

**Needham Finance Committee
Minutes of Meeting of February 26, 2020**

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

Present from the Finance Committee:

Tom Jacob, Chair; Carol Smith-Fachetti, Vice Chair

Members: Barry Coffman, John Connelly, Joshua Levy, Richard Lunetta, Richard Reilly

Others present:

David Davison, Assistant Town Manager/Finance Director

Rick Merson, Director of Public Works

John Regan, Fleet Supervisor

Carys Lustig, Director of Finance and Admin/Public Services

Cecelia Simchak, Administrative Analyst, Public Works

Anthony DelGaizo, Public Works, Town Engineer

Citizen Requests to Address Finance Committee

No citizens requested to speak.

Approval of Minutes of Prior Meetings

MOVED: By Mr. Reilly that the minutes of February 12 2020 be approved as distributed, subject to technical corrections. Mr. Connelly seconded the motion. The motion was approved by a vote of 8-0. (Ms. Fachetti and Mr. Coffman had not yet arrived.)

2020 Annual Town Meeting Warrant Articles: Discuss and/or Vote

National Pollutant Discharge Elimination System (NPDES) Permit Compliance

Ms. Lustig stated that this request will provide funding in support of projects NPDES compliance efforts and is being requested in a warrant article rather than a DSR4 because there are advantages to not being required to spend the funds within one fiscal year. She stated that they are focusing on 1-2 watershed areas at a time to determine what needs to be done to remove pollutants. If they work faster, they will get more done within the appropriation. Mr. Levy noted that there is separate funding for consulting work and for NPDES-related work in the Capital Plan and asked whether it would be better to wait until the consulting work is finished to inform the work. Ms. Lustig stated that they are not directly connected, and the planned work is known to be needed.

MOVED: By Mr. Levy that the Finance Committee recommend adoption of 2020 Annual Town Meeting Warrant Article: Appropriate National Pollutant Discharge Elimination System (NPDES) Permit Compliance in the amount of \$195,000. Mr. Reilly seconded the motion. The motion was approved by a vote of 6-0. (MR. Coffman had not yet arrived.)

General Fund Cash Capital (see additional discussion below)

Mr. Reilly asked for a breakdown of the amount of funding that will go to studying versus work for NPDES compliance in the capital plan. Ms. Lustig listed a number of planned expenses, and said that she would provide a list. The work included testing and construction of concrete tanks for proper materials handling to comply with best management practices for pollution control.

Mr. Connelly asked if there was a master plan for NPDES compliance, planning the projects within the larger project, showing the costs and when the projects would be done. Mr. Jacob stated that it would be helpful to know what is planned for each fiscal year and the costs. Ms. Lustig stated that they are preparing reports for the EPA which will include that information.

Mr. Davison stated that there is a plan within the Capital Plan, and if they aren't ready to do work at certain times, it will be pushed off. Mr. DelGaizo stated that the Town is broken down into about 20 watersheds to be addressed, and they will seek to remove phosphorus and pathogens. He stated that new construction needs to remove these pollutants. Mr. Levy asked if there will be a baseline to monitor progress. Mr. DelGaizo stated that there is, and the EPA determined the Town's portion of pollutants and what needs to be removed based on the amounts in the waters.

