**Needham Finance Committee**
**Minutes of Meeting of March 26, 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 7:08 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 (via Zoom), Ali Blauer, Paul O'Connor, Joe Abruzese, Tina Burgos, Lydia Wu (via Zoom, arrived 7:23pm)

Absent:
Karen Calton

Others Present:
David Davison, Deputy Town Manager/Director of Finance
Molly Pollard, Finance Committee Executive Secretary
Cecilia Simchak, Assistant Director of Finance
Mark Messias, Administrator of Information Technology
Ed Cosgrove, Council on Aging
Dan Goldberg, Council on Aging
Henry Haff, Director of Design and Construction
Shane Mark, Assistant Director of Public Works
Carys Lustig, Director of Public Works
Susan, Mullaney, Council on Aging
Ann DerMarderosian, Council on Aging
Tim McDonald, Director of Health and Human Services
Anne Gulati, Assistant Superintendents for Finance and Operations
Kate Fitzpatrick, Town Manager
Barry Dulong, Director of Building Maintenance

## Citizen Request to Address the Finance Committee

Ms. Mullaney addressed the committee in support of the warrant article Appropriate for Center at the Heights. She emphasized the need for a handicap-accessible back entrance at the Center at the Heights. She also highlighted overcrowding and safety concerns in the gym, where the risk of falls is high due to limited space. She proposed switching the exercise room with the game room, acknowledging the cost but stressing the importance of safety and independence for older adults.

Her final request addressed food insecurity among older adults in Needham, citing survey data showing difficulty in accessing healthy food. She noted that state budget cuts threaten meal programs like Meals on Wheels, and advocated for upgrading the center's kitchen to help address these concerns.

Mr. Goldberg stated that the Council on Aging recommended most of these changes several years ago and that the town allocated $75,000 for a study five years ago. He expressed frustration that no action had been taken until this proposal. Mr. Cosgrove described the overcrowding and tripping hazards in the fitness room. He also warned that the provider for the traveling meals program had nearly withdrawn before reversing its decision under pressure, and he predicted that an alternative solution would eventually be needed. He stressed the necessity of upgrading the kitchen to meet safety standards. He also noted that the current back entrance design causes cold air blasts in the winter, disrupting those sitting in the café area.

Mr. Goldberg, who was involved in the building's construction, acknowledged that not including a handicap-accessible back entrance was an oversight. Ms. DerMarderosian supported the previous statements, adding that many falls go unreported and crediting volunteers and staff for their essential contributions.

**<u>Approval of Minutes of Prior Meetings</u>**

MOVED: By Mr. Connelly that the minutes of meeting March 19, 2025, be approved, as distributed and subject to technical corrections. Mr. O'Connor seconded the motion. The motion was approved by a roll call vote of 7-0 at approximately 7:19pm.

**<u>Annual Town Meeting Warrant Article Discussions</u>**

<u>APPROPRIATE FOR CENTER AT THE HEIGHTS RENOVATION DESIGN</u>

*Documents: Powerpoint Presentation CATH Renovation Design*

Mr. Haff began by reviewing the proposed modifications to the Center at the Heights and sharing the powerpoint. He explained that the planned addition would open directly to the handicap parking spaces at the back of the building, making access more convenient. He then outlined the changes to the kitchen, transitioning it from a residential teaching kitchen to a commercial-grade facility that could support Meals on Wheels and other programs, though additional staffing and budget considerations would be needed if that scope expanded in the future.

He also described the plan to swap the fitness and game rooms, with the new fitness space being about 300 square feet larger than the current one. Some modifications to the mechanical systems and minor architectural upgrades would be required. He then presented the budget, noting that the estimated construction cost for these modifications is $1.7 million, with $395,000 requested in FY26 for design funding. The projected timeline anticipates schematic design beginning after Town Meeting approval, with construction funding sought in May 2026 and work potentially lasting a year.

Ms. Smith-Fachetti asked whether the entire facility would need to close. Mr. Haff responded that only the affected rooms would be shut down, and Mr. McDonald added that some equipment could be temporarily moved to the multipurpose room, though certain activities may be disrupted.

