

**Needham Finance Committee
Minutes of Meeting of April 6, 2009**

The meeting of the Finance Committee was called to order by the Chair, David Escalante, at 7:10 pm in the Third Floor Conference Room at the Library.

Present from the	David Escalante, Chair	Richard Reilly
Finance Committee:	Lisa Zappala, Vice Chair	Steven Rosenstock
	Scott Brightman	Michael Taggart
	Richard Creem	Richard Zimbone

Also Present: David Davison, Assistant Town Manager – Finance Director
Kate Fitzpatrick, Town Manager

There were no public comments.

Vote May Town Meeting Warrant Article 50: Appropriate for Athletic Facility Maintenance: A motion having been previously made on March 18, 2009, the Finance Committee continued its discussion. Mr. Taggart stated that he has no problem with the funding source for the Article. There is a compelling case that the work needs to be done and there is a safety issue. Mr. Taggart stated that his support of the Article is not based on the argument that it would finish the DeFazio fields work. Mr. Taggart stated that everyone understood that the funds for the track and field would not be used for the Asa Small field. Mr. Brightman agreed with Mr. Taggart. Mr. Rosenstock stated that he agreed with Mr. Taggart except for one point. Mr. Rosenstock stated that the Asa Small field was part of the DeFazio renovation plan, but that it was not planned to be part of the track and field appropriation. Mr. Escalante stated that he is troubled that \$29,000 for the irrigation system is the result of the purposeful disconnection of the system. Ms. Zappala stated that the irrigation system may have been disconnected when the other fields were being worked on, but that it needed to be updated regardless. Mr. Escalante stated that \$75,000 of the cost is for a chain link fence. Mr. Escalante was not convinced that is the actual cost. Mr. Escalante does not believe that the fence is a high priority. Other capital items could be funded with the money. Mr. Brightman stated that he does not understand the objection to the cost of the fence. The Town has made an estimate of the cost and will receive multiple bids. If the bids are lower than the estimate, then the work will be done for less. Ms. Zappala and Mr. Taggart stated that the \$75,000 includes the backstop and benches. Mr. Reilly stated that the fence needs to be done because it is a safety issue. The Town will do the work for the least amount that it can be done. The motion was approved by a vote of 7-1 (Mr. Escalante dissented).

Discuss and Vote as Appropriate May Town Meeting Warrant Articles 18 and 19: Establishment of Procedures Committee of Town Meeting, and the Definition of its Duties, and Votes and Resolutions of Town Meeting: Present for the discussion were Mr. Denver, Chair of the Town Meeting Study Committee, and Mr. Powers, member of

the Town Meeting Study Committee. Mr. Creem stated that it is not clear how the proposed Procedures Committee would impact the work of the Finance Committee and articulation of Finance Committee recommendations. Mr. Creem stated that the Finance Committee works very well. It does its analysis, and then comes to Town Meeting where a cogent analysis is presented.

Mr. Denver stated that there are four areas where the Town Meeting Study Committee (TMSC) envisions the Procedures Committee making recommendations. First, the TMSC would like to see more precinct representation. A recommendation, for example, could be that precinct electees meet and speak with citizens in their precinct. Second, there may be recommendations to the Moderator or Town Meeting regarding ways to recognize speakers at Town Meeting. Third, the TMSC would like to see absenteeism addressed. The TMSC does not view absenteeism as a serious problem, but it would like to see it addressed. Fourth, Mr. Denver did not see any conflict between the Procedures Committee and the Finance Committee. Perhaps there could be some protocols created for use of the Town website for Town Meeting.

Mr. Creem stated that he is concerned with proposed rules that might affect how the operating budget is presented, for instance, or how the operating budget works. For example, Town Meeting votes on a rule of procedure every year requiring that if a Town Meeting member wishes to add to one line item of the operating budget, the Town Meeting member must identify a funding source for the item. Mr. Creem stated that he would be concerned if such a rule were no longer deemed necessary. Mr. Creem also stated that he was concerned about possible rules regarding the dissemination of information in advance of Town Meeting. For example, requiring materials be provided well in advance of Town Meeting, which the Finance Committee may not be able to do. Mr. Creem wants to be assured that the Finance Committee will be able to do its job and be able to make its presentations to Town Meeting in the best possible manner.

