

**Needham Finance Committee
Minutes of Meeting of February 3, 2021**

The meeting of the Finance Committee was called to order by Chair Carol Fachetti at approximately 5:30 pm via Zoom Video conference:

Present from the Finance Committee:

Carol Fachetti, Chair ; Joshua Levy, Vice Chair

Members: Barry Coffman (arrived 6:35 pm), John Connelly, James Healy, Tom Jacob, Richard Lunetta, Louise Miller, Richard Reilly

Others:

David Davison, Assistant Town Manager/Finance Director

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 the meeting of January 27, 2021 be approved as distributed, subject to technical corrections. Mr. Reilly seconded the motion. The motion was approved by a unanimous roll call vote of 8-0.

FY 2022 Draft Budget Recommendation

Townwide Expenses: Ms. Fachetti asked for specific issues for discussion in Townwide Expenses. Mr. Reilly stated that he would like to speak to Mr. Davison about the final numbers before voting, particularly Group Health Insurance, OPEB and Workers' Compensation, and would raise any issues at the next meeting but he did not expect that he would have concerns. Ms. Fachetti stated that the budget request shows almost \$900k of requested additional costs for health insurance. Mr. Davison stated that the figure includes all requested positions, including 31 new FTEs in the Schools and 8 new FTEs in the Town. The Town Manager recommendation was \$677,901 lower than the requested amount. He noted that 26 of the requested School Department FTEs would be needed for the remote academy.

Mr. Reilly stated that the decision on the appropriate level for the Reserve Fund will depend on the anticipated warrant article covering Covid-related expenses, and the use of the Stabilization Fund. The warrant article funding will need to be decided before he can agree to the Reserve Fund amount. Ms. Miller stated that it would be helpful to include the breakdown of debt within the levy and excluded debt in the warrant so that people can see how much the excluded debt changes every year. Mr. Davison stated that he does include debt schedules in the warrant, including a breakdown of General Fund debt, excluded debt, CPA debt and debt for the enterprise funds.

Mr. Healy asked the reasoning behind funding through a financial warrant article rather than putting the money into the Reserve Fund or into the Stabilization Fund. He stated that his view is that a financial warrant article takes control away from the Finance Committee, which is not good. If an expense is a moving target or difficult to determine, then the corresponding funds

should be put into the Reserve Fund. He also stated that the Stabilization Fund is intended for situations like Covid. Mr. Reilly stated that in his view, a financial warrant article is used to provide flexibility where there is an identified expense that is likely to go beyond the fiscal year. If the expense is funded through the operating budget, then the funds become unavailable at the close of the fiscal year. Mr. Reilly noted that the Reserve Fund is intended for unforeseen expenses.

Mr. Levy noted that putting funds for expenditures into the Reserve Fund gives control to the Finance Committee, but also takes that power away from Town Meeting, since they do not have a say in transfers. Ms. Fachetti stated that the Finance Committee members are appointed, not elected officials, and it is important for Town Meeting to have a vote on how funds are spent. This happens with a financial warrant article, and not with funds in the Reserve Fund. Mr. Healy stated that Town Meeting represents the Town at any Town Meeting, but the Finance Committee represents the Town on a weekly basis. The funds are not released until the Committee is convinced an expense is appropriate and doable. Ms. Miller stated that she agreed with Mr. Reilly: the operating budget is intended for recurring expenses. If an expense is known but not recurring, then it belongs somewhere else. The 2 issues are the timing and the source of funds.

Mr. Connelly stated that he is concerned about the proposed Covid expense warrant article that will authorize a large sum for a potpourri of different costs. He feels that there will need to be some delineation of categories, and there should be discipline in spending. He stated that the Stabilization Fund is appropriate for some of these expenses. He stated that there also needs to be a plan to start saving for the upcoming big School capital projects. Mr. Reilly stated that he shared Mr. Connelly's concerns about the warrant article; the issue is not that a warrant article provides a flexible approach, but that the Town is guessing at the revenue and the expense when there is no real idea of what is needed. He stated that the determination of the appropriate level for the Reserve Fund cannot be decided in isolation from the issue of the Covid financial warrant article. Nevertheless, he will be prepared to recommend what has been presented for the Reserve Fund on a temporary basis next week after reviewing the other items in Townwide Expenses.

