

**Needham Finance Committee
Minutes of Meeting of March 4, 2015**

The meeting of the Finance Committee was called to order by the Chair, John Connelly, at approximately 7:30 pm in the Great Plain Room at the Town Hall.

Present from the Finance Committee:

John Connelly, Chair; Louise Miller, Vice Chair
Members: Richard Reilly, Lisa Zappala, Rick Zimbone

Others present:

Kate Fitzpatrick, Town Manager
David Davison, Assistant Town Manager/Finance Director
Lee Newman, Director of Planning
Devra Bailin, Economic Development Director
Martin Jacobs, Chair, Planning Board
Lita Young, Chair, Community Preservation Committee
Gary Crossen, Vice Chair, Community Preservation Committee
Patricia Carey, Director of Park and Recreation and Liaison to CPC
Hank Haff, Public Facilities Project Manager
Cynthia Chaston, Chair, Park and Recreation Commission
Maurice Handel, Vice Chairman, Board of Selectmen

Citizen Requests

No citizens requested to address the Committee.

Approval of Minutes of Prior Meetings

MOVED: By Mr. Reilly that the minutes of the Finance Committee meeting of February 11, 2015 be approved. Ms. Miller seconded the motion. The motion was approved by a vote of 5-0.

MOVED: By Mr. Zimbone that the minutes of the Finance Committee meeting of February 18, 2015 be approved. Ms. Miller seconded the motion. The motion was approved by a vote of 5-0.

Request for Reserve Fund Transfer – Planning Department

Ms. Newman requested \$20,000 to be used by the Planning and Economic Development Department in conjunction with the Council of Economic Advisors (CEA) to examine possible zoning changes and up-zoning in the Industrial 1 zone. Ms. Bailin stated that there are three areas that the CEA is considering up-zoning, but there is no money in the budget and they have been waiting for over a year for funding. The plan is to do a build-out analysis followed by a traffic impact study, then elevated drawings. She stated that the neighborhoods have been promised this information. She is concerned that they will miss the market if they cannot act soon. Ms. Miller stated that she had suggested a warrant article to address this type of situation. She asked why they cannot wait 7 weeks until Town Meeting. Ms. Newman stated that they will need the money during the current fiscal year, and that the article will not cover these projects plus upcoming needs. Mr. Connelly asked what are the services that will be covered in the

warrant article, and the service to be covered here. Ms. Bailin stated that this request covers work in the Industrial 1 area from Muzi Ford to Ellis St, as well as two other zones off Reservoir Street along Route 128 and Central Ave. Both are in neighborhoods. The costs would be \$5K for a build-out study, \$11K-\$12K for a traffic study in both areas, and \$2K-\$3K for elevation drawings. Mr. Connelly asked if these questions are being raised by developers or if the Town is deciding to look into it. Ms. Bailin stated that the zoning in the area needs to be reconsidered. For example, it has the lowest height restriction in Town. She stated that this work is not holding up a specific project, but if they don't get ahead of the questions, they will fall behind as they did in 2001, when the changes made were too late for the market.

Ms. Newman stated that the department asked for additional professional and technical funds in the budget process to cover the possibility of hiring a consultant, but were told instead to come back to the Finance Committee if additional funds were needed for a specific project. She stated that she expects to use the funds requested in the warrant article for an initiative involving a key parcel in the Center. Money will be needed to analyze that in the next 6 months.

Mr. Reilly stated that there are two issues: whether the amount of money is appropriate, and how to fund the need. Mr. Connelly stated that the amount is appropriate, but was not sure that a Reserve Fund transfer was the right way to fund it. Mr. Jacobs stated that there are always studies that they want to do. The real problem is timing. He stated that it is not always possible to identify the projects, but they are usually waiting 6 months to a year to be able to fund studies. Mr. Zimbone asked about the timing of the project described in the memorandum. Ms. Bailin stated that the work would begin immediately. She stated that the CEA has already done outreach with the community and held a public hearing, and next they need to do this analysis.