Ms. Blauer inquired about the adequacy of the planned fitness room expansion, expressing concern that future growth in demand might require another expansion. Mr. McDonald acknowledged this but explained that cost constraints led to a phased approach, balancing feasibility with programmatic improvements.

Mr. Abruzese asked whether the $395,000 design funding covered only phase one or a broader scope. Mr. McDonald clarified that while the feasibility study included additional projects, such as modifications to the outdoor deck, the current focus is on the fitness, game room, and kitchen modifications. He noted that the Council on Aging prioritized more cost-effective improvements over major renovations.

Mr. Connelly advised against a phased approach for the fitness space, suggesting that all necessary modifications be done at once to avoid the inefficiencies of multiple mobilizations and design processes. Mr. Goldberg noted that while a larger expansion was considered, this was determined to be the best plan. Mr. Cosgrove emphasized that accessibility was a key factor in keeping the fitness room on the first floor.

Ms. Smith-Fachetti questioned whether the game room could be relocated to the basement. Mr. Haff responded that while it could be an option, the basement lacks a bathroom and would require additional lighting. Mr. McDonald added that reducing the game room's space might eliminate the ping pong table, though the pool tables would still fit. He also mentioned the possibility of relocating other activities to the basement. Mr. Connelly urged the team to ensure that all critical needs are addressed in this phase rather than revisiting the issue in a few years.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of the warrant article Appropriate for Center at the Heights Renovation Design.

Discussion: Mr. Coffman asked if the $2.1 million dollar total cost included the design funds, to which Mr. Haff confirmed the design costs were included.

Ms. Blauer asked if the change to a commercial kitchen would have additional maintenance cost or cause the loss of any programming. Mr. McDonald said there may be some additional cleaning needed. He also explained that they will try to obtain extended warranties on any new appliances and fixtures.

Mr. Abruzese seconded the motion. The motion was approved by a roll call vote of 8-0 at approximately 7:41pm.

APPROPRIATE FOR GENERAL FUND CASH CAPITAL

Ms. Smith-Fachetti read the items being appropriated in the article and asked the Finance Committee to raise any questions or concerns they had. Below are the questions that were raised.

Ms. Blauer asked if the trail resurfacing fell under the Community Preservation Committee. Ms. Smith-Fachetti clarified that this was for the Bay Colony Rail Trail, while CPC funding was for signage. Ms. Simchack added that CPC funds cannot be used for maintenance.

Ms. Smith-Fachetti introduced government technology replacements. Mr. Davison explained that this included standard replacements, particularly for exterior cameras at various buildings, door access systems, and other security upgrades that had been part of the capital plan for several years. Ms. Smith-Fachetti asked if these installations would interfere with current renovations. Mr. Messias responded that projects would be coordinated to avoid disruptions.

Ms. Smith-Fachetti asked about personal protective equipment for the fire department and whether grant funding typically covers these expenses. Mr. Davison stated that while the fire department applies for grants, the requested funds are for the replacement of firefighter gear, which has a limited lifespan. The department also includes some new gear purchases in its operating budget since each set is individually fitted.

Mr. Abruzese asked for a description of the DPW Specialty Equipment. Ms. Smith-Fachetti clarified that this was for a DynaPac roller for street maintenance. Mr. Connelly questioned how stormwater quality improvements align with DPW's operating and enterprise budgets. Ms. Lustig explained that capital requests are for improvements over $25,000 with a lifespan exceeding seven years, while operating budgets cover maintenance tasks necessary for compliance. Mr. Connelly asked for an example of expenditures under the $500,000 allocation. Ms. Lustig described projects like infiltration tanks and vegetative filtration systems designed to reduce phosphorus contamination. When asked how much of the budget is spent on equipment versus labor, she confirmed that all funds go toward construction and design rather than equipment purchases.

