

**Needham Finance Committee
Minutes of Meeting of December 9, 2020
OPEN SESSION**

The meeting of the Finance Committee was called to order by Chair Carol Fachetti at approximately 7:00 pm via Zoom Video Webinar <https://us02web.zoom.us/j/86896995944?pwd=ejNzQ1NBT1ozS3p0TjdKeXVks1B4Zz09>

Present from the Finance Committee:

Carol Fachetti, Chair ; Joshua Levy, Vice Chair

Members: Barry Coffman, John Connelly, Tom Jacob, Richard Lunetta, Louise Miller (arrived 7:30 pm), Richard Reilly

Others:

David Davison, Assistant Town Manager/Finance Director

Cecelia Simchak, Director of Finance and Admin/Public Services

Tatiana Swanson, Finance and Procurement Coordinator/Liaison to Commission on Disabilities

Gloria Greis, Historical Commission

Dave Roche, Building Commissioner

Lee Newman, Director of Planning and Economic Development

Jeanne McKnight, Planning Board

Debbie Anderson, Director of Conservation

Edward Bouquillon, Superintendent, Minuteman School District

Citizen Requests to Address the Finance Committee

There were no requests to speak.

Approval of Minutes of Prior Meetings

MOVED: By Mr. Connelly that the minutes of November 4, 2020 and of the open session of December 1, 2020 be approved as distributed, subject to technical corrections. Mr. Reilly seconded the motion. The motion was approved by a roll call vote of 7-0 (Ms. Miller had not yet arrived.)

FY 2022 Department Budget Requests (operating and capital):

Resident Committees

Memorial Park Trustees

Ms. Simchak stated that the request is not changed from recent years, and consists of \$750 to purchase flags. Mr. Reilly asked whether there are additional costs for other departments with the opening of the Memorial Park Building. Ms. Simchak stated that there are some additional custodial costs in the building maintenance division's budget, but there has been little use of the building during the pandemic, and little cleaning needed. There are no other major changes. Mr. Levy asked if there were costs to the Memorial Park budget due to the outdoor Town Meetings there. Ms. Simchak stated that there were not.

Commission on Disabilities

Ms. Swanson stated that this budget consisted of funding for \$550 of supplies and \$1,500 salary for the liaison. She stated that they have continued their mission to advocate on issues affecting people with disabilities, and to advise the Town on ADA and accessibility requirements. Mr. Lunetta asked if they have enough funding to do everything they would like to do. Ms. Swanson stated that in the past year, they have had to hold off on initiatives due to the pandemic. After the crisis when they are more active, they may reexamine their needs, but for now the funding is sufficient.

Historical Commission

Ms. Greis stated that this budget remained at \$1,050. Other budgets cover the costs of the notices and advertising that are required for hearings. This budget helps with the cost of outreach and distributing information on the rules and resources for designated historical homes. She stated that there are approximately 45 houses on the prospective historical home list, and 120 houses in the active inventory. Mr. Reilly thanked Ms. Greis for articles she writes for the newspaper.

Building Department

Mr. Reilly introduced the budget and stated that the increase is almost solely due to \$12K of contractual salary increases. He stated that \$773K of the \$824K budget is salaries. There are just over \$50K of expenses. 60% of expenses are for outsourced work that would be more expensive to provide in-house, specifically: \$20K for the work of a fire prevention engineer, and \$12K for work by the state's Wages and Standards Division. Mr. Roche stated that the department continued to provide all of the necessary inspections including those that required in-person work despite the Covid-19 pandemic. He stated that the public could not come into the office, so there was more work due to increased public information requests. They were able to more quickly transition to online permitting, and eventually online payments. They were helped by the IT Department. The department will likely need bigger monitors to do plan review of electronic files which used to be filed on oversized paper. He stated that they are currently using tablets in the field, but hope to move to laptops that can access the whole system from the field. He stated that home construction has not slowed through the pandemic, except for minor delays due to supply issues. Sales and permitting for single family homes has remained steady from last year. He stated that the expense for the Weights and Standards involves using expensive equipment that the Town does not have, and would cost much more to run in-house. He stated that they usually use about half of the funding for the Fire Protection Engineer, but keep the remaining funds in the budget in case more work is needed.

Mr. Reilly asked if there are any big projects expected. Mr. Roche stated that he has not heard anything about the Carter Mills project, or the new hotel that was supposed to be coming. He stated that the Building Department has approved of the Children's Hospital project but the developers now have in a long process now with the state. They expect to break ground in 2023, which was not affected by the pandemic. Mr. Reilly stated that it looks like new growth would be quiet the next couple of years. Mr. Roche stated that there will not be a windfall like a couple of years ago.

