

**Needham Finance Committee  
Minutes of Meeting of January 13, 2014**

The meeting of the Finance Committee was called to order by the Chair, Richard Lunetta, at approximately 7:00 pm at the Town Hall.

Present from the Finance Committee:

Richard Lunetta, Chair; John Connelly, Vice Chair

Members: Richard Creem (arrived 8:15 pm); James Flinton, Louise Miller, Richard Reilly, Lisa Zappala, Richard Zimbone

Also present:

David Davison, Assistant Town Manager/Finance Director

Stephen Popper, P.E., Director of Design and Construction

Charles Laffey, Director of Facilities Operations

Stephanie Maloney, Administrative Analyst, Public Facilities

Chief Phil Droney, Police Department

Lt. Chris Baker, Police Department

Lieutenant John Schlittler, Police Department

Roger MacDonald, Director of Management Information Systems

Chief Paul Buckley, Fire Department

**Citizen Requests**

There were no requests to address the Committee.

**Review of FY 2015 Budget Requests**

**Public Facilities – Construction**

Mr. Zimbone introduced the budget and stated that the primary costs are labor, miscellaneous expenses, and stipends for car travel. He stated that he had requested information about the percentage of salaries that could be charged to capital projects. That figure turned out to be a small percentage of the budget, approximately \$20,000 per year, though it varies project by project.

Ms. Miller asked about the capital projects, and whether they were proceeding on schedule. Mr. Popper listed the current ongoing capital projects including the St. Mary's pump station, Reservoir B, DPW garage bays, and the upcoming Mitchell modular. He stated that his department is also working on the facilities Master Plan, and some other projects. Ms. Miller asked about the status of the Hillside School project. Mr. Popper stated that the MSBA invited the Town to apply for funding, and that the next step is to prepare for a feasibility study. He stated that he hopes to get funding for the study at the Annual Town Meeting.

Mr. Reilly asked whether the staffing level changes with the workload. Mr. Popper stated that the staffing usually includes him plus two project managers, but that additional staff is sometimes brought on board for a project, depending on the management model. He stated that this is achieved by funding the salary in the capital budget. He stated that the current work fully

utilizes the staff, but that he does not project bringing on an additional project manager for any projects at this time.

## **Public Facilities – Operations**

Mr. Zimbone introduced the Operations budget and stated that the salaries include a 3% COLA, and that the expenses are almost flat. He noted that the energy budget is flat, despite adding a new building, which has occurred because Mr. Laffey has managed the department well, and because Mr. Davison has negotiated good prices for energy contracts. Mr. Zimbone stated that he reviewed the energy usage data, and has no recommendation for a reduction. He stated that the Department has a very effective electronic work order system. He stated that when there is a maintenance work order system, the need for corrective work decreases. Ms. Maloney circulated a spreadsheet showing the work orders past and future work orders relating to energy savings efforts. These work orders are all items that were identified in a study as energy-saving steps with payback of three years or less.

Mr. Reilly asked why there is a dramatic increase in municipal work orders. Mr. Laffey stated that the Schools used to get most of the attention, but that is shifting, especially as more people have access to the work order system to make requests. Mr. Davison stated that the renovated Town Hall building has much more activity. Mr. Lunetta asked how so much additional work is getting done without additional employees. Mr. Laffey stated that they use contractors. He stated that part of the requested increase for FY15 is for more contract work.

Mr. Laffey stated that the School Dude work order system also has a component for permitting buildings. He stated that the heating and cooling systems are connected to the permitting system so that they are in use only when the facilities are used. Mr. Reilly noted that there appears to be no correlation between the permitted hours and the fees taken in. Ms. Maloney stated that the fees fluctuate, and that there is no charge for in-house events, only for outside organizations. So there is not necessarily a correlation. He stated it would be helpful in the future to include a description of the fee structure.

Ms. Miller asked if there were sufficient funds to get the necessary maintenance work done. Mr. Laffey stated that there is a backlog of work because of the number of orders in the system, but that it would be expensive to hire contractors to address everything. He stated that he currently has above 800 outstanding work orders, and he would like that to be closer to 600. With additional funds, he was not sure if he would hire contractors or increase the work force. He stated that in 2008, he was not comfortable with the state of maintenance of Town Buildings, but that he feeling more comfortable, though he is not entirely satisfied. He stated he is not getting complaints, but he would like to address work orders faster. Ms. Miller asked whether the funding was sufficient in the capital request for facilities maintenance. Mr. Laffey stated that it would be sufficient. She asked if more funding would get more work done. Mr. Laffey stated that he would need additional staff to get more work done.

