

Needham Finance Committee
Minutes of Meeting of September 3, 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 John Connelly at approximately 7:00 pm in the Great Plain Room at Needham Town Hall, also available via Zoom teleconferencing.

Present from the Finance Committee:

John Connelly, Chair and Barry Coffman, Vice Chair
Ali Blauer, Paul O'Connor, Joe Abruzese, Tina Burgos (via Zoom), Steve Maxwell, Barry Coffman, Carol Smith-Fachetti

Others Present:

David Davison, Deputy Town Manager/Director of Finance
Molly Pollard, Finance Committee Executive Secretary
Cecilia Simchak, Assistant Director of Finance
Katie King, Town Manager
Catherine Nanda, Citizen

Citizen Request to Address the Finance Committee

Ms. Nanda stated that she serves on a grassroots group, the ACT (Auditorium and Community Theater) Committee. She advocated for inclusion of a functional auditorium within the Pollard Middle School project to serve students, the town, and the broader community. She referenced a website "ACT for Needham".

Approval of Minutes of Prior Meetings

MOVED: By Mr. Coffman that the minutes of meeting June 25, 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 8-0 at approximately 7:03pm.

FY2027 Budget Consultation

Ms. King explained that FY26 had been a maintenance budget and that FY27 was expected to be similarly tight. She reported that four collective bargaining agreements would be active in FY27: the police union, police superiors, custodians and trades staff in DPW, and fire employees. She noted that two studies were underway, including a compensation classification study conducted every five years and a health insurance study reviewing the Town's participation in the West Suburban Health Group compared to alternatives such as the Group Insurance Commission or Massachusetts Interlocal Insurance Association. Inflation and tariffs were highlighted as

additional concerns, and she has directed staff not to assume across-the-board vendor increases unless specifically notified. On revenue, she said the Governor had filed a supplemental budget request seeking authority for mid-year cuts beyond the executive branch, which could affect local aid. While uncertain whether the legislature would agree, she said it reflected fiscal volatility tied to federal budget issues. She stressed the goal of a sustainable, balanced budget without an override and said department reviews would begin in November, with liaisons welcome to attend.

Mr. Connelly asked about the number and significance of articles expected for the October warrant. Ms. King reported that the warrant was closing the following Tuesday with fifteen articles, several of which were placeholders. She said key items included construction funding for the Quiet Zone, one-year agreements with the two police unions, and bylaw changes for stormwater and dog licensing. Mr. Connelly asked about accessory dwelling units, and Ms. King explained that the Planning Board would address the issue in May, with amendments intended to align local applications with state law.

Mr. Abruzese commented that Pollard project costs were likely to generate significant discussion, although he understood that no warrant article would be presented until October 2026. He asked whether finance or budget matters tied to Pollard might appear in May. Mr. Connelly responded that the May 2024 feasibility study funding was intended to be sufficient to sustain work through October 2026. While no article was expected for October, he said a supplemental funding request could possibly come in May, and discussion of Pollard would likely be included in committee reports to Town Meeting.

Ms. Blauer asked about building funds in the Debt Stabilization and Capital Facilities accounts, noting concerns that the town had not set aside money for Pollard. She questioned whether funding would be prioritized or if the existing policy should be revisited. Ms. King explained that the Select Board, in consultation with the Finance Committee, had updated policy goals and trigger amounts tied to free cash. Mr. Davison added that no appropriation had been made yet because funds were not available, but said placeholders for October existed in case extraordinary free cash was certified.

Ms. Blauer asked whether the town should prioritize other sources to build the accounts. Mr. Davison said this would require either extraordinary new revenue or cuts to operations or capital projects, which could damage bond ratings if essential maintenance was deferred. He emphasized that the stabilization fund was intended for resources above what was needed for basic operations.

Ms. Blauer noted that Lexington had set aside \$40 million in a stabilization fund ahead of its high school project, reducing the projected tax burden, and suggested Needham consider a similar approach. Mr. Davison agreed that stabilization should be approached as a long-term tool.

