

**Needham Finance Committee
Minutes of Meeting of September 18, 2024**

To view a recording of the meeting on YouTube:

<https://youtu.be/2xGAAV7i5NU?list=PL3PRZZjHC3yFvWuO8IwFGgK3KaPYkTyxK>

The meeting of the Finance Committee was called to order by Chair Carol Smith-Fachetti at approximately 7:05 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
Karen Calton, Paul O'Connor, Barry Coffman, Joe Abruzese,
Absent: Tina Burgos, Lydia Wu

Others Present:

David Davison, Deputy Town Manager/Director of Finance
Molly Pollard, Finance Committee Executive Secretary
Cecilia Simchak, Assistant Director of Finance
Dave Herer, Chair of the Community Preservation Committee
Maureen Callahan, Vice Chair of the Community Preservation Committee
Stacey Mulroy, Director of Parks and Recreation
Lauren Spinney, Administrative Coordinator Community Preservation Committee
Carys Lustig, Director of Public Works
Timothy McDonald, Director of Health and Human Services
Tiffany Benoit, Assistant Director of Public Health
Joshua Levy, Select Board

Approval of Minutes of Prior Meetings

MOVED: By Mr. Connelly that the minutes of meeting September 4, 2024, be approved as distributed, subject to technical corrections. Mr. Coffman seconded the motion. The motion was approved by a role call vote of 6- 0 at approximately 7:07pm.

Special Town Meeting Article Discussions

Article 13: APPROPRIATE FOR HIGH SCHOOL TENNIS COURTS
Documents: Memorandum FY2025 CPC Grant Application (summer)

Mr. Herer explained the project aims to replace existing tennis courts with new courts using a more durable post-tension concrete technology, improving longevity over the current asphalt

courts. The Community Preservation Committee (CPC) has had several meetings to review the project, with an appropriation of \$1.4 million from the CPC and a total project cost of \$2.7 million, leaving the town to cover the remaining expenses. A public hearing held the previous week received mostly favorable input. The project, like a previous one that was delayed due to last-minute issues, has now received a special permit from the planning board addressing public concerns. The CPC will vote on the project later that evening and Mr. Herer indicated the committee is supportive.

Mr. Connelly asked about the rendering and layout changes, to which Ms. Mulroy clarified that while the courts would be slightly moved apart, the orientation would remain the same. Mr. Connelly then inquired about the project schedule, and Ms. Lustig explained that they plan to go out for bidding in early winter, aiming to align construction with the school's schedule. The goal is to complete the project over the summer before school reopens. Mr. Connelly also asked if the courts would have lines for any other sports or signage for non-tennis activities like pickleball, and Ms. Mulroy confirmed that the planning board has explicitly excluded pickleball from the courts.

Mr. Connelly asked why the CPC is contributing \$1.4 million to the \$3 million project. Ms. Lustig explained a partnership with the town for such projects is preferred, ensuring both CPC funds and town resources are used. The \$1.4 million figure was based on an early budget estimate and carried forward. Mr. Coffman added that the withdrawn warrant article had the same amount, and Ms. Mulroy confirmed the CPC's contribution has always been \$1.4 million. Mr. Coffman questioned why the costs are higher, and Ms. Lustig cited the choice of post-tension concrete, a low-maintenance material with a longer lifespan, as well as added screening for sound and visual concerns due to proximity to neighbors. Mr. Herer added that an extensive stormwater collection system, required by regulations, also contributed to the cost increase.

Ms. Smith-Fachetti asked about the cost difference between standard construction and the post-tension concrete courts. Ms. Mulroy estimated the cost difference at about \$1 million. She explained that post-tension concrete, which is becoming the industry standard, carries at 25 year warranty and could last 35-40 years, whereas asphalt courts crack and require resurfacing within 5-7 years. Mr. Abruzese confirmed that the goal is to avoid any major project for at least 25 years, with Mr. Herer adding that the post-tension courts have a lower lifecycle cost. Mr. Coffman inquired about maintenance, and Ms. Mulroy noted that post-tension courts require minimal maintenance compared to asphalt courts, which need frequent repairs due to cracking. She highlighted that other communities have also adopted post-tension concrete for long-term cost savings.

Mr. Connelly asked about town funding, specifically the \$1.1 million from the Athletic Facility Stabilization Fund, which Mr. Davison confirmed would nearly deplete the fund. The remaining

\$500,000 would come from the overlay fund, as free cash is not yet certified. Mr. Connelly concluded by asking if the \$3 million would cover all costs, and Ms. Lustig confirmed there is sufficient contingency in the budget. Mr. Connelly suggested tabling the discussion until later in the evening, until after the CPC has voted.

