

**Needham Finance Committee
Minutes of Meeting of October 12, 2011**

The meeting of the Finance Committee was called to order by the Chair, Matthew Borrelli, at approximately 7:04 pm in the Charles River Conference Room at the Public Services Administration Building (Temporary Town Hall.)

Present from the Finance Committee:

Matthew Borrelli, Chair; Richard Reilly, Vice Chair

Members: John Connelly, Richard Creem, Richard Lunetta, Steven Rosenstock, Lisa Zappala, Richard Zimbone

Also Present:

Lee Newman, Planning Director

Devra Bailin, Economic Development Director

George Kent, Chair, Permanent Public Building Committee

Steve Popper, Director of Construction and Renovation

Kate Fitzpatrick, Town Manager

David Davison, Assistant Town Manager/Director of Finance

Citizen Requests

No citizens requested to speak.

Special Town Meeting Warrant Article 3: Amend Zoning By-Law – Apartment – 2 Zoning District

Ms. Newman stated that the article is intended to provide zoning relief for a North Hill project to construct a new nursing home with approximately 72 beds. They are also converting the old nursing home to offices and assisted living space. The project would expose more of the basement of the building on a sloped area which would make the building exceed the current height limit. The new zoning would allow the building to be 4 stories, or up to 50 feet tall, provided it is for convalescent use. In response to a question from Mr. Rosenstock, Ms. Newman explained that the use of the building cannot be changed without a vote of Town Meeting. She added that they will need to bring plans to the Town as the project moves forward. Mr. Zimbone asked whether other nursing homes might take advantage of the proposed change. Ms. Newman stated that the proposed change applies only to one zoning district which has no other nursing homes. She stated this project is unique because of the property slope and the intended project, and the change would not apply to other locations. Mr. Reilly asked whether the Town had considered a zoning variance. Ms. Newman stated that the project would not qualify for a zoning variance under the statute.

Mr. Borrelli asked if the Town had done an economic analysis of the proposed change as had been done previously for Wingate. Ms. Newman stated that she expects a tax revenue increase, and can supply that information. Mr. Rosenstock asked the consequences of waiting until the Annual Town Meeting. Ms. Newman stated that it would delay the project because they will not

be able to file a site plan with the state Attorney General's office before the zoning is amended, and thus could not move forward. In response to a question from Mr. Lunetta, Ms. Newman stated that the change is crafted to allow only a nursing home and not assisted living in the new building because that was the specific request.

Special Town Meeting Warrant Article 4: Amend Zoning By-Law –Definitions

Mr. Borrelli stated that the definition change looked straightforward and asked about the urgency. Ms. Bailin stated that under the current By-Laws, professional artists are denied the opportunity to have guests and clients in their studios, unlike other professionals with in-home offices. The By-Laws include artists as professionals, but their studios have been interpreted to be workshops which prevents them from being able to have clients visit, or to teach students there, thereby affecting how they can earn a living. In response to a question from Mr. Zimbone, Ms. Bailin confirmed that the studios would still be required to meet dimensional and setback requirements. Mr. Zimbone asked about traffic restrictions. Ms. Bailin stated that the same rule would apply as to home offices of lawyers or psychiatrists or other professionals: clients and visitors are allowed, and there is no limit.

Ms. Zappala asked whether there would be a financial impact to the Town. Ms. Bailin stated that many artists are currently "underground" and not filing with the Town out of fear of being shut down, and that this would change.

Special Town Meeting Warrant Article 5: Amend Zoning By-Law – Dimensional Regulations for New England Business Center

Ms. Bailin stated that in May 2010, the Council of Economic Advisors requested funds for a study of the economic conditions of the New England Business Center. The study found the allowed uses were too restrictive and precluded development. Zoning changes were made at the 2011 Annual Town Meeting to address the problems. The Planning Department told Town Meeting they would follow up at the November Special Town Meeting when the study was completed. Dimensional concerns still exist that need to be amended. When the current standards were adopted in 2001, the allowed dimensions were lower than the recommendations at the time. Currently, there is little incentive to build in the NEBC and there is disincentive to renovate existing buildings. The proposed changes would decrease certain required setbacks, increase maximum allowed lot coverage, allow higher building heights, and allow greater density. They checked with the Fire Chief to make sure the equipment and other resources could reach the buildings. Thus although the CEA recommended 72-84 foot buildings be allowed, that will be only by special permit.

