Needham Finance Committee
Minutes of Meeting of April 24, 2024

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

Present from the Finance Committee:
Carol Smith-Fachetti, Vice-Chair
Karen Calton, John Connelly, James Healy, Paul O'Connor, Barry Coffman

Others Present:
David Davison, Deputy Town Manager/Director of Finance
Molly Pollard, Finance Committee Executive Secretary
Heidi Frail, Select Board Member
Kate Fitzpatrick, Town Manager
Joe Matthews (via zoom), Citizen
Hank Haff, Director of Design and Construction
Dan Gutekanst, Superintendent of Needham Schools

Citizens Request to Address the Finance Committee

None

Approval of Minutes of Prior Meetings

None

Reserve Fund Transfer

Documents: Request for Reserve Fund Transfer

Mr. Davison presented a reserve fund transfer request for $37,809 to replace a projector installed in 2011, as manufacturers no longer produce parts for it. The quote for the new device includes an additional $1,800 to address any unforeseen costs during the installation process.

MOVED: By Mr. Healy that the Finance Committee recommend the approval of this request for Reserve fund transfer of the amount of $37,809.00. Mr. O'Connor seconded the motion.

Discussion: Mr. Coffman asked if it would be installed prior to town meeting, to which Mr., Davison replied it would probably not. Mr. Connelly asked about the current reserve fund to which Mr. Davison recapped the current balance of around $1.8 million and some expected upcoming expenditures.

The motion was approved by a vote of 6-0 at approximately 7:06p.

Annual Town Meeting Articles

Citizen's Petition to Amend Zoning By-law (Article 44)

Documents: Addressing oversized construction in Needham, Zillow Metro Boston is facing the worst inventory crunch in the US, Median home price in Greater Boston near record high in March 2024

Mr. Matthews presented shared a presentation. He explained the warrant article specifically targets the definition and calculation of the floor area ratio (FAR) for lots zoned Single Residence B (SRB). He highlighted concerns that current bylaws are too permissive, leading to larger homes that negatively impact affordability, sustainability, and environmental factors such as tree loss and drainage. Mr. Matthews referenced past efforts by the Large House Review Committee (2014-2017), which attempted to control the size of new constructions through zoning amendments, but noted that these measures had failed, due to an exception allowing for attics and basements to not be included in the FAR. Developers are creating large basements and attics that actually contribute to the living space therefore skirting around the intentions of the by-law. The warrant article aims to correct this by including any living space with greater than 5ft ceiling height in the FAR calculation. He believes this change would restore the original intent of town meeting when they last changed the by-law.

Mr. Healy sought clarification that the financial implication is limiting tax revenue, Mr. Coffman confirmed. Mr. Healy questioned the implications of Mr. Matthews's proposed amendment on homeowners' ability to reconstruct or redevelop their properties. Mr. Matthews confirmed that the amendment would affect the size of structures that homeowners could build on their lots but would not restrict demolitions or other modifications. Mr. Healy also inquired if Mr. Matthews had consulted with the Planning Board. Mr. Matthews detailed his ongoing efforts to engage with the Planning Board since December 2022, including emails and a presentation in July 2023. The Planning Board did not commit to a specific plan of action, prompting Mr. Matthews to proceed with the citizen's petition supported by community members. Mr. Healy expressed his preference for the Planning Board to handle the matter, emphasizing their role in safeguarding both the town's future and current residents' interests. He voiced concerns about the potential negative impact on homeowners who might rely on property redevelopment as a financial opportunity, indicating his reluctance to support the amendment without Planning Board involvement.

Mr. Coffman agreed with Mr. Healy regarding the need for the Planning Board's involvement in Mr. Matthews's zoning amendment proposal. Mr. Coffman highlighted the importance of understanding the financial impacts, specifically concerning new growth and revenue, which significantly benefit the town. The rest of the Finance Committee agreed with these sentiments.

Mr. Matthews defended his approach, asserting that without his efforts, there would have been no progress or discussion on this matter.

MOVED: By Mr. Healy that the Finance Committee recommend not to adopt Article 44 Citizen's Petition Amend Zoning By-law. Mr. Connelly seconded the motion. The motion was approved by a vote of 6-0 at approximately 7:34pm.