Mr. Denver stated that there would be no changes to the budget procedure without approval of Town Meeting. With regard to the issue of dissemination of information, the issue of being informed late of decisions was brought up by a number of Town Meeting members. The TMSC would like to see information disseminated one to two weeks before Town Meeting whenever possible. The TMSC did recognize that the Finance Committee cannot always provide the information that far in advance. The question is what is it that makes it so that the Finance Committee cannot get the information out earlier. If Town Meeting members cannot get the recommendations early, then how can they review the articles and make decisions? Mr. Creem stated that there could be no hard and fast rule for dissemination of information. Mr. Escalante pointed out that there is nothing in the proposed by-laws to say that Town Meeting needs to approve rules or that the affected committee or committees would provide input into the rules. Mr. Reilly stated that the question to be asked from the Finance Committee's perspective is whether adoption of rules may affect the efficient operation of the Finance Committee to meet its mission. Mr. Denver stated that approval of the rules by the Moderator would act as a check on uncontrolled rule-making by the Procedures Committee. Mr. Powers suggested that the proposed language could be modified to add that Town Meeting must approve the rules. Mr. Powers stated that the problem with late reports, from a Town Meeting member perspective, is that there are a large number of reports that come in late. There are also many documents on the tables that have nothing to do with Town Meeting. Mr.

Powers stated that the TMSC is not trying to infringe on the Finance Committee, but that it would like to see information received by Town Meeting members more seasonably. There is no time to read and assimilate long documents as Town Meeting members enter Town Meeting.

Mr. Escalante stated that he does not have any objection to making rules regarding dissemination of information. However, what is in the by-laws is what will govern. Mr. Zimbone stated that, as a Town Meeting member, he is not sure that he wants a by-law change to allow a Procedures Committee to make decisions. He would want the Committee to make a recommendation to Town Meeting. Town Meeting could then accept or reject the recommendation.

There was a discussion of a Procedures Committee in general and what it means to establish such a Committee and whether the Committee would then find work for itself even if there are no pressing issues to be resolved. There was a discussion of the timing of Town Meeting and of Town elections.

There was a discussion whether the operating budget article should be moved later in the Town Meeting Warrant. Mr. Creem stated that the Finance Committee is sensitive to the timely dissemination of information and is trying to be more proactive in its decisions. For example, the Finance Committee is voting its recommendations before the Committees proposing the Articles, such as the Board of Selectmen and Community Preservation Committee.

There was a discussion of the change to the Omnibus Article requirements. Mr. Powers stated that Article 19 as proposed brings the Town's by-laws in compliance with Supreme Judicial Court rulings. If an item is not in the Warrant, it cannot be taken up in the Omnibus Article.

There was a discussion of how citizens can submit articles to the Board of Selectmen for inclusion in the Annual Town Meeting Warrant. There was a discussion of the procedure for citizens to compel a Special Town Meeting Warrant. There was a discussion of the initiative procedure set forth in the Town Charter. By State law, the Board of Selectmen is the custodian of the Warrant. By-laws and the Town Charter cannot be written that contravene State law. Mr. Taggart stated that the Omnibus Article should not be abused as it has been in the past. Mr. Taggart asked whether there are any possible adverse consequences to changing the by-laws. There was a discussion of whether Town Meeting members would not be able to bring forth legitimate articles. Mr. Denver stated that there could be an obligation on the Selectmen to allow late Warrant articles to appear. There was a discussion that the Selectmen have discretion to allow late Warrant articles.

Discuss and Vote as Appropriate May Town Meeting Warrant Article 51:

Appropriate for RTS Enterprise Fund Cash Capital: Ms. Fitzpatrick explained that the Public Facilities Department (PFD) manager is using the pick-up truck from the Recycling and Transfer Station (RTS). The PFD manager was doing both jobs until a new RTS manager was found. Ms. Zappala stated that Mr. Merson had stated that if the pick-up truck was just to be used at the RTS, then it could probably be replaced in FY 2011 rather than FY 2010. However, the truck is being used by the PFD manager. Mr. Rosenstock asked about the transfer of an asset of the RTS Enterprise Fund to the PFD. Mr. Taggart stated that there is no compelling reason to replace the RTS vehicle. Mr.

