

Needham Finance Committee
Minutes of Meeting of February 5, 2025
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 7:00pm 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, Ali Blauer, Paul O'Connor, Joe Abruzese, Karen Calton, Tina Burgos (arrived 7:03pm), Lydia Wu (arrived 7:09pm)

Others Present:

David Davison, Deputy Town Manager/Director of Finance
Molly Pollard, Finance Committee Executive Secretary
Cecilia Simchak, Assistant Director of Finance
Robert MacLean, Library Director
Diana Fendler, Assistant Library Director
Jenna White, Library Administrative Assistant
Tim McDonald, Director of Health and Human Services
Sara Shine, Director of Youth and Family Services
Erhardt Graeff, Chair of Library Trustees
Dave Herer, Chair of Community Preservation Committee
Maureen Callahan, Vice Chair of Community Preservation Committee
Lauren Spinney, Administrative Coordinator for the Community Preservation Committee
Cynthia Chaston, Park and Recreation Commission
Stacey Mulroy, Director of Park and Recreation

Citizen Request to Address the Finance Committee

None

Approval of Minutes of Prior Meetings

Mr. Coffman noted that in the first reference to the school budget it should be changed from a budget request of \$6.81 million, to reflect that in the budget requested amount is an increase of \$6.81 million.

MOVED: By Mr. O'Connor that the minutes of meeting January 22, 2025, be approved, with the correction noted above and subject to technical corrections. Mr. Abruzese

seconded the motion. The motion was approved by a vote of 5-0 at approximately 7:02pm.

FY26 Department Budget Hearings: CPC Administration

Ms. Simchak stated that the budget remains the same as last year at \$82,000, which is under the 5% administrative budget cap. It is allocated as follows: \$30,300 for staff support, primarily covering Ms. Spinney's work with the committee, meetings, minutes, and agendas; \$40,000 for Professional and Technical Services, including a consultant retained again this year to assist with complex projects, particularly housing applications; and smaller allocations for postage, legal notices, signs, and Community Preservation Coalition fees.

Ms. Smith-Fachetti asked if hiring consultants is an annual practice. Ms. Simchak confirmed that it has been, particularly due to increasing housing applications. She noted that while \$40,000 was budgeted last year, only \$20,000 was spent. Ms. Smith-Fachetti questioned the need for another \$40,000 if only half was used. Ms. Simchak explained that the number of applications doubled, and while consulting costs remained at \$20,000, the budget was set with the expectation of higher costs.

Mr. Connelly asked if the unspent \$20,000 was returned to free cash, which Ms. Simchak confirmed. He then inquired about the status of applications and when the committee would return for discussions. Ms. Spinney responded that they would return on March 5 with seven pending projects, though one might be ineligible, depending on Town Council's determination.

Ms. Blauer asked about available project funding. Ms. Spinney explained that after funding the Linden Chambers project, the Community Housing reserve was replenished with an estimated \$872,000 for the next fiscal year. Ms. Simchak further detailed the available funds: \$106,000 in the Historic Resources Reserve, \$2.8 million in Open Space (restricted to open space projects), \$87,000 in the General Reserve (lower than usual due to a portion used for the tennis court project), and nearly \$3.5 million in free cash.

Mr. Connelly asked if the committee had enough funds to cover all seven applications. Ms. Simchak responded that they did not. Only one project qualifies for Historic Resources funding, while the others must compete for general reserve and free cash. Two large Community Housing projects alone request \$3 million and \$5.6 million, exceeding available funds.

Ms. Blauer asked whether consulting fees would still be needed if there was insufficient funding for the housing projects. Ms. Simchak confirmed that consulting services are necessary to assess eligibility, feasibility, and overall project value.