Mr. Connelly asked how staff labor costs are divided between capital and operating budgets. Ms. Lustig clarified that all capital work is outsourced to contractors. Ms. Smith-Fachetti asked if any of the $500,000 could be used for the matching funds for the sustainability grants. Ms. Lustig explained that while some climate resiliency projects have incidental phosphorus reduction benefits, they do not align with the regulatory phosphorus reduction goals. Ms. Blauer asked if it could be used for some of the other grants for stormwater management. Ms. Lustig noted that those grants focus on stormwater capacity rather than nutrient reduction, making them unsuitable for using this funding. She noted that phosphorus reduction efforts will continue for decades due to significant town requirements.

Mr. Coffman asked for a long-term estimate of phosphorus reduction costs. Ms. Lustig stated that previous projections ranged from $30–50 million as of 2016, and that funding at current levels will extend the timeline significantly. Mr. Coffman asked if stormwater fees would contribute. Mr. Davison stated that the fees will generate $400,000–500,000 annually but were only recently implemented.

Ms. Smith-Fachetti asked about school copier, furniture, and technology funding. Mr. O'Connor asked if the request included town-wide data center needs or just school-specific technology. Mr. Davison confirmed that the request was solely for educational purposes. Ms. Blauer requested a breakdown of the $577,000 allocation. Mr. Messias outlined that $113,000 is designated for network infrastructure, while $464,000 covers desktop computers, security cameras, and classroom technology not included in the operating budget.

Ms. Smith-Fachetti asked about the general fund fleet replacement. Mr. Davison stated that the town scaled back requests from 19 vehicles to 5 vehicles due to funding constraints. The approved vehicles include a maintenance division truck, a fire response vehicle, an ambulance, a DPW front-end loader, and a delayed school bus replacement. Ms. Smith-Fachetti asked about the cost difference between a fuel-based and electric school bus. Mr. Davison estimated it at a few hundred thousand dollars. Ms. Gulati stated that the school bus lifespan is typically seven to eight years and confirmed that this would be the town's first electric bus.

Mr. Abruzese asked if old vehicles are auctioned. Ms. Gulati explained that trade-in values are used to offset new purchases. He also asked if a 2021 fire department vehicle was reaching its expected lifespan. Mr. Davison explained that new vehicles replace frontline units, which are then reassigned, with the oldest vehicles eventually removed from service.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of the warrant article Appropriate for General Fund Cash Capital in the amount of $4,558,050. Mr. O'Connor seconded the motion. The motion was approved by a roll call vote of 8-0 at approximately 8:03pm.

<u>APPROPRIATE FOR LIBRARY RENOVATION</u>

*Documents: Powerpoint: Needham Free Public Library- Phase I- Renovations*

Mr. McLean explained that in August 2023, the library staff and trustees approved a space utilization study that identified four phases of renovations. The first phase involves expanding and renovating the teen room. Last year, $454,000 was approved for design work, and the library is now seeking funding for construction, which is expected to begin in September and take six months.

Mr. Haff described the new layout, which includes a quiet study area, a craft area with durable flooring, a central lounge, and a group study area with seating for collaboration. The space will be enclosed to minimize noise while preserving visibility and natural light. The goal is to complete construction by February.

Ms. Smith-Fachetti inquired about the craft area's use. Mr. McLean said it would support teen programming, crafts, gaming, and virtual book club events. It will also be the designated eating area due to its easy-to-clean surfaces. Mr. Haff highlighted additional seating options, including banquet seating and power outlets for study areas. The renovated space will have about 95 seats, roughly doubling the current capacity.

Mr. McLean outlined the next three phases. Phase two involves the renovation of the children's room. Phase three includes the renovation of the circulation area, the new book section, and the addition of a second meeting room. Phase four will focus on the reference area, relocating the reference desk, and making general improvements. Each phase is estimated at approximately $2.5 million, with an eight-year timeline alternating between design and construction phases.

