

**Needham Finance Committee
Minutes of Meeting of March 6, 2019**

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

Present from the Finance Committee:

Barry Coffman, Chair

Members: John Connelly, Joshua Levy, Richard Lunetta, 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, Public Works, Director of Finance and Admin/Public Services

Anthony DelGaizo, Public Works, Town Engineer

Citizen Requests to Address Finance Committee

No citizens requested to speak.

FY 2020 Finance Committee Recommended Budget

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

Town-Owned Land Surveys

Ms. Miller requested an update on previous appropriations for survey work. Ms. Lustig stated that the original plan for the FY 19 survey work included three different locations. However, as part of the permitting process for the project at the RTS, the Planning Board is requiring a survey that includes the main parcel plus an additional 4-acre parcel that was added and it not included on the existing survey of the property. Mr. DelGaizo stated that the Planning Board wanted the lots consolidated, but though it allowed them to begin work while the survey is being done. Therefore, the funds from an earlier appropriation were redirected to the large survey of all of the RTS property, which was not anticipated. Ms. Lustig stated that they will then move on to surveys of Cricket, Walker Gordon, and Claxton field properties. Ms. Lustig stated that the town has four engineering firms ready that are prequalified bidders.

Mr. Connelly stated that he would like the following information about the land survey appropriations: How much has been spent so far? What is the Town getting for that? What the balance of funds from the appropriations? What will that be used for? Ms. Miller asked that the answers include FY19 and FY18.

Mr. Connelly asked why the RTS survey was not included in the project budget for the construction of the storage facility. Mr. Merson stated that he will need to confirm, but his understanding is that the cost was beyond the design budget, since they expected to use the existing survey. Mr. Connelly stated that that there are contingency funds in the construction budget for unexpected expenses, and that is how it should have been handled. Mr. Coffman stated that the vote would be held off until the questions have been answered.

Appropriate for Public Facilities Maintenance Program

Ms. Lustig stated that this is a long-standing program for smaller repair and upgrade projects. The funding in this article will cover work in the summer of 2020. She stated that if the funding is not appropriated until the May of the same year as the planned work, then there is a condensed time frame which puts the town at a disadvantage for procuring the materials and the work. It can also cause the town to lose some of the summer weeks to work needed on school buildings when they are not occupied. The 2020 work plan includes electrical fire system and insulation upgrades at Mitchell, Newman gym acoustics, Eliot flooring as well as contingency funds. Mr. Coffman asked how this compared to the funding last year. Ms. Lustig stated that the requested funds increase 3.5% per year, and there are minimal funds left at the end. Ms. Miller asked why the Newman gym acoustical work is not being done when the gym floors are redone this summer. Ms. Lustig stated that the floor work addresses a safety issue and being pushed forward on an emergency basis. The acoustical work may be done at the same time if there is savings. Ms. Miller asked why overlay surplus was being used for some of the funding in this article. Mr. Davison stated that it was not a particular reason, but it was just an allocation of cash.

MOVED: By Mr. Miller that the Finance Committee recommend adoption of 2019 Annual Town Meeting Warrant Article: Appropriate for Public Facilities Maintenance Program in the amount of \$640,000. Mr. Lunetta seconded the motion. The motion was approved by a vote of 6-0.

Appropriate for Downtown Snow Removal Pilot

Ms. Lustig stated that these funds would purchase a piece of snow removal equipment for the Highway Division, a mini loader, which would allow the “hand” crew to get more work done. The crew consists of six people that use shovels and snow blowers to clear snow in places that cannot be accessed by other equipment. They currently clear handicap ramps in the downtown area. Under the pilot program, using the new piece of equipment, the hand crew would be able to do their usual work as well as snow removal on the sidewalks of one additional downtown street in the same amount of time. The department is considering whether to take over snow removal of commercial sidewalks. The bylaws require property owners to remove the snow, but there are many complaints that it is not done. It is not always clear whether the shop owners/renters are liable or the landlords. This pilot would see whether the Town can get that work done because there are many complaints about the sidewalk conditions. Mr. Connelly asked if the \$35,000 appropriation included labor costs. Ms. Lustig stated that it was just for the piece of equipment. Mr. Connelly asked why this request was not part of cash capital. Mr. Merson stated that the equipment is for the pilot program, and if it works, then they will look at how they will change staffing. Mr. Lunetta asked what would happen to the equipment if the pilot shows the program is not advantageous. Mr. Merson stated that there are uses for this equipment beyond what is planned in the pilot, so they would keep the equipment in the fleet. Mr. Coffman asked how they would have requested the equipment if they were not doing the pilot. Ms. Lustig stated that it might have been operating capital. Mr. Davison stated that there are two issues involved, the need for better equipment for clearing handicap ramps, and the pilot to determine whether the Town should take over the clearing of downtown sidewalks. Mr. Merson stated that although the bylaw requires property owners or tenants to clear snow, they do not have time to enforce it. Mr. Lunetta asked why they do not just buy the piece of equipment if it is needed elsewhere. Mr. Davison stated that they were first looking at how to address the problem of downtown snow