FY26 Department Budget Hearings: Health and Human Services

Documents: Opioid Memo to Select Board, NPHD Opioid Abatement Settlement Strategic Plan, Needham Opioid Community Engagement Final Report

Ms. Smith-Fachetti provided an overview of the Health and Human Services (HHS) Department, which consists of four divisions: Aging Services, Public Health, Veterans Services, and Youth and Family Services. She highlighted the expansion of hybrid and general programming in Aging Services, the increased outreach and demand for the SHINE program, and transportation services, including a grant-funded taxi program transitioning to Uber and Lyft. She noted rising costs in food services due to increased programming and demand, as well as technology expenses across all divisions. She also mentioned the role of HHS in vaccination efforts and the presence of three ARPA-funded positions—an epidemiologist, a public health nurse, and another role—transitioning from partial to full budget funding next year.

Ms. Smith-Fachetti described Veterans Services' responsibilities, including benefits administration and regional collaborations. She detailed the financial impact, including a net increase in government charges of \$8,000 and a decrease in veterans' benefits costs from \$25,000 to \$17,500. She emphasized the growing mental health needs addressed by Youth and Family Services and their collaboration with the Needham Resiliency Network to provide Mental Health First Aid training to 10th graders, requiring 90 hours of training per class.

Mr. McDonald discussed external funding sources, including approximately \$1.3 million in Public Health grants, approximately \$400,000 in Aging Services grants, and revolving funds for programs such as senior transportation and immunizations. He explained that ARPA-funded positions are in the second year of a transition to full operating budget funding. Regarding technology costs, Mr. McDonald described following the town's structured replacement cycle for devices. He clarified that grant-funded laptops are excluded from operating budget costs.

Mr. Connelly inquired about the sustainability of grant-funded positions. Mr. McDonald responded that many positions are funded by state ARPA or CDC grants, which are considered stable for now but uncertain long-term. He noted that regional grant-supported roles, such as the Public Health Excellence program, benefit multiple towns, making it impractical for Needham to assume full funding if the grants expire.

Ms. Blauer sought clarification on several specific grant-supported positions. Mr. McDonald confirmed they are tied to state ARPA and CDC grants. He explained that while Needham serves as a host for regional grants, it would be challenging to justify local funding for roles benefiting multiple towns. He stated that if those grants expired, positions tied to regional services would likely be eliminated rather than absorbed into the budget. Ms. Smith-Fachetti asked how regional programs would continue beyond the current three-year grant period. Mr. McDonald stated that future funding would depend on new grant applications, with minimal competition in

some cases. He expressed concerns about whether state funding would be available after ARPA ends, noting that substantial increases in state appropriations are difficult to secure.

Mr. Connelly asked if Needham fully funds the salary of a regional environmental health agent. Mr. McDonald clarified that the grant covers 100% of the cost and that Needham receives approximately 25% of the benefit. If the grant expired, he would not recommend continuing funding unless Needham received full benefit from the role.

Ms. Blauer raised concerns about overhead costs for regional grant-supported employees. Mr. McDonald explained that beginning in fiscal year 2024, the town started deducting 100% of fringe benefits from grants, ensuring that Needham does not incur additional costs for hosting regional programs. Ms. Smith-Fachetti asked if Medfield and Dover contribute financially to shared services. Mr. McDonald confirmed that they receive benefits at no cost, as the grants fully fund those services.

Ms. Blauer inquired about the funding source for substance abuse prevention program coordinators, specifically whether they were supported by ongoing grants such as the children's hospital funds or the opioid settlement. Mr. McDonald clarified that these positions are funded through a grant from the Bureau of Substance and Addiction Services at the Massachusetts Department of Public Health. This grant, which has been in place for five years with a predecessor grant before that, provides \$250,000 annually and is set to expire at the end of the year, pending renewal.

Mr. McDonald explained the funding agreement with Children's Hospital, which includes an annual \$200,000 contribution to the town for youth mental health services once the hospital is open and occupied. Ms. Shine highlighted the impact of two newly hired positions, a community-based training coordinator and a community-based clinician. These individuals have been working throughout the community, engaging with the public at locations like the library and collaborating with organizations such as Parks and Recreation. Their efforts have significantly reduced the waitlist for mental health services, expanded community outreach, and facilitated mental health training for various groups.