Establish Elected Officials' Salaries (Article 3)

Document: 2024 Annual Town Meeting Article 3 Elected Officials Salaries

Ms. Fitzpatrick provided an update on the annual article regarding elected official salaries. This procedure, mandated by state law, is overseen by the recently renamed Human Resources Advisory Committee, previously known as the Personnel Board. She noted that the committee reviewed the work done in 2000, which included a specific arrangement for additional pay types like sick leave buyback and vacation buyback for the town clerk. These were historically included due to statutory requirements that elected officials only receive the salary voted on by the town meeting without any additional pay types.

The committee recommended maintaining a single salary for the town clerk but eliminated the secondary tier of salary that was previously considered for incoming town clerks. This change reflects an alignment with the practices for similarly situated department managers in town hall. Consequently, they recommended an increased base salary for the town clerk, set at $129,130 annually, corresponding with a grade 12 pay scale. This adjustment aims to standardize pay scales and remove previously granted extra pay types, ensuring compliance with current guidelines.

Mr. Connelly expressed a need for more detailed information from the Personnel Board's report to understand the basis for the recommended salary amount. He emphasized the importance of robust reporting to justify the proposed salary adjustment, particularly since the town clerk had been part of finance committee. Ms. Fitzpatrick confirmed that comprehensive documentation, including a memo and FAQs, was available, outlining the process and comparison with other towns that she can share after the meeting. Mr. Healy supported the proposal, highlighting that the intention was to align the town clerk's salary with that of similarly situated grade 12 town hall managers, regardless of how it compares with salaries in other towns

Mr. Coffman inquired about the previous year's salary to understand the changes in compensation terms. Ms. Fitzpatrick said the proposed base salary, although higher, simplifies the compensation structure by eliminating extra pay types like longevity payments and sick leave provisions, effectively keeping the overall compensation similar but more streamlined.

The committee will vote this next week.

Collective Bargaining NIPEA (Article 4)

Documents: Article 4 NIPEA Collective Bargaining Agreement

Ms. Fitzpatrick discussed the collective bargaining agreements concerning the NIPEA (a subset of Public Works employees). The proposed collective bargaining agreement includes a 3% salary increase for the first year, a 2.5% increase for the second year, and a 3% increase for the third year, split into increments. The main goal of these increments is to incentivize employees to acquire licenses necessary for promotion and to ensure adequate coverage during long-term absences. An important aspect of the agreement is the introduction of a town contribution to the 401(a) retirement plan for NIPEA employees, marking this union's first inclusion in such benefits.

MOVED: By Mr. Healy that the Finance Committee recommend adoption of Article 4: Fund NIPEA Collective Bargaining Agreement. Mr. Coffman seconded the motion.

Discussion: Mr. Connelly asked how many employees were covered to which Ms. Fitzpatrick replied 60. Mr. Connelly asked if these increases were already in the budget to which Mr. Davison explained $131,658 is already included in the DPW budget, but an additional approximately $173,000 needs to be appropriated, with adjustments expected in the sewer and water enterprise fund budgets in the fall.

The motion was approved by a vote of 6-0 at approximately 7:45pm

Collective Bargaining ITWA (Article 5)

Documents: Article 5 ITWA Collective Bargaining Agreement

Ms. Fitzpatrick explained that the ITWA, formed in the early 90s, represents a diverse group of employees including administrative assistants, IT staff, clinicians, and nurses, encompassing 43 positions in total. The ITWA agreement proposes a consistent 3% annual salary increase over the three-year term along with some minor adjustments to contract language.

MOVED: By Mr. Healy that the Finance Committee recommend adoption of Article 5: Fund Collective Bargaining ITWA. Mr. O’Connell seconded the motion. The motion was approved by a vote of 6-0 at approximately 7:46pm.

<u>Annual Town Meeting Articles- Previously Discussed</u>

Scientific Experts and Consultant (Article 10)

Mr. Connelly explained that this article does not ask for a specific enough purpose and the reserve fund is available for unforeseen expenses.

MOVED: By Mr. Healy that the Finance Committee not recommend adoption of Article 10: Appropriate for Scientific Experts and Consultant. Mr. Connelly seconded the motion. The motion was approved by a vote of 6-0 at approximately 7:49pm.

Information Technology Consolidation (Article 12)

MOVED: By Mr. Heally that the Finance Committee recommend adoption of Article 12: Appropriate for Information Technology Consolidation. Mr. Coffman seconded the motion.

