

Needham Finance Committee
Minutes of Meeting of June 25, 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 6:01 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
Ali Blauer, Paul O'Connor, Joe Abruzese, Tina Burgos, Steve Maxwell, Barry Coffman

Others Present:

David Davison, Deputy Town Manager/Director of Finance
Molly Pollard, Finance Committee Executive Secretary
Cecilia Simchak, Assistant Director of Finance
Myles Tucker, Support Services Manager

Citizen Request to Address the Finance Committee

None

Approval of Minutes of Prior Meetings

MOVED: By Mr. Connelly that the minutes of meeting April 30, 2025, and the minutes of meeting May 5, 2025, be approved, as distributed and subject to technical corrections. Mr. Coffman seconded the motion. The motion was approved by a vote of 8-0 at approximately 6:02 pm.

Reserve Fund Transfer: Snow and Ice

Documents: Request for Reserve Fund Transfer: Snow and Ice

Mr. Davison explained that the FY25 snow and ice budget was set at \$441,845. Although most of the storms involved under four inches of snow or were primarily ice events, there were 17 events that required salting or plowing—compared to nine the previous year. Mr. Connelly shared that there had been no school snow days. Ms. Smith-Fachetti credited this to the effective road work.

Ms. Smith-Fachetti asked when the last time was that they didn't need a Reserve Fund transfer for facilities. Mr. Davison responded that it was the previous year but clarified that Reserve Fund transfers are standard practice because the snow and ice account is one of the few allowed by law to be overspent. The request to cover the FY25 snow and ice deficit was \$415,484—about \$100,000 less than anticipated. Mr. Coffman asked why the budget couldn't simply be increased,

and Mr. Davison explained that increasing the budget locks the town into appropriating at least that amount in future years, limiting flexibility.

Ms. Smith-Fachetti asked about the balance between contracted services and employee overtime. Mr. Davison noted that the costs vary depending on when storms occur; weekends are more expensive due to overtime, while weekday work hours are not charged to the snow and ice account. Contractors are used primarily when storms exceed the town's internal capacity. Mr. Coffman observed that many of the 17 events occurred on nights or weekends.

Mr. Maxwell asked for confirmation that regular-hour town employee plowing is not charged to the snow and ice budget, which Mr. Davison affirmed. Mr. Maxwell followed up, asking if there was tracking to compare snow removal costs year over year. Mr. Davison said they do track cost per inch and per hour, but these figures are not especially meaningful, as deployment costs are fairly fixed regardless of snowfall amount. Mr. Maxwell clarified that the more useful metrics might be labor and equipment costs, which Mr. Davison agreed with, noting storm duration has a larger impact.

Ms. Blauer asked what the highest snow and ice budget had been in the past five years. Mr. Davison recalled that in 2015 it was \$1.7 million, and 2017 was also over a million. Ms. Blauer asked if the town's standards had changed in terms of snow removal. Mr. Davison stated the town does not use a "black pavement" standard like Dover, which prioritizes bare pavement, but does maintain high standards. Contractors are brought in based on storm duration and intensity, especially to handle side streets and non-arterial roads.

Ms. Smith-Fachetti asked about the use of slurry versus chemicals. Mr. Davison confirmed they use a less harsh slurry for pre-treatment, which helps delay snow and ice accumulation but must be applied before temperatures drop too low. Ms. Simchak added that this year was costly due to frequent freeze-thaw cycles that washed away the brine, reducing its effectiveness.

MOVED: By Mr. Connelly that the Finance Committee approve the Reserve Fund transfer in the amount of \$415,484. Mr. O'Connor seconded the motion. The motion was approved by a vote of 8-0 at approximately 6:13pm.

Reserve Fund Transfer: Legal Services

Documents: Request for Reserve Fund Transfer: Legal Services

Mr. Tucker presented a request for a \$5,000 reserve fund transfer to cover a potential year-end deficit in the legal services line, which has been level-funded for several years. He explained that the town's legal expenses are unpredictable and depend on the volume of litigation in a given year. In this fiscal year, there was a slight increase in legal activity, and while the final invoices are still pending, the projected shortfall may be as much as \$5,000 over the \$329,000 appropriation. The request aims to conservatively ensure coverage without exceeding need. Mr. Tucker noted that invoices from Harrington Heep have been received, but those from McGregor (handling MDL work) and labor counsel Mirick O'Connell are still outstanding.