Ms. Blauer sought details on how progress in these initiatives is measured. Ms. Shine explained that data tracking is underway, with a comprehensive report expected in May. Progress is assessed using tools such as the BPRC tracking system, which evaluates treatment effectiveness over time. Ms. Smith-Fachetti asked whether individual insurance is billed for clinical appointments. Ms. Shine confirmed that, in line with standard practice in other municipalities, the town does not bill insurance, primarily due to administrative burdens. Mr. McDonald noted that some towns, like Arlington, employ dedicated administrative staff for billing, but Needham has prioritized providing free access to care.

Regarding collaboration with schools, Ms. Shine emphasized the strong partnership between the town's mental health services and local schools. While school counselors provide limited in-school therapy sessions, the town's youth services offer more in-depth outpatient treatment and group programs. Additionally, the town supports the school system by running groups, offering referrals, and leading mental health training initiatives such as Teen Mental Health First Aid.

The discussion then moved to the opioid settlement funds. Mr. McDonald described delays in implementing the planned recovery coach program due to administrative requirements for creating and approving the position. Despite these setbacks, a hiring decision is expected soon. Meanwhile, the town has continued opioid-related initiatives, including placing Narcan reversal kits in public locations and running recovery support groups. Initial data indicates that individuals seeking recovery support tend to be older than anticipated, and a weekly dual recovery meeting has provided valuable assistance to those who attend. The town remains committed to its action plan, as outlined in the provided logic model, and continues to move forward with its initiatives despite initial spending delays.

FY26 Department Budget Hearings: Needham Public Library

Mr. Abruzese provided an overview of the library budget, highlighting increased library usage, higher visit and checkout numbers, and growth in programming attendance, particularly among children. He also discussed the integration of Overdrive Advantage (Libby) into the operating budget and the upcoming multi-year renovation, with Phase 1 scheduled to begin later this year, pending Town Meeting approval.

Mr. MacLean noted that the library is now nearly fully staffed, with only one part-time position remaining vacant. Salary expenditures had been returned in FY24 due to unfilled positions but are expected to stabilize moving forward. Library usage metrics for FY24 showed an 11% increase in visitors, a 49% rise in teen program attendance, and strong engagement in adult programs. The library is a key community space, particularly for high school students after school.

The FY26 budget request includes a 3.9% salary increase (step increases) and a 6.6% expense increase, largely due to shifting Overdrive Advantage (\$26,000) from state aid to the operating budget. Overdrive, which provides e-books and audiobooks, has seen a surge in demand, with checkouts growing from 21,000 in FY15 to over 112,000 in the past year. The number of patrons waiting for books has also increased significantly.

Ms. Smith-Fachetti inquired about the use of freed-up state aid if Overdrive is incorporated into the operating budget. Mr. MacLean explained that state aid could help fund future renovation phases and support new services. Ms. Blauer asked whether state aid should continue funding Overdrive, with requests for additional funding made if needed. Mr. MacLean stated that

incorporating Overdrive into the operating budget would allow more flexibility in managing digital collections.

Regarding budget reallocations, several adjustments have been made up and down to fit the needs of the department. Most significantly the library plans to shift \$8,000 from print publications and audiovisual materials to physical books due to declining demand for CDs, DVDs, and magazines.

On DSR4 funding requests, Mr. MacLean detailed a priority request for a part-time reference librarian and young adult specialist (9.85 hours per week). This position would ensure evening and weekend staffing for the expanded teen room, which is expected to open in early 2026. Currently, the library has one full-time teen librarian.