Mr. Maxwell asked whether the budgeting process this year could be used to target funds for stabilization. Ms. King said it was still too early to say but welcomed the feedback. Mr. Maxwell clarified that such action would require reduced spending or reprioritization during the budget process. Ms. King said she intended to present a balanced budget in January that reflected the needs of municipal services.

Mr. Connelly concluded that the operating budget left little flexibility, but that the capital budget involved choices, such as whether to prioritize pickleball courts or the Quiet Zone over contributions to stabilization. He stressed the importance of making these trade-offs clear to the public. He asked whether any significant FY25 turnbacks or free cash were expected, such as from unfilled positions or other savings. Mr. Davison said we would know more before Special Town Meeting.

Ms. Blauer asked about the handling of free cash if a capital warrant article funded by free cash were voted down at Town Meeting. She questioned whether the unspent money would remain in free cash and later flow into the debt stabilization fund. Mr. Connelly confirmed that the funds would remain in free cash but would still require a future warrant article to be reallocated. Ms. Blauer observed that this distinction was not always clear to Town Meeting members, who often viewed free cash as money available to spend rather than as a resource that could be redirected.

Ms. Smith-Fachetti asked Mr. Davison whether scenario planning for Pollard might significantly alter the capitalization plan, and how updates would be communicated. Mr. Davison said the debt plan would be revised once the Pollard project scope was narrowed and that updates would also follow the issuance of an upcoming bond. He anticipated providing an updated debt financing outlook in January, ahead of capital discussions.

Ms. Blauer asked Ms. King whether the Select Board or other boards had identified new budget priorities beyond those traditionally included. Ms. King responded that the Finance Committee's consultation occurred before her formal consultation with the Select Board. She noted that some of the items related to the Select Boards updated goals may be revisited during the budgeting process.

Finance Committee Business

The Committee discussed the upcoming schedule and topics, concluding to tentatively have meetings September 17th and 24th, and October 8th and 15th.

Ms. Burgos reported that the Large House Review committee had been meeting regularly in preparation for its public hearing on the 15th. She said the group had been working on modeling related to floor area ratio and housing height, and that they expected to answer questions and gather feedback. She noted that financial analysis and modeling were still underway, and that no votes or concrete actions were planned for October. Mr. Connelly asked if May was the likely timeframe for action, and Ms. Burgos confirmed.

Mr. O'Connor provided an update on Envision Needham Center. He noted that the federal requirement for road diets or bike lanes tied to grants had been removed. The Select Board outlined three roadway design categories, from limited to significant changes. Business community members had joined the committee. Meetings were scheduled twice monthly for six months, and final decisions would rest with the Select Board. He emphasized that any changes would require funding choices against other priorities. He confirmed no pilot date was planned yet.

Ms. Blauer stated the Stephen Palmer committee had not met. Mr. Connelly reported that consultant procurement was close to moving forward with funds previously appropriated. He said a potential warrant article might address payment to the property manager for keeping the units vacant when the leases expire, as it could be less costly than relocating tenants mid-lease. Ms. Smith-Fachetti asked if the property was fully leased, and Mr. Connelly confirmed. Ms. Blauer asked whether existing appropriations could be used, and Mr. Coffman stated additional funding would likely be required.

Mr. Connelly also gave updates on the Quiet Zone and Pollard projects. He said the Quiet Zone committee had not met but a warrant placeholder remained. He expressed uncertainty about progress, noting that while DPW staff may have met with Keolis and the MBTA, the committee had not been involved yet.

On Pollard, Mr. Connelly reported that HMFH had been selected as designer in May and developed a Preliminary Design Program (PDP) approved by the School Committee and PBC for MSBA submission. The PDP, over 2,000 pages, included an educational plan recommending reunification of sixth grade with seventh and eighth. He cautioned against framing the earlier High Rock move as temporary, and suggested emphasizing present needs.

Mr. Connelly outlined seven options being submitted to the MSBA: (1) base renovation for seventh–eighth; (2–3) addition/renovation at Pollard, with either two or three grades; (4–5) new buildings on Pollard fields, with temporary DeFazio laydown space; and (6–7) new buildings at DeFazio for either two or three grades. He said the town must select a preferred option by December 31 for the MSBA schematic submission.