Mr. Connelly asked whether any current legal matters might impact the FY26 budget. Mr. Davison responded that there are no extraordinary legal cases pending and that the caseload is typical. Mr. Connelly then asked if invoices incurred in FY25 could be paid using FY26 funds. Mr. Davison said no, which is why the transfer is being requested as a precaution.

Mr. Connelly also inquired about legal expenses related to a housing authority matter presented to T-CHOC. Mr. Davison confirmed that town counsel had determined those expenses fall outside the scope of what was appropriated at Town Meeting. He noted that while some of the legal bills may be from FY25, they should be paid by the Housing Authority, and the town would not reimburse from this Reserve Fund transfer.

MOVED: By Mr. Coffman that the Finance Committee approve the Reserve Fund transfer in the amount of \$5,000. Ms. Blauer seconded the motion. The motion was approved by a vote of 8-0 at approximately 6:18pm.

Reserve Fund Transfer: Town Clerk

Documents: Request for Reserve Fund Transfer: Town Clerk

Mr. Davison explained this transfer was to cover extraordinary expenses primarily due to increased early voting participation. He explained that early voting encompasses both mailing ballots—requiring prepaid return envelopes—and in-person voting at Town Hall, which necessitated additional staffing. While salary expenses were within budget, the operational costs, particularly the mailing of ballots, exceeded expectations. He noted that the town has filed for state reimbursement.

Ms. Smith-Fachetti asked what the anticipated reimbursement amount would be, and Mr. Davison expected it would fall within the 40-50% range. He also added that a special election, which had not been budgeted for, contributed to the need for the transfer. Mr. Abruzese asked whether early voting and mail-in ballots should now be a standard part of future budget planning. Mr. Davison confirmed that the Town Clerk has incorporated those costs into the FY26 budget, anticipating that early voting practices will continue regularly, even for local elections.

MOVED: By Mr. Connelly that the Finance Committee approve the Reserve Fund transfer in the amount of \$11,548. Mr. Coffman seconded the motion. The motion was approved by a vote of 8-0 at approximately 6:21pm.

Reserve Fund Transfer: Finance Department

Documents: Request for Reserve Fund Transfer: Finance Department

Mr. Davison presented a final reserve fund transfer request related to the assessing division. He noted that a previous transfer had been approved in September to cover costs tied to the town's required five-year recertification process, but an additional \$7,068 was now needed. He explained that while some costs had been offset by other divisions, unavoidable expenses remained. For example, ambulance billing revenue had increased, which was positive, but the

billing contract is based on a percentage, meaning the town owed more in collection fees—an estimated \$40,000 versus the \$35,500 budgeted.

Mr. Coffman asked for clarification on whether ambulance billing costs were part of Mr. Davison's budget, which Mr. Davison confirmed, explaining that most collection costs are handled by Finance, since the Treasury Collector's office is responsible for collections. Ms. Smith-Fachetti referenced incurred costs related to commercial taxpayer dispute resolution. Mr. Davison said those costs stemmed from abatement work, specifically lingering commercial cases from FY21 to FY23 when the town lacked a director of assessing. He had to rely on outside help, including a retired director, to resolve several significant cases. He also shared that, for the first time, he personally had to appear before the Appellate Tax Board and successfully defended the town's position.

MOVED: By Mr. Coffman that the Finance Committee approve the Reserve Fund transfer in the amount of \$11,548. Mr. Abruzese seconded the motion. The motion was approved by a vote of 8-0 at approximately 6:24pm.

Mr. Connelly sought clarification that the remaining amount in the Reserve Fund for FY25 was \$1,341,010 and that would be returned to free cash. Mr. Davison confirmed.

Election of Officers

Ms. Smith-Fachetti nominated John Connelly to be Chair of the Finance Committee for FY26 and Barry Coffman to be Vice Chair of the Finance Committee for FY26. Mr. Maxwell seconded the motion.