Mr. Zimbone asked if this were approved today, if all the bidding and other work could be done to have the study finished and all the zoning changes prepared for the fall special town meeting. Ms. Bailin stated that she would have to get everything by June to meet with the neighborhoods, since she felt she should not hold these meetings in the summer. Mr. Zimbone stated that he is trying to figure out if this could wait. Ms. Miller stated that they have waited a year to come in. She stated that if there is some sense of urgency, it is not because of the Finance Committee. She stated that she does not see that they cannot wait until Town Meeting, and suggested amending the article upward. She noted that there are some huge demands on the Reserve Fund this year from snow and ice and energy costs. Mr. Connelly stated that he does not see this as a matter of reserve fund import, particularly with the issues that this Reserve Fund is facing. He stated that he understands the need, and wants to get the work funded, but he is not comfortable doing it through the Reserve Fund process. Mr. Davison stated that if the consulting work is funded at the May Special Town meeting, the meeting will dissolve in the 2nd week of May and the money will be available earlier than through the Annual Town Meeting. He stated that is what he would recommend to the Town Manager.

Mr. Reilly stated that they have to do the study, get the results and have a public hearing, and if it is not done by June it seems to be unfair to the neighbors. People would likely question whether a meeting held in the summer would be in good faith. Ms. Bailin stated that she would then hold the meeting in September. Mr. Jacobs stated that he understands the pressures and priorities but nothing happens as fast as one would like. He stated that he does not know if they can really be ready with changes for a fall town meeting. Mr. Connelly stated that he would not vote in favor of this transfer.

MOVED: By Mr. Reilly that the Finance Committee approve of a Reserve Fund transfer in the amount of \$20,000 to the Planning and Economic Development budget as requested. Ms. Zappala stated that she would like to move the issue to a vote, and seconded the motion. The motion was failed, by a vote of 1-4, with Mr. Reilly voting in favor of the motion.

Mr. Zimbone stated that he would encourage the Town Manager to include this issue in the Special Town Meeting warrant. Ms. Zappala suggested asking for the full amount in one article in the STM warrant.

Consultation with Community Preservation Committee

Ms. Young stated that 8 projects are being considered, and an additional 3 were either withdrawn or pulled out by the Committee. She stated that they brought the 8 projects before the Board of Selectmen who were in favor of all of them.

Discuss and/or Vote Annual Town Meeting Draft Warrant Articles:

Appropriate for Rosemary Pool

Ms. Young stated that this project requests \$1 million design funds to rebuild the pool. There are still two different projects proposals being considered. The design will allow the Committee to see how the pool can be rebuilt. All plans will also redo the rest rooms and add indoor space for classes. If approved, then they will come back to request \$8 million-\$10 million for construction. It is likely some funding will come from CPA debt. Mr. Zimbone stated that he had made some requests for information. Ms. Carey handed out data on pool usage.

Ms. Miller asked how they came up with the figure of \$1 million for design. Ms. Young stated that the CPC receives the applications and reviews them to determine whether to fund, but the CPC does not come up with the information. Ms. Carey stated that it is a Park and Recreation project. Mr. Haff stated that Weston and Sampson looked at the alternative options for the pool project and came up with construction cost estimates. He stated that until the feasibility study is done, they won't know which project would be best. Mr. Connelly asked why not just fund the feasibility study since it would be much less than \$1 million, rather than jump to the design phase. Mr. Haff stated that there is a potential problem with the permit to drain the pool, which may expire in 2016. He stated that the permitting for this project will be very complicated. Ms. Chaston stated that feasibility work was done that showed that they can build on site, and will no longer have to drain the lake, but it did not narrow down whether the pool will share the lake or be all on shore. She stated that this is the design phase, and she thinks the cost will be \$10.2 million-\$10.6 million.

Mr. Connelly stated that he is troubled that they are not following the usual process and asked why they are not starting with a feasibility study. Ms. Zappala stated that they are leaving options open so that they know what is best for the long run. Ms. Chaston stated that they would like to follow the usual process but found out recently that they don't have the permit extension they thought they had. She stated that they do not want to leave the Town without a pool for a season.