Discussion: Mr. Connelly expressed his approval of the process of getting to the final article. Ms. Smith-Fachetti asked Ms. Fitzpatrick her opinion, to which Ms. Fitzpatrick shared her support.

The motion was approved by a vote of 6-0 at approximately 7:52pm.

Pollard Middle School Feasibility Study/MSBA (Article 26)

Mr. Connelly expressed satisfaction with the initial engagement led by Dr. Gutekanst and praised the revision of the budget number for the feasibility study, noting that it had been reduced to better align with actual needs. He stressed the importance of prudent financial management and the necessity of detailed preparatory work to ensure accurate future cost estimations. Mr. Connelly clarified that while he supports the preliminary steps like the feasibility study, this does not guarantee that subsequent phases of the project will automatically proceed. He emphasized the importance of maintaining flexibility in decision-making as costs and other factors become clearer.

Mr. Healy echoed Mr. Connelly's comments and brought up concerns about the town's debt policies, referencing a draft debt chart that outlined potential fiscal pressures. He highlighted the projections indicating that the town might exceed its debt capacity limits in the coming years, potentially affecting the feasibility of other planned capital projects. Mr. Healy advocated for transparency and careful consideration of financial impacts when presenting these projects to the town meeting. Mr. Coffman echoed these sentiments but added there are some things that can be done to future budgets to mitigate the overall impact of these expensive projects.

MOVED: By Mr. Healy that the Finance Committee recommend adoption of Article 26: Appropriate for Pollard Middle School Feasibility Study/MSBA. Mr. Connelly seconded the motion. The motion was approved by a vote of 6-0 at approximately 7:58pm.

Athletic Facility Improvements- Claxton Field (Article 27)

Mr. Healy stressed the necessity of carrying out improvements to correct past mistakes that were due to limitations in technology and knowledge. Mr. Connelly raised a question regarding how these improvements might interact with other recreational proposals, specifically mentioning a potential skate park. Ms. Frail clarified that the skate park and pickle ball courts were considered for different areas and would not be impacted by the field's renovation. Mr. Davison provided additional details, stating that the lowest bid came in just under $3 million, but they are requesting $3.6 million to cover potential additional expenses related to ground contaminants.

MOVED: By Mr. Healy that the Finance Committee recommend adoption of Article 27: Appropriate for Athletic Facility Improvements- Claxton Field. Ms. Calton seconded the motion. The motion was approved by a vote of 6-0 at approximately 8:02pm.

Fire Engine (Article 28)

Mr. Davison mentioned that free cash is still not certified and asked that we delay this until next week to potentially change the funding source to free cash. This article will be voted next week.

Quiet Zone Project (Article 30)

Mr. Connelly reiterated his previous statements emphasizing the importance of understanding the actual construction costs to adequately compare them against other capital needs within the town's capital plan. He supported taking the next step of design work to gain precise cost estimates, although he reserved judgment on whether he would support the ultimate construction of the project.

Mr. Healy opposed the allocation of funds for this design, despite understanding the procedural necessity of a single vote. Mr. Coffman was on the fence, leaning towards opposition but recognizing the value of following the process to gather more information. Ms. Calton expressed difficulty in supporting design funding for a project she doesn't believe in, but acknowledged the necessity of having detailed information for decision-making if the project gains broader support and moves forward.

MOVED: By Mr. Connolly that the Finance Committee recommend the adoption of Article 30: Appropriate for Quiet Zone Project. Mr. O'Connell seconded the motion. The motion was not approved by a vote of 3-3 at approximately 8:06pm.

Mr. Healy recommended that the committee plan to revote this issue next week. Ms. Smith-Fachetti noted that not all residents will be affected the same by the proposed construction.

Public Works Facilities Improvements/Phase 1 Design (Article 32)

Documents: Article 32: Appropriate for Public Works Facilities Improvements/Phase 1 Design FAQ

Mr. Healy sought clarification on the different phases of a project under discussion, recalling that it could potentially consist of three to five phases. He specifically inquired about the scope of the $2.3 million allocated for design work and which phase it would cover.

Mr. Haff responded by clarifying that the $2.3 million is solely for the design of phase one. He noted that the total project cost for phase one would be just under $20 million, which includes the design costs. Mr. Healy then confirmed that this expenditure on phase one is independent of whether subsequent phases (two through five) proceed.

