

Needham Finance Committee
Minutes of Meeting of February 21, 2024

The meeting of the Finance Committee was called to order by Chair Louise Miller at approximately 7:01 pm in the Great Plain Room at Needham Town Hall, also available via Zoom teleconferencing.

Present from the Finance Committee:Smith-Fachetti

Louise Miller (remote), Chair, Carol Smith-Fachetti, Vice-Chair (joined at 7:35)

Members: Karen Calton, Barry Coffman (remote), John Connelly, James Healy, Joshua Levy, Paul O'Connor (remote)

Others present:

David Davison, Deputy Town Manager/Director of Finance

Cecilia Simchak, Assistant Director of Finance

Kate Fitzpatrick, Town Manager

Joe Barnes, Communities Preservation Committee Co-chair

Laura Dorfman, Communities Preservation Committee Co-chair

Laura Spinney, CPC Administrative Coordinator

Diane Ryan, Assistant Town Treasurer

Stacey Mulroy, Park & Recreation Director, Memorial Park Trustees liaison

Tim McDonald, Director of Health & Human Services

Peter Pingitore, T-CHOC member, Town Meeting Member (remote)

Citizen Requests to Address the Finance Committee

None

Approval of Minutes of Prior Meetings

None

Community Preservation Committee Consultation

Mr. Levy met with Mr. Barnes, Ms. Dorfman and Ms. Spinney on February 16th. The CPC gave its annual consultation to the Finance Committee and is in advance of their public hearing scheduled for March 13, 2024 at 7pm at the PSAB in the Charles River Room.

CPA Reserve Article

The reserve article is largely unchanged from prior years at 11% for open space reserve, 22% for community housing reserve and 11% for historic reserve. There is an \$82,000 administrative budget. It was noted that in the current year, much of the administrative budget is being used for consultant fees for doing due diligence in reviewing the Linden/Chambers Redevelopment project application.

Linden Street Redevelopment (NHA)

Mr. Levy outlined the use of the \$5.5M being requested to fund construction. There are approximately 14 funding sources for the estimated total project cost of \$83,864,739. Outside funding could take one to two or more years to finalize. Many projects are competing for the same State funds and so it could take multiple funding cycle attempts before funds are awarded. The \$5.5M requested may not be expended for several years.

There is still no contract in place between the Cambridge Housing Authority (CHA), acting as the planning and development consultant, and the Needham Housing Authority but is expected by the end of March. Robert Smart, legal counsel for the HAS, is negotiating the contract.

Disbursement of funds would be at agreed upon progress milestones and the Town receiving proof of reaching the milestones verified by the Finance Department and CPC. Ms. Simchak indicated that she can forward previous grant agreements forms that are submitted to the Committee. Town Counsel will be helping with any grant agreements.

The request for \$5.5M is for the Linden Street Phases 1A & 1B. Chambers Street is Phase 2, and it is anticipated that additional funds will be requested for that phase. There are two zoning articles and a deed restriction removal article that will be presented at the Annual Town Meeting that need to be approved to allow the project to proceed.

Mr. Connelly noted that the CHA is being paid a pre-development fee and will also be getting a development fee. He asked where the money was going and whether it was going to fund their projects in Cambridge. Ms. Spinney made a note of the questions and will get back to the Committee.

Ms. Miller would like clarification on what happens if outside grants are not received.

Mr. Healy asked if the Town has someone to monitor the progress of the project when it is underway, and should someone be hired as an owner's project manager like the Permanent Public Building Committee does? He does not want another Pollard Middle School 1990's issue happening again.

Ms. Simchak reported that the Town-Financed Community Housing Oversight Committee (T-CHOC) would perform some type of oversight. Ms. Dorfman indicated that the funds from all sources will be closely monitored.

High School Tennis Courts - \$1,440,000 in CPA funds is being requested to rehabilitate the existing four tennis courts at the High School and build four additional new courts on the grassy area next to them. The HS Athletic Director and Park and Recreation Commission and Department are in favor of this project as it will allow for tournaments to be held and will increase the number of courts for residents. Construction would occur through the summer of 2024. The total cost of the project is estimated to be \$2,600,000 and funding would include \$1,440,000 in CPA funds, \$1,000,000 in Athletic Facility Stabilization Fund, \$149,196 in overlay funds and \$10,804 transferred from the 5/15 ATM Article 43.

Construction would occur over the summer of 2024. Post tension concrete will be used which has a 25-year warranty while asphalt carries a one-to-three-year warranty. Funds will be budgeted in the future for maintenance of the courts. Pickle ball will not be played on these courts.

Ms. Miller advised that the article presentation should clearly indicate what the CPA funds will be used for as they cannot be used for maintenance costs.

Mr. Coffman asked how the costs were arrived at. Cost estimates and comparisons were done based on the number of courts and the two construction methods as to cost and warranties. Mr. Coffman was also concerned whether there were sufficient funds in the Athletic Facility Stabilization Fund to which Mr. Davison indicated there were sufficient funds.

Defazio Complex Fencing – \$417,000 in CPA funds is being requested to replace the existing fencing around the field, the track and the baseball diamond at the Defazio Complex. The tot lot is not included. The project would be done in the late summer, early fall of 2024.

Finance Committee Discussion and Vote on FY2025 Preliminary Budget Recommendation

Ms. Miller met with the Town Manager shortly after the last meeting to discuss budget issues including the additional positions. A letter was received from the Town Manager dated February 16th and sent to the Committee, with an explanation of the townwide prioritization of the positions. The letter also explained how the positions that were partially funded would have a sufficient amount of revenue to fund them in the following year. There was also an explanation of the Sustainability Manager position.

