

**Needham Finance Committee
Minutes of Meeting of January 12, 2009**

The meeting of the Finance Committee was called to order by the Vice-Chair, Lisa Zappala, at 7:05 pm in the Conference Room at the Newman School.

Present from the	David Escalante, Chair (arrived 7:10 pm)	Richard Reilly
Finance Committee:	Lisa Zappala, Vice Chair	Steven Rosenstock
	Scott Brightman	Michael Taggart
	Richard Creem	Richard Zimbone

There were no public comments.

Diversified Community Social Services Department Operating Budget and Capital Requests Review: Present for the discussion were Christopher Coleman, Assistant Town Manager, Catherine Lunetta, Finance Committee appointee to the Youth Commission, John Mattleman, Director of Youth Services, and Suzanne Hughes, chair of the Council on Aging.

Mr. Rosenstock recused himself from the entire discussion.

The FY08 statistics for Elder Affairs included in the Diversified Community Social Services Department (DCSS) budget request were reviewed and discussed. The Shine program was highlighted. The Veterans' programs are mostly funded through reimbursements. The overall budget request for FY10 for DCSS is approximately \$24,500 more than FY09. The increases are contractual increases.

The FY09 budget funded additional hours for the DCSS assistant who is now working 37.5 hours. The benefits of having increased the assistant to a full-time employee were discussed. The assistant spends one day per week with the Council on Aging (CoA), which allows the Executive Director of the CoA to spend more time on director-level work. The Youth Commission is also seeing the benefit of a full-time assistant, because the assistant can better focus on Youth Commission work when in the Youth Commission office. 3 hours of the assistant's salary are funded through a Youth Commission revolving fund.

Many Youth Commission programs are funded through grants. Every year the Youth Commission tries to fund new programs. The Youth Commission does not, at this time, expect that the economy will affect its funding for programs. While grants are declining, the Youth Commission is seeing an increase in donations.

Mr. Escalante asked about the synergies that may be achievable between the DCSS, School Department and Board of Health, for counseling services. Mr. Mattleman stated that Youth Services handles as much of the counseling that it can provide in-house and only refers youth and families to Riverside, a provider of services, for counseling needs that exceed the ability of Town employees. Riverside is not hired by the Youth Commission or DCSS to provide services. Ms. Hughes stated that the same is true for the CoA. If services cannot be provided by the Town, then seniors are referred to Springwell. The CoA does not hire Springwell to provide services. The Health Department does have a contract with Riverside. A senior program coordinator position has been created with grant and trust funds to work with DCSS and the High School on

substance abuse issues. There was a discussion about the synergy between the School Department and the Youth Commission regarding “children that fall through the cracks.” Mr. Mattleman stated that he is not aware of any case for which Youth Services has not been able to find a solution for counseling services.

There was a discussion of veterans’ benefits and the possibility of regionalization of Veteran Services. Regionalization may not help Needham save any staffing, because of laws governing the need for a full-time person to handle veterans’ issues. There was a question about what that means for staffing.

There are no capital requests and no DSR-4s for FY10 from the DSSC.

Department of Public Works Operating Budget and Capital Requests Review:

Present for the discussion were Rick Merson, Department of Public Works Director, Robert Lewis, Manager of the Water and Sewer Division, and Anthony DelGaizo, Manager of the Engineering Division. Also present was Christopher Coleman, Assistant Town Manager, and Kate Fitzpatrick, Town Manager.

Ms. Zappala and Mr. Reilly presented the Department of Public Works (DPW) operating budget request. The DPW is comprised of very dedicated employees. As a whole, the DPW provides significant services and has a significant budget. In addition to the General Fund Operating Budget, the DPW’s operating budget is funded through three enterprise funds: Water, Sewer, and the Recycling and Transfer Station (RTS). There is no increase in full-time equivalent employees (FTEs) for the Department. The major increases in the budget are for fuel and DPW supplies, including asphalt and fertilizer costs. The fuel increases of 12.5% are based on guidelines provided by Mr. Davison, Assistant Town Manager – Finance Director. The 90% increase in asphalt is based on the market. This means that contractual services for DPW contracts could be increasing.

The DPW has not yet determined when and how it will implement recommendations that are in the DPW Operations Report (the Mercer Report). Any FTE increase to the DPW in FY10 would be through the funding of DSR-4s. There is a request for an Assistant Director of Operations. The funding of this request would result in a restructuring of the DPW management, which is one recommendation of the Mercer Report. The management of DPW would then be composed of one director and three assistant directors, for operations, engineering, and utilities (water, sewer, and drains). There is a DSR-4 for a construction inspector in the Engineering Division. The Mercer Report includes a recommendation to consolidate some inspection services from the Sewer Division to the Engineering Division. There was a discussion whether the additional inspection position requested could be funded through current and additional projects. There was a discussion of whether there would be any value to the Town of funding the position. Mr. Reilly stated that two questions need to be answered by the DPW: 1. how important it is for the Town to fill the position, and 2. how the position can be funded. These questions have not been answered. Mr. Merson stated that the Town has some unmet needs that filling the position would meet.

There may be a future request for an FTE for data tracking and data inputting.

There is a 5-year plan for work to be done by the Water, Sewer, and Highway divisions. The projects completed are based upon the funding provided. The DPW would like to be able to do some of its bigger projects as well; for instance, the \$4-5 million projects for pump renovations.

