

**Needham Finance Committee  
Minutes of Meeting of March 14, 2011**

The meeting of the Finance Committee was called to order by the Chair, Richard Zimbone, at approximately 6:05 pm at the Pollard School.

Present from the Finance Committee:

Richard Zimbone, Chair; Matthew Borrelli, Vice Chair

Members: John Connelly, Richard Creem, Richard Lunetta, Gary McNeill (arrived 6:10 pm), Richard Reilly, Steven Rosenstock, Lisa Zappala.

Also Present:

David Davison, Assistant Town Manager/Director of Finance

Richard Merson, Director of Public Works

Robert Lewis, Assistant Director of Public Works

Louise Miller, Assistant Purchasing Agent / Office Manager, DPW

Jane Howard, Chair, Community Preservation Committee

Mark Gluesing, Vice Chair, Community Preservation Committee

**Citizen Requests**

No citizens requested to speak.

**Approval of Minutes**

MOVED: By Mr. Rosenstock that the minutes of March 2, 2011, be approved. Mr. Lunetta seconded the motion. There was no further discussion. The motion was approved by a vote of 8-0. (Mr. McNeill had not yet arrived.)

**Discuss, Vote as Appropriate Draft Annual Town Meeting Warrant Article: Appropriate the FY 2012 RTS Enterprise Fund Operating Budget**

Mr. Reilly reported that he and Ms. Mizgerd had met with the DPW to discuss the Finance Committee's outstanding questions regarding the RTS budget. The Annual Town Meeting warrant article includes a reduction of \$65,000 from the original budget request. There is a \$30,000 decrease in expenses, mostly due to lower estimates of Vehicular Supplies and "Other Purchased Services." The RTS Enterprise Fund retained earnings contribution was reduced \$20,000. The operating capital was reduced \$15,000. Mr. Merson stated that the \$15,000 removed from operating capital approximates the trade-in value they anticipate when they replace one of the transfer trailers. For the first three years after purchase, the RTS uses the trailers for hauling waste. The trailers are then rotated to lighter duty work. As a result, the Town gets good trade-in values. He is comfortable with the \$15,000 trade-in assumption. Mr. Reilly noted that there is still \$43,000 in the operating capital budget.

Mr. Borrelli asked about the declining diversion rate and what changes are proposed with respect to educating citizens better about recycling programs. Mr. Merson stated that he compared the

diversion rates from the first six months of FY11 with the diversion rates from the first six months of FY 09 and FY10 and found that the diversion rate is actually trending back up. He feels that some of this is due to market impact, but that some additional education is probably needed. The new superintendent of the RTS is getting ready to move forward in that direction.

Mr. Borrelli noted that the General Fund contribution to the RTS was \$570,000 in FY06, and then \$443,500 in FY07, \$727,289 in FY08, \$510,270 in FY09, \$535,681 in FY10 and \$792,673 in FY11. He asked whether this level of contribution will decrease. Mr. Davison stated that the general fund contribution to the RTS is based on a formula, a policy set by the Board of Selectmen about five years earlier with input from the Finance Committee. Mr. Davison supplied a handout showing the basis of the general fund contribution over fiscal years 2008, 2009 and 2010.

Mr. Zimbone asked if the Town considered whether higher priced trash bags would serve to encourage recycling when recent changes to RTS fees were discussed. Mr. Davison stated that the Selectmen did consider that issue when they determined the fees. However, they were seeking to recover actual costs of disposing with Wheelabrator Technologies. They chose to increase sticker prices, rather than bag prices. The cost associated with recycling was going up, and that can only be recovered in sticker prices.

MOVED: By Mr. Reilly that the Finance Committee recommend adoption of the RTS budget as set forth the Draft Annual Town Meeting Warrant Article entitled Appropriate the FY 2012 RTS Enterprise Fund Budget. Mr. Creem seconded the motion. There was no further discussion. The motion was approved by a unanimous vote of 9-0.

#### **Draft Annual Town Meeting Warrant Article: Appropriate for CPA Project - Home Energy Improvements**

Ms. Howard explained that the Community Preservation Committee (CPC) recommended that this article be funded with \$80,000 with the hope that the Charles River Center will receive an additional \$40,000 in grants for which they have applied. The \$80,000 is proposed to come from the Community Housing Reserve. Mr. Zimbone asked what would happen if the grants are not funded. Ms. Howard responded that the Charles River Center could replace doors and windows in two of the three proposed houses, and ask for additional funding next year.

MOVED: By Ms. Zappala that the Finance Committee recommend adoption of Draft Annual Town Meeting Warrant Article entitled Appropriate for CPA Project - Home Energy Improvements in the amount of \$80,000 from the CPA Community Housing Reserve. Mr. Borrelli seconded the motion. There was no further discussion. The motion was approved by a vote of 8-1, with Mr. Rosenstock dissenting.

