

**Town of Needham**  
**Community Preservation Committee**  
**Report to Town Meeting**  
**Annual Town Meeting**  
**May, 2008**

***Introduction***

The Community Preservation Committee (CPC) is pleased to offer this report to Needham's Town Meeting Members, and all its citizens, on developments over the past year concerning the Community Preservation Act (CPA) in Needham. It has been a busy year.

We are now in our third year of receiving, analyzing and considering funding requests from Needham organizations and citizens. In October, 2007, we received our State match in the amount of \$1,220,000. This represented a 100% match of our FY2006 tax surcharge. With the approval of Town Meeting in May, 2007, we funded several projects and have tracked their progress. And we have new proposals to offer Town Meeting this year.

A summary of these activities follows. The members of the CPC are pleased to receive your input and questions, and will work hard to keep the Needham community informed of our work.

***Sources of Available Funds***

**State Matching Funds**

Needham received its annual State CPA match in October, 2007 in the amount of **\$1,220,000**. The State has also given guidance on matching levels for October, 2008, with Needham expecting matching funds of \$845,000. Unfortunately, due to an increase in the number of communities participating in the CPA and a slowdown in State receipts for the CPA program, this match is expected to equal 65% of Needham's surcharge amount, down from previous 100% matching amounts. One should be prepared for additional reductions in the percentage of matching funds from the State in the coming years. However, despite reduced match amounts, Needham has still received **\$3,368,584** in State matching funds in just three years.

Needham does not have to approve specific projects to receive these matching funds. The uniqueness of CPA is in its structure, which allows Needham to "bank" state matching funds for a future project approved by CPC and Town Meeting.

**Tax Surcharge Receipts**

Needham residents are currently billed a 2% surcharge on property taxes, as a result of town-wide acceptance of CPA. In FY2008, it is estimated Needham will receive approximately \$1,300,000 in property tax surcharges dedicated to CPA. A slightly higher amount, \$1,380,000, is forecast for collection in FY 2009.

### **Miscellaneous Receipts**

Needham has also had certified a variety of lesser amounts which remain in the CPA fund. These lesser amounts come from the investment income received on our CPA “banked” receipts and the return of unspent administrative funds from previous years. In total, these contributions added approximately \$310,396 to the fund balances for appropriation at this Annual Town Meeting.

### **Fund Balances**

State law mandates that annually at least 10% of surcharges plus state matching funds be spent on actual projects, or allocated for future projects, in three special CPA reserves; Community Housing, Open Space and Historic Resources. The remainder of funds, minus funds allocated for administrative expenses, are placed in an Annual Reserve fund, which is used for any of these three areas and/or qualifying recreational projects.

Needham’s CPC has elected to target 11% of our estimated receipts for each special reserve. We have taken this action to assure that should actual tax surcharge receipts exceed estimates, Needham remains in compliance with the state mandate of 10% to each Special reserve. This is prudent and expected, as Needham has a practice of estimating receipts conservatively.

As a result of the certification of past funds, and using estimates provided by Needham’s Finance Department, the reserve balances available for allocation at the May, 2007 Annual Town Meeting are as follows:

Community Housing:	\$ 457,960
Open Space:	839,760
Historic Resources:	882,460
Annual Reserve:	<u>\$ 5,844,459</u>
Total	\$ 8,024,639

Please note this figure assumes \$111,000 has been reserved for FY2009 administrative expenses. Projects under consideration at the Annual Town Meeting, if approved, will reduce these fund balances.

### **Requested Project Funding**

This year, the CPC received five funding requests (Articles 25-29 in the Town Meeting Warrant). Two requests were subsequently withdrawn by the proponents in order to allow more time to develop the projects under consideration. The CPC, after deliberation and public hearing, voted to recommend all three of the remaining projects for funding by Town Meeting.

### **Article 25: Town Hall Historic Preservation Design**

The CPC has received, analyzed and voted to bring forward for Town Meeting approval a request from Needham’s Board of Selectmen to fund the design for preservation of Needham’s Town Hall. While much discussion and deliberation surrounding the specific

design and level of historic preservation has been held and continues to be held, a majority of the CPC determined this request was an appropriate use of CPA funds.

### **Article 28: Preservation of Trails and Access to Municipal Land**

The CPC deliberated and approved a request from Needham's Conservation Commission to fund trail markers and trail head kiosks for use in defining portions of the Town's Trail System. This request builds on the work, funded earlier by the CPC, to map the Town's trails and create a Needham Trails Committee. This request for \$5,500 will be leveraged by volunteer labor used to erect the kiosks and place the trail markers.

### **Article 29: Transfer of Funds to Conservation Fund**

The CPC received a request from the Needham Conservation Commission to transfer \$25,000 into an existing Conservation Fund, established many years ago under a specific state statute. The CPC received guidance from the State Department of Revenue that such a transfer was permissible, provided the transferred funds were spent under the restrictions of the CPA. This transfer, which will increase the Conservation Fund from approximately \$145,000 to approximately \$170,000, provides the Conservation Commission with the financial resources necessary to act quickly when an opportunity to preserve Open Space arises. Such actions may include the acquisition of preservation easements and restrictions, deposits on the purchase of land in anticipation of full funding from CPC and/or Town Meeting, or engineering, surveying and legal work needed to determine the desirability of preserving a particular parcel of land. There is no other fund available quickly and solely for conservation purposes. A majority of CPC members determined that the need to act quickly, the continued CPA restrictions on these funds, the significant role of the Conservation Commission in preserving open space and the relatively small amount (less than 10% of our annual required allocation to open space projects) of funding requested made this request an appropriate use of CPA funds..