Mr. Reilly asked about the van being replaced in the Fleet Replacement Program. Mr. Laffey stated that the department does not need the big van it has been using, and will replace it with something smaller that has 4 cylinders and front wheel drive that will meet their needs. Mr. Davison stated that the prices for all vehicles in the capital plan are based on 2013 price estimates with inflators for 2014 and 2015. He stated that there are 11 vehicles used by Public Facilities. Mr. Laffey stated that they have used a 10-year vehicle rotation schedule that has

worked well. Mr. Reilly noted that Mr. Davison is now handling all vehicle purchases in Town, so the method of pricing is uniform. The departments still request and justify the need for vehicles, but the purchasing is centralized. Ms. Miller requested a master list of vehicles when it becomes available. Mr. Laffey stated that the capital plan also contains a boiler replacement for the DPW building for approximately \$360,050. He stated that the estimated cost does not include controls and programming which will be significant.

### **Reserve Fund Transfer – Police Department**

Mr. Davison stated that the request is to transfer \$6,451 to the Police operating capital line to pay the balance of the cost for a trailer that notifies drivers of their speed. It is used for public safety purposes. The last one was hit by a car and declared a total loss. The insurance company paid \$1,499 because the only available insurance was actual cash value. The Chief is seeking restitution, but even if successful it will take time. Mr. Connelly encouraged the Town to pursue the claim.

The request will provide the funds necessary to replace equipment. No expenditures have been made yet from the operating capital budget line because a decision has not yet been made which model cruiser, but the funds will be used. Ms. Miller stated that it would be more appropriate to seek a transfer only when the Department is sure that there are insufficient funds to buy the trailer after the vehicle purchases. She stated that she would not oppose this request because of the small amount, but felt that transfers should not be made until the Committee is certain that additional funds are needed. Ms. Zappala agreed and stated that she would prefer to know how much money is actually needed.

MOVED: By Mr. Connelly that the Finance Committee approved the Request for a Reserve Fund Transfer in the amount of \$6,451 to the Police Operating Capital line. Mr. Flinton seconded the motion. The motion was approved by a vote of 7-0. (Mr. Creem had not yet arrived.

### **Further Review of FY 2015 Budget Requests**

#### **Police Department**

Mr. Lunetta introduced the budget, describing the budget, staffing levels, and equipment. He stated that there are no open positions, but one pending retirement. He stated the collective bargaining agreement extends through June 30, 2015 and there is a 2.5% COLA for FY 2015. He stated that the proposed School Department override would require 5 additional traffic supervisors at \$19.67/hour. He stated that the cruisers are on a three-year replacement schedule. He stated that there is a request for two full-time civilian dispatchers. The cost of benefits is offset by savings from recertification training costs. Currently, the midnight shift is manned by sworn officers. Under the system, all officers must be recertified because they might answer calls during the midnight shift. Ms. Miller asked about the new dispatch system that is in the capital plan. Lt. Baker stated that the \$244K includes \$20,565 in the first year for maintenance. Currently they pay that amount to three different vendors for the services, so there will be \$40K in savings. Public safety will be enhanced as their current system is not in use in most communities, and communication is slowed.

Mr. Connelly asked whether the request for funding for new civilian dispatchers will result in savings because the Department will not be paying the people currently doing that work. Chief Droney stated that the patrol officer that currently does the dispatch work at night will still be working, but will be going out on patrol instead. Mr. Reilly asked whether the Department is charging enough for detail work, since the cost of overtime is event-driven. Chief Droney says that they are not charging enough to offset the costs, since many of the events are either charity events or community events so the Department subsidizes them. Mr. Reilly suggested those costs are significant. Chief Droney stated that he tried to minimize the overtime by stretching a shift by an hour, or having officers motor cycle from one intersection to the next to cover both places. Mr. Reilly encouraged him to charge a fee closer to the actual cost, particularly for non-community events. Chief Droney stated that they are planning to restrict limiting the number of events. He stated that Boston has put limits in place, and many events are shifting to routes that include Needham. He stated that they are also trying to limit the different routes in order to cut down on the planning work, which can be significant.