Mr. Haff noted that costs have escalated since feasibility studies began. The estimated request for Town Meeting is $2.386 million, with a 15% contingency for construction. While some furniture and equipment costs may be covered by the Friends of the Library and the Library Foundation, the hope is to stay within the contingency budget. The bid documents are already out, and sub-bids and general contractor bids are expected soon. If bids come in too high, adjustments may be made, such as modifying seating or ceiling types.

Ms. Wu asked about the duration of construction for each phase. Mr. Haff estimated that each phase would take about six months, though more detailed designs will be needed for future phases. Ms. Burgos raised concerns about accommodating teens during construction. Mr. McLean said plans are in place to ensure they still have designated space for studying, programming, and library services. Temporary relocations of tables and chairs will help maintain seating availability, though some inconvenience is expected.

Ms. Blauer asked about safety measures, and Mr. Haff confirmed that temporary construction walls, negative air pressure machines, and air quality testing will be in place. Mr. Abruzese asked if work would occur during library hours. Mr. Haff said contractors would work from 7 AM to 3 PM, with the busiest hours of construction happening before the library opens at 9 AM. Equipment and supplies will be brought in early to minimize disruption and parking from the Rosemary Upper Lot will be used by large vehicles.

Ms. Wu asked about future funding requests. Mr. McLean confirmed that the library will seek approval for subsequent phases in fiscal years 2027 through 2030. Ms. Blauer asked if the phases were dependent on one another. Mr. McLean said they are separate projects, with only minor relocations of collections occurring as part of phase one. These relocations will actually improve access to certain materials, moving less-used collections to more appropriate areas.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of the warrant article Appropriate for Library Renovation in the amount of $2,386,000. Ms. Blauer seconded the motion. The motion was approved by a roll call vote of 8-0 at approximately 8:23pm.

<u>APPROPRIATE FOR NEEDHAM HIGH SCHOOL STAIR REPAIR</u>

Mr. Davison explained that the Permanent Public Building Committee (PPBC) would still oversee the project but could authorize the Building Maintenance Division to handle the work. He clarified that the article remained consistent with bylaws requiring PPBC oversight for projects exceeding $500,000.

Ms. Smith-Fachetti inquired about when the repairs would be completed. Ms. Lustig replied that work would take place over the summer. She added that an emergency preamble was being requested to allow immediate mobilization once school ended, as the construction impacts emergency egress. The goal was to complete the repairs before the school year resumed, and she confirmed that this timeline was feasible.

Mr. Coffman asked whether the deterioration resulted from regular wear and tear or a defect in the original construction. Ms. Lustig clarified that the stairs, in place for over 80 years, had simply worn down over time.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of the warrant article Appropriate for Needham High School Stair Repair in the amount of $1,040,000.

Discussion: Mr. Coffman inquired as to if we needed a design phase. Ms. Lustig said they already had a design under a maintenance article since this came up as an emergency issue.

Mr. O'Connor seconded the motion. The motion was approved by a roll call vote of 8-0 at approximately 8:27pm.

APPROPRIATE FOR NEWMAN SCHOOL THEATRICAL LIGHTING, SOUND, AND RIGGING REPAIRS

Mr. Davison informed the committee that the funding source for the project had recently changed from debt to free cash. Mr. Haff explained that since the 2011 renovation of the Newman Theater, its sound and lighting systems had remained analog. The upgrade would convert them to digital, incorporating LED lighting to reduce electrical load. He noted that the existing system had failed, forcing the school to rent temporary equipment for performances.

Ms. Smith-Fachetti asked if such systems typically became obsolete quickly. Mr. Haff responded that components like light bulbs wear out over time, and incandescent replacements are increasingly difficult to find. Ms. Gulati added that changes in wireless frequencies and speaker orientation had resulted in dead spots in the theater's sound system. Mr. Haff mentioned that, as part of the upgrades, the curtains would be replaced with inherently flame-retardant ones, eliminating the need for annual treatments.