removal, before they realized it would work also for handicap ramps. Ms. Miller stated that the property owners have an obligation to clear the snow by their property, and the Town should not do it. Mr. Davison stated that the pilot will look at that. Ms. Fachetti asked if the pilot is successful, how many pieces of equipment will be needed for the program. Mr. Merson stated that they will need to use the information from the pilot about the effectiveness to figure that out. Mr. Levy asked whether increased enforcement would cost less than \$35K for the equipment. Ms. Lustig stated that they do not have much experience with enforcement. Mr. Merson stated that they do not know when the property owners require the tenants to take on the responsibility. Mr. Coffman asked if they expect some complaints that they are only clearing snow in one part of the downtown. Mr. Merson stated that they will explain that it is a pilot program.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of 2019 Annual Town Meeting Warrant Article: Appropriate for Downtown Snow Removal Pilot in the amount of \$35,000. Mr. Lunetta seconded the motion.

Discussion: Ms. Miller stated that she was in favor of the purchase of the piece of snow removal equipment, but was not necessarily in favor of removing snow from unspecified business districts in the future. She noted that the Town can use this piece of equipment no matter what.

VOTE: The motion was approved by a vote of 6-0.

Appropriate Transportation Improvement Fees

Ms. Lustig stated that the state imposes a fee on ride share companies, and then provides funds to communities to appropriate for transportation infrastructure. This article will allow the Town to spend the funds. Mr. Levy asked how the amount was calculated. Mr. Davison stated that it is a formula based on rides originating in the Town. Ms. Lustig stated that they will have to report to the state how the funds are used. The plan is for transportation upgrades for bike access, including signage and lane painting.

MOVED: By Ms. Miller that the Finance Committee recommend adoption of 2019 Annual Town Meeting Warrant Article: Appropriate Transportation Improvement Fees in the amount of \$12,477.50. Mr. Levy seconded the motion. The motion was approved by a vote of 6-0.

Authorization to Expend State Funds for Public Ways

Ms. Lustig stated that these funds will be used for the downtown improvement project. This appropriation will focus on gateway aesthetics, and more paving bricks, and lights for pedestrian crosswalks. Mr. Coffman asked when the final amount would be known. Mr. Davison stated that the final number will not be known until after the state budget is finalized. He stated that this article gives the Town permission to spend the funds that come in. Ms. Miller stated that it should be approximately \$1 million. Mr. Merson stated that the Town's share will be a bit more because an updated inventory showed 5 more miles of roadway in Town.

MOVED: By Ms. Miller that the Finance Committee recommend adoption of 2019 Annual Town Meeting Warrant Article: Authorization to Expend State Funds for Public Ways. Mr. Levy seconded the motion. The motion was approved by a vote of 6-0.

Appropriate for General Fund Cash Capital

Mr. Coffman stated that the Public Works infrastructure program is now included in cash capital. Ms. Lustig stated that she is putting together a list of the details of the infrastructure program for next year. There are some cost increases for contracted work. Many contracts include annual increases for fuel and asphalt. The work will cover street resurfacing and sidewalk improvements. She stated that the cost per lane mile is also increasing. She stated that they plan to pave 17 lane miles of road work and 2 miles of sidewalks. She stated that if they resurface roads they get more done, but if they rebuild roads, then the roads last longer. She stated that they are also planning to use \$100K to monitor the bridge to Dover because it is showing signs of deterioration similar to the Eliot Street bridge. The Dover bridge is included on the expedited state bridge program, but they don't know when the work will take place, so they want to make sure it stays safe. Mr. Merson stated that the monitoring uses a device attached to the stone to measure shifting. Mr. DelGaizo stated that if there is deterioration, they will talk to Dover to work out a plan. Ms. Lustig stated that there is also work planned for storm drain related repairs at Greendale Ave that are part of ongoing drainage projects following the 2013 flooding. Mr. Levy asked if there is traffic signal work. Mr. Merson stated that there is not any planned next year. Ms. Lustig stated that the planning is done to keep funding levels fairly consistent. Ms. Miller asked if this level of funding is expected on a regular basis. Ms. Lustig stated that the plan is to keep it mostly at about \$2-\$2.5 million, sometimes \$3 million, including the roadway component. Mr. Davison stated that the fleet number had been higher, but the street sweeper was pulled out of the replacement schedule for next year, and the culvert cleaner will use sewer funds. Ms. Miller stated that the amount of recurring capital needs should be more clear. There used to be separate articles for cash capital and for changing items, and now the conversation and planning are more difficult when they are together. Mr. Davison stated that the cost is approximately \$1.2 million per year for the fleet program. Ms. Miller stated that the Town has been raising taxes more than needed, and there are big building projects which are going to push taxes higher. Cash capital has been increasing because there is more money. Mr. Davison stated that \$817K of FY20 capital goes to items that were pulled out of the public safety construction project to be covered with cash. Ms. Miller stated that it is too late this year to reconsider cash capital, but a decrease should be considered next year.