Ms. Bailin stated that the need for flexibility is also being addressed. The article would allow the Planning Board to waive all dimensional requirements, other than height, where it would be reasonable to do so. Ms. Newman stated that case studies show that there will be a positive fiscal impact for the Town. Mr. Zimbone asked whether the water system and other Town infrastructure can handle the impact of additional development. Ms. Newman stated that it could handle the demand, provided that the proposed work at Reservoir B is completed.

Special Town Meeting Warrant Article 6: Amend Zoning By-Law – Dimensional Regulations

Ms. Bailin stated that when the By-Law was enacted, it intended to grandfather certain lots. However, in one case where there had been a taking of some land by the Town, the owner was denied a building permit because after the taking, the structure was too close for the required setback. This change will provide certain protections for nonconforming preexisting structures. Mr. Borrelli asked if there was a financial impact. Mr. Reilly stated that if the Town takes property by eminent domain, the cost incurred could be higher without this change. Therefore, the change is advantageous to the Town. Ms. Newman stated that the Planning Board is voting articles next week, but they may cut down the number of articles for the Special Town Meeting.

Special Town Meeting Warrant Article 7: Amend Zoning By-Law – Off-Street Parking Regulations

Ms. Bailin stated that this article corrects an inconsistency between the parking area lighting regulations and the By-Law.

MOVED: By Mr. Zimbone that the Finance Committee take no position with respect to Special Town Meeting Warrant Article 7: Amend Zoning By-Law – Off-Street Parking Regulations. Ms. Zappala seconded the motion. The motion was approved by a vote of 8-0.

Special Town Meeting Warrant Article 14: Amend the FY 2012 RTS Enterprise Fund Budget

Mr. Davison stated that the RTS personnel budget line is increasing approximately \$4,000 in accordance with a collective bargaining agreement approved at the Annual Town Meeting.

MOVED: By Mr. Rosenstock that the Finance Committee recommend adoption of November Special Town Meeting Warrant Article 14: Amend the FY 2012 RTS Enterprise Fund Budget. Ms. Zappala seconded the motion. The motion was approved by a vote of 8-0.

Request for Reserve Fund Transfer – Pollard School Project

Mr. Popper stated that the request is for \$40,000 to cover additional work needed for a parking accessibility issue. Mr. Zimbone asked whether this was an additional \$40,000 above the \$40,000 reserve fund transfer for this project in August. Mr. Popper confirmed that this is an additional request needed to address accessibility in the lower parking lot. Mr. Rosenstock asked what the contingency was on the \$1.2 million Pollard project. Mr. Popper stated that it was approximately \$20,000 which was slim. Mr. Rosenstock commented that with the contingency and the two Reserve Fund Transfers totaling \$100,000, approximately 10% additional was needed. Mr. Zimbone stated that the Town needs to replace \$100,000 in the Reserve Fund. He also stated that it was important to make sure the Pollard project has enough funds, since this is the second time they have asked for additional funds, and noted that the project has cost an

additional \$100,000 despite the Town's best efforts. Mr. Zimbone stated that he feels it is important for Town Meeting Members to understand the pressure on the Reserve Fund. He suggested that additional money be added to the Reserve Fund in Article 13, Amend the FY 2012 Operating Budget, but that a funding source is needed. Mr. Kent agreed that is important for Town Meeting Members to understand that this project has had additional costs, but stated that it must be put in context, since in just about every other project, money has been returned to the Town at the end. However, this project had a short contingency, a fast time line, and few bidders. They were forced to take the lowest bid, which was higher than they expected. Mr. Zimbone stated that it is important to disclose this to Town Meeting, since many people did not support this project. Ms. Zappala stated that Town Meeting will likely only hear about Reserve Fund Transfers if the Finance Committee tells them, since people do not typically come to Committee meetings. Mr. Rosenstock stated that if there had been a 10% contingency from the start, the transfers would not have been necessary.