Mr. Zimbone stated that \$10.5 million for a facility used for 2.5 months per year may not be the best use of funds. Ms. Chaston stated that they held public hearings and had a survey showing

that the public strongly supports the pool project. Mr. Reilly stated that the statistics provided are meaningful: approximately 274 people, or almost 1% of the Town's overall population, were using the pool per day with a less than optimal facility. He stated that this strongly suggests that the Town views this as an important facility. Ms. Zappala stated that the question is whether the Town can afford the project, not whether there should be a pool. Mr. Zimbone stated that he is concerned about spending \$10.5 million for a facility used 2.5 months per year, after a recent large tax increase. He stated that the Town cannot afford to just keep spending for projects because people want them. Ms. Zappala stated that that is not every member's view, but the Committee is concerned about the cost. Ms. Miller stated that pools are very complicated and \$1 million will not even cover the engineering cost of renovating a pool. She stated that the site is also very interesting. She has no problem with having a feasibility study and getting the real cost.

Appropriate for Newman Athletic Fields

Ms. Young stated that the project has been through design, and this request is for construction. For \$1.5 million, they will fix the drainage problems, redo the diamonds and out in new fields. There are about 5 acres, so it will cost about \$289K per acre.

Appropriate for Eastman Conservation

She stated that this will provide \$800K of funding to build a boardwalk and outdoor classroom area. Ms. Zappala stated that this is post design and is a real estimate for construction. Ms. Carey stated that the estimate is for the full cost. Ms. Young stated that the boardwalk is 1790 linear feet. Ms. Carey stated that they are using special porous asphalt because of the wetlands.

Appropriate for Mills Field

Ms. Young stated that the design work has been done here. They will improve parking, improve the basketball courts and the restroom building, replace the picnic tables and sod, and do xeriscaping for \$510K. Ms. Zappala stated that the cost is higher than other field projects. Ms. Carey stated that it is mostly parking. Ms. Young stated that it will cost approximately \$406K for parking.

Ridge Hill/Student Conservation Association

Ms. Young stated that the application is for \$10K. College students who are interested in conservation will camp out at Ridge Hill and finish the trail loop. The same group has done work in Dedham. Ms. Carey stated that the work would cost much more if contracted. She stated \$7,500 would go to the organization and \$2,500 is for materials and stipends for staff. Mr. Connelly asked how projects are charged. Ms. Carey stated that they charge for 5 days or 10 days. Ms. Carey stated that it is a 7 day project, so they need to pay the 10-day project rate. Mr. Connelly suggested starting with a smaller amount. Ms. Carey stated that they could not get the necessary work done in that time. Ms. Zappala stated that this is a cost effective way to get the work done. It has been difficult to get contractors to even bid. Ms. Miller asked why it is not subject to procurement laws. Mr. Davison stated that the project is less than \$10K, and the work is volunteer. Also, if the intent is learning or there is a low dollar value, those laws don't apply. Ms. Miller stated that she agreed that a small initial project might be better.

Boat Launch

Ms. Young stated that this application is for \$30K to design a new launch for canoes, kayaks and small boats. Ms. Carey stated that it would just make the entry easier, and there would be no

structure. Mr. Reilly asked if they were comfortable that they could afford the project. Ms. Carey stated that they will not have exact numbers until the design is done. Mr. Connelly asked if there are concerns about traffic or the neighbors. Ms. Carey stated that they have invited the neighbors in and have had discussions with them since the beginning.

Rail Trail

Ms. Young stated that the estimates for the resale value of the rails in the Rail Trail project have varied significantly from the original estimates. They don't have final estimates, and don't know whether they will need the full amount of funding requested. Mr. Zimbone stated they the Town was told that the Town would not have to pay more than the lease of the land from the MBTA for the trails, and that private money would cover any other costs. Now the Town is being asked to come up with \$100K. He asked why the CPC is considering this. Ms. Carey stated that the Bay Colony Rail Trail has already given the Town \$120K and is planning to give another \$70K. She stated that the Town Manager and the Board of Selectmen want to make sure that the project gets done. There may be no need for any of this money. Ms. Miller asked why not wait until whether that is known. Ms. Fitzpatrick stated that the estimate is \$300K, and so they cannot go forward without a commitment for the additional money. She stated that they are finishing pulling up the rails. She stated that she would make a presentation another night. Ms. Zappala stated that she understands that the project has phases, and would like to know where it is now.