Mr. Connelly inquired about the nature of a new space being developed. Mr. MacLean provided details, explaining that the area was divided into four sections: the existing teen room would be transformed into a quiet study space, the wall-facing area would have a group study zone, a lounge area near the staff desk would allow teens to relax, and a café/craft area in the back would accommodate smaller programming. He mentioned that although the space could function without a new staff position, the addition of a dedicated position would better support programming for the increased number of teens expected to use the space.

Mr. Abruzese asked why a request for funding for this position had been denied the previous year, to which Mr. Connelly clarified that the denial had been due to a lack of available funding across the town, not specific to this request. Ms. Smith-Fachetti added that this request had been made for several years. Mr. MacLean explained that the new staff position would help manage the increased space and demand. Ms. Smith-Fachetti then asked about the proportion of space used by students and tutors, with Mr. MacLean noting that most teens came to study with friends or individually, although tutors were also present. Ms. Smith-Fachetti mentioned there may be an opportunity to charge tutors who are using the free space for their business.

Mr. MacLean also described a separate full-time position request for a Reference Librarian/Community Specialist, which he believed would help the library engage more effectively with the community and expand its outreach efforts, taking the library beyond its physical space. Ms. Burgos expressed appreciation for the library's partnership in community events with the Human Rights Committee, which had helped increase visibility for smaller organizations.

Finally, the discussion turned to the annual maintenance cost of the library's website, with Mr. MacLean explaining that the cost had been paid from various funds and that a DSR4 request had been made to add this expense to the official budget line item. Some members of the committee expressed confusion over the handling of this expense and whether it should have been included in the budget. Mr. Davison clarified that while the website maintenance had been an ongoing

cost, it had not been included in the budget historically due to the library's separate funding arrangement with the Friends of the Needham Public Library.

FY26 Department Budget Hearings: Park and Recreation Department

Mr. Coffman reported that the overall budget increase was modest, at about 2.9% or approximately \$47,000, mainly attributed to salary. He explained that most of the changes were slight adjustments, such as moving administrative positions and some expenses related to outsourced maintenance into the professional and technical line item. Staffing remained stable, with the pool operating on a steady basis and no significant changes expected for the year. However, Mr. Coffman noted that the biggest concern was maintaining staffing levels to keep the pool open. Summer programs run through a revolving fund and are self-funded.

Ms. Mulroy elaborated, sharing that she spent a considerable amount of time adjusting budget line items to ensure bills were allocated correctly. She explained that although some line items like repairs, maintenance, and DPW showed big jumps, the changes were simply due to reallocation of expenses. She expressed confidence in the pool and camp programs but noted growing concern about staffing for seasonal roles, particularly lifeguards. She also confirmed that tennis camp would be put on hold for a year but would return in 2026. Furthermore, she highlighted that an administrative position had been upgraded to an admin analyst role to handle increased procurement and contract needs.

In response to Mr. Coffman's question, Ms. Mulroy explained the lifeguard-to-patron ratio, noting that it is one lifeguard per 25 people in the water. She shared that approximately 50 to 60 lifeguards are needed for operations. Ms. Blauer asked if staffing remained constant throughout the day, and Ms. Mulroy confirmed that morning shifts had fewer lifeguards, but the number increased during peak hours.

Mr. Connelly inquired about a potential profit and loss (P&L) statement for the pool, asking for details on income from fees and associated expenses. Ms. Mulroy agreed to provide this report and noted that while summer programs generally ran at a loss, they were self-sustaining. She clarified that the pool's membership fees would remain unchanged for the upcoming season, although the daily fees would see an adjustment. Mr. Connelly asked if there were different fees for residents and non-residents, and Ms. Mulroy confirmed this, noting that non-residents paid higher fees. He also asked if she tracked the residency breakdown of pool users, which she confirmed through their software system. She stated that about 70% of pool users were Needham residents, with 30% being non-residents, primarily using the pool on weekends.