Taggart stated that the PFD manager should not be using the RTS truck. He stated that there was no vehicle with the PFD manager position prior to Mr. Laffey being hired. The Cash Capital recommendation has already been voted and did not include a new vehicle for the PFD manager. Mr. Taggart stated that the current economic time is not the time to add a vehicle to the Town fleet. Mr. Creem stated that the RTS truck is on a replacement schedule for vehicles like all Department of Public Works (DPW) vehicles. It is due for replacement in FY 2010. It has logged well over 100,000 miles and there are funds available in the RTS Enterprise Fund to replace it. Mr. Creem expressed concern that if vehicles are not replaced when scheduled, the Town will dig itself into a hole and be caught with high maintenance costs and no ability to replace vehicles in the future when needed. Mr. Reilly stated that he understands the value of replacement schedules. The point of replacement schedules is to avoid high maintenance costs for vehicles that will need to be replaced. In this instance, the maintenance costs are very low. Mr. Rosenstock stated that he does not think that it is relevant whether Mr. LaFleur, the former PFD manager, had a vehicle. Mr. Laffey uses one. The Finance Committee in the past couple of years recommended appropriation of \$250,000 to get the vehicle replacement cycle back on line and try to keep up with the DPW rolling stock. Either the Town will have to reimburse Mr. Laffey for his mileage or it will need to provide him with a vehicle. It will cost the Town either way. Mr. Taggart stated that the discussion of the need for a vehicle for the PFD manager should be delayed to next year when it is part of the Cash Capital discussion. Mr. Rosenstock stated that the Finance Committee should expect next year to be a tight year for Cash Capital. Ms. Zappala stated that the truck does not need to be replaced at the RTS. Replacing the vehicle would allow Mr. Laffey to have a truck for one year when the discussion will need to be had about the replacement of the truck. Mr. Zimbone stated that the Finance Committee is only voting on one vehicle, whether to purchase a new truck for the RTS. Mr. Zimbone stated that the Town Manager will need to work out the accounting for the transfer of the RTS vehicle to the PFD. Mr. Brightman asked which managers have vehicles.

Mr. Zimbone moved that the Finance Committee recommend adoption of May Town Meeting Warrant Article 51, entitled "Appropriate for RTS Enterprise Fund Cash Capital". Mr. Rosenstock seconded the motion. Discussion: none. The motion failed by a vote of 4-4 (Mr. Rosenstock, Mr. Creem, Mr. Zimbone, and Mr. Brightman voted in favor of the motion) (Mr. Escalante, Mr. Taggart, Mr. Reilly, and Ms. Zappala voted against the motion).

Mr. Reilly moved that the Finance Committee recommend adoption of May Town Meeting Warrant Article 51, entitled "Appropriate for RTS Enterprise Fund Cash Capital" amended to delete \$26,609 for a pick-up truck, bringing the total amount of the appropriation to \$110,000. Mr. Taggart seconded the motion. Discussion: Mr. Rosenstock stated that the truck is being driven by the manager of another department. The RTS and PFD have jobs to do. The truck is needed. Mr. Taggart stated that he objects to using the Article to add a vehicle for the PFD manager when that position did not have a vehicle before. The motion failed by a vote of 4-4 (Mr. Escalante, Mr. Taggart, Mr. Reilly, and Ms. Zappala voted in favor of the motion) (Mr. Rosenstock, Mr. Creem, Mr. Zimbone, and Mr. Brightman voted against the motion).

Mr. Zimbone asked whether those voting against funding of the vehicle have an issue with the vehicle itself or with the accounting for the vehicle transfer from one

department to another. Mr. Reilly stated that transparency is an issue but that he does not believe that the vehicle needs to be replaced and would not be an issue if it were not for the transfer to another department. Mr. Zimbone asked if the RTS Cash Capital Article were for \$110,000 with the \$26,000 for replacement of the truck in the General Fund Cash Capital, then would some of the transparency issues be resolved. Ms. Zappala stated that the issues would be resolved from her perspective.

Discuss and Vote as Appropriate May Town Meeting Warrant Article 36: Appropriate for CPA/Affordable Housing Consulting Assistance: Ms. Zappala stated that, as liaison to the Community Preservation Committee (CPC), she could see that the CPC could use to have a consultant available. Ms. Fitzpatrick stated that a consultant would help with the design guidelines for Zoning Board of Appeals when it reviews 40B applications. Technical assistance accounts for approximately 25% of the appropriation request. Mr. Creem asked whether the request would be an annual request. Mr. Fitzpatrick stated that she did not know. If the entire appropriation is not used over the next fiscal year, it can be carried into the following year. Mr. Rosenstock clarified that if, for example, \$18,000 of the \$25,000 is used in the next fiscal year, then the remaining \$7,000 is available for use thereafter unless the appropriation is rescinded. Mr. Creem moved that the Finance Committee recommend adoption of May Town Meeting Warrant Article 36, entitled “Appropriate for CPA/Affordable Housing Consulting Assistance”. Mr. Brightman seconded the motion. Discussion: none. The motion was approved by unanimous vote: 8-0.