Mr. Reilly asked whether the Career Education listing in the budget related to the Quinn Bill. Lt. Baker stated that they still submit the information to the state for reimbursement under the Quinn Bill, but that the program has not been funded for at least two years. The state used to reimburse towns 50%, but not recently. Mr. Reilly asked whether the problem at the state drug lab has had any effect on Needham. Chief Droney stated that 54 cases were affected. He stated that the DA is refiling the cases where the evidence can be retested. Mr. Reilly asked if this would affect the Department's expenses. Chief Droney stated that he does not know yet. He stated that in cases where they confiscated cash, they held it, so if the case is dismissed it can be returned. When a car was seized, it would have been disposed of.

Mr. Lunetta asked about the ongoing research on the new vehicle model for cruisers. Chief Droney stated that they have begun using two models, the Ford Taurus and a Ford SUV. He stated that they are finding that the SUV is easier for transporting prisoners and that the equipment fits better. He stated that the all-wheel drive has been helpful. He stated that the SUV gets slightly better mileage than the Crown Victoria did. He stated that some officers like the sedans, and that they may get some of those, but he anticipates mostly the SUV. Mr. Lunetta asked which would be safer in a high speed chase. Chief Droney stated that they try to avoid pursuit, but the Taurus is probably a little safer as it is lower.

Mr. Zimbone stated that the School Department's proposed override includes the need for five crossing guards, and asked whether the estimated \$50 thousand is sufficient. Chief Droney stated that every fall it takes time to coordinate and determine the correct number of crossing guards. He stated that he hoped that five additional guards would be enough for the needs. He stated that it is difficult to fill the crossing guard positions. Mr. Zimbone asked if there is no override but the School program changes, whether he would need those funds in his budget. Chief Droney affirmed that he would.

## **Fire Department**

Mr. Lunetta introduced the budget, and described the vehicles and the staffing level. He stated that the overall budget request is actually \$564,000 rather than \$506,014. He stated that there are three vacancies, for which there are currently trainees. There is one pending retirement and 10 projected retirements in the next year. He stated that there is some contractual overtime, and some due to vacancies and other absences. He stated that there appears to be a big jump in OT,

but that last year the Chief was told to request what was actually needed, but \$89,000 was cut from the overtime budget. So the increase covers that deficit as well as the FY15 increase. He stated that the collective bargaining agreement covers the period through June 30, 2015, so the budget contains a 2.5% COLA for FY15. He stated that there are two operating capital requests: for \$20,012 for structural gear for new hires that may be hired for projected retirements and \$12,819 for a comparator, which is a device to improve radio communication. Mr. Lunetta stated that there are also three capital items in the Capital Improvement Plan, all in Tier 1: an ambulance, a wireless alarm system, and fire alarm cables. The last will be reimbursed by the state as part of the add-a-lane project, but the funds need to be made available soon.

Mr. Reilly stated that last year the Committee was told that there would be a big jump in expenses for equipment, and he did not see that. Chief Buckley stated that many replacements had been put off to contain budget increases. He stated that he is in the process of buying a new piece of fire apparatus. In May 2012, \$750,000 was appropriated, but the bids have been very competitive. He thinks he may be able to purchase the other needed replacement equipment along with the new Quint truck with those funds. He noted that in November 2013, funds were appropriated for a brush truck, which will be a much faster purchase since he can buy it from the state contract, and get a vehicle off the lot. Mr. Reilly stated that the Master Box Fire System is expected to allow for the elimination of one benefit-eligible position, and asked if that issue would need to be bargained. Chief Buckley stated that he did not believe so, since there is no guaranteed staffing level. He stated that the person in the position is retiring, so they will not fill it.

In response to a question from Ms. Miller, Chief Buckley explained the removal and replacement of fire boxes. He stated that the boxes on streets were being removed since they were not used, and needed regular maintenance. Mr. Creem stated that this project had been considered last year and not pursued and asked if Chief Buckley was now satisfied that it is worthwhile. Chief Buckley responded that he needed much more information before he was ready to move forward, but that he has now determined that the new call system will be more reliable and have lower maintenance costs. In response to a question from Mr. Reilly, Chief Buckley stated that the request for the fire alarm cable replacement may be unnecessary if the wireless system is in place before the add-a-lane construction goes through the area where the alarm cables are. However, if not, he needs funding to be available for the cable replacement. The costs of the cable would be reimbursed by the state later. If the money is appropriated and not used, it will go to free cash.