Town-Owned Land Surveys

Mr. DelGaizo stated that he expects this to be an annual warrant article until 2026 at \$100K per year. He has a spreadsheet of all of the Town properties that they are seeking to survey. Mr. Connelly stated that some Town properties are inaccessible and will not be built upon, and questioned whether they all needed to be surveyed. Mr. Merson stated that it is good practice to have all of the property surveyed so that if there is an issue of liability, the Town knows whether certain property is actually Town-owned. Mr. Jacob stated that his understanding of the project was to survey land where construction projects were contemplated to avoid problems. Mr. DelGaizo stated that there are 161 properties and that there are other reasons for surveys as well. He stated that there was 4 acres of property missing in one area of Town. Mr. Merson acknowledged that the focus was to survey properties that were preparing for construction. Mr. Jacob asked for a list of Town properties to be surveyed, categorized by importance. He asked how many were surveyed in the first year. Mr. Merson stated that there were about 12-14 significant parcels completed in the first year, including the properties for the Public Safety project. Mr. DelGaizo stated that there is about \$27.5K left from FY19 and the \$100K from FY20 not yet used. Mr. Merson stated that about \$88K of that is planned. Mr. Lunetta asked why all of the money is not being used. Mr. DelGaizo stated that some of the surveys can take a long time. Mr. Reilly asked what happens if the surveys cost more than expected. Mr. DelGaizo stated that the contracts have a limit.

Mr. Connelly stated that he is not ready to vote on the article. He would like to know what has been accomplished with the appropriations in 2017, 2018 and 2019, and what is planned with the unspent funds and with the \$100K requested in 2020. Mr. Merson stated that they have been communicating with the Building Design and Construction Department to discussing having some surveys covered by project budgets. If they are part of a contract, and the costs of surveys go up, it will have to be covered by contingency funds.

Public Facilities Maintenance Program

Mr. Connelly stated that this has been discussed, and the article is very straightforward.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of 2020 Annual Town Meeting Warrant Article: Appropriate for Public Facilities Maintenance Program in the amount of \$655,000. Mr. Reilly seconded the motion. The motion was approved by a vote of 7-0.

FY2021 Sewer Enterprise Fund Budget; FY2021 Water Enterprise Fund Budget

Mr. Davison stated that the preliminary assessments have come in from the MWRA or budgeting. The actual numbers will not be known until the beginning of the fiscal year.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of 2020 Annual Town Meeting Warrant Articles: Appropriate the FY2021 Sewer Enterprise Fund Budget and Appropriate the FY2021 Water Enterprise Fund Budget in the amounts as set forth in the handout (as will appear in the final printed warrant). Mr. Levy seconded the motion. The motion was approved by a vote of 7-0.

Set Annual Revolving Fund Spending Limits

Mr. Davison stated that the amounts are upper limits, and the FY21 amounts are the same as set for FY20.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of 2020 Annual Town Meeting Warrant Article: Set Annual Revolving Fund Spending Limits in the amounts as set forth in table in the warrant article. Mr. Lunetta seconded the motion. The motion was approved by a vote of 7-0.

Transportation Improvement Fees

Mr. Davison stated that this article appropriates funds from rideshare fees for rides originating in Needham. It must be used for transportation infrastructure. He asked that the discussion be deferred until the amount is known which will dictate the planned use of the funds. He stated that it will be the 3rd year that the Town receives these funds, which are reported on a calendar basis, and come in one lump sum payment.

Expend State Funds for Public Ways

Mr. Davison stated that these funds are from the state depending on the amount of roads in the Town. The article must be approved before the Town can accept the funds and use them. Mr. Merson stated that last year was \$920,152, with a 10% bonus, so the total was \$1,012,167. Mr. Davison stated that it should be about \$1 million.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of 2020 Annual Town Meeting Warrant Article: Expend State Funds for Public Ways. Mr. Coffman seconded the motion. The motion was approved by a vote of 7-0.

General Fund Cash Capital (continued from earlier)

Mr. Reilly stated that he had questions about the Library chairs that are part of the cash capital article. Mr. Davison stated that the Library trustees would have to discuss the reason behind the choice of the chairs. He stated that the Trustees have also requested funding for the Space Planning study to understand how to reconfigure space to develop more meeting spaces. Ms. Fachetti stated that they are also planning to consider space for an automatic sorting machine. Mr. Davison stated that may require building modifications, and they combined the two parts into one study. Ms. Fachetti stated that they do not know if the machine would be funded. Mr. Davison stated that when studies are done, it is never known whether the project will be funded. Mr. Reilly stated that there is skepticism on the purchase of the machine, and it seems questionable to spend \$30K to study how to make space for it. Ms. Fachetti stated that the study to optimize other space is reasonable. Mr. Davison stated that it makes most sense to invite the Library Trustees in to discuss the study and the chairs. Ms. Fachetti and others agreed.