Purchase of Open Space

Ms. Young stated that this is a placeholder for a purchase of property for open space, but that no property has been identified at this time. The proposal will be withdrawn if nothing comes up.

Appropriate to Community Preservation Fund

Mr. Zimbone stated that he would like to see a breakdown of how much is in each of the CPA Fund "buckets" and the planned spending plan. Ms. Young stated that the CPC will hold a public hearing on March 11 and vote on the applications on March 18. Mr. Connelly stated that he would like more information on each application.

Discuss and/or Vote Draft Annual Town Meeting Warrant Articles:

Appropriate for DPW/PSAB Location Feasibility Study

Ms. Fitzpatrick stated that there is a draft of the scope of services for a study of the relocation of the DPW/PSAB departments. She stated that the Facilities Master Plan group recommended relocating the DPW to a parcel on Greendale Ave. However, the project may not be affordable and the Board of Selectmen does not own or have jurisdiction over the property. Since there is no appetite for a \$45 million project, the capital plan has a \$25 million placeholder for a significant project. The most urgent need now is the fuel island, which is heading toward failure. She stated that a logistical impact needs to be part of the Hillside study because it affects the 470 Dedham Ave. lot. She stated that there are currently too many questions to be able to make a decision, and that there may not be a perfect solution, so they are looking for at least a workable one. She stated that if Hillside is not moved to 470 Dedham Ave, then what the property will be used for. Mr. Connelly asked if PPBC would be involved. Ms. Fitzpatrick stated that the PPBC would be involved, along with the Town Manager and someone from DPW. Mr. Connelly asked if there would be coordination with the Hillside study. She stated that would be critical.

Mr. Reilly asked whether the feasibility study would look at alternative uses of the Greendale Ave. site. He stated that there is a question whether the best use is for the DPW or whether another use is a better value. Ms. Fitzpatrick stated that the facility study has that goal, but no other use was suggested. She stated that the Board of Selectmen would need to get permission to use the property. She stated that it might not make sense if part of the DPW had to be somewhere else. Mr. Zimbone stated that the PSAB was built to house the DPW. He asked who would use the property if they moved out. Ms. Fitzpatrick stated that possibly school administration. She stated that the recommended scheme in the master plan calls for all of the DPW to be at Greendale. She stated that it won't happen for \$45 million. She stated that she does not see a wholesale move-out of the PSAB. Mr. Zimbone state that the issue should be part of this study. Ms. Miller stated that they should wait to see where the Hillside study is going before there can be a decision on this.

MOVED: By Mr. Zimbone that the Finance Committee recommend adoption of the draft Annual Town Meeting warrant article "Appropriate for DPW/PSAB Location Feasibility Study" in the amount of \$40,000. Ms. Zappala seconded the motion.

DISCUSSION: Ms. Miller stated that this study is premature. She stated that the Town may never get to this point. She stated if the Hillside study finds that the Town should rebuild at the Hillside site, or if the plan is to build at a different site from DeFazio, then this study is unnecessary. Ms. Fitzpatrick stated that the 470 Dedham Ave. building will not last. Ms. Miller stated that the garage will not last, so the plan should to be to build a garage. Ms. Fitzpatrick stated that the Town needs more options than to build at Greendale. Mr. Connelly stated that more information is needed. He stated that the Committee was not happy that the Rosemary Pool project is not having a feasibility study, but here the Town is planning to do a study. Mr. Zimbone stated that he has personal concerns about the relocation of the DPW to Greendale Ave. He stated that the Town Manager and Board of Selectmen have identified the site as a possibility. He stated that this is \$40K well spent to shape and define the discussion.

VOTE: The motion was approved by a vote of 4-1, with Ms. Miller dissenting.