Mr. Borrelli asked what happened that made the additional work necessary. Mr. Popper stated that the survey was not as accurate as they would have liked, and as a result when the sidewalk was constructed, the slope was slightly too steep and it did not provide proper accessibility to the lower parking lot that included handicapped spaces. He stated that he is talking with the contractor to see if he can get some money back, but he needs money in order to negotiate in good faith.

Mr. Connelly stated that there seems to be potential for recourse from the architect and the contractor. He expressed concern that the same architect is being used for the Senior Center. Mr. Kent stated that there will be a different civil engineer, and that they would not allow the same one. Mr. Connelly stated that since the civil engineer would be under the umbrella of the same architect, heightened scrutiny is needed. He knew of other problems with the same architect on handicapped access issues. Mr. Kent stated that he has already spoken with the architect who said that the civil engineer wanted to be paid for certain additional work, but that the Town would not be paying. He stated the Town has made its dissatisfaction clear.

Mr. Borrelli asked about timing and what would happen if the money was not approved at this meeting. Mr. Kent stated that other money is encumbered for next year, and this cannot be put off legitimately. Mr. Connelly stated that he is not comfortable authorizing an amount that is higher than the negotiated amount. He felt it would be better to ask for the money after the agreement has been reached. Mr. Popper stated that he feels the amount will be less, but that he cannot negotiate in good faith without the funds. He feels that the builder is also acting in good faith. He performed the work, though he did not have to, because of the Town's need to be finished before school started. Ms. Zappala agreed that it is difficult to negotiate when one party still has to seek authorization.

Mr. Creem stated that he supports this request for a Reserve Fund Transfer. He pointed out that the Reserve Fund was cut this year in order to put more funding in budget areas that traditionally need Reserve Fund Transfers during the year. He noted that it was a bit of a gamble, and that the Town needs to be careful.

MOVED: By Mr. Connelly that the Finance Committee approve the Reserve Fund Transfer request in the amount of \$40,000 to the Public Facilities budget. Mr. Creem seconded the motion.

DISCUSSION: Mr. Borrelli stated it was difficult to accept, especially where there is some culpability, but he will support because of the need to move forward.

VOTE: The motion was approved by a vote of 8-0.

Special Town Meeting Warrant Article 18: Appropriate for Senior Center

Mr. Kent stated that the PPBC determined that the needed appropriation is \$8,075,000. The amount increased from the design development phase to the construction document phase because they found out about some grading and storm-water issues that must be addressed in the MBTA lot. The construction documents led to an estimated construction cost of \$8.9 million. After discussions, the PPBC decided that that the request needed to be \$400,000 lower. The Committee considered approximately 50 different items to cut to reach the \$8.5 million target, which includes the \$500,000 that has already been appropriated for design. The PPBC tried to cut things that would not lead to higher expenses later, and that could be provided for with fundraising. The Committee also decided that the 7.5% contingency could be lowered since commodities prices appear stable for the next six months, and the bidding climate is good. The Town did borings at the site, and found no problems. An additional test pit will be completed before Town Meeting. The PPCB is confident that there should be no contaminated soil or other surprises. Two estimates received from contractors were very close.

The PPBC found that there were \$360,000 of enhancements that could possibly be cut, and felt that \$255,000 of those items could be set aside for fundraising. All together, they found \$416,000 of costs to cut from the estimated cost.

MOVED: By Mr. Rosenstock that the Finance Committee recommend that Article 18, Appropriate for the Senior Center, not be adopted. Mr. Creem seconded the motion.

DISCUSSION: Mr. Zimbone asked what the normal contingency was for a cost estimate based on construction documents. Mr. Kent replied that it was usually 7.5%. Mr. Popper stated that there is no hard and fast rule. The contingency depends on the type of project, such as whether it is new "green field" construction or a rehab project. In some projects the contingency can be as low as 5%. In response to a question from Ms. Zappala, Mr. Popper stated that the budget for the PSA Building included a 7.5% contingency which was very conservative. Mr. Kent stated that the more design that is done, the more the contingency can be cut.