VOTE: Mr. Connelly was confirmed as Chair, and Mr. Coffman as Vice Chair by a vote of 6-0.

Finance Committee Business

Mr. Connelly reported on his and Tina's recent meeting with the school department regarding end-of-year projections. He stated the department is expecting a \$2.1 million turnback, largely due to savings from unfilled positions and reduced salary expenses. On the revenue side, all grants and projected funds were received without issue. Of the \$2.1 million, the department intends to retain \$1.6 million as a contingency for volatility in special education funding and possible shortfalls in state and federal grants. The remaining \$500,000 will be returned to the town and go into free cash.

Mr. Coffman asked how the carryover process works. Mr. Connelly explained that only circuit breaker funds can be carried over, and these will be used as a contingency if next year's funding comes in lower than expected. Mr. Coffman asked whether any funds were being prepaid, and Mr. Connelly confirmed that no prepayments were being made and there was no request to apply any of the \$500,000 to current-year expenses.

Ms. Smith-Fachetti asked why no portion of the funds was being used in the current year. Mr. Connelly explained that while the new collective bargaining agreement fits within the FY26 budget, there will be increased salary pressures in FY27 and FY28. The department is therefore being cautious, postponing some expenses and turning back the funds instead. He noted that 17 early retirement positions had been fully funded, representing approximately \$375,000.

Mr. Abruzese asked whether any of the \$1.6 million could be used for programs that were originally cut. Mr. Connelly clarified that it is earmarked strictly for volatility and potential shortfalls in special education funding. Ms. Blauer asked if it was typical for the schools to do this type of carryover. Mr. Connelly said it was, though it is often a topic of debate. Mr. Coffman added that the schools had previously attempted to create a revolving fund to address these kinds of funding concerns.

Mr. Connelly explained that the issue is not increased expenses but uncertainty around revenue, particularly federal and state grant support. Ms. Smith-Fachetti and Mr. Connelly discussed specific grants at risk, including IDEA (Individuals with Disabilities Education Act) and ESSA (Every Student Succeeds Act). These federal programs are funneled through the state and supported by circuit breaker funding, which the school department is concerned may be reduced. Ms. Blauer commented that Needham typically receives less than \$2 million in federal circuit breaker funds.

Mr. Connelly reported that there has been little progress on the quiet zone, particularly around the work required by the MBTA.

Ms. Burgos reported that the Large House Review Committee had a public hearing and plans to have another one this fall. She noted the Committee would like to present something to the Planning Board in the fall in anticipation of the spring 2026 Town Meeting.

Mr. O'Connor noted that Envision was meeting on the same day as the Finance Committee, but the attendees did not include the consultants so that the Envision Committee could discuss new guidance from the Select Board. He noted newer members of the Committee have different opinions than some of the original members and that no action had been taken regarding any grants.

Mr. Maxwell inquired about the school budget including infrastructure or just operations. Mr. Davison replied it was just the operational budget, primarily salaries and programs. Additionally, costs such as health insurance and building maintenance are also carried by other budget line items. Mr. Maxwell also asked about the cost consideration of the Pollard school and the upcoming July 9th meeting. Mr. Connelly noted that the July 9 meeting was for anybody in town to address the design firm. Mr. Davison confirmed that the MSBA's process first looks at what is necessary for the educational program, and then considers the lowest cost options for meeting those needs, a process that has not yet occurred.

The Finance Committee continued to discuss the Pollard project, noting risks, timelines, the override process, and the potential for a meeting with the School Committee during FY26.

Adjournment

MOVED: By Mr. Connelly that the Finance Committee meeting be adjourned, there being no further business. Mr. Maxwell seconded the motion. The motion was approved by a vote of 8-0 at 6:54p.m.

Documents: Request for Reserve Fund Transfer: Snow and Ice; Request for Reserve Fund Transfer: Legal Services; Request for Reserve Fund Transfer: Town Clerk; Request for Reserve Fund Transfer: Finance Department

Respectfully submitted,
Molly Pollard
Executive Secretary, Finance Committee