Ms. Zappala stated that she understood the jump in overtime because of the \$89K cut last year, but she felt that the FY15 overtime cost was still high. Chief Buckley stated that the overtime that is not contracted must be projected. He stated that the overtime is based on actual past needs. He stated that last year was the first time that he requested for the the overtime budget to be fully funded. He stated that he has often been able to pay for overtime with salary savings from turnover, or from the Reserve Fund. He stated that in the past it has taken 12 months to fill vacancies, so there would be unspent salary, but that is changing and the salary cushion is not there. Mr. Lunetta stated that \$445K of the overtime is contractual, so \$135K is for unplanned overtime. He asked if that is what is needed. Chief Buckley stated that \$125K would be reasonable, but that \$135K would keep him from needing to come back for a transfer. Mr. Lunetta asked if the staffing should be increased. Chief Buckley stated that it would not be practical, and he would not be comfortable asking for more staff since it would not solve the overtime issue. The only way to solve the issue would be to decrease the staffing levels when vacancies or absences arise, and he would not do that to the Town. Mr. Zimbone asked him to

explain the contractual overtime. Chief Buckley stated that is it not part of the union contract, but is overtime needed to meet certain operational and policy requirements. He stated that the requirements were determined following a staffing study nine years ago. Mr. Lunetta stated that if staffing levels are below the requirements, then some equipment must be taken out of service.

Mr. Lunetta asked Chief Buckley to provide his opinion of the new dispatch system being requested by the Police. Chief Buckley stated that it will help his department as well. He stated that the current system is antiquated, and the new system will provide better service for the Fire Department and Police, and also provide some efficiencies for the Police. He stated that the Fire Department will be able to get more information faster. He stated that they will download floor plans for schools so those are quickly accessible. Mr. Reilly asked about the changes in ambulance training. Chief Buckley stated that they are switching from a state to a national registry, so different training is required. This will need to be done by March 2015.

Ms. Miller asked how much salary savings is projected based on retirements. Chief Buckley stated that the salary costs will be close because of the college incentive. The replacement for the retiring Deputy Chief will have a lower salary, but the college incentive will increase the salary. Most young people coming in have college degrees and are also paramedics which mean higher salaries. He expects about \$8-\$10K in savings per vacancy. Ms. Miller asked if \$50,000 would be a reasonable estimate. Chief Buckley stated that it is difficult to estimate, as the ten people projected to retire may not retire.

### **Finance Committee Updates**

Mr. Zimbone stated that he met with the Chair of the School Committee, as well as with the Superintendent to explain the Finance Committee's approach to addressing the proposed override, as well as the Committee's sentiment. He stated that he told Dr. Barnes that the Committee disagreed with the need for an override, not with the proposed program improvements and the additional teachers' time. The Committee believes that the Schools can fund the proposed program changes without an override, and that they Schools should understand that they can come to the Finance Committee for a transfer from the Reserve Fund if necessary. Mr. Zimbone stated that he also met with the Superintendent, and suggested that Dr. Gutekanst break the request down over two years. Dr. Gutekanst told him that they might be able to start with expanding hours at the elementary schools in the first year, and then the other schools. Mr. Zimbone stated that he sees extra room in the budget in the special education contingency tuitions, the labor float when positions are unfilled for periods of time, and in substitute teachers. He said that he feels there should be a smaller working group working on this matter.

### **Adjourn**

MOVED: By Mr. Zimbone that the Finance Committee meeting be adjourned, there being no further business. Mr. Connelly seconded the motion. The motion was approved by a vote of 8-0, at approximately 9:17 p.m.

Documents: Town of Needham Departmental Spending Requests, FY2015, December 11, 2013; Town of Needham Capital Improvement Plan FY 2015 – FY 2019.

Respectfully submitted,

Louise Mizgerd,  
Executive Secretary/Staff Analyst

*Approved January 29, 2014*