

**Needham Finance Committee
Minutes of Meeting of June 26, 2024**

To view a recording of the meeting on YouTube:
<https://www.youtube.com/watch?v=2n3nxMZTxkE>

The meeting of the Finance Committee was called to order by Chair Carol Smith-Fachetti at approximately 6:32 pm in the Great Plain Room at Needham Town Hall, also available via Zoom teleconferencing.

Present from the Finance Committee:

Carol Smith-Fachetti, Chair; John Connelly, Vice-Chair

Barry Coffman, Joe Abruzese, James Healy

Absent: Karen Calton, Paul O'Connor, Tina Burgos

Others Present:

David Davison, Deputy Town Manager/Director of Finance

Molly Pollard, Finance Committee Executive Secretary

Louise Miller, Town Clerk

Citizen Requests to Request the Finance Committee

None

Approval of Minutes of Prior Meetings

MOVED: By Mr. Connelly the minutes of May 6, 2024 and May 13, 2024, be approved as distributed, subject to technical corrections. Mr. Coffman seconded the motion. The motion was approved by a roll call vote of 4-0 at approximately 6:35pm.

Election of Officers

Mr. Connelly nominated Ms. Smith-Fachetti to be the Finance Committee Chair for fiscal year 2025. Mr. Coffman seconded the motion.

VOTE: Ms. Smith-Fachetti was confirmed as Chair by unanimous vote of 5-0.

Mr. Smith-Fachetti nominated Mr. Connelly to the Finance Committee Vice-Chair for fiscal year 2025. Mr. Healy seconded the motion.

VOTE: Mr. Connelly was confirmed as Chair by unanimous vote of 5-0.

Reserve Fund Transfer- Finance Department

Mr. Davison reported this year there have been several technology-related issues, necessitating the use of additional outside firms for repairs and support, especially in the area of public safety. Due to vacant positions, funds were reallocated from salaries to cover these expenses. However, they are overcommitted, and the Finance Department requested a transfer of \$26,500 to cover these costs and avoid any unpaid bills from the prior year.

Mr. Connelly inquired about the progress of personnel changes in the school department. Mr. Davison confirmed that the preparatory work was underway, with the actual changes set to take effect on Monday. He noted that the union negotiations were successfully concluded.

Ms. Smith-Fachetti asked whether most of the expenditures were related to 24-hour public safety technology needs. Mr. Davison clarified that while public safety was a significant factor, other issues such as network and cyber-attack concerns also required attention, especially after hours and on weekends. Ms. Smith-Fachetti then questioned forecasted expenditures with respect to the budget. Mr. Davison believed the current shortfall was a timing issue, explaining that town departments were becoming more comfortable with the school's IT personnel.

Mr. Abruzese asked if the transition to school committee management would reduce dependence on vendors and increase reliance on employees. Mr. Davison responded that it would be a mix. With the new resources, they now have thirteen people available instead of two, which should alleviate some of the dependency on vendors, although after-hours support remains a challenge.

MOVED: By Mr. Connelly that the Finance Committee approve the request for funds transfer in the amount of \$26,500. Mr. Healy seconded the motion. The motion was approved by a vote of 5-0 at approximately 6:42pm.

Reserve Fund Transfer- Town Clerk

Ms. Miller discussed two main points related to the budget overage in her office. Firstly, the overage in salary is due to the number of elections held. Additionally, the expenditures are related to the state's unfunded mandate for early voting. She submitted a request for over \$30,000 to the Secretary of State for the fiscal year 2024. While the request was approved, the funding is unlikely to arrive this fiscal year, resulting in a small deficit. If funds are received in fiscal year 2025, they will help offset expenses for the state primary and November presidential elections. All possible personnel expenses have been transferred from other accounts, but a small deficit remains.

Mr. Coffman asked if the state always reimburses these costs. Ms. Miller confirmed that reimbursements for vote-by-mail and early voting expenditures mandated by the state have been received for the last two years. However, local election early voting costs are not reimbursed.

Mr. Healy asked if the budget for the next year is sufficient to cover these expenses. Ms. Miller expressed doubts but noted that reimbursements for the current fiscal year should be received in the fiscal year 2025 and can be used to cover these costs. Ms. Miller declared that she will apply for covered expenses again in 2025, which will occur earlier in the fiscal year and can hopefully be reimbursed in the same fiscal year.

MOVED: By Mr. Connelly that the Finance Committee approve the request for funds transfer in the amount of \$3,400. Mr. Healy seconded the motion. The motion was approved by a vote of 5-0 at approximately 6:47pm.

Finance Committee Updates

Mr. Abruzese mentioned that there is a different meeting tonight regarding allowing ADU's and asked how the outcome could affect revenues. The Finance Committee discussed that the effects of internal home changes are largely unknown, but any new construction, particularly of freestanding units, could potentially contribute to new growth. The Committee also noted that many communities across the country are adopting such changes.

Mr. Connelly reported on a recent School Committee liaison meeting. The School Committee has an anticipated budget overage of around \$2.6 million. The School Committee will meet in July, but the tentative plan is to keep around \$1 million for Special Education and other various expenses and turn back \$1.6 million, which will land in free cash. There was also discussion of upcoming negotiations with the school unions at the end of the year which will be of interest considering similar negotiations in neighboring towns and how this can be planned for in the budget discussions.

The Finance Committee also discussed that they are currently interviewing some potential new members to fill the vacancies.

Adjournment

MOVED: By Mr. Healy that the Finance Committee meeting be adjourned, there being no further business. Mr. Coffman seconded the motion. The motion was approved by a vote of 5-0, at approximately 6:55 p.m.

Documents: *Request for Reserve Fund Transfer- Finance Department, Request for Reserve Fund Transfer- Town Clerk*

Respectfully submitted,
Molly Pollard
Executive Secretary, Finance Committee