Article 1: APPROPRIATE FOR ROADWAY IMPROVEMENTS (EVERSOURCE)

Ms. Lustig explained that the town has been collaborating with Eversource over the past 18 months to manage the natural gas main work mandated by the state. While Eversource has often delayed the town's repaving schedules to avoid paying for road resurfacing, the town has negotiated a system where Eversource funds are transferred to offset the town's repaving costs. This program began with the repaving of Webster Road, and other roads are being addressed similarly.

Ms. Lustig mentioned that Eversource is allowed to work off-cycle (outside of typical construction seasons) due to the volume of work required by state mandates. In exchange for this privilege, Eversource is responsible for fully restoring roads curb-to-curb, even if the roads are not under moratorium. This article allows the funds to be appropriated for DPW, since general receipts do not automatically go back to the department for these purposes.

Mr. Coffman asked about who performs the paving, and Ms. Lustig stated that the town handles it, as they get better rates than utilities due to the preparatory work they do in advance. Mr. Abruzese inquired about the method for determining the funds set aside by Eversource, and Ms. Lustig explained that they compare Eversource's budgetary estimates with the town's contract costs to ensure coverage. For some roads, Eversource covers 100% of the repaving, while others may be partial coverage depending on the type of work done.

Mr. Connelly asked if the funds (approximately \$256,000) received from Eversource could be reallocated to DPW for paving work, which Ms. Lustig confirmed. Ms. Lustig also mentioned that they are revisiting the town's street reopening permit process, which hasn't been updated in about 10 years, to address the large volume of work now required by Eversource due to safety mandates. Mr. O'Connor asked if the funds must be used for specific roads or if there's flexibility. Ms. Lustig noted that the article was written to allow flexibility, but the funds would prioritize roads where work has already been completed. This would free up next year's infrastructure budget to pave additional roads.

Mr. Connelly asked if this would become an annual article, to which Mr. Davison confirmed that until there is another way to allocate the funds to DPW and article like this will continue to be needed. Mr. Coffman added that we had an article like this in the spring, to which Mr. Davison confirmed.

Ms. Calton asked if the full \$256,000 from Eversource would be spent. Ms. Lustig confirmed that all of it would be used. She explained that this year's infrastructure budget for roadway work was lighter, but grants and state funding for projects like Dedham Ave helped offset costs. The Eversource funds will be fully spent by the end of next year on targeted road projects.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of Article 1: APPROPRIATE FOR ROADWAY IMPROVEMENTS (EVERSOURCE). Mr. Coffman seconded the motion. The motion was approved by a vote of 6-0 at approximately 7:29pm.

Article 2: APPROPRIATE FOR COMMUNITY OPIOID SETTLEMENT FUND PROGRAM

Documents: Memorandum: Opioid Settlement Fund Plan

Ms. Benoit shared that last year, the town requested and received funds to hire two consultants to help develop a strategic plan for utilizing opioid-related funding. That strategic plan is nearing completion and will be finalized by the end of the month. The plan outlines goals for addressing opioid and addiction issues in the community, informed by input from both subject matter experts and individuals impacted by addiction.

Ms. Benoit then explained that in the first year of this strategic plan, the town aims to make immediate progress in key areas, which is why they are requesting \$82,000. This amount will be used to expand a part-time peer recovery coach position—currently at 19.5 hours a week—to a full-time role. The expanded role, which would transition into a Behavioral Health Peer Support Specialist, will focus on both peer recovery coaching and broader behavioral health support. The requested funds will cover the salary and benefits for this full-time position through the end of the fiscal year.

Ms. Smith-Fachetti asked about the timeline for completing the strategic plan, to which Ms. Benoit responded that it will be finalized by the end of the month. However, the action planning required to meet the strategic goals will begin after that and continue into October.

Mr. Connelly then asked for clarification on the peer recovery coach position. Ms. Benoit explained that it's currently part-time and funded for 19.5 hours through FY25, but the new funding will increase those hours to full-time. Mr. Connelly inquired whether this funding would effectively double the salary, but Ms. Benoit clarified that the \$69,000 request covers the cost from November 1 to June 30, including benefits. Ms. Smith-Fachetti followed up by asking what the annualized salary for the position would be. Ms. Benoit noted that the current pay rate is approximately \$31.50 per hour, and the range for the reclassified full-time role would be \$31.93 to \$43.12 per hour.

Mr. Connelly then asked about the timing of the \$82,000 request, confirming that the funds have already been accepted by the town. He wondered if the money could be allocated later in the year, after more concrete plans are available from the strategic plan, and if there was any urgency to spend it now. Ms. Benoit confirmed that the town is not under a mandate to spend the funds immediately. Mr. McDonald noted that delaying the funding would pause opioid-related work

until July, as current resources would be exhausted by the end of October. Mr. McDonald emphasized that although the money wouldn't be lost by delaying, valuable time would be. Without the funding, the town would effectively be forced to stop opioid-related programs for eight months, until July 1.