Mr. Connelly raised four questions. (1) Mr. Connelly noted that there was an increase in the scope of work because of the storm-water work needed on the MBTA lot. He asked why there was not a corresponding uptick in the design development site work estimate. Mr. Popper stated that it was not a planned issue. Originally, there were no changes planned to the MBTA lot.

The changes were needed was because of grade changes that were required for the transition from the shared driveway to the MBTA lot.

(2) Mr. Connelly stated that when one compared the design vs. the construction costs, the biggest jump was approximately \$400,000 in electrical costs. He asked what led to that and if there was any discussion of value engineering. Mr. Popper stated that all site electrical work was in the first estimate in site work. When they went to the construction design, the electrical work costs were moved to electrical portion, even some of it related to the site. There was also an increase of approximately \$100,000 for enhanced communications wiring that was found to be needed for programming purposes. Mr. Popper stated that the Town did cut back \$5,000-\$10,000 in the value engineering process. The architect hired a consultant who developed a separate electrical estimate which was used in the estimates, and that amount was considerably higher than the amount given by the architect to the estimators earlier.

(3) Mr. Connelly stated if one looked at the total, the cost was \$8,518,852, yet the request is for \$8,575,000, a change of almost \$57,000. He asked if the contingency or other line item was increased for this. Mr. Kent stated that the requested amount was based on an average. (4) Mr. Connelly asked whether any fundraising items were for construction items. Mr. Kent stated that not all reduced or eliminated items were designated for fundraising. The fundraising items are not needed in the building construction.

Mr. Zimbone stated he was getting angst from the discussion, although the building design looks very nice. He asked whether during the process anyone ever decided that something was not affordable, noting expensive details such as wainscoting and computers. He was concerned that the budget does not support the building. Mr. Popper stated that the PPBC often decided parts were not affordable during design review. Mr. Kent cited the example that the siding is HardiePlank siding rather than stone or brick. They also decided to forgo dormers in the roof which would have looked better, but were more costly. He stated that they would also have put a full finished basement if they were not concerned about costs. Mr. Rosenstock stated that \$425 per square foot sounded expensive for a building when the Town already owned the land. Mr. Kent stated that the PSA Building cost \$6 million total, of which \$4 million was construction. Mr. Popper stated that it was about \$300 total per square foot. Mr. Creem stated that the Finance Committee was told that the PSA Building was a “skinny rabbit” done as inexpensively as possible because the Town planned to rely on the tax levy for financing. He asked why the Town was not taking similar steps in this case, since the Senior Center is also being funded within the tax levy. He stated that some members of the Finance Committee are concerned with the allocation of debt capacity to this project. Mr. Zimbone stated that he is concerned that the project started at \$4 million, then \$6 million, and is now \$8 million.

Mr. Lunetta stated that he served as one of the liaisons to the Council on Aging and is impressed by all they are able to achieve with so few financial resources. He stated that the Town needs a new Senior Center, but that the process of developing the current plans was compromised from the start. The Senior Center Exploratory Committee had no budgetary restrictions or direction. The Finance Committee knew the process was flawed and failed to speak out publicly. The Town is now seeking to fund a project beyond its means and is picking apart its carefully

considered financial plan. He questions whether any vote to support the article is based on solid fiscal policy or political expediency. He does not support recommendation of this article.

Mr. Rosenstock stated that the Board of Selectmen and the Council on Aging have stated that the number one priority is a new Senior Center. They felt that an override to finance it would not pass, although that is the appropriate way to finance it. They went through the Town Manger to find \$8 million. He stated that she cut roads funding by 1/4 because “you can’t buy 3/4 of a fire truck.” This leaves insufficient funding for the roads plan, and zero contingency. He stated that one can guess about interest rates, but the plan leaves the Town no money for unexpected needs that will arise. The cash capital maintenance plan would need to be reprioritized. However, when maintenance is put off, things break. Mr. Rosenstock stated that there are also potential land acquisitions that would make sense to fund, but there will be no money. The Board of Selectmen has said that there could be an override for that. The Town does not have the money for everything. The Finance Committee is appointed not to discuss the project, but to say if the expenditure is financially appropriate. He stated that the Committee needs to inform Town Meeting about the financial risk of this project. The Committee has the responsibility to say “no” when needed. He stated that he understands that people have worked very hard, and have a vested interest in getting the project accomplished. However, the Finance Committee has a responsibility not to leave the Town choked without resources to handle contingencies. He stated that he can’t recommend adopting this article, because that would violate the duty of the Finance Committee.