The discussion highlighted that the Select Board and town manager consider phase one critically important. They believe that even if phase one were the only component completed, due to financial or other constraints, it would still be deemed an essential and worthwhile part of the overall project.

MOVED: By Mr. Healy that the Finance Committee recommend adoption of Article 32: Appropriate for Public Works Facilities Improvements/Phase 1 Design. Mr. Connelly seconded the motion.

Discussion: Mr. Connolley asked for a summary of the 5 projects and costs. Ms. Fitzpatrick directed him to the handout for the summaries and noted she will follow up with the costs for phases beyond 1. Mr. Healy noted that there is a lot of specialty equipment needed which contributes to the costs. Mr. Haff added that extensive sitework is also a factor.

The motion was approved by a vote of 6-0 at approximately 8:16pm.

Authorize Select Board to Remove Restrictions (Article 41)

Mr. Healy clarified this article is aiming to eliminate the requirement for seniors in the relevant housing. Ms. Frail clarified that the deed restrictions date back to 1957, 1960, and 1967, originally limited to the elderly but now expanded to include people with disabilities. She mentioned the Housing Authority's request for flexibility, allowing people close to senior age to transition into family units, and noted an MOU was being drafted but not yet finalized with the Housing Authority.

Mr. Healy expressed a desire to delay decisions until he could review the MOU. Ms. Smith-Fachetti questioned whether the housing would count toward meeting the MBTA Communities Act’s requirements. Ms. Frail responded that the Housing Authority initially requested to leave the project out of the MBTA plan due to uncertainty about their needs and added that other housing could satisfy MBTA compliance. She noted that income restrictions of this housing also make it ineligible for the plan.

Ms. Fitzpatrick mentioned that all articles related to the project needed approval to ensure competitiveness or eligibility for funding. Mr. Healy reflected on the need for competitiveness to attract investors to the project, acknowledging a delicate balance between financial incentives and providing community-serving housing. Ms. Smith-Fachetti inquired whether the MOU would affect financing capabilities, with Ms. Fitzpatrick assuring that the Housing Authority was reviewing the document to ensure it wouldn’t hinder financial arrangements.

The committee will vote next week.

Citizen’s Petition- Authorization to Expend Funds for Consultant for MBTA Communities Zoning (Article 46)

Ms. Frail reported upcoming discussions with this article’s proponents, aiming to clarify elements perceived as missing from a previous analysis conducted by HONE consultants and town departments. She mentioned a traffic study already identified as a shortfall and expressed openness from the HONE committee to addressing any analysis gaps.

Mr. Healy queried about alternative procedures if consensus on the project's evaluation could not be reached, specifically if the Finance Committee determined additional evaluations were necessary for infrastructure and engineering. He wondered about the possibility of a teserve fund transfer request. Mr. Coffman clarified that such a request could be an option if additional necessary work was identified beyond the allocated budget. Ms. Smith-Fachetti and Mr. Coffman discussed who could initiate such requests, noting that citizens could propose budget adjustments at town meetings. Mr. Healy proposed Mr. Davison advise on possible legal and appropriate mechanisms for funding if the project's assessments remained unresolved.

The committee will vote on this next week, after upcoming HONE discussions.

Finance Committee Updates

The League of Women Voters meeting is Monday the 29th at 7:30pm and requested the Finance Committee's help staffing. Five members of the Committee are able to join.

The Town Moderator has asked if there is anything we need to present for town meeting that bullets and/or supporting documents be available on the webpage by May 2. Entire presentations are not expected.

Adjournment

MOVED: By Mr. Healy that the Finance Committee meeting be adjourned, there being no further business. Mr. O'Connor seconded the motion. The motion was approved by a vote of 6-0, at approximately 8:31 p.m.

Documents: Request for Reserve Fund Transfer, Addressing oversized construction in Needham, Zillow Metro Boston is facing the worst inventory crunch in the US, Median home price in Greater Boston near record high in March 2024, Annual Town Meeting Article 3 Elected Officials Salaries, Article 4 NIPEA Collective Bargaining Agreement, Article 5 ITWA Collective Bargaining Agreement, Article 32: Appropriate for Public Works Facilities Improvements/Phase 1 Design FAQ.

Respectfully submitted,

Molly Pollard

Executive Secretary, Finance Committee