At the last meeting it was noted that the land surveys would be unlikely to be an ongoing recurring annual need and it would be appropriate to keep it as a financial article covered by Free Cash.

Mr. Healy and Mr. Connelly would rather fund Health and Human Services positions that provide direct services to the residents. They would not have had the epidemiologist as the top priority on their list. Mr. Levy is of the opinion that the epidemiologist has a lot of value. Ms. Smith-Fachetti thought the epidemiologist would be valuable in being able to analyze data to identify what direct services are needed and where.

Mr. McDonald indicated that the CATH part-time front desk position supervises 12 volunteers and is currently staffed and supported by the Executive Office of Elder Affairs Formula Grant. Ms. Miller indicated that the Committee was not aware that the position was already filled. It could continue to be funded through the EOEA Formula Grant if the Finance Committee does not recommend funding. The Grant is a reliable source of funding and is very flexible as to how it is to be used. The grant is based on the number of seniors in the community over the age of 60 multiplied by \$14 for FY2024. This year the amount was approximately \$113,000. If the position is funded in the operating budget, the grant funds could be used elsewhere.

Ms. Miller noted that the library has the same issue of having staff funded by grants that eventually are included in the operating budget. This would be the same situation.

MOVED: By Mr. Healy that the Finance Committee take the recommendations that are outlined in the letter of February 16, 2024, and further that the Finance Committee vote to fund all four HHS ARPA positions, to fund the CATH front desk position, to fund the \$10,000 requested by the Council for Arts and Culture as proposed at the last meeting, to take the land surveys out of the operating budget and propose funding them from Free Cash as a financial warrant article, support the reduction in the workers compensation budget, support the Minuteman budget and the employees benefit budget reduction and fully fund the fleet supervisor. Mr. Connelly seconded the motion. The motion was approved by a roll-call vote of 8-0.

Ms. Miller will complete the Finance Committee letter which will also reflect the discussions regarding the addition of positions and the request that changes be brought to the Committees attention and that when positions are substantially changed rather than simply adding or subtracting from duties that they be made through a DSR4.

Annual Town Meeting Articles

MOVED: By Mr. Healy that the Finance Committee recommend adoption of the article to appropriate funds for the Needham Property Tax Assistance Program for the sum of \$50,000. Ms. Smith Fachetti seconded the motion. The motion was approved by a roll-call vote of 8-0.

MOVED: By Mr. Healy that the Finance Committee recommend adoption of the article to appropriate funds for the Small Repairs Grant Program for the sum of \$50,000. Mr. Connelly seconded the motion. The motion was approved by a roll-call vote of 8-0.

MOVED: By Mr. Healy that the Finance Committee recommend adoption of the article to appropriate funds for the Sewer Enterprise Fund Budget for the sum of \$9,946,823. Mr. Connelly seconded the motion. The motion was approved by a roll-call vote of 8-0.

MOVED: By Mr. Healy that the Finance Committee recommend adoption of the FY2025 for the Sewer Enterprise Fund Budget for the sum of \$9,946,823. Mr. Levy seconded the motion. The motion was approved by a roll-call vote of 8-0.

MOVED: By Mr. Healy that the Finance Committee recommend adoption of the FY2025 for the Water Enterprise Fund Budget for the sum of \$6,801,995. Mr. O'Connor seconded the motion. The motion was approved by a roll-call vote of 8-0.

MOVED: By Mr. Healy that the Finance Committee recommend adoption of the warrant article for approval of the Department Revolving Fund Spending Limits. Mr. Levy seconded the motion. The motion was approved by a roll-call vote of 8-0.

MOVED: By Mr. Healy that the Finance Committee recommend adoption of the warrant article to rescind the debt authorization in the amount of \$2.5M. Mr. Connelly seconded the motion. The motion was approved by a roll-call vote of 8-0.

Any adjustments to the Sewer Enterprise Fund Budget will be made at the fall special town meeting.

Updates

Ms. Fitzpatrick was asked if there was any information on setting the Town Clerks salary. She indicated that it will be discussed at a Personnel Board meeting sometime in the next two weeks. It will be recommended that it be tagged as the same grade as positions such as the department managers at Town Hall, the treasurer and the assessor and would be an appropriate level. Mr. Healy indicated that Tedi Eaton said she would see if the Town Clerks Association had salary information from surrounding towns. Ms. Fitzpatrick noted that the job responsibilities of town clerks differ from town to town.

Ms. Miller reported that there were two candidates for the executive secretary to the Finance Committee and the first interview has been done and the second interview will be conducted soon. It is anticipated that the executive secretary will be on board in the next couple of weeks. Ms. Copley was asked to continue to take the minutes during the transition period.

Ms. Miller is trying to put together a schedule for various committees that have articles on the warrant to come to meetings to discuss their warrant articles before the warrant printing deadline.

The Technology discussion will take place next week.

The next meeting is scheduled for February 28, 2024.

Adjournment

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

Documents: FY2025 Department Budget Requests, Draft 2024 Annual Town Meeting Warrant, Letter from Town Manager dated 2/16/24, MGL 53E1/2 Revolving Fund memo dated 2/21/24, Sewer and Water Enterprise spreadsheet

Respectfully submitted,

Kathryn Copley
Administrative Specialist