Needham Finance Committee
Minutes of Meeting of December 18, 2024
To view a recording of the meeting on YouTube:

https://www.youtube.com/playlist?list=PL3PRZZjHC3yFvWuO8IwFGgK3KaPYkTyxK

The meeting of the Finance Committee was called to order by Chair Carol Smith-Fachetti at approximately 7:02 pm in the Great Plain Room at Needham Town Hall, also available via Zoom teleconferencing.

Present from the Finance Committee:
Carol Smith-Fachetti, Chair
Karen Calton, Paul O'Connor, Barry Coffman, Joe Abruzese, Tina Burgos, Ali Blauer, Lydia Wu (via Zoom)

Absent from the Finance Committee:
John Connelly, Vice-Chair

Others Present:
David Davison, Deputy Town Manager/Director of Finance
Molly Pollard, Finance Committee Executive Secretary
Cecilia Simchak, Assistant Director of Finance
Holly Clarke, Citizen, Town Meeting Member
Stacey Mulroy, Director of Park & Recreation (via Zoom)
Tom Conroy, Fire Chief
Anne Marie Condon, Fire Business Manager
Chris Baker, Deputy Police Chief
John Schlittler, Police Chief
Paula Sheerin, Police Administrative Specialist
Elyse Glushkov, Town Treasurer/Tax Collector
Michelle Vaillancourt, Town Accountant

Citizen Request to Address the Finance Committee

Ms. Clarke expressed concern about the tone and misinformation surrounding the special election. She acknowledged the complexity of the new law and the uncertainty about its implementation. Ms. Clark referenced an email she received warning of potential tax increases due to scheduling challenges for a town meeting, which she found misleading. She noted that the Select Board has proposed a special town meeting for February 24, a timeline she supports as reasonable. Ms. Clark emphasized that going out of compliance with the state is not automatic and depends on a state agency's declaration. She urged the Finance Committee to support the base plan to minimize any compliance gaps, highlighting that compliance is an ongoing process rather than a one-time event. She also raised concerns about potential conflicts of interest when board members join advocacy committees, urging clarity on roles when making public statements. She concluded by thanking the committee for its service and consideration of these issues.

Approval of Minutes of Prior Meetings

MOVED: By Mr. Coffman that the minutes of meeting December 11, 2024, be approved as distributed, subject to technical corrections. Mr. O'Connor seconded the motion. The motion was approved by a role call vote of 8-0 at approximately 7:10pm.

FY2026 Department Budget Hearings: Memorial Park Trustees

Ms. Calton explained that the Memorial Park trustees' budget has traditionally been small, and the proposed increase aims to give the trustees more flexibility to make purchases independently of the Park and Recreation Department. The primary expenses include purchasing flags and maintaining equipment such as nets around the field. Ms. Mulroy added that the budget has been set at $750 for a long time, despite rising flag costs and the need for additional signage due to the creation of the Space Force. Historically, the Park and Recreation Commission covered extra flag and sign expenses through its revolving budget. The proposed adjustment seeks to align the Memorial Park budget with current needs.

FY2026 Department Budget Hearings: Fire Department

Mr. O'Connor reported that wages increased by 5.1% due to contractual obligations, while expenses rose by 3.8%, driven by inflation and capital replacement needs. He added that the fire department follows a three-year replacement cycle for communications equipment. Mr. Conroy explained that new personal protective equipment (PPE) requirements mandate two sets per firefighter, increasing costs.

Mr. O'Connor asked about IT fees previously managed by the finance department. Mr. Davison clarified that townwide, most of the IT expenses were moved from the finance department to the school department budget. However, because certain software applications are exclusive to the fire department, requiring administrative control within the department, these items have been transferred to the fire department.

Mr. O'Connor sought clarification on whether the department requested new positions. Mr. Conroy stated that while there are no immediate requests, the department plans a feasibility study to evaluate future staffing needs due to expected community growth and increased call volumes. Mr. O'Connor mentioned that the department anticipates eventually seeking four new paramedic positions. Ms. Smith-Fachetti asked about the timing and funding of the feasibility study. Mr. Conroy said they hope to begin the study within the current year, with funding proposed through a warrant article at the Special Town Meeting.

Mr. Coffman asked if the department planned to present call volume statistics. Mr. Conroy confirmed they would include detailed data in the feasibility study report. Ms. Smith-Fachetti asked if the department currently has staffing vacancies. Mr. Conroy said there are two current openings, and Ms. Condon added that they filled three of four vacancies at the beginning of the year.

Mr. Coffman inquired about the department's practice for retiring fire equipment. Mr. Davison explained that equipment is sold at auction unless safety concerns prevent resale. Mr. Conroy specified that ladder trucks have a lifespan of 20 years, fire engines last 15 years, and ambulances are replaced every five years.

Ms. Smith-Fachetti asked what prompted the feasibility study. Mr. Conroy explained that increasing call volumes and future development projects necessitate planning.

Ms. Smith-Fachetti asked whether the department had any budget turnback last year. Mr. Conroy stated that they returned 4.5% of their budget, primarily due to unfilled vacancies. Ms. Condon confirmed that long-term injuries, vacation time, and personal time also contribute to overtime costs. Mr. Coffman asked how mutual aid calls impact overtime. Mr. Condon explained that when the department provides mutual aid, four firefighters are recalled per incident, resulting in overtime costs. Mr. Coffman asked how full staffing might affect overtime expenses. Ms. Condon said the budgeted $750,000 for overtime would remain relatively stable due to various factors, including mutual aid and emergency callbacks.

Mr. Coffman inquired about the fire department's upcoming career day at the high school and how many Needham graduates are currently in the department. Mr. Conroy estimated that about a dozen graduates from the local high school currently serve in the department.