Mr. Haff further detailed that the upgrades were part of an ongoing phased process to address safety and compliance in multiple school theaters. Work on the high school theater should be completed by April, while Newman's upgrades would be done over the summer. The design was nearly finished, and bidding would soon begin, requiring a contractor with expertise in theatrical rigging. He also noted that new safety harnesses would be installed on catwalks for students and that a new control panel for sound and lighting would be added.

Ms. Blauer asked if this was the final phase of upgrades. Mr. Haff responded that while Newman is the town's primary theater, Pollard was originally planned as the next project. However, Pollard's future was now tied to a broader study under the MSBA process, and some advocate for a larger theater at that site.

Ms. Blauer then asked if ongoing maintenance would be planned to avoid such large funding requests in the future. Mr. Haff explained that LED lights typically last about 10 years and suggested that a standard replacement budget might be developed. Ms. Gulati emphasized that this type of equipment functions more like technology than fixed building fixtures, requiring periodic upgrades. The equipment would now be included in the Capital Improvement Plan (CIP).

Mr. Connelly inquired whether outside groups using the theater would be charged a fee to help fund maintenance and replacements. Ms. Gulati confirmed that rental fees already include such costs but suggested budgeting more specifically for replacements. Mr. Connelly pointed out that with modernized technology, the theater could become more attractive to outside users, and fees should reflect the investment.

Ms. Gulati noted that a dedicated manager would oversee the use of the new equipment, coordinating bookings and training for both school and town groups. Mr. Messias explained that the new system would separate day-to-day school use from theatrical productions, preventing excessive wear on specialized equipment.

Ms. Blauer asked if demand from outside groups would increase with these upgrades. Mr. Messias explained that the system was designed to allow external users to bring their own technical equipment, minimizing wear on the school's resources. Ms. Lustig added that the Department of Public Works handles school rentals, with Needham Community Theater as the largest user of the Newman auditorium. She clarified that rentals are only available to nonprofit organizations, not for-profit entities.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of the warrant article Appropriate for Needham High School Stair Repair in the amount of \$1,812,820 to be raised from free cash. Ms. Blauer seconded the motion. The motion was approved by a roll call vote of 8-0 at approximately 8:41pm.

<u>APPROPRIATE FOR PUBLIC WORKS FACILITIES IMPROVEMENTS/COGSWELL BUILDING</u>

*Documents: Powerpoint: DPW Phase 1 Fleet Maintenance*

Mr. Haff stated that a feasibility study was conducted in 2023 for the replacement of the DPW facilities. A previous study in 2016 considered relocating the facility while keeping all operations together. Ms. Lustig explained that during COVID, the DPW successfully operated from multiple locations, leading to the realization that co-locating all functions was unnecessary. The

2016 study identified the current site at 470 Dedham Ave as constrained and inadequate for DPW operations.

Mr. Haff noted that the existing 470 building, constructed in 1950, has surpassed its usable lifespan. A year and a half ago, the building experienced significant flooding, requiring the removal of walls to address mold concerns. Ms. Lustig added that during the flood, the entire building was surrounded by two to three feet of water, limiting emergency center access.

Mr. Haff outlined Phase One of the replacement plan, which includes adding a fleet maintenance building to the Jack Cogswell building. This would allow the fleet division, consisting of six employees, to relocate. The new facility will include maintenance bays, bathrooms, and changing rooms. A sewer pump station and a force main will be installed, along with fresh water and new electrical systems. Because the facility must operate 24/7, an emergency generator will be included.

Ms. Smith-Fachetti inquired about the current fleet maintenance facility's emergency generator. Ms. Lustig responded that the existing generator, from the 1960s, was unreliable, particularly during a three-day power outage in December 2023. She expressed concerns about its ability to sustain operations safely in the long term.

Mr. Haff confirmed that a public walkthrough of the existing facility would be arranged. He then presented budget details, stating that the construction cost estimate is $16.5 million, with a total project request of $19.6 million, including contingencies and equipment. Two bid alternates are possible: adding solar panels for approximately $300,000 and converting the existing garage from natural gas to air-source heat pumps. He explained that the new addition will use geothermal heating, as it requires less maintenance than air-source heat pumps, which have presented challenges at other town facilities.

