

**Needham Finance Committee  
Minutes of Meeting of March 31, 2021**

The meeting of the Finance Committee was called to order by Chair Carol Fachetti at approximately 7:00 pm via Zoom Video conference:  
<https://us02web.zoom.us/j/82969485226?pwd=NHhkRGUwTXk2MmFLd3RPZkhFSXM4UT09>

Present from the Finance Committee:

Carol Fachetti, Chair ; Joshua Levy, Vice Chair  
Members: Barry Coffman, John Connelly, James Healy, Tom Jacob, Richard Lunetta, Louise Miller, Richard Reilly

Others:

David Davison, Assistant Town Manager/Finance Director  
Lee Newman, Director of Planning and Economic Development  
Jeanne McKnight, Planning Board  
Adam Block, Planning Board  
Carys Lustig, Director of Public Works  
Cecelia Simchak, Director of Finance and Admin/Public Services  
Marianne Cooley, Select Board  
George Giunta, Jr., Citizen Petitioner  
Barry Pollack, Town Resident

**Citizen Requests to Address the Finance Committee**

Mr. Pollack requested that the Committee consider an amendment that he is preparing that will make changes beyond the recent changes that the Planning Board has made to their proposal. He suggested that the Planning Board has made some incorrect assumptions and is unsure of the effects of their changes. He stated that the traffic study update was not reliable, and that more time should be taken to consider the effects of the Planning Board's proposal.

**Approval of Minutes of Prior Meetings**

MOVED: By Mr. Levy that the minutes of the meeting of March 24, 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 9-0.

**Warrant Articles**

Annual Town Meeting Warrant:  
Article 5 - Zoning - Highway Commercial 1 District;  
Article 6 - Zoning - Highway Commercial 1 Uses;  
Article 7 - Zoning - Highway Commercial 1 Map Change

Mr. Block stated that this process started when the first zoning changes to this area were proposed 7 years ago. There have been over 45 public hearings, and the Board is well-informed. He stated that there have been a number of changes since the proposal in 2019. The floor area ratio (FAR) has been reduced, the setbacks and open space requirements have been increased. He stated that they are looking for an up or down vote on the current proposal. He stated that the

FAR is the biggest factor in the fiscal impact on the Town, and that greater FAR values will provide greater revenue. He stated that there is concern that Amazon or other warehouse distributors would seek to locate here if the zoning allowed such use. He stated that because the traffic study was based on a larger FAR, the current proposal with the lower FAR is expected to generate less traffic than the study indicated.

Mr. Connelly asked how they determined which uses would be allowed as-of-right versus those that are by special permit. He also asked why some uses in the proposal are the same as exist now, and what has been changed or left off compared to the existing uses. Mr. Block stated that the main reason that some uses are by special permit only is to provide the Town with more control. He stated that some changes are due to different ideas of what should be allowed. A sports complex is now allowed by right, but that a sports complex was very different when this zoning was enacted compared to a sports complex now which would generate many trips per day and significant parking needs. Mr. Connelly asked how much control the Town would have for an as-of-right use for less than 10,000 square feet. Mr. Block stated that the Town has more control over the plans with greater than 10,000 square feet because that the special permit site plan review. There is a very different scope of authority in the regular special permit review process where the Town's control is mostly limited to drainage and traffic mitigation. He stated that less than a plan with an as-of-right use and less than 10K square feet does not require traffic mitigation. Mr. Connelly stated that the fiscal impact numbers show the full build-out of the proposed conditions, but are compared to existing conditions that are not built out. He stated that a valid comparison would need to show the maximum build-out under current zoning as well as under the proposed zoning. Mr. Block noted that to estimate the fiscal impact analysis of an FAR of 0.7, he used 70% of the fiscal impact of an FAR of 1.0, which was determined in the fiscal impact study. He stated that the FAR of 0.5 would be less than that. Mr. Reilly stated that the Finance Committee needs to make sure that the Town understands the fiscal impact, and that he cannot judge that based on the current materials. He went on to state that it would be necessary to show the potential tax revenue that could be generated on the sites under the current zoning limitations in order for the town meeting to make an informed decision..

Mr. Levy asked which data from the traffic and fiscal impact analyses are still relevant in light of the changes to the proposed zoning. Mr. Block described how they were relative, and that the traffic would be expected to be less than indicated with the lower FAR, though they do not have a measurement of traffic at the lower FAR. He asked for additional time to prepare more information to the Committee.