Mr. Levy asked about the proposed traffic improvements. Ms. Simchak stated that they are following recommendations of the Traffic Management Advisory Committee. It will make involve safety improvements, signs and curbs to protect pedestrians. Mr. Merson stated that this has been an annual number for several years. Mr. Reilly stated that the school copiers are being replaced before the end of the manufacturer's suggested useful life. Mr. Davison stated that Ms. Gulati sped up the replacement because the copiers are breaking down. He stated that she reviews the wear and tear and the repair calls on the machines. Mr. Levy asked about the school replacement laptops and iPads and asked what is replacing them. Mr. Davison stated that equipment has a life of less than 5 years, so is carried in the operating budget for the Schools. He noted that the Capital Plan itemizes the equipment. He stated that they have been changing the out years in their 5-year plan, each year and he has asked them to highlight changes to each fiscal year plan going forward. He stated that the Broadmeadow technology room conversion is on hold as they figure out where School administration will be housed eventually.

Public Works Infrastructure

Mr. Lunetta stated what they are scheduled to spend the funding on. Ms. Simchak stated that the Capital Plan lists the items, including street resurfacing at sidewalks and intersections, and stormwater capacity improvements.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of 2020 Annual Town Meeting Warrant Article: Appropriate for Public Works Infrastructure in the amount of \$2,415,000. Ms. Fachetti seconded the motion. The motion was approved by a vote of 7-0.

Mitchell Restrooms

Mr. Levy asked why this is being funded with debt. Mr. Davison stated that the borrowing will be for less than 5 years. He mixes in projects that will be paid down quickly because it is good to have certain projects with a high percentage of the debt being paid off.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of 2020 Annual Town Meeting Warrant Article: Appropriate for Mitchell Restrooms in the amount of \$676,700 to be borrowed. Mr. Reilly seconded the motion. The motion was approved by a vote of 7-0.

Sewer Enterprise Fund Cash Capital; and Water Enterprise Fund Cash Capital

Mr. Davison stated that the cash capital for both enterprise funds is for their vehicles within the Fleet Capital.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of 2020 Annual Town Meeting Warrant Articles: Appropriate for Sewer Enterprise Fund Cash Capital in the amount of \$318,088 and Appropriate for Water Enterprise Fund Cash Capital in the amount of \$43,002. Mr. Coffman seconded the motion. The motion was approved by a vote of 7-0.

FY2021 Operating Budget Discussion/Vote

Mr. Davison stated that the Town Manager will come back next year with the request for the Fleet parts and service manager. He stated that she believes that the additional work for the HVAC technician can be deferred as well.

MOVED: By Mr. Connelly that the Finance Committee recommend the FY 2021 General Fund draft operating budget in the same amounts as the draft voted budget, for a total appropriation of \$190,247,810. Mr. Reilly seconded the motion. There was no further discussion. The motion was approved by a vote of 7-0.

Finance Committee Updates

Ms. Miller, Ms. Fachetti and Mr. Connelly will serve on the Committee team to participate in the Needham Education Foundation Spelling Bee.

Adjournment

MOVED: By Ms. Connelly that the Finance Committee meeting be adjourned, there being no further business. Mr. Reilly seconded the motion. The motion was approved by a vote of 9-0 at approximately 8:55 p.m.

Documents: FY 2021 Proposed Annual Budget, Office of the Town Manager, Town of Needham; FY2021-FY2025 Capital Improvement Plan; 2020 Annual Town Meeting warrant, draft dated 2/7/2020; Draft budget spreadsheets; updated tables for Enterprise Fund FY2021 Operating Budgets.

Respectfully submitted,

Louise Mizgerd
Staff Analyst

Approved May 29, 2020