Ms. Smith-Fachetti asked if heat pumps would meet energy code requirements. Mr. Haff responded that while air-source heat pumps would qualify, they would not be eligible for certain rebates or incentives, whereas ground-source heating could receive significant grant funding. If grants are secured, additional funds may be available at the project's completion.

Mr. Connelly asked about the project timeline. Mr. Haff stated that permitting is expected in March and April, with bid documents released by late August or early September. Bids should be received by October, with construction beginning in November. Site work will take a few months, and concrete foundations should be poured by spring. The steel structure will be erected quickly once delivered, with substantial completion anticipated by January 2027.

Mr. O'Connor asked whether other planned DPW projects were contingent on the success of this one. Ms. Lustig confirmed they are standalone projects. She added that this phase was prioritized because it requires no temporary relocation of staff, allowing a smooth transition and freeing up space for other DPW employees.

Mr. Connelly inquired about the impact on traffic and vehicle counts at the new facility. Ms.

Lustig explained that six employees will report to the site, and vehicle movement will primarily occur throughout the day rather than at peak hours. A traffic analysis has been conducted, and initial findings suggest a negligible impact. The facility is not intended for vehicle storage, except for two fleet department vehicles used for roadside assistance.

Mr. Connelly asked if zoning relief would be needed. Mr. Haff confirmed the project must go through planning and conservation approvals. The Notice of Intent was submitted, and planning submission is expected shortly.

Mr. Coffman requested a cost breakdown of the $16 million construction estimate. Mr. Haff responded that he could forward the cost reconciliation sheet, noting that the basic construction costs, before overhead, profit, insurance, and escalation, were around $13 million. Mr. Coffman questioned the cost allocation, implying that the building itself was only a small portion of the expense. Mr. Connelly agreed, emphasizing that much of the cost was due to the site rather than the building itself, including necessary sewer work. Mr. Coffman then questioned whether this site was the optimal choice. Mr. Haff stated that numerous alternative sites had been considered, and this was determined to be the preferred option.

Mr. Connelly inquired about the solar panel plans, referencing a prior discussion about solar projects for Cogswell. Ms. Lustig explained that solar panels had initially been planned for the project but faced complications with the Department of Public Utilities due to regulations regarding multiple energy-generating sites owned by the municipality. This issue had recently been legislatively resolved. While the original lease program for Cogswell solar was not pursued, adding solar panels to the new and existing buildings would help reduce energy costs. Mr. Haff noted that because the project was funded through borrowing, the town would have to own the solar panels, but the building was designed to be solar-ready. Ms. Blauer asked if solar funding would be pursued separately through grants, to which Mr. Haff confirmed that was a possibility. He further explained that the sustainability fund approach, used for the Sunita Williams project, allowed solar to be installed after the main construction was completed.

Mr. Abruzese asked why this article was being presented at this town meeting, considering its substantial cost and other upcoming projects. Ms. Lustig responded that the project was necessary to replace a critical, failing facility. The original plan had envisioned a $48 million single-building project, but that was deemed unrealistic. Instead, the feasibility study was revised to allow for smaller, incremental projects that could be funded within the lev. Delaying the project would risk further deterioration of the existing facility, which already faced structural and flooding issues.

Mr. Connelly expressed concern about whether the investment provided enough value, questioning whether more staff or offices could be accommodated in the new building. Ms. Lustig explained that the selected location only worked for the fleet division, as other DPW divisions required operational mobility that would be hindered by traffic constraints on Central Ave. Additionally, the new building would provide needed amenities for RTS staff, including showers, break space, and modernized facilities. Mr. Mark added that the site itself had constraints, including wetlands, which limited expansion possibilities.

Mr. Coffman asked if an additional office layer had been considered. Ms. Lustig responded that while there would be some office space for fleet supervisors and a parts warehouse, there was no significant demand for additional office space. The focus was on providing adequate workshop and mustering space for the operational staff. The committee will vote this at a later date after receiving additional information from the propoenents.