Discuss and Vote as Appropriate May Town Meeting Warrant Article 38: Appropriate for CPA/Additional Easement Research to Complement Master Plan for Trails: Ms. Fitzpatrick stated that the request is for easement research to complement the 2006 Master Plan for Trails. There was missing from the trails map the easements for public right access. The Town would like to hire an intern or a contractor to identify, catalogue, and plot the easements. The easements would be documented and placed on a GIS map. Down the road, the Town could purchase some easements. Ms. Zappala stated that one purpose of the research would be to make sure that the Town does not purchase easements that it already has. Mr. Rosenstock asked whether the funds could come out of the CPA Open Space Reserve. Mr. Taggart stated that much of the information sought could be obtained on-line from the Registry of Deeds and that it was not clear what \$25,000 would be used for. Mr. Davison stated that information from other sources, such as the Land Court and any Town votes for legal easements would need to be researched as well. Mr. Escalante asked whether the funds could be used for Town Hall if not used for this Article.

Discuss and Vote as Appropriate May Town Meeting Warrant Article 37: Appropriate for CPA/Design Funds for All-Person's Trail around Needham Reservoir: Ms. Zappala stated that there a very few opportunities for all-person trails. The intent of the Conservation Commission and Park and Recreation Department is to design a boardwalk trail with CPA funding and obtain grants for the construction of the trail. The trail is an ideal trail to be made handicapped accessible. The trail also will help protect wetlands. Mr. Taggart stated that if the grant funding cannot be obtained, either

the design funds will have been lost or the Town will need to pay for the cost of constructing the trail. Mr. Davison thought that there is a 50% chance that the Town will receive a grant. Mr. Rosenstock asked about the cost of design being \$55,000 and asked whether the cost of the proposed boardwalk trail could be funded from CPA Open Space Reserve. Mr. Davison stated that the amount is high because of the wetlands and permitting issues. Mr. Davison was not sure whether the trail could be funded with Open Space funds. Mr. Zimbone moved that the Finance Committee recommend adoption of May Town Meeting Warrant Article 37, entitled “Appropriate for CPA/Design Funds for All-Person’s Trail Around Needham Reservoir”. Mr. Rosenstock seconded the motion. Discussion: none. The motion was approved by a vote of 6-2 (Mr. Escalante and Mr. Taggart dissented).

Discuss and Vote as Appropriate May Town Meeting Warrant Article 14: Accept Provisions of M.G.L. Chapter 59 Section 5 (41A): Mr. Escalante stated that the Finance Committee had not been provided with the additional cost of the tax deferrals. Mr. Davison stated that there is no cost. The Article seeks approval of income limits for tax deferrals, not tax exemptions. Mr. Escalante asked about the impact on cash flow of additional deferrals. Mr. Davison stated that he did not know. Ms. Zappala asked about the amount of taxes deferred annually. Mr. Reilly asked about the interest rate. Mr. Davison stated that the income limit for deferral would be \$49,000, and that the interest charged is 4%. Mr. Davison stated that if the amount of tax deferrals becomes material, the Town can sell the receivables. Mr. Taggart asked whether this provision needs to be accepted by Town Meeting every year. Mr. Davison stated that once the Article is adopted, the income limit will be indexed to the Senior Circuit Breaker. Mr. Brightman moved that the Finance Committee recommend adoption of May Town Meeting Warrant Article 14, entitled “Accept Provisions of M.G.L. Chapter 59 Section 5 (41A)”. Ms. Zappala seconded the motion. The motion was approved by a vote of 6-0-2 (Mr. Escalante and Mr. Taggart abstained).

Discuss and Vote as Appropriate May Town Meeting Warrant Article 34: Accept Federal and State Stimulus Grants: Article 34 is a placeholder in the event that Federal and/or State stimulus grant funds become available. Mr. Rosenstock stated that should funds become available to Needham, the Town needs to be able to accept them. Mr. Escalante stated that there is a problem with the phrase “to match” in the first sentence of the Article. Mr. Davison suggested that a motion to amend could be made at Town Meeting to remove the phrase. There are no funds currently available for appropriation.

Discuss and Vote as Appropriate May Town Meeting Warrant Article 44: Rescind Debt Authorizations: Mr. Taggart moved that the Finance Committee recommend adoption of May Town Meeting Warrant Article 44, entitled “Rescind Debt Authorizations”. Mr. Rosenstock seconded the motion. Discussion: none. The motion was approved by unanimous vote: 8-0.

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

Respectfully submitted,

Louise Miller
Executive Secretary