530
22B	Expenses	6,441,822
22C	Capital	136,500
22D	Snow and Ice	420,395
	Total	15,808,247
	Public Facilities and Public Works	16,335,059
Municipal Parking Program		
23	Program	116,464
	Total	116,464
Health and Human Services Department		
24A	Salary & Wages	1,659,308
24B	Expenses	389,274
	Total	2,048,582
Commission on Disabilities		
25A	Salary & Wages	1,500
25B	Expenses	550
	Total	2,050
Historical Commission		
26A	Salary & Wages	
26B	Expenses	1,050
	Total	1,050

Needham Public Library

27A	Salary & Wages	1,459,859
27B	Expenses	361,685
	Total	1,821,544

**Park and Recreation
Department**

28A	Salary & Wages	694,205
28B	Expenses	136,265
	Total	830,470

Memorial Park

29A	Salary & Wages	
29B	Expenses	750
	Total	750

Community Services	4,820,910
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Department Budget Total	120,296,036
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Total Operating Budget	178,260,006
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