<u>APPROPRIATE FOR INFILTRATION AND INFLOW</u>

Ms. Lustig explained that the town's sewer system has two unintended sources of water: cracks in the pipes allowing groundwater infiltration and illegal connections such as sump pumps discharging into the system. The issue with I&I is that clean water is sent to Deer Island for treatment, resulting in financial penalties from the MWRA. Reducing I&I is beneficial both financially and from an infrastructure standpoint, particularly during heavy rain events, which can overload the sewer system and cause backups.

To address this, the project will involve a comprehensive camera inspection of the sewer system and the installation of monitoring equipment. The costliest aspect of the project is the camera work. Based on findings, follow-up projects will be planned for sewer lining and pipe replacement. Additionally, illegal connections will be identified, and property owners will be encouraged to reconnect to the drainage system instead of the sewer system.

Most previous I&I mitigation efforts have been funded through contributions from large commercial construction projects, which are required to offset their impact on the sewer system. Similarly, it is anticipated that some of the future projects resulting from this assessment will also be funded through external sources rather than solely relying on town funds.

Mr. Davison discussed the financial aspect, stating that the MWRA offers a grant-loan program with zero-interest loans for terms of five to ten years. The grant component forgives a portion of the borrowed amount. Currently, about 45% of the borrowed funds are forgiven. For instance, if the town borrows $1 million, only $550,000 would need to be repaid.

Ms. Smith-Fachetti asked for clarification on the funding mechanism. Mr. Davison explained that the MWRA reduces the repayable amount and provides an amortization schedule. Mr. Coffman inquired whether only the repayment amounts would appear on the town's balance sheet, and Mr. Davison confirmed that the financial statements would reflect only the portion the town is responsible for repaying. Mr. Coffman further asked about the funding source for repayment, and Mr. Davison clarified that since this is a sewer-related expense, it is not subject to the 3% rule.

MOVED: By Mr. O'Connor that the Finance Committee recommend adoption of the warrant article Appropriate for Infiltration and Inflow in the amount of $1,000,000. Ms. Blauer seconded the motion. The motion was approved by a roll call vote of 8-0 at approximately 9:20pm.

APPROPRIATE FOR WATER SERVICE CONNECTIONS

Ms. Lustig explained that this funding is primarily for the town's lead removal program, which has been a focus for at least the last decade. New lead and copper regulations now require the removal of even more lead-containing materials from water services. She stated that this appropriation should allow the town to complete its lead removal efforts, with the funds expected to be fully expended within two to three years. The request for a larger sum is to maintain eligibility for MWRA loans if needed, though this particular funding is being requested as a cash appropriation.

MOVED: By Mr. O'Connor that the Finance Committee recommend adoption of the warrant article Appropriate for Water Service Connections in the amount of $500,000. Ms. Blauer seconded the motion. The motion was approved by a roll call vote of 8-0 at approximately 9:23pm.

APPROPRIATE FOR QUIET ZONE CONSTRUCTION

This article has been withdrawn.

Mr. Connelly then provided an update on the quiet zone project, explaining that a diagnostic review meeting was recently held with MBTA, Keolis, and the Federal Railroad Administration. The discussion was productive, but the town is still far from having a final design or cost estimate. Given this, the decision was made to delay a funding request until more progress is made, with the goal of presenting it at the October Town Meeting.

Mr. Abruzese asked if the design could be completed in time, and Mr. Connelly responded that while the town's engineers could meet the timeline, they are reliant on third parties like MBTA and Keolis, which have been slow to act. There is hope that recent momentum will push the process forward.

Mr. Abruzese then asked how many other towns are seeking quiet zones. Ms. Lustig noted that while some communities are upgrading existing intersections, Needham appears to be the furthest along among towns establishing new ones. She also pointed out that Needham is more willing to cover the costs, whereas expense has been a limiting factor elsewhere.

Mr. Connelly added that cost remains a concern, as the estimated budget has already increased from $3.5 million to between $4 million and $5 million, excluding the golf course area.