Mr. Creem stated that while he agrees the Town needs a high quality Senior Center, he cannot recommend adopting this article. He expressed disappointment with the Board of Selectmen, the Town Administration and the Finance Committee for setting out an unsound financing plan. Mr. Creem stated that he has noted many times that any capital project needs to be the right project for the right price at the right time with a sound financing plan. Mr. Creem stated that there has been a failure of leadership by the Board of Selectmen, and that he has found that people in Town are not generally supportive of the project. Instead of a scaled back project, or a debt exclusion override, or a project that could use an older building and possibly use CPA funds, the Board has chosen the politically expedient approach. Mr. Creem also expressed disappointment that the Town Administration failed to say “no” to the Selectmen’s decision that the project would be funded within general fund debt service capacity when it is not in the best interest of the Town. The financing was achieved by substantially reducing roads funding, reducing contingency funds, and reprioritizing other projects. He stated that he is most disappointed in the Finance Committee because it was fiscally irresponsible, and an abrogation of duty, to recommend the funding for the design of a project with no sound financial plan in place, and because it failed to make its concerns about the project financing clear to Town Meeting. He feels that the Finance Committee has boxed itself in by not clearly speaking up at the time of the request for design funds. Mr. Creem urged each member to strongly consider the reasons underlying his or her position. He stated he had the following financial concerns: failure to consider CPA funding, and the reliance on the 3% general fund debt service limit when debt exclusion is most appropriate. The resulting risks are undersized contingency for years, a reduction in roads funding, questionable use of Chapter 90 funds, and the strain on capital funds which will affect other construction projects and maintenance needs. Mr. Creem noted that the Town Reserves Working Group has determined that funding will not be available from the

Capital Improvement Fund or the Capital Facilities Fund any time soon. He stated he has a fundamental disagreement with the use of the 3% debt limit for funding a major project. The limited general fund debt capacity should be reserved for infrastructure needs, not used for new projects. He also expressed concerns about the long term viability of the Senior Center at that location. Mr. Creem stated that he will not recommend the adoption of this article.

Mr. Reilly asked the proponent of the motion what the Town should do. Mr. Rosenstock stated that the Town should have an override to fund the Senior Center. He would like to see it built, but not choke the Town financially. The Town needs to convince people that the infrastructure is needed. Mr. Borrelli stated that asking for an override means asking people to pay more taxes at the worst time economically. Mr. Rosenstock stated that proponents of the project had previously stated it would cost only about \$80 additionally per household.

Mr. Connelly stated that he spoke previously and stated his position on this project, but that he had a few additional comments. He supports the article. He stated that the infrastructure is needed and not going forward at this time is the wrong way to address infrastructure needs. He also stated that there is always risk in any project, and the same concerns about contingency funds were raised with the high school project. He stated that he would like to put forth a motion to recommend adoption of the article when it is appropriate.

Mr. Reilly encouraged people to focus on the proposal before them and decide if it is financially dangerous, and not whether this is the project they prefer. The Finance Committee should recommend against it only if the project would put the Town in a seriously risky position. He stated that Mr. Davison's information does not suggest that to him.

Mr. Zimbone stated that he has shared concerns with the project throughout the process, specifically with the fact that it started at \$4 million, then \$6 million, and now \$8 million. He asked Mr. Davison over the summer for a sensitivity analysis of the financing plan to better evaluate it. He has considered Mr. Davison's conservatism, the recent favorable bond financing, and the fact that there is a \$1.1 million project that is not going forward at Pollard. While there may be worthwhile parcels of land that come available, it is not the Finance Committee's responsibility to decide priorities for spending. He stated that he might not choose to do this project with the contingency level because of the risk, but he is comfortable enough with the risk and will support the article. He stated that would second Mr. Connelly's suggested motion.

Mr. Rosenstock stated that the Finance Committee needs to tell Town Meeting the risks of the lack of a contingency and to be comfortable with the risk. He agrees that the project is already underway, but he does not think the financing is acceptable.