Department Budgets

Select Board/Office of Town Manager: Mr. Levy stated that there were questions on the proposal to include the Public Information Officer position in the operating budget. Mr. Healy stated that he is dead set against it because he sees this as mission creep and an escalation of the powers of the Town Manager, but said that he could be convinced of the need. He asked for a recitation of all of the positions in the Office of the Town Manager since 1990. He feels that it will show a gradual escalation of authority. He stated that the information provided, including information on select other towns, does not help justify the position, whether it were to be funded in a warrant article or in the operating budget. Mr. Connelly stated that the Committee had a robust discussion on this position 2 years ago. He feels the issue is whether or not to fund through a warrant article or the operating budget. He sees the benefit of the position in a situation like Covid, but not sure if it is necessary for the next 5 or 10 years. He would like to continue it for 2 years. Mr. Levy stated that he understood that the problem that the PIO was intended to resolve was that Town residents were having trouble finding information, which can be resolved with website improvement. He acknowledged that the position does address a priority of the Select Board and the Town Manager, and that it is good to have a PIO in times of emergency, but for other situations, one single individual is not needed to disseminate information. He agrees with funding the position through a financial warrant article for 2 years. Ms. Miller stated that with Covid, the workload for disseminating information has increased. The additional tasks that were

needed to hold Town Meetings and meetings the past year have also been additional workload. She thinks that this position should not be in the budget until it can be seen what the position will do that no one else does, outside of Covid. She added that the Library has asked for a person to help with information, and that this position could also handle that work. She would like to know the duties for the PIO going forward, and how many hours are needed to do that work. She noted that the Select Board is an elected board and should address political questions. The PIO position should not be focused on messaging, but on getting information out.

Mr. Lunetta stated that 2 years ago the Town Manager was doing everything that the PIO is doing. A CEO of a private organization, which is similar to her role, would not typically do press releases. The Select Board's role is to think strategically, but communications is a different skill, and better communications will make things happen. He stated that the Town is similar to a \$200 million company in some ways, and should act like one. He stated that the Town will not be able to hire or retain a skilled person if the position is funded through a warrant article. He stated that he is in favor of moving forward but needs more information on what the position will actually be doing. Mr. Healy noted that the Town Manager is not elected, and if the Select Board thinks this position is a priority, they need to find someone who can do the work, and redirect resources if necessary. Mr. Levy asked if he would be comfortable with the PIO position if the person were elected and therefore accountable. Mr. Healy stated that he is concerned about mission creep and adding a position rather than redirecting other resources.

Mr. Reilly agreed with Mr. Lunetta that the Town's operations are complex and that the Town benefits from having a single spokesperson. He also agrees with others that it is worth looking to see if there is another position that this could replace. He would most prefer to replace another position, but would prefer funding through a warrant article than not at all. Ms. Fachetti stated that 2 years ago, she did not see the need for this position since the Town always adds positions, but she does feel that having this position, and uniformity of communications, is important and that the user experience is better now. Mr. Jacob stated that he feels that this person has done a good job, and would like to see what the position will do in a non-Covid environment, and therefore thinks funding again with a financial warrant article is good. Mr. Levy noted that this is not a hiring decision, which is outside of the Finance Committee's purview, but a decision on whether this position should be included in the operating budget. Ms. Miller agreed that the decision should be based on what the position is supposed to do and not the person in the job, so a better definition of the function of the job is needed. Mr. Reilly expressed concern about telling the Town Manager how to do her job, though the Committee is free to disagree. The questions are whether the position is needed or not, and whether to fund the position or not. He disagrees with funding through a financial warrant article, but could accept it.