MOVED: By Ms. Connelly that the Finance Committee recommend adoption of 2019 Annual Town Meeting Warrant Article: Appropriate for General Fund Cash Capital in the amount of \$6,907,752. Ms. Miller seconded the motion. The motion was approved by a vote of 6-0.

Appropriate for Athletics Facility Improvements

Mr. Coffman stated that this article is for replacement of the turf fields. He asked if the Town had received bids for the project. Ms. Lustig stated that the field designer provided the estimate, based on materials and installation. She stated that the goal is to have a bid in hand before Town Meeting. Mr. Merson stated that the funding will cover replacements at two locations, with two surfaces at one location and one surface at the other. In response to a question from Ms. Miller, Ms. Lustig confirmed that the appropriation amount is an upper limit.

MOVED: By Ms. Connelly that the Finance Committee recommend adoption of 2019 Annual Town Meeting Warrant Article: Appropriate for Athletics Facility

Improvements in the amount of \$2,500,000. Ms. Miller seconded the motion. The motion was approved by a vote of 6-0.

Appropriate for Wastewater System Rehabilitation

Ms. Lustig stated that five years ago there was a study of inflow and infiltration (I/I.) This \$1.6 million appropriation would complete the removal of all I/I identified in that study. Mr. Merson stated that infiltration is leaking of groundwater into the drainpipes, and inflow is water improperly routed into the system usually from storm events. This work will address infiltration by replacing or repairing pipes. Mr. DelGaizo stated that the work will take about 18 months. Ms. Lustig stated at some point that after this, the department will likely seek funding for another study to identify more I/I. Mr. Merson stated that it is an ongoing process. Mr. Davison stated half of the funds will come from Sewer Enterprise Funds and the other \$800K would be borrowed. If the Town can get funds from the MWRA or the Mass. Pollution Abatement Trust, there may be a partial grants as well as borrowing. He stated that the MWRA is better because of the grant funds. Ms. Lustig noted that some larger commercial construction projects include payments to the Town to offset the additional stress on the sewer system.

MOVED: By Ms. Miller that the Finance Committee recommend adoption of 2019 Annual Town Meeting Warrant Article: Appropriate for Wastewater System Rehabilitation in the amount of \$1,600,000. Mr. Lunetta seconded the motion.

Discussion: Mr. Levy stated that he is in support of the work, but not for the borrowing. Mr. Davison stated that the borrowing authorization for the project must be made before the Town can access grant funding. He stated that the Town will not be able to apply for the grant if there is a cash appropriation. He stated that the Town has stopped borrowing through the Sewer Enterprise Fund, because the Town has AAA credit rating and will get lower rates.

VOTE: The motion was approved by a vote of 6-0.

Appropriate for Water Distribution Improvements

Ms. Lustig stated that this would fund water main replacements. She stated that this is the second year with the same request, since the funding for these two projects was used for Greendale Ave. issues including lead connections that had to be addressed first. She stated that there is ongoing design work at Rosemary to re-route the water main that runs under the lake to go around it, since the lake will no longer be drained. That project will be laying a 16" water main, and will cost \$3.8 million to finish.

MOVED: By Ms. Miller that the Finance Committee recommend adoption of 2019 Annual Town Meeting Warrant Article: Appropriate for Water Distribution Improvements in the amount of \$4,791,500. Mr. Lunetta seconded the motion. The motion was approved by a vote of 6-0.

Extinguish Sewer Easement

Mr. Merson stated that there is water main pipe that ran through the property with the Modera housing project. The water main has been re-routed, and the Town no longer needs the easement

to access that pipe. The owner wants to clear the title as the final step of the project. Mr. Coffman questioned whether there is any financial implication for the Town. Ms. Miller suggested that the property could be more valuable without it. Mr. Merson stated that there may be implications with respect to the ZBA permit. He stated that they are working on the legal language. Mr. Connelly stated that he would like to get more information from the proponents to determine if there is a financial implication.

Finance Committee Updates

Mr. Coffman stated that the Moderator is speaking with candidates about the vacancy on the Finance Committee following the resignation of Mr. Doyle.

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);
List of Cash Capital article items FY17-FY20.

Respectfully submitted,

Louise Mizgerd
Staff Analyst

Approved March 13, 2019