APPROPRIATE FOR SEWER ENTERPRISE FUND CASH CAPITAL

Mr. Davison explained that this article is for the design phase for a pump station replacement that will take approximately one year, with an estimated total project cost of $3,859,000. A funding request for the full project is expected to come before Town Meeting in May 2026, primarily funded through sewer borrowing, which will ultimately be repaid by system users. The design phase request is $195,000.

Mr. Connelly asked whether this debt falls within the town's 10% debt policy. Mr. Davison confirmed that it is and that utility debt, including water and sewer, typically contributes about 1.5% to 2% in peak years. Ms. Smith-Fachetti asked how this specific appropriation would be funded. Mr. Davison stated that it would come from a previously approved financial warrant article, using $161,615 in residual funds and $33,385 from retained earnings. When asked for details on the leftover funds, he noted that they were from a sewer lateral project and would confirm specifics next week.

MOVED: By Mr. O'Connor that the Finance Committee recommend adoption of the warrant article Appropriate for Sewer Enterprise Funds Cash Capital. Ms. Blauer seconded the motion. The motion was approved by a roll call vote of 8-0 at approximately 9:30pm.

APPROPRIATE FOR WATER ENTERPRISE FUND CASH CAPITAL

Mr. Davison outlined the components of the water cash capital request. First, $405,000 is allocated for HVAC upgrades at the Charles River Water Treatment Plant. Second, $250,000 is requested for a Water Distribution Improvement Plan study to evaluate and enhance the town's water infrastructure. Third, the $49,500 request includes funding for ongoing water distribution system improvements, specifically targeting the Mills Road and Stedman Road areas in Needham.

Additionally, the request includes $273,185 for core fleet replacements, covering three water department vehicles. One of these vehicles is proposed to be electric—a smaller model, which is confirmed to be available in the market.

MOVED: By Mr. O'Connor that the Finance Committee recommend adoption of the warrant article Appropriate for Water Enterprise Funds Cash Capital in the amount of $977,985. Ms. Blauer seconded the motion. The motion was approved by a roll call vote of 8-0 at approximately 9:32pm

RESCIND DEBT AUTHORIZATIONS

Mr. Davison reported that two completed projects have unspent funds that can be rescinded. The first is the Public Works storage facility, which has a remaining balance of $35,000. The second is the Public Safety Building construction project, which had a supplemental appropriation of to address potential soil contamination and COVID-related cost increases. However, the contamination issues were not as severe as expected, and federal reimbursements covered most of the COVID-related expenses, leaving nearly the entire appropriation unused.

Mr. Coffman sought clarification on whether these unspent funds could be reallocated to other projects. Mr. Davison explained that while these funds do not provide direct cash for new projects, they reduce the town's future debt obligations and increase overall debt capacity.

MOVED: By Mr. Abruzese that the Finance Committee recommend adoption of the warrant article Rescind Debt Authorizations in the amount of $1,395,900. Mr. O'Connor seconded the motion. The motion was approved by a roll call vote of 8-0 at approximately 9:37pm.

APPROPRIATE FOR CLIMATE ACTION PROGRAM INITIATIVES

The committee will discuss this at a later date.

**Finance Committee Business**

MOVED: By Mr. Connelly that the Finance Committee authorize the warrant reflect that the Finance Committee will present their recommendation at Town Meeting, for all articles they have not yet taken a position on. Mr. O'Connor seconded the motion. The motion was approved by a vote of 8-0 at 8:42p.m.

**Adjournment**

MOVED: By Mr. Connelly that the Finance Committee meeting be adjourned, there being no further business. Mr. O'Copnnor seconded the motion. The motion was approved by a roll call vote of 8-0 at 9:43p.m.

*Documents: Powerpoint Presentation CATH Renovation Design, Powerpoint: Needham Free Public Library- Phase I- Renovations, Powerpoint: DPW Phase 1 Fleet Maintenance*

Respectfully submitted,

Molly Pollard

Executive Secretary, Finance Committee