Mr. Coffman asked if they continue to have difficulties hiring part-time inspectors. Mr. Roche stated that inspections are getting done, but the situation has gotten worse. One part-time wiring inspector went to work for Newton full-time earlier this year. They have advertised a couple of times with no luck, but have not been aggressive. He is not sure why, but likely the problem is the few hours offered, combined with pay that cannot compete with the private sector. This work requires highly skilled people who have other options, so there is no pool of people available. Mr. Lunetta asked if they had considered hiring less experienced people and training them. Mr. Roche stated that they had talked about that, but they did not think they could attract the people earlier in their careers since those who would have enough skills are likely to want to stay in the trade full time and not want to slow down and have fewer hours.

Planning & Community Development

Ms. Fachetti introduced the budget. She stated that it is essentially level-funded, except for a decrease in the salary line due to the transfer of the Director of Economic Development to the budget for the Town Manager's office. Ms. Newman stated that the Planning Department moved to online permitting in a short period of time due to Covid, and also shifted staff to working remotely. She stated that they are reviewing the filing from Children's Hospital and are close to finished. She stated that they have been speaking with the developer of the Avery Manor property in anticipation of their filing. She stated that the Planning Department has been focused on the Highway Commercial 1 zoning, and been involved with the working group currently looking at traffic issues and considering an urban planning study. Ms. Newman stated that they are considering reexamining a 2007 housing plan in light of the equity initiative. They have also been in discussions with a property owner in the Center/Chestnut St area who is considering mixed use developments in that area which would help meet one of the goals in the 2009 plan for that area.

Ms. Miller asked why the Economic Development Director position was being moved to the Town Manager's budget. Ms. Newman stated that the Economic Development division serves the Select Board through the Council of Economic Advisors, so it seemed more appropriate. Ms. McKnight stated that the Planning Department, particularly Alex Klee and Clay Hutchinson have done a great job during Covid of keeping the Planning Board functioning well.

Ms. Newman stated that the department had two DSR5 requests for financial warrant articles. One is the Small Repair Grant for \$50,000. The program was funded at \$50K for FY21, and has been successful, and they would like to continue it. There have been 13 applications with an average funding level of about \$4,000 for minor work such as window repair or gutter replacement. The funding is available to low income seniors. They had no difficulty finding applicants.

The second DSR5 requests \$60K for planning consulting assistance. She stated that the remaining funds have been spent to support the Highway Commercial 1 zoning. Mr. Levy asked for a breakdown of how the previous appropriation was spent since there was just an appropriation for this purpose at the annual town meeting and the Committee was told that the funding was expected to last about 3 years. Mr. Davison stated that Article 10 in the 2020 Annual Town Meeting warrant, Planning Consulting Assistance, was passed by unanimous consent in the amount of \$60K. Ms. Newman stated that she will need to follow up on whether this request is timely.

Ms. Miller asked whether the Small Repair Grant was a new program. Ms. Newman stated that the program was funded in 2020. She stated that there is a program guide that describes eligibility for funding through the program including age and income qualifications and eligible projects. She stated that there were sufficient funds for all of the applicants in this year's eligibility period so that there was no need for a lottery. Ms. Miller asked if they expected the same amount of applicants. Ms. Newman stated that they did.

Minuteman School Superintendent - Athletic Complex Project

Dr. Bouquillon showed a presentation on the athletic complex portion of the capital project. He stated that the capital project for the new school building included a minimal amount of funding for fields. Due to good project management, there was \$4 million available at the end of the project for fields. They went out for bid on a group of different options with a base bid and additions. Given the favorable bidding environment and low interest rates, if they can obtain a small incremental amount to add field lighting, it will provide more opportunities for revenue. The underlying project includes three fields, a stadium, emergency access roads, and score boards. He stated that the base bid is \$5.93 million, which is being funded with \$4 million from the MSBA, \$615K from facility rental funds, and \$1.2 million from a facility stabilization fund. Those funds had been set aside to fund equipment at the new school since the MSBA formula typically underfunds equipment needed at vocational/technical schools. However, they were awarded \$1.5 million in state grants for skill-related and technical equipment. The School Committee then voted to put \$1.2 million from the stabilization fund toward the athletic complex. He stated that they have reviewed the bids, and with the contingency funds, architect fees, and other costs, they need \$1.9 million total. The district met with the Town Managers of the member towns who were supportive. The district expects \$400K per year revenue from the fields. The school gets additional revenue from other facilities including the theater, gym, corporate meeting rooms, and restaurant. The borrowing cost is about 7% of the total assessment which will be about \$14K-\$16K per year for Needham, using a conservative 1.7% interest rate. He stated that the Minuteman School Committee awarded the base bid for the project because they have the funds, but has not yet awarded the alternates. The builder has agreed to hold the pricing until mid-January. He stated that this will allow the students to have home fields, after 4 years without.