There was a discussion regarding the DPW rolling stock. The maintenance for the rolling stock is not all done in-house. For example, transmission work is easier to contract out. There is a significant backlog in preventative maintenance. Some of the backlog was caused by staff absences due to illness. The backlog also has much to do with deferred maintenance over the years. Some amount of money was set aside by Town Meeting two years ago for refurbishment of vehicles and equipment. The DPW goal is to update its vehicle and equipment replacement table every 2 years. Maintenance logs are still recorded by hand. Having the data inputted electronically is a priority.

In response to a question from Mr. Rosenstock, there was a discussion whether Public Facilities would be folded into DPW and the Public Facilities managers would report to the DPW director. Mr. Merson stated that there is synergy that has been achieved between Public Facilities and DPW from bringing the two departments into the same building. Mr. Merson has some supervisory role over Mr. Laffey, the manager of the operations division of Public Facilities. Mr. Merson stated that he would be concerned about DPW's ability to absorb the department of Public Facilities within the current management structure. There was a discussion of some management options provided in the Mercer report regarding the merger of Public Facilities into the DPW.

In response to a question from Mr. Escalante, there was a discussion about the RTS and the management structure at the RTS. Mr. Merson stated that the vacancy in the RTS manager position made clear that a manager is needed for the facility. The RTS manager position has been filled.

Mr. Escalante stated that reports such as the Mercer Report are funded and published, and that recommendations are made to the Town, but that it is not clear what recommendations are implemented or what recommendations are rejected. Mr. Zimbone suggested that it would be helpful to the Finance Committee to have a document that shows the list of recommendations in the Mercer report and which recommendations have been accepted or rejected. There was a discussion with Mr. Merson of the Mercer report. Page 197 of the report contains the FTE recommendations, Exhibit 4 of the report shows Mercer's ranking of recommendations.

There is no request in FY10 for brooks and culverts in the Capital Improvement Plan (CIP) because there is still \$50,000 to \$60,000 remaining to be spent. That amount should carry the DPW through FY10.

All traffic signal lights replacement should be completed this year. No savings have been assumed in the DPW budget as a result of the replacement of the signal lights.

There was a discussion whether the DSR-4 for additional road repaving could be funded over the course of a number of years, or whether it is feasible to partially fund the request.

There was a discussion regarding street permit inspections. There are approximately 400 street permits per year for utilities, contractors doing new roads, and driveways.

There was a question regarding the increase of the Parks and Forestry budget between FY05 and FY10. Staffing that had been cut in FY04 or FY05 was replaced in an override during the FY06-FY10 time period. Questions regarding the maintenance of athletic fields were deferred until Lance Remsen, manager of the Parks and Forestry division of DPW, is available to meet with the Finance Committee.

The RTS Enterprise Fund was reviewed. RTS sticker revenue is currently being collected. Revenue amounts are not yet available. Revenue for the sale of recyclable materials is down. If RTS revenue is down, then the RTS subsidy will increase.

The Water and Sewer Enterprise Fund budgets were reviewed. There has been some shifting of personnel between the Water and Sewer Enterprise funds. The total number of FTEs has not increased. The DPW has lost a water plant manager. This meant that an overtime plan had to be developed for coverage. Expenses are flat in both the Water and Sewer Enterprise funds, except for energy costs and supplies that include fuel in the Sewer fund budget, and except for fuel costs and chemicals in the Water fund budget. The preliminary figures for the MWRA assessment will be received sometime in February. The MWRA purchase of water is down 60% between the first 11 months of 2007 and the first 11 months of 2008. A wetter summer than normal in 2008 accounts for that difference. It may also be helping that all wells are online. There was a discussion of what may happen if the MWRA's State appropriation for debt is reduced. In response to a question from Mr. Rosenstock regarding I&I (inflow and infiltration), Mr. Lewis stated that Needham has made greater headway than other communities.

The Municipal Parking budget request is up due to a rental increase from the MBTA.

The Municipal Lighting budget request was reviewed. The replacement of lights with lower energy consuming lights will be completed in FY09. There was discussion about whether the total amount requested in the energy line item would be necessary in FY10. Maintenance costs for the lights will remain the same in FY10.

The discussion of the DPW capital requests will take place at a later meeting of the Finance Committee.

Accept Minutes of Prior Meetings: Mr. Creem moved to accept the minutes of the December 17, 2008 meeting of the Finance Committee. Mr. Rosenstock seconded the motion. Discussion: Mr. Reilly stated that the reasons for the Police Department to select Crown Victorias as their police cruiser should be included in the minutes. A discussion followed of the level of detail required in minutes. Mr. Taggart moved that the vote on the minutes of the December 17, 2008 meeting of the Finance Committee be postponed to the first order of business at the next Finance Committee meeting scheduled for 7:00 pm on January 14, 2009. Lisa Zappala seconded the motion. Mr. Taggart's motion was approved by a vote of 6-1-1 (Mr. Rosenstock dissented and Mr. Escalante abstained).

Mr. Zimbone moved to adjourn the meeting at approximately 10:50 pm. Mr. Rosenstock seconded the motion. The motion to adjourn was approved by unanimous vote: 8-0.

Respectfully submitted,

Louise Miller
Executive Secretary