#### **Draft Annual Town Meeting Warrant Article: Appropriate for CPA Project - Linden/ Chambers/ High Rock Properties Feasibility Design**

Ms. Howard stated that this project has been recommended to be funded with \$50,000 from the Community Housing Reserve. The Housing Authority will be matching the \$50,000 funding. In response to a question from Mr. Rosenstock, Ms. Howard stated that there is currently no specific plan for the property other than to create additional housing. This project will study the area and formulate a design. Currently, there are a number of small, 400 square-foot houses on a relatively large area of land. Mr. Gluesing stated that the goal is to make a master plan for the property with more housing. Ms. Howard stated that an RFP was released but the state has raised questions, and has not yet allowed them to open the bids. Mr. Borrelli asked where the price came from. Ms. Howard replied that the Housing Authority estimated the cost of the site feasibility study. Mr. Gluesing stated that they also spoke to other housing authorities for comparative pricing information. Mr. Rosenstock asked whether the cost would cover the study, or also test borings. Ms. Howard stated that it was for only a study of the land, and to determine how to create more housing on it. Mr. Zimbone asked if there was an estimate as to how much housing could potentially be created. Ms. Howard stated that the goal is more housing, but nothing specific.

Mr. Rosenstock asked who would be responsible for funds, and whether the Town had input. Mr. Gluesing explained that the state reviews the process, which is why the state is overseeing the bidding process. Ms. Howard added that the bill is presented to the Town Manager to review and approve before it is paid.

MOVED: By Ms. Zappala that the Finance Committee recommend adoption of Draft Annual Town Meeting Warrant Article entitled Appropriate for CPA Project - Linden/ Chambers/ High Rock Properties Feasibility Design in the amount of \$50,000 from the CPA Community Housing Reserve. Mr. Rosenstock seconded the motion. There was no further discussion. The motion was approved by a vote of 9-0.

### **Draft Annual Town Meeting Warrant Article: Appropriate for CPA Project – Preservation of Historic Documents**

Ms. Howard stated that the Town Manager brought this request to the CPC. The plan is to preserve a select group of documents that were found in the time capsule from the old Town Hall. The documents were opened after the public ceremony and found to be of historical interest. The Town will check them against other historic documents to make sure that there is no duplicating of efforts. The request is for \$7,500 instead of the original \$20,000, to come from the CPA Historic Resources Reserve. Ms. Zappala asked why the cost was now lower. Ms. Howard stated that they are seeking to preserve fewer documents. They will be working with the same people that are preserving documents from the Town Hall. Ms. Fitzpatrick told the CPC that she is comfortable with the \$7,500 cost. Mr. Gluesing stated that the CPC found the documents to be historical and valuable as required for the use of Historic Reserve.

MOVED: By Ms. Zappala that the Finance Committee recommend adoption of Draft Annual Town Meeting Warrant Article entitled Appropriate for CPA Project - Preservation of Historic Documents in the amount of \$7,500 from the CPA

Historic Resources Reserve. Mr. Creem seconded the motion. There was no further discussion. The motion was approved by a vote of 9-0.

### **Draft Annual Town Meeting Warrant Article: Appropriate to Community Preservation Fund**

Ms. Howard stated that the article will be amended. The original numbers assumed a state reimbursement level of 20%, but they received 25% reimbursement. The new numbers will be available for the Finance Committee meeting on March 16. Mr. Connelly asked about funds that are not used. Mr. Davison stated that the money does not accrue but closes out to Free Cash. The Community Preservation Fund is reallocated each year.

### **March Special Town Meeting Warrant Articles**

Mr. Zimbone stated that the Board of Selectmen is meeting to discuss whether to withdraw Article 2 regarding the replacement of Well #1. The Board is considering whether to instead seek authorization for the entire project at the May Special Town Meeting.

### **Finance Committee Updates**

Mr. Creem toured the Town Hall. Everything is progressing well, and the Town offices are expected to be open at the Town Hall in mid-October.

### **Suspend**

MOVED: By Mr. Lunetta that the meeting of the Finance Committee be suspended, to be reconvened as necessary during the course of Town Meeting. Ms. Zappala seconded the motion. The meeting of the Finance Committee was suspended by unanimous vote 9-0 at approximately 6:50 pm.

### **Adjourn**

MOVED: By Mr. Reilly that the meeting be adjourned, there being no further business. Mr. Creem seconded the motion. The motion was approved by a vote of 9-0 at approximately 9:22 p.m.

Documents: Town of Needham RTS Enterprise, General Fund Contribution FY 2012; Annual Town Meeting Warrant Draft dated 3.4.11, Proposed Annual Budget FY 2012, Office of the Town Manager, January 31, 2011; Capital Improvement Plan FY2012-FY2016, Office of the Town Manager, January 4, 2011;

Respectfully submitted,

Louise Mizgerd  
Executive Secretary

*Approved March 30, 2011*