Mr. Connelly raised concerns about the funding plan for a position transitioning to full-time, questioning whether it would be included in the operating budget or solely rely on opioid funds. Ms. Benoit confirmed that the goal is to fund the position exclusively through opioid funds. Mr. McDonald explained that these funds will be received periodically over the next decade, depending on various settlement agreements. Ms. Smith-Fachetti inquired about the current balance in the stabilization fund, and Ms. Benoit provided that as of June, it stood at \$329,000.

Ms. Smith-Fachetti asked if there is pressure on towns to start using the funding. Mr. McDonald mentioned that there is required reporting, warning of potential claw back provisions if funds are not actively used but saying that still being in the planning phase would probably not be reason for claw back. Ms. Smith-Fachetti suggested that the strategic plan would need to demonstrate the necessity of a peer recovery coach for a specified period. Ms. Benoit noted that while the strategic plan will outline goals for funding, it won't provide specific recommendations for hiring.

A discussion occurred around the salary change for the position, but the Finance Committee was not satisfied with the clarity of the change and funding sources. Mr. Davison offered that Mr. McDonald provide a detailed breakdown of the salary calculations and funding sources in the next meeting, and the decision was tabled for further discussion.

Article 4: AMEND THE FY2025 OPERATING BUDGET

Documents: Contracted Services Personal Property Re-Certification

Mr. Davison presented a request for a supplemental appropriation to the finance department budget, proposing to draw from the Reserve Fund. He explained that the town is required to undergo a recertification of its appraisal practices every five years, a process that necessitates hiring consultants, particularly for personal property and business assets valuation. He noted that while \$60,000 was budgeted annually for this purpose, the recent bids for the required services came in significantly higher, resulting in a shortfall of approximately \$90,600 in the finance department's expense budget, which he requested to cover through the Reserve Fund.

Mr. Connelly questioned the need for a Town Meeting discussion, suggesting that a Reserve Fund transfer might be a more streamlined approach. He acknowledged the transparency of the proposed method but expressed concern about overburdening Town Meeting. Mr. Coffman supported Mr. Connelly's point, emphasizing that the Reserve Fund is designed for situations like this and that the expense, while higher than anticipated, has minimal impact on the larger community. Mr. Connelly added it would expedite the process and reduce the need for further Town Meeting deliberation. The Finance Committee agreed that a Reserve Fund transfer was

the best way to make this transaction. Mr. Davison agreed to have the Select Board pull the article from the Town Meeting agenda if the Reserve Fund transfer was approved.

Article 5: AMEND THE FY2025 SEWER ENTERPRISE FUND BUDGET

Mr. Davison discussed necessary adjustments to the Sewer Enterprise Fund. The article proposes an increase of \$24,427 to the salary and wage line, reflecting the salary increases approved through collective bargaining agreements during the Town Meeting. Unlike the General Fund, the enterprise funds do not have a budget line for transferring funds to cover these increases; therefore, a direct increase in the salary and wage line was required. Additionally, Mr. Davison noted that the final MWRA assessment for the year had come in higher than anticipated, which would also need to be accounted for in the budget.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of Article 5: AMEND THE FY2025 SEWER ENTERPRISE FUND BUDGET. Mr. O'Connor seconded the motion. The motion was approved by a vote of 6-0 at approximately 8:01pm.

Article 6: AMEND THE FY2025 WATER ENTERPRISE FUND BUDGET

Mr. Davison presented the proposed budget change for the Water Enterprise Fund, noting an increase of \$39,305 to the salary and wage line, also a result of the collective bargaining agreements approved by Town Meeting. The final MWRA assessment for the Water Enterprise Fund came in lower than expected, reflecting a decrease of \$674,145. The overall impact of these changes results in a reduction of \$634,840 in the Water Enterprise Fund budget. Mr. Coffman inquired about the lack of influence over the water rates, to which Mr. Davison clarified that the rates are determined based on water consumption from the previous year. He explained that the reduction in charges was due to lower water usage last year, influenced by wetter weather conditions that led to less irrigation.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of Article 6: AMEND THE FY2025 WATER ENTERPRISE FUND BUDGET. Mr. O'Connor seconded the motion. The motion was approved by a vote of 6-0 at approximately 8:03pm.