#### Article 8 - Citizen's Petition – Amend Zoning By-law - Map Change Residence B Zoning District

Mr. Giunta stated that the proposal would change the map so that the described area would be part of the Single Residence B (SRB) district rather than the Single Residence A (SRA) district. The area in question includes 23 properties on the east side of Hunting Road, north of Cheney St, next to Route 128. The houses on the other side of Hunting Rd are all in SRB. SRA is a 1-acre minimum district, but all of the properties in the designated area are non-conforming in lot size. Further, all but 4 of the properties have insufficient frontage for SRA. The change to SRB would make almost all properties conforming for frontage and setbacks. He stated that the current zoning regulations discourage home additions because these nonconforming properties have to go through the zoning appeals process which required additional time and expenses, along with

uncertainty. He stated that these properties are very different than other nearby SRA properties that are undeveloped.

Mr. Reilly asked whether there is a fiscal impact to the proposed change, and if the nonconforming status mattered in assessing. Mr. Giunta stated that the proposed change would cause minimal if any fiscal impact to the Town. Perhaps some homeowners will be encouraged to improve their homes which would increase their value and taxes. Mr. Davison stated that the fact that a property is nonconforming would have a de minimus effect on an assessment. He stated that similar single family homes typically have a similar assessment. Home improvements could add a small amount of new growth. Mr. Coffman asked when the properties in this area were built. Mr. Giunta stated that he is unsure but his client's house was built in the 1960s and the zoning was changed in October 1970. Mr. Connelly asked if this area was included in SRA intentionally or by mistake. Mr. Giunta said that he could only speculate, but it might be that bigger lots on the east side were expected to provide a better buffer from the highway. That justification works for other parts of the SRA district, but does not make sense for these properties north of Cheney St. Mr. Jacob noted that the Planning Board held a public hearing last year. The Board was receptive to the proposed change. Ms. Fachetti stated that the financial impact seems de minimus. Mr. Reilly stated that he agreed, and that if anything, it could create a positive effect and more tax revenue.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of 2021 Annual Town Meeting Warrant Article 8: Amend Zoning By-law - Map Change Residence B Zoning District. Mr. Reilly seconded the motion. The motion was approved by a roll call vote of 8-0. (Ms. Miller had stepped away.)

#### May Special Town Meeting Warrant Article 12 - Planning Consulting Assistance

Ms. Newman stated that she sent a memorandum in support of this article. The funding is needed for two purposes: to have funds for professional services on an as-needed basis, and to support planned study of certain areas of town to determine what if any action is needed. The funds would support fiscal impact analyses, traffic studies, and regulatory review to understand the effects of a change in zoning. She stated that a third reason that she failed to mention previously was to provide funding to examine affordable housing issues, and determine how to develop policy to reflect the Select Board's goals in that area. Mr. Lunetta stated that the expenses seem day-to-day and should be in the operating budget. Ms. Newman stated that in 2015, she proposed that, but the Finance Committee then suggested that it should be funded in a warrant article to provide flexibility, and to have funds available beyond the fiscal year. She stated that there was an appropriation of \$45K in 2015 that lasted several years. Mr. Reilly asked why outside expertise was needed. Ms. Newman stated that it was for times when a specific technical expertise is needed such as a fiscal impact analysis or a traffic engineer.

Mr. Levy stated that the question he had raised about how long the funds would last was not answered. Ms. Newman stated that this funding would last a few years, and should cover all of the initiatives she has outlined.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of May 2021 Special Town Meeting Warrant Article 12 – Appropriate for Planning Consulting Assistance in the amount of \$60,000. Mr. Coffman seconded the motion.

Discussion: Mr. Healy stated that he is firmly against this article. He believes funding should be appropriated only for an identified project. He does not think that the Committee should accept the Planning Board's vision as sufficient to justify the appropriation. Mr. Levy was concerned that \$60K was appropriated last year and the Committee was told that it would last several years, but it has been used. He feels that it would more sense to appropriate a smaller amount each year. Ms. Miller stated that she was also concerned about the rapid expenditure of the last appropriation.

VOTE: The motion failed in a roll call vote of 4-5, with Mr. Reilly, Mr. Jacob, Ms. Fachetti and Mr. Coffman voting in favor of the motion. The Committee indicated that the vote was a recommendation that Town Meeting not approve the article.