Quiet Zone Feasibility Study

Mr. Handel stated that there have been several attempts to figure out how to deal with the noise of train horns the effects on the golf club and neighborhoods near the train. He stated that the Town is about to start the streetscape project and the Board of Selectmen does not want to do anything that will foreclose any opportunities. He stated that they are not looking for silence, just no train horn. Mr. Connelly asked who regulates the railroad crossings. Ms. Fitzpatrick stated that it is the Federal Railway Administration. Mr. Handel stated that the intersections have to be as safe as they are now. Ms. Fitzpatrick stated that there are a lot of questions. Mr. Zimbone stated that this issue was raised years ago and referred back to the Selectmen. Mr. Handel stated that while they are redesigning the downtown, they want to know the possibilities. Ms. Fitzpatrick stated that the cost estimate is from Beta Group. She stated that she is concerned about pedestrians, particularly those who cross the tracks to catch the train. Ms. Zappala stated that there is a strong demand by the public to look at the issue. It can't be decided without a study. Mr. Reilly stated that it is important in light of the streetscape project. Mr. Connelly suggested that they should better emphasize safety, along with quiet.

MOVED: By Ms. Zappala that the Finance Committee recommend adoption of the draft Annual Town Meeting warrant article “Appropriate for Quiet Zone Feasibility Study” in the amount of \$35,000. Mr. Reilly seconded the motion. The motion was approved by a vote of 5-0.

Appropriate to Athletic Facility Improvement Fund and Appropriate to OPEB Trust Fund

Ms. Miller requested that the Committee address these articles together. Ms. Fitzpatrick stated that she is recommending that \$866,412 be appropriated to the Athletic Facility Improvement Fund (AFIF.) She stated that \$45,700 comes from the \$5 administrative fee charged to field users. \$20,712 is funded from amounts not expended in the DeFazio Field track project in 2009. She stated that the capital plan for FY16-FY20 includes \$2.5 million for synthetic field replacement, and she is also recommending \$300K per year to save for this. She is recommending \$500K from Free Cash be put into the AFIF to fund the maintenance and repair of the Memorial Park building. She stated that the Facility Master Plan has this project being funded in far out years, but that the building is in bad condition now and will not last. She stated that this will not get funded another way. Therefore, her total recommendation is \$866,412 to the AFIF.

Mr. Connelly asked why not fix the Memorial Park building now instead of putting the funds away. Ms. Fitzpatrick stated that the project should be put into the capital plan, and also they need to apply for CPA funds. She stated that work will start on this in the next year. Mr. Connelly agreed it is good to have a plan for funds being put away. Ms. Zappala stated that the fund was created for replacement of fields. Ms. Fitzpatrick stated that the wording is broad enough to include recreational buildings.

Ms. Miller stated that the Town [has fully funded its OPEB liability according to the actuarial analysis and is actually ahead of its funding schedule](#). She would recommend that the full amount that is proposed to fund OPEB instead be directed to funding AFIF. The AFIF will be used to fund a known need in the Town for which there is no other current funding source. Mr. Davison stated that he submitted the OPEB article, and agreed that the additional funding is beyond what is required. He stated that he matched revenues to expenditures, and took the last \$320K of revenue for this. Mr. Reilly stated that an important factor to consider is that OPEB funds can be invested in PRIT. Assuming a 7% return, the investment doubles every 10 years. He stated that the AFIF has more limited investment options. Ms. Zappala stated that increasing OPEB funding would reduce future operating budget stress using one-time money now.

Mr. Zimbone asked what would be included in the capital plan for the Memorial Park building next year. Ms. Fitzpatrick stated that the Facilities Master Plan calls for a rebuild of the building for \$8 million. She stated that if alternative funding is not pulled together, a rebuild will not happen in the next 10 years. Mr. Zimbone stated that there should be money in the fall that could be put into OPEB. Ms. Zappala stated that the money may be needed for health insurance.

Mr. Connelly stated that the warrant is a balancing act. He state that the question is whether it is out of balance to take the \$320K from OPEB and to put it into the AFIF. He stated the he is in favor of fixing the Memorial Park building and will try to make that happen, but he would rather make sure that things are balanced now. Ms. Miller stated that when there were additional funds last year, they were transferred to OPEB. The Town will continue to fund it. However, adding

to the AFIF will fund the upcoming need of replacing the turf even if not used for a new building. Ms. Zappala stated that these articles should be voted together, and she would like to get input from more Finance Committee members. Mr. Reilly stated that it would be helpful to see a plan for AFIF spending. Mr. Connelly stated that he thinks highly of both articles, but would like to make sure they are balanced appropriately.

Accept Chap 73, Sec. 4, Acts of 1986

Ms. Zappala stated that the article is renewed each year.