Ms. Zappala stated that she is torn because her financial background and budget sense is saying that there is a very high risk. Every year the Town has a high need for an unexpected capital expense. The Pollard project not going forward might allow some funding. If the Town moves forward with the Senior Center, it is saying that the Senior Center is a better choice than doing something less expensive and allowing room for emergencies. She agrees with Mr. Rosenstock and Mr. Creem that the process has backed the Committee into a corner. She said the Committee is faced with the choice of saying no and justifying that it is too risky, or saying yes and

describing the risks, but that people seem to forget. Her preference would be to have a debt exclusion override, but that is not on the table. She stated that there will be an emergency, and the Town will have to cut something. She stated that the Town will soon have to live with 3 ½% debt, and will have to cut operations to pay for it, because no one wants an operating override. She stated that it is important to have a new Senior Center, but the Committee has backed itself into a corner to recommend that it can be done within the 3%.

Mr. Zimbone stated that the Finance Committee is an advising group. The Committee has the obligation to explain in significant detail the serious concerns and reservations about the financing plan, the cost of the facility and the risks going forward. He thinks it is necessary to go forward, and that if it is laid out properly, Town Meeting Members will pay attention. He feels the Committee can support the Senior Center, but must present the facts and risks to Town Meeting.

Mr. Borrelli stated that this is the best construction climate. There would be an increase of hundreds of thousands of dollars if it is delayed. It is a priority of the Town. The Finance Committee's job is to see if it would be fiscally responsible to go forward. Reasonable minds will disagree. He stated that he does not feel that it would be fiscally irresponsible to go forward. The Committee has reviewed Mr. Davison's financial plan, and discussed the impact on roads. Since there is a cushion from the Pollard project, the contingency is not zero. He stated that the site location decision was made with careful consideration of all aspects. The size of the building would have been reduced if it could not be done within the levy. The Committee has been brought something that the Town wants, and needs to decide if it is responsible to go forward. He stated that he feels it is responsible and supports the article.

VOTE: [Mr. Rosenstock's motion on p. 5.]

3 in favor (Mr. Rosenstock, Mr. Creem and Mr. Lunetta), and 5 opposed (Mr. Connelly, Mr. Zimbone, Mr. Borrelli, Mr. Reilly and Ms. Zappala.)

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of November Special Town Meeting Warrant Article 13: Appropriate for Senior Center. Mr. Zimbone seconded the motion. There was no further discussion.

VOTE: The motion failed to pass by a majority, with 4 in favor (Mr. Connelly, Mr. Zimbone, Mr. Borrelli and Mr. Reilly) and 4 opposed (Mr. Rosenstock, Mr. Creem, Mr. Lunetta and Ms. Zappala.)

Mr. Zimbone stated that the Committee cannot speak on Town Meeting floor if it does not make a recommendation. Ms. Zappala stated that she was not comfortable voting against the article, but that she does not feel comfortable recommending approval of it.

MOVED: By Mr. Rosenstock that the Finance Committee reconsider his earlier motion not to recommend adoption of Article 13: Appropriate for Senior Center for the purpose of entering a recommendation into the warrant for the Special Town Meeting because new facts have come to light. Mr. Creem seconded the motion.

Mr. Connelly asked what would appear in the warrant based on the Committee's last vote. Mr. Davison stated that it would read: "The Finance Committee has no recommendation."

VOTE: The motion was approved by a unanimous vote of 8-0.

Remaining Articles

MOVED: By Mr. Creem that the entry into the Special Town Meeting Warrant for articles not yet voted read "Recommendation to be made at Town Meeting." Mr. Zimbone seconded the motion. The motion was approved by a unanimous vote of 8-0.

Special Town Meeting Warrant Article 13: Amend the FY 2012 Operating Budget

Mr. Zimbone stated that the article needs to set a dollar amount for the Reserve Fund, since it currently says "to be determined." Mr. Davison stated that this language prevents the article from being adopted by unanimous consent at Town Meeting. He stated that he is hoping to hear the final amount of state funding by next week. The State said that it would distribute the funds by October 31.