#### May Special Town Meeting Article 9 - Public Facilities Maintenance Program

Ms. Lustig stated that she provided a breakdown of the expected expenditures in this program. Most of the projects are recommendations from the school facilities master plan. Mitchell and Pollard projects have been prioritized in order to gain the most use from the improvements. Mr. Connelly stated that two of the items: the Town Hall clock and the High School cupola are less than 10 years old. He asked if the work is needed due to construction deficiencies, other damage, or missed maintenance. Ms. Lustig stated that they are working with the designer of the Town Hall project and don't yet know why the façade has deteriorated. She stated that maintenance is difficult and expensive because of the location and the difficulty of getting equipment there. She stated that the High School cupola has significant aesthetic deterioration and she would need to defer to the Building Maintenance Director for further information. Mr. Levy asked if the duct cleaning was due to COVID. Ms. Lustig stated that duct cleaning is on a normal 5 year rotating schedule.

Ms. Miller asked why there is a \$262K contingency for urgent repairs. She stated that these funds are not returned if they are not expended, and that there is a Reserve Fund for unexpected repairs. Ms. Lustig stated that this has been in this article historically, but there is a larger list of projects this year. They usually reserve these funds for major HVAC issues, but if not needed, they do projects that are lower priority than the ones listed. Mr. Reilly asked if this is all contracted work. Ms. Lustig stated that this is all contracted maintenance work, and that other maintenance work is done internally by staff. She stated that most of this work goes on from June through just before school returns, so it spans two fiscal years, which is the reason that it is funded in a warrant article. Mr. Healy stated that there should not be multiple reserve funds.

Mr. Connelly stated that going forward, it would be good to have a report of the projects completed to track the program. He stated that there is not enough history, but he is willing to go forward with this article this year. Ms. Lustig stated that she can provide historical information on the work, and can flag what was intended versus additional expenditures each year. Mr. Coffman asked how much is carried over each year. Ms. Lustig stated that there was a small amount left over last time, but it has been expended and there is none now. It was all spent on HVAC to prepare the schools to open in the pandemic. She stated that most money last year was spent on HVAC and not planned projects. Mr. Jacob stated that \$262K is not a significant amount considering the number of buildings worth hundreds of millions of dollars, and feels that for a department that needs to be flexible and act with speed, the amount is not concerning. Mr. Healy stated that any one contingency can be argued to be a small amount, but it all adds up.

Mr. Reilly asked why the amount in this program is increasing from last year. He asked if projects had been put off for COVID. Ms. Lustig stated that was one issue, but also due to release of the school master plan. They have only begun to include projects recommended in the plan. Mr. Reilly recommended that it would be helpful to have a list like the list for the roads program that shows the expenditures that are planned for the next year unless conditions require changes.

MOVED: By Mr. Reilly that the Finance Committee recommend adoption of May 2021 Special Town Meeting Warrant Article 9 – Appropriate for Public Facilities Maintenance Program in the amount of \$1 million. Mr. Coffman seconded the motion. The motion was approved by a vote of 8-1, with Mr. Healy dissenting.

#### May Special Town Meeting Article 23 - Expend State Funds for Public Ways

Ms. Lustig stated that this is a recurring annual article to accept Chapter 90 funds from the state. Last year they designated the funds to be used for downtown road and sidewalk renovations. She stated that the work is being postponed from 2021 to 2022 to avoid disrupting outdoor dining options during the pandemic. Ms. Miller stated that there will be approximately \$1 million of funds available. She asked if they will be reserving the funds. Ms. Lustig stated that they have reserved the funds for several years for the downtown project. She stated that the Town Common renovation project is a separate standalone project limited to the common. This work is not connected and will address roads, signaling, street trees, and markings. Mr. Healy stated that he did not object to collecting and reserving these funds.

MOVED: By Mr. Coffman that the Finance Committee recommend adoption of May 2021 Special Town Meeting Warrant Article 23 - Expend State Funds for Public Ways. Mr. Jacob seconded the motion. The motion was approved by a vote of 9-0.

#### May Special Town Meeting Article 34 – Walker Pond Improvements

Mr. Lunetta asked if this problem will be addressing sediment or pollution. Ms. Lustig stated that it is organic material resulting from a high nutrient load. She stated that it is not contaminated but was caused by phosphorus and nitrogen. It will count as a credit for the NPDES requirements.