<u>FY26 Department Budget Hearings: Police Department</u>

Ms. Smith-Fachetti reported that the police department's total budget request is approximately $9.6 million, reflecting a decrease of $128,835 compared to FY25. She noted that salaries and wages will increase approximately by 1%, pending union contract negotiations starting in January. She also shared that the department currently has four vacancies.

Ms. Smith-Fachetti explained that the total expense budget is $715,688, up $80,921 from FY25. This increase includes IT costs and the addition of the Blue Voice AI service for approximately $11,000. The operating capital request decreased by $291,717 due to requesting one vehicle instead of six. Rentals and leases also increased by approximately $27,000, about half of which is from motorcycles and tasers. She mentioned that the department is considering moving its Riverside clinician role from a contracted service to a full-time police department employee.

Mr. Schlittler elaborated on the challenges related to IT services, noting that staffing shortages in the town's IT department caused delays in addressing critical police technology needs. He emphasized that police rely heavily on in-car laptops and station equipment, making IT support essential. Mr. Baker added that having a dedicated IT staff member at the police station would improve efficiency and security, especially regarding FBI certification standards.

Regarding Blue Voice, Mr. Schlittler described its usefulness as an AI-powered app providing quick access to laws, policies, and procedures through voice commands. Officers can access relevant information on the go, improving efficiency in the field. Mr. Baker praised its powerful search features, comparing it to a specialized Google for the department's internal systems, which significantly enhances the ability to find needed information quickly.

Mr. Abruzese asked if it had become easier to find and hire candidates outside of civil service since the change. Mr. Schlittler confirmed that the transition improved recruitment, yielding more applicants and faster promotional processes. He shared that the department received 100 applicants through a new online platform, compared to only seven under the old system. The promotional process timeline also shortened from up to a year to about a week.

Mr. Schlittler explained that retirements resulted in six current vacancies, with active hiring efforts underway. He stated that no additional retirements are expected in the coming year, though several officers may become eligible soon. Ms. Smith-Fachetti inquired whether the department carried the six vacancies throughout the prior year, to which Mr. Schlittler responded that there had only been three or four vacancies until recent retirements.

FY26 Department Budget Hearings: Finance Department

Mr. Coffman explained that the FY26 budget of $2,502,253 reflects a 2.8% increase from the previous year. totaling $2.5 million, Key components include $46,374 increase from a new contract and a reduction of $58,000 from the professional and technical services line related to a certification process that occurs every five years for the assessors department. The budget also includes a DSR4 for a new administrative position for purchasing, which would begin the process of streamlining procurement across departments. This role aims to reduce inconsistencies in procurement practices and improve efficiency.

Mr. Davison expanded on the need for an additional FTE to centralize procurement and bring more uniformity across departments. He emphasized that many procurement activities are currently handled at the department level, leading to inconsistencies and delays. He also noted that standardizing contracts could save some money by eliminating the need for council approval of individual contracts, which currently requires legal review of every alteration made by departments. Mr. Davison explained that standardization would not only save internal time but also reduce the cost for vendors who respond to bids. He also pointed out that this approach is encouraged by the Inspector General's Office as best practice for a community of their size.

Ms. Smith-Fachetti asked for examples of items being procured, and Mr. Davison provided several examples, including envelopes, personal protective equipment, ammunition, road line painting, and pest control services. Mr. Coffman asked if there was any anticipation of additional FTEs should the department become fully centralized, to which Mr. Davison responded that the current proposal for an administrative assistant is the only new FTE expected in the near future. He explained that the new position would help address the increased complexity of procurement processes, especially with the new procurement laws that have been introduced in recent years.

Ms. Blauer asked for further clarification on the role of the new position. Mr. Davison reassured her that while the new position would handle the logistics of procurement, it would not replace the subject matter expertise of individual departments. Mr. Coffman and Ms. Simchak discussed the impact of increasing procurement costs, noting that items that were once purchased for $8,000 are now costing $12,000, which is over the $10,000 threshold for a more formal process. Ms. Smith-Fachetti asked whether the new role would reduce costs for the town council, and Mr. Davison emphasized that the primary goal is operational efficiency, not direct cost savings. He also assured that qualified individuals from both the public and private sectors could fill the new position.

Mr. Abruzese confirmed that capital expenses had been removed from the finance department's budget, with these expenses now being handled by the school department. Ms. Simchak and Ms. Smith-Fachetti discussed a new app for paying parking fees, with Ms. Simchak confirming that the convenience fee for the app would be added on top of the parking fee, depending on the amount of the payment. Mr. Coffman noted that the app would provide an alternative to using physical coins for payment, offering users more flexibility.

Ms. Smith-Fachetti then asked about the progress of the IT department, with Mr. Davison explaining that while staffing is gradually improving, the department is still working on filling vacancies left by previous staff. He expressed cautious optimism about the upcoming working group, which will help improve communication and address any deficiencies in the system. Ms. Calton raised concerns about public safety departments, specifically the police and fire departments, experiencing delays in obtaining necessary supplies. Mr. Davison explained that this is partially due to increased procurement regulations, including the $10,000 threshold that requires more formal bidding processes.

<u>Finance Committee Business</u>

Ms. Smith-Fachetti thanked everyone for their input and reminded them to review the letter regarding the upcoming referendum. She encouraged everyone to read it and to reach out to Chris Heap with any questions.

Adjournment

MOVED: By Ms. Calton that the Finance Committee meeting be adjourned, there being no further business. Mr. O'Connor seconded the motion. The motion was approved by a role call vote of 8-0 at 8:07p.m.

Documents: *None*

Respectfully submitted,

Molly Pollard
Executive Secretary, Finance Committee