MOVED: By Mr. Zimbone that the Finance Committee recommend adoption of the draft Annual Town Meeting warrant article "Accept Chapter 73, Section 4 of the Acts of 1986." Ms. Zappala seconded the motion. The motion was approved by a vote of 5-0.

Needham Property Tax Assistance Program

Mr. Zimbone stated that the article appropriates \$27,500, which is higher than usual. Ms. Fitzpatrick stated that last year, the donations to the fund dropped to only \$13.8K, so only that amount was matched. The Board of Selectmen decided to go above the target maximum of \$25,000 and allocate \$27,500 this year. They are trying to figure out ways to increase donations from residents. They will not necessarily recommend this much next year.

MOVED: By Mr. Reilly that the Finance Committee recommend adoption of the draft Annual Town Meeting warrant article "Appropriate for Needham Property Tax Assistance Program." Ms. Miller seconded the motion. The motion was approved by a vote of 5-0.

Appropriate for Senior Corps

Mr. Davison stated that this is the same amount as prior years. He stated that this is the 20th year of the program, which started in 1995. He stated that there are 12 people currently active in the program.

MOVED: By Ms. Miller that the Finance Committee recommend adoption of the draft Annual Town Meeting warrant article "Appropriate for Senior Corps" in the amount of \$15,000. Ms. Zappala seconded the motion. The motion was approved by a vote of 5-0.

Continue Departmental Revolving Funds

Mr. Zimbone stated that the article only has one School fund, the transportation fund. Mr. Davison stated that is the only School 53E½ fund. Mr. Zimbone stated that the Schools have discussed transferring some money from revolving funds to cover certain costs. Mr. Davison stated that the numbers in the article are unchanged from last year. One fund that is not continuing is the yard waste processing since there has been no activity in several years. He stated that the fund for water conservation devices was new last year.

MOVED: By Mr. Zimbone that the Finance Committee recommend adoption of the draft Annual Town Meeting warrant article "Continue Departmental Revolving Funds." Mr. Reilly seconded the motion. The motion was approved by a vote of 5-0.

Rescind Debt Authorizations

Mr. Davison stated that the authorizations being rescinded are all closed and completed. He stated that the Town Hall has some residual issues, so that project cannot be closed until they are resolved. That will probably be in November. Mr. Reilly noted that the Pollard project turned back 15% and asked if that was usual. Mr. Davison stated that the Town got very favorable bids for that project.

MOVED: By Ms. Miller that the Finance Committee recommend adoption of the draft Annual Town Meeting warrant article "Rescind Debt Authorizations." Ms. Zappala seconded the motion. The motion was approved by a vote of 5-0.

Discuss and/or Vote Finance Committee FY 2016 Budget Recommendation to Town Meeting

Mr. Connelly stated that the draft budget was voted two weeks ago. The final recommendation needs to be voted by next week. Mr. Zimbone stated that the School Committee decided last night to fund 100% of the iPads in the 1:1 program, subject to parents who want to provide their own. He stated they are exploring leasing, which would cost \$80K more than in the draft budget. He suggested holding off voting the budget until there is more definitive information on the School technology costs. Ms. Zappala stated that the voted budget should also combine the Planning and Community Development budgets. Ms. Fitzpatrick stated that she expects the Board of Selectmen to vote on the consolidation next week.

Finance Committee Updates

Mr. Davison stated that the new draft of the warrant has the Enterprise fund budgets with adjustments suggested by the Finance Committee for the fuel cost savings and saving associated with the solid waste contract.

Adjourn

MOVED: By Ms. Miller that the Finance Committee meeting be adjourned, there being no further business. Ms. Zappala seconded the motion. The motion was approved by a vote of 5-0 at approximately 9:45 p.m.

Documents: Request for Reserve Fund Transfer; Memorandum from Director of Planning and Community Development to Town Manager re: Reserve Fund Transfer, dated February 23, 2015; 2015 Annual Town Meeting draft warrant; Applications for Community Preservation Act Funds for Fiscal Year 2015.

Respectfully submitted,

Louise Mizgerd

Executive Secretary/Staff Analyst

Approved March 25, 2015