Ms. Blauer asked if they compared their fees with other local pools, and Ms. Mulroy explained that they used data from the Massachusetts Park and Recreation Association to benchmark their rates. Although local pools had different setups (e.g., some had ponds or lakes instead of pools), they compared prices within the region. Ms. Blauer also asked if they tracked how often families

used the pool and if they had analyzed the pricing structure to encourage more memberships. Ms. Chaston responded that the commission had recently reviewed this, increasing the daily rate while lowering the family pass fee in hopes of promoting memberships. She mentioned that they no longer offered discounts for switching from daily passes to memberships. Ms. Smith-Fachetti asked about non-resident membership numbers, and Ms. Mulroy confirmed that about 30 non-resident families bought season passes, compared to about 450 resident families.

Finance Committee Business

Ms. Smith-Fachetti sought clarification on when the budget needed to be voted, to which Mr. Davison replied February 22. The committee decided to discuss the budget on February 12 after hearing the remainder of the departments and townwide expense budgets. They planned to vote on the budget on February 19, despite it being a school vacation week.

Mr. O'Connor discussed the Envision Needham center stage committee's pilot plan, which will run for four seasons or at least nine months. The town has received a grant for the project, but to utilize it, they must reduce road space. To do so, they plan to reduce the number of lanes on Great Plain Avenue, converting the four lanes between Pickering and Nehoiden into two lanes (one in each direction), with expanded sidewalks, bike lanes, and planters. There will be outreach, including walking tours this weekend, postponed to Monday due to weather, to ask residents what they envision for Needham Center.

Ms. Smith-Fachetti inquired whether the changes would only apply during the grant period. Mr. O'Connor explained that the town must reduce road space as part of the grant's requirements, and the town will also need to provide a 20% match. It's unclear where the matching funds will come from. Ms. Blauer inquired about how the pilot program would be funded, with Mr. O'Connor explaining the exact funding plan for the pilot or its subsequent phases is not concrete but the budget for the pilot would have to come from the town.

Mr. Connelly asked if police and fire departments would be consulted for their space requirements. There was also concern about the reduction of parking spaces and its impact on businesses. Mr. Coffman confirmed that the planning board had discussed alternatives, such as improved signage to direct people to additional parking areas, while the aim is to reduce cars driving through Needham Center, encouraging walkability. Ms. Smith-Fachetti questioned whether certain vehicle types would be prohibited, to which Mr. O'Connor said he didn't think so.

Ms. Blauer asked if side streets would be affected by the diverted traffic, and Mr. O'Connor assured that this would be part of the pilot program, which aims to identify alternative routes people might take. Mr. Coffman added that such changes would likely take time for people to adjust to.

The committee discussed the timeline, with Mr. O'Connor estimating that construction could begin as early as the spring of 2026 if the pilot program goes well. Ms. Smith-Fachetti voiced concerns that the plan seemed finalized, but Mr. O'Connor clarified that the money was allocated only for the pilot phase. If the pilot proves unsuccessful, the project could be reevaluated.

Ms. Smith-Fachetti asked whether the safer, quieter median remediation would be tied into this project. Mr. Coffman noted that this likely wasn't part of the plan.

Ms. Calton gave an update on the Bylaw Review Committee, stating that each member has been asked to review a section of the bylaw and bring suggestions back to the committee.

Mr. Coffman and Mr. Abruzese gave an update about a recent meeting around the town's current billing system, stating that it needed to be replaced due to it being ineffective. The Finance Committee discussed that the change was necessary but also that lessons learned. In choosing the next vendor they agreed it would be important not to just focus on price, go with a larger vendor, and make sure all related systems were fully integrated.

Adjournment

MOVED: By Mr. Connelly 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 9-0 at 8:53p.m.

Documents: Opioid Memo to Select Board, NPHD Opioid Abatement Settlement Strategic Plan, Needham Opioid Community Engagement Final Report

Respectfully submitted,

Molly Pollard

Executive Secretary, Finance Committee