Mr. Maxwell asked for clarification on the School Committee's vote. Mr. Connelly explained that the vote was to present seven options without preference. Ms. Blauer noted that earlier drafts had listed three preferred options, but Mr. Connelly said that language was removed. He added that the educational plan strongly emphasized a sixth–seventh–eighth grade configuration, though three of the options were for seventh–eighth only. Ms. Smith-Fachetti observed that the MSBA rarely goes against an approved educational plan.

Ms. Blauer asked about the risk if the town selected an option the MSBA did not support. Mr. Connelly replied that costs would play a major role, with some options exceeding \$330 million.

He noted the MSBA might decline to participate in funding the most expensive alternatives. Mr. Coffman asked if the cost estimates included swing space for Mitchell. Ms. Blauer said they did not, and Mr. Connelly confirmed they were strictly Pollard costs. Mr. Coffman remarked that including swing space would narrow the cost gap between options. Ms. Blauer added that removing High Rock as an elementary school would also require building a larger Mitchell, adding to expenses. Mr. Connelly noted that each option carried unique challenges, with Park and Recreation strongly opposed to using DeFazio. He said a chairs meeting was scheduled for the following week to discuss process and coordination among committees.

Ms. Smith-Fachetti asked whether all options required laydown space at DeFazio. Mr. Connelly replied that only an addition/renovation at Pollard could use its own fields; new construction options would affect DeFazio to varying degrees.

Mr. Maxwell raised concerns about project costs, noting the jump from \$130 million for basic repair to \$260 million for seventh–eighth grade options, and asked whether there had been discussion of a mid-range financial target, especially given Mitchell’s future replacement. Mr. Connelly responded that the MSBA would scrutinize costs and had experience with lower-cost projects in other towns. He expected their engagement to shape Needham’s decisions. Mr. Maxwell also asked about debt service impacts. Mr. Davison explained that his projections incorporated Pollard and other capital projects, including Mitchell, but noted that Pollard alone could push the town to exceed its debt policies.

Ms. Smith-Fachetti asked about incorporating a state-of-the-art theater into the Pollard design and whether public–private partnerships could offset costs. Mr. Davison said such arrangements were difficult because of restrictions tied to tax-exempt borrowing, though taxable bonds or leasing could be considered. He noted that new facilities would also bring higher operating costs. Mr. Coffman suggested private fundraising, similar to naming opportunities for fields. Mr. Davison said it was theoretically possible but more complicated for buildings due to procurement laws and state oversight.

Ms. Blauer asked whether Weymouth’s middle school theater had been partially funded by the MSBA. Mr. Connelly said he had not reviewed the reimbursement breakdown but confirmed the Weymouth theater was cited as a model by the ACT group. He explained that Pollard’s current theater would remain essentially unchanged under the addition/renovation options, and that a new or larger theater would only be possible through new construction. Ms. Blauer confirmed that the cost estimates reflected this distinction, with new construction including larger theaters.

Mr. Maxwell noted that Weymouth’s three-grade middle school cost roughly \$150 million, with about 30% reimbursed, leaving the town responsible for approximately \$119 million. Mr. Coffman emphasized that reimbursement rates depended on community economics. Ms. Blauer added that Lexington’s project had a nominal 40% reimbursement rate, but many costs were

ineligible, bringing the effective rate closer to 20%. Mr. Coffman suggested Needham's reimbursement would likely fall at a similar level given its demographics.

Ms. Smith-Fachetti asked about the Muzi property. Mr. Davison said there was not, and Mr. Coffman noted that most plans to convert it primarily to housing would require a zoning change.

Adjournment

MOVED: By Mr. Coffman that the Finance Committee meeting be adjourned, there being no further business. Mr. O'Connor seconded the motion. The motion was approved by a roll call vote of 8-0 at 8:00p.m.

Documents: None

Respectfully submitted,
Molly Pollard
Executive Secretary, Finance Committee