Mr. Reilly asked why the incremental cost of alternate 4 would double the cost. Dr. Bouquillon stated that the track is upgraded from a walking track to a competitive track, which would allow them to add a track and field program. Mr. Levy asked what the cost per town would be. Dr. Bouquillon stated that each member town is assessed based on a rolling average of its enrollment. Needham's share will increase next year, since there are currently 27 students from Needham. He agreed that the numbers presented show a static share for each of the nine member towns. Mr. Coffman asked where the revenue from the facilities goes. Dr. Bouquillon stated that it goes into revolving funds which can be spent only on the asset that generated the revenue. The funds from this facility will go to offset the debt and operating costs. They also plan to set aside \$168K per year to replace the fields. He noted that the fields will be made of an organic material made from yellow pines grown sustainably in the U.S. The product is not petroleum-based, and has a lifespan of 10-12 years. There are only two of these types of fields in the area. Dr. Bouquillon has heard very good reports on them from the school systems using them.

Reserve Fund Transfer – Minuteman School - COVID-19 related costs

Mr. Davison stated that the request for a Reserve Fund transfer would provide funds to pay to the Minuteman district for unexpected expenses due to the Covid-19 pandemic. The documented expenses are approximately \$210K to be shared among all member towns. Needham's share is \$12,614. This would transfer funds to the Minuteman Assessment budget line which now has zero dollars remaining since all funds were used to pay the annual assessment. Needham intends to file for reimbursement from the state through the CARES Act, and expects 100% reimbursement. Ms. Miller asked why they are requesting a Reserve Transfer if they will be seeking CARES Act funding. Mr. Davison stated that they want to make the payment now, and they are not certain that the costs will be eligible. Ms. Miller stated that the Town can deficit spend for Covid-related costs, so they could wait and transfer the funds later if needed. Mr. Davison stated that the Town can deficit spend for departments, but it is not clear that it can deficit spend to pay an assessment. Ms. Miller asked where the funds would end up if the reimbursement is paid. Mr. Davison stated that it would go into the general fund and close out to free cash.

Mr. Davison stated that the reimbursement covers costs through the end of the calendar year. Ms. Fachetti asked if additional funds may be needed for Covid expenses for the balance of this year. Mr. Davison stated that they will not. Dr. Bouquillon noted that regional schools were forgotten in the CARES Act and received no allocation for Covid expenses. He stated that they were encouraged by the Department of Education and other to approach the member towns for funding. All nine of the towns have helped them to access the funds.

MOVED: By Mr. Reilly that the Finance Committee approve of the request to transfer \$12,614 from the Reserve Fund to budget line 19, Minuteman Regional High School Assessment. Mr. Connelly seconded the motion. The motion was approved by a roll call vote of 8-0.

Finance Committee Updates

Mr. Coffman asked if there is any update on the open seat on the Finance Committee. She submitted suggestions from members to the Town Moderator, and he also had planned to consider some ideas of his own. Ms. Fachetti stated that she reached out recently, but has not heard anything yet.

Move into Executive Session, Exception 6, not to return to open session at conclusion

Ms. Fachetti declared that an executive session is necessary to protect the negotiating position of the Town with respect to the purchase, exchange, lease or value of real property, under Exception 6 to the Open Meeting Law.

MOVED: By Mr. Connelly that the Finance Committee vote to enter executive session to consider the purchase, exchange, lease, or value of real property if the chair declares that an open meeting may have a detrimental effect on the negotiating position of the public body, not to return to open session prior to adjourning. Mr. Coffman seconded the motion.

VOTE: The motion was approved by a unanimous roll call vote at approximately 8:25 p.m.

Respectfully submitted,

Louise Mizgerd
Staff Analyst

Documents: Town of Needham - FY 2022 Departmental Spending Requests; Minuteman Regional Vocational Technical High School Presentation - Athletic Complex Project Phase 1 Update (November 2020); Request for Reserve Fund Transfer dated 12/1/20.

Approved December 16, 2020