Mr. Healy disagreed, since the Finance Committee is the only one that will push back on the Town Manager's decisions. He feels that this is part of the Committee's function, and is not micromanaging. He feels the greater question is whether this new position is in the best interest of the Town. If so, should it be added or could this work be handled by someone else. Mr. Lunetta stated that he is troubled by how the Committee sees itself. The Committee's role is to present a balanced budget at Town Meeting. When the Town changed to a Town Manager form of government, the Town Manager position was supposed to act as a CEO, and has the power to make certain decisions. Mr. Healy stated that it is not a strong Town Manager structure, because the Town chose to keep the Finance Committee with the job of looking over proposed expenses to see if they are fair and reasonable to ask the taxpayers to fund. Mr. Lunetta stated that he agreed in part. Mr. Reilly agreed that the Finance Committee has a voice in whether the position

should be approved, but feels that funding through a financial warrant article is straddling issues. Ms. Fachetti stated that the Town probably would have had a contractor for these functions during Covid, and that a warrant article would allow the Town the opportunity to assess the position. The Committee can't vote on this line without additional information.

Town Clerk: There were no issues raised on the Town Clerk's budget.

Legal Department: Mr. Healy stated that even though the Town is not required to procure outside counsel, he feels that it should go through that process. Mr. Connelly agreed that there is no reason not to approve the requested FY22 budget, but next year he would like to see that the work has been put out to bid.

Finance Department and Finance Committee: No issues were raised.

Planning and Economic Development: Ms. Fachetti stated that the Economic Development Director position was moved from this budget to the Town Manager's budget. She feels that it is not the decision for the Finance Committee which budget the position should go under, but it is a question as to whether the position should be funded. Mr. Healy stated that he will now not object to the transfer of this position.

Police Department: Ms. Fachetti stated that there had been earlier discussion about the new half-time clinical position. Mr. Healy stated that he was surprised to hear that the proposed position is already being paid for, but is not yet included in the operating budget, and therefore that spending was not approved by either Town Meeting or the Finance Committee. He noted that this request is as important as anything in the budget, since mental health needs are critical. He stated that he agrees with an earlier comment by Ms. Miller that it may be better to buy services to be available on-call rather than have one person working half-time. He feels that it would be better to spend money on mental health needs than communications in order to provide concrete assistance to citizens.

Mr. Levy stated that he feels the position should be with other mental health work in the Health and Human Services budget. He stated that the Director of HHS described how involved he was in seeking grant funding for Police mental health. Ms. Miller stated that the position would be split with Dedham, but an employee of a 3rd party who will provide benefits. There was a discussion about where the position would be located and the hours that they would be available, as people had different understandings. Mr. Lunetta stated that he would request the details from the Police Chief. Mr. Lunetta stated that this is a good start to move in this direction, but the Town should have more of these services. He stated that he had asked earlier how the work was currently being funded, and was told that they used money from elsewhere in the budget. Mr. Jacob stated that if the person is splitting their time and working half-time for the Town, and available on an as-needed basis, they may be paid for 20 hours of service whether or not they are needed. Ms. Miller stated that she understood that one person would be assigned to work in both towns. Mr. Levy stated that clarification is needed. He stated that he would also like to hear from the Director of HHS on whether the position should be in that department, even though they will work closely with the Police. Mr. Healy stated that if it is not too late, he would recommend a service agreement since the Police Department is a 24/7 department. He feels that the Police would be in a better position to manage this if it is a 24/7 service. Ms. Miller stated that the Committee was told that it is not 24/7.

Mr. Reilly stated that there are also outstanding Park and Recreation Department requests for information.

Updates

There were no updates.

Adjournment

MOVED: By Mr. Healy that the Finance Committee meeting be adjourned, there being no further business. Mr. Connelly seconded the motion. The motion was approved by a unanimous roll call vote of 9-0 at approximately 6:45 p.m.

Documents: Town of Needham – Proposed Annual Budget – Office of the Town Manager Fiscal Year 2022; Memorandum to Finance Committee from Kate Fitzpatrick dated February 2, 2021
Re: Public Information Officer Position; Public Information Officer Roles in MA Communities; Public Information Officer Salary Data.

Respectfully submitted,

Louise Mizgerd
Staff Analyst

Approved February 10, 2021