### **Article 30: Appropriate to Community Preservation Fund**

This Article is necessary to ensure that the state mandated minimums are properly allocated to each of the special Reserves. In addition, State law permits up to 5% of estimated receipts to be set aside for administrative and operating expenses of the CPC (unspent administrative and operating funds are eventually returned to the Annual Reserve). It has been Needham's practice in the past to allocate the full 5% to administrative and operating expenses.

By the end of FY2008 (June 30, 2008), the CPC will have spent less than \$5,000 of its allocated administrative funds for FY2008. The balance will return to the CPA Annual reserve. This low level of spending reflects both the CPC's frugality and the absence of a large, complex project this year. Roughly estimated, through April 25, 2008, CPC expenditures included \$800 in salaries, \$100 in expenses and \$3,750 for membership in the Community Preservation Coalition, a source of much information and expertise for the CPC.

This year, the CPC has requested \$111,000, which is again approximately 5% of estimated receipts. The CPC requests these funds in order to be able to respond to complex projects which may require legal or other professional expertise, independent of the project

proponents. Thus, the CPC would need to fund such expertise. One example would be a large building project, with a component of historic preservation but with new construction attached. Some of the project may be eligible for CPA funding, while other parts may not. The CPC could not rely on the proponents to decide that split; we would need to engage professionals to help determine the most amount eligible for CPA funding.

For this reason, and based on the CPC's history of controlled spending of administrative funds, we believe the \$111,000 is a reasonable figure. Unspent funds are automatically returned to the CPA Annual Reserve, which is currently running a significant balance, meaning the reservation of these funds will not adversely impact the funding of any CPA projects.

## ***Status of Past Projects***

### **Historic Commission Heritage Project**

This project was awarded \$25,000 at Annual Town Meeting in May, 2006. The project is to inventory historic properties in Needham and develop guidelines for private individuals seeking grants from State and Federal agencies. A consultant has now been engaged and work began last summer. This project is considered on budget but may be slightly behind schedule.

### **High Rock Homes**

This project was awarded \$324,500 at Annual Town Meeting in May, 2006. The funding was used for preconstruction expenses related to the High Rock Homes development of community housing, which has now received complete construction funding and has broken ground. This CPA pre-construction funding is considered by the CPC to be successfully completed.

### **Trails Planning Program**

This project was awarded \$47,700 at Annual Town Meeting in May, 2006. The funding was used to complete a town-wide trails plan, which has been completed and is in final review by the office of the Town Manager. This project is considered by the CPC to be successfully completed.

### **Ridge Hill Reservation Footbridge Restoration**

This project was awarded \$58,000 at Annual Town Meeting in May, 2006. The two bridges have been removed, but a bid for the bridges has not been successfully awarded yet. However, a contract is anticipated to be awarded in 2008, with installation during late Fall 2008 during a dry season.

### **Town Hall Feasibility Project**

This project was awarded \$50,000 at Annual Town Meeting in May, 2007. The funding was used by the Town Manager and Board of Selectmen, in conjunction with the Permanent Public Building Committee, for a consultant to evaluate and propose alternatives for the

historic preservation of Town Hall. This project is considered by the CPC to be successfully completed.

### **Park and Recreation Bubblers**

This project was awarded \$22,000 at Annual Town Meeting in May, 2007 to install ten water bubblers at parks around Needham. A bid has been accepted for the purchase of the bubblers, and installation will occur during the Summer of 2008.

### **Park and Recreation Fences**

This project was awarded \$12,000 at Annual Town Meeting in May, 2007 to install two fences, at Greene's Field and at Mills Field to protect and preserve the park facilities. Half of the fence was installed during the Fall of 2007 at Mills Field surrounding the "Needham Rockets Playground." The other fencing projects will be bid during the Summer of 2008.

### **High Rock Homes**

This funding for High Rock Homes was to enable two additional affordable housing units in the High Rock Homes development, and was funded with \$175,000 at the Annual Town Meeting in May, 2007. Construction of High Rock Homes has begun and full funding has been secured, but this funding will continue to be monitored until the project is complete and the homes have been sold at various levels of affordable rates.

### **Conclusion**

Needham's CPA initiative is fully underway and experiencing success in considering, approving, monitoring and completing projects to benefit the entire community. We thank the citizens of Needham and Needham's Town Meeting Members for their support and look forward to another year of interesting, vital projects. We encourage any resident of Needham with an idea for Community Preservation Act projects to begin a dialogue with the CPC. We are happy to help!

Sincerely,

### **The Members of Needham's Community Preservation Committee**

Paul Siegenthaler, Chairman  
Jane Howard, Vice-Chairman  
Janet Bernardo  
Bruce Eisenhut  
John Comando  
Sheila Pransky  
Sandy Tobin  
Brian Nadler