Article 7: UNPAID BILLS OF A PRIOR YEAR

Mr. Davison explained that a bill from the previous school year cannot be paid without Town Meeting appropriating the funds. The bill, totaling \$518, is for medical services related to pre-employment physicals and dates back to 2022. He noted that it took a year for the service

provider to issue the bill. The article requires a 9/10 vote for approval, unless it passes on the consent agenda.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of Article 7: UNPAID BILLS OF A PRIOR YEAR. Mr. Coffman seconded the motion. The motion was approved by a vote of 6-0 at approximately 8:05pm.

Article 8: APPROPRIATE FOR PUBLIC, EDUCATIONAL, AND GOVERNMENT (PEG) PROGRAMMING

Mr. Davison explained, due to a change in law, funds collected from cable companies for public, educational, and governmental programming, such as Town Meetings and Select Board meetings, must now be appropriated by the town. Previously, these funds were paid directly to the local cable television provider. Since the spring, an additional \$143,998 has been collected. This money is held in a special fund, not the General Fund. Mr. Davison mentioned that the delay in transferring funds affects the cable company, as they need to meet payroll and pay vendors. The process requires the money to be in the fund before it can be appropriated, hence the split between the spring and fall Town Meetings.

Mr. Coffman asked if the funds go into the general fund, and Mr. Davison clarified that they do not. Ms. Smith-Fachetti inquired if this process had changed recently, and Mr. Davison confirmed it was a relatively new requirement, though they had been aware of it for a few years. Mr. Abruzese asked whether it's necessary to have appropriations in both spring and fall, and Mr. Davison explained that all the money has to be in the fund before it can be appropriated. Mr. Connelly followed up by confirming that \$143,998 had come in between May and now.

Mr. Coffman then asked if it made sense to handle the appropriations just once, to which Mr. Davison replied that splitting it between the spring and fall ensures they can allocate as much of the collected money as possible. Mr. Coffman also asked how much of the cable company's budget is funded by these fees, and Mr. Davison responded that it covers a significant portion, including capital improvements like equipment installations.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of Article 8: APPROPRIATE FOR PUBLIC, EDUCATIONAL, AND GOVERNMENT (PEG) PROGRAMMING. Mr. Coffman seconded the motion. The motion was approved by a vote of 6-0 at approximately 8:09pm

Upon hearing that the CPC made their vote, the Finance Committee decided to take up Article 13: APPROPRIATE FOR HIGH SCHOOL TENNIS COURTS.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of Article 13: APPROPRIATE FOR HIGH SCHOOL TENNIS COURTS. Mr. Coffman seconded the motion. The motion was approved by a vote of 6-0 at approximately 8:09pm

Articles 9-12: Initial discussion of MBTA Communities Act

Ms. Smith-Fachetti mentioned that the plan is to meet twice with Lee Newman and several others involved in the MBTA Communities Act. The first meeting would be rescheduled to Monday, September 30th. Although the RKG consultant and Heidi Frail of the Select Board are unavailable on the 30th, they will be able to attend on October 9. Ms. Smith-Fachetti also noted that Chair of the Planning Board is available on the 30th. Ms. Smith-Fachetti explained Ms. Newman was drafting an outline of discussion topics for each meeting by Friday.

Mr. Connelly expressed that his biggest concern was understanding the differences between the base plan and the neighborhood plan, specifically the reasoning and assumptions related to school population, operating budget, and capital budget implications. Mr. Coffman added that the base plan is formulaic, covering what is required by the state, while the other plan goes beyond that. Mr. Connelly wanted more clarity on why the town is pursuing this particular expansion.

Ms. Smith-Fachetti mentioned that at the school future needs meeting earlier in the week, new data was discussed, but it wouldn't be available in full until December. Mr. Connelly emphasized that this delay affects assumptions being made about future school populations. He also noted that there are currently 66 more students than expected this year, mostly in middle and high school.

The committee discussed how other multifamily projects have affected the school population and how that may or may not be relevant to the proposed zoning changes. They also mentioned several sites included in the project, specifically the Carter building, and that the committee wanted to understand how the different plans will affect these sites.

Mr. O'Connor asked if the group advocating for a special infrastructure study was still active. Ms. Smith-Fachetti confirmed that they were, though no funds had been allocated for such a study at this time and no article is in the draft warrant related to such a study.

Finance Committee Updates

The Finance Committee reviewed the remaining articles and planned to meet on September 30th and October 9th to discuss the remainder of them.

Ms. Smith-Fachetti announced that we have a new Finance Committee member: Lydia Wu.

Adjournment

MOVED: By Mr. Connelly 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 6-0, at approximately 8:24 p.m.

Documents: *Memorandum FY2025 CPC Grant Application (summer), Memorandum: Opioid, Settlement Fund Plan, Contracted Services Personal Property Re-Certification*

Respectfully submitted,

Molly Pollard
Executive Secretary, Finance Committee