MOVED: By Mr. Reilly that the Finance Committee recommend adoption of May 2021 Special Town Meeting Warrant Article 34 – Appropriate for Walker Pond Improvements in the amount of \$125,000. Mr. Lunetta seconded the motion. The motion was approved by a vote of 9-0.

#### May Special Town Meeting Article 35 - General Fund Cash Capital

Ms. Lustig stated that the new Hillside boiler is needed because it is old and cannot be fixed. There are two boilers, and that one will be replaced, and then used for parts. A second one is needed for redundancy. They will find the most efficient oil-based boiler they can. She stated that the Town has not invested in the building because it was going to be taken down. Ms. Miller asked the long term plan for the building, since this is only for design funds. Mr. Coffman stated that the construction funding is an out year. Mr. Connelly stated that the goal should be to purchase and install the boiler, so the design and construction funds should be funded in one

year. Mr. Reilly agreed and suggested that the DPW could find the \$16K to fund the design in its budget, and then seek construction funding in the fall Special Town Meeting. Mr. Davison stated that it has been the tradition in Town to break up design and construction funding for more transparency. It is possible to fund design within the operating budget, but the Finance Committee has preferred not to be surprised that an expense of a couple thousand dollars is coming. Mr. Healy stated that it would be helpful to understand the anticipated long term use of the building.

Mr. Reilly asked about the Ridge Hill demolition. The amount in in the Capital Improvement Plan (CIP) was \$885K and the article shows \$650K. Mr. Davison stated that the higher amount was associated with the amount of uncertainty regarding underground tanks, but some testing has been done and there are fewer tanks than anticipated. Mr. Connelly asked if there is a life/safety reason for taking the building down, since that is typically done only when there is a need to avoid costs relating to capping, etc. Mr. Davison stated that the reason is primarily because it is a public nuisance and people sometimes get inside, which is a potential life/safety issue. Mr. Levy stated that it should not be taken down without a plan what to do next. Mr. Reilly suggested that access could be boarded up. Mr. Davison stated that they have checks and patrols, but the area is off the beaten path, and the insurance company has mentioned it in its risk assessment.

Ms. Miller stated that the description of the energy efficiency work should be more flexible since it is not clear that operations will be the same after COVID, and since the governor signed new climate legislation. Ms. Lustig stated that the work is retro-commissioning all HVAC systems. In response to a question from Mr. Coffman, Ms. Lustig stated that the RTS funding would address stormwater drainage and road issues at the RTS and the road to the salt

Mr. Jacob asked how many permanent message boards the Town planned to obtain and where they would be located. Mr. Lustig stated that this would provide funding for one permanent message board at the RTS. They plan to purchase 4-5 permanent message boards to place at entrance points to the Town. She stated that the Town also owns a portable message board that can be moved depending on the location needed. Mr. Healy, Mr. Connelly, and Ms. Miller commented that the temporary message boards are unattractive and could be unsafe for drivers.

The Committee agreed that more information was needed about the Ridge Hill work and the School items in this article.

#### May Special Town Meeting Article 36 - Public Works Infrastructure

Ms. Lustig stated that this annual article will fund multiple projects relating to roads and sidewalks. She described a number of roads and intersections that will be worked on. She stated that brooks and culverts will be evaluated for maintenance needs since they have fallen behind. The department needs to create a plan to determine the work and funding needed. Ms. Miller asked if they have expended the previously appropriated funds. Ms. Lustig stated that there was no funding requested for FY21 because of the pandemic, and that there is no funding left from FY19, and a very small amount from FY20 being used up.

**MOVED:** By Mr. Reilly that the Finance Committee recommend adoption of May 2021 Special Town Meeting Warrant Article 36 – Appropriate for Public Works

Infrastructure in the amount of \$2,639,000. Ms. Miller seconded the motion. The motion was approved by a vote of 9-0.

#### May Special Town Meeting Article 38 - Sewer Enterprise Fund Cash Capital

Mr. Davison stated that this will replace one item in the fleet, the large dump truck used in the Sewer Division. Three vehicles were scheduled to be replaced, but replacing all of them was not affordable. This was the highest priority. It will be funded with cash from the Sewer Enterprise Fund.

MOVED: By Mr. Lunetta that the Finance Committee recommend adoption of May 2021 Special Town Meeting Warrant Article 38 – Appropriate for