Mr. Zimbone stated that it is important to make Town Meeting aware of how the Reserve Fund has been used to support the Pollard project.

MOVED: By Mr. Rosenstock that the Finance Committee make a recommendation at Town Meeting regarding Article 13: Amend the FY 2012 Operating Budget. Mr. Zimbone seconded. The motion was approved by a vote of 8-0.

Update on Charles River Water Treatment Facility Well

Mr. Davison stated that the testing has been completed. The test determined that the Town can do a replacement within 48 feet of the existing well. That means there will be no formal process with the Department of Environmental Protection. A new license is needed if the new well would be more than 50 feet away. On September 30, the Town received notice from the DEP that it could move forward. On October 20, the ZBA will review it. Federal EPA regulations require a ZBA review because it is a federal wetlands area. The Conservation Commission also must hold a hearing, which will be October 22. The DPW anticipates there will be no snags in the process and expect to prepare the final filing in November for the DEP, which will be filed in early December. They hope to go out to bid in January 2012 and to contract the work in March 2012. Mr. Reilly asked whether the concern remained about the flow level. Mr. Davison stated that the testing came out positively so there is no need to go to the DEP for approval of a deeper well.

Finance Committee Updates

Mr. Zimbone stated that the Board of Selectmen has discussed the Stretch Code. They voted to support it by a vote of 3-2. Mr. Zimbone stated that he voted against it at the Green

Communities Study Committee meeting, along with an architect and two builders on the committee. Many nearby communities have voted to become Green Communities, which includes adopting the Stretch Code. Mr. Zimbone stated that he supports energy conservation, but has reservations about the code. While the Town could receive \$100,000-\$150,000 in grant money, it is only one-time money. The Town could apply for other grants, but there is little money going forward. Also, the Town cannot apply for a second grant until it has finished the first. The state has not decided exactly how the money will be apportioned, but the money is expected to go more to larger communities that are less affluent and cannot afford the necessary upgrades. There is no guarantee of funding after the first year, or for funding of a specific kind of project. Once the Stretch Code is approved by a town, any change made to the Stretch Code is considered adopted and the Town would have to follow it. To remove it, the Town would have to go back and vote the specific provisions out. There also could be problems with Building Department interpretation, since it is subject to a lot of interpretations. This could lead to an increase in complaints and project delays.

Mr. Zimbone stated that the Stretch Code could seem like a tax on people building their homes because the cost of implementing it will be 2-4% more in construction, though there will be some payback from energy savings. Mr. Zimbone stated that people also raised concerns about choice and individual rights vs. the common good.

Mr. Rosenstock asked whether the Senior Center plans followed the Stretch Code. Mr. Zimbone stated that they did. Mr. Creem asked about the potential financial impact to the Town. Mr. Zimbone stated that there would be grant funding of \$100,000-\$150,000, but also the Building Inspector stated that he would need additional resources though not a full FTE. In response to a question from Mr. Rosenstock, Mr. Zimbone stated that the Stretch Code put additional requirements on top of the regular building code. Mr. Borrelli stated that it is an amendment to the building code, and is expected to pass. Ms. Fitzpatrick stated that it would need a simple majority at Town Meeting.

Mr. Connelly stated that it seemed this was being rushed, and asked whether there was any need for it be decided in November rather than at the Annual Town Meeting. Mr. Zimbone stated that the Town wants to proceed in November because that would allow the Board of Selectmen to make the other filings necessary to become a Green Community and the Town could get into an earlier round of grants than it could if it is put off. Ms. Fitzpatrick stated that the current building code and the stretch code would be concurrent for six months. Another benefit of implementing the code earlier is that the baseline for a 20% energy reduction would be 2009 instead of 2010. The Town made many energy improvements in that period.

Adjourn

MOVED: By Mr. Zimbone that the meeting be adjourned, there being no further business. Mr. Rosenstock seconded the motion. The motion was approved by a vote of 8-0, at approximately 10:40 p.m.

Documents: November Special Town Meeting Warrant, 10/12/2011 draft; Request for Reserve Fund Transfer dated 10/12/2011.

Respectfully submitted,

Louise Mizgerd
Executive Secretary/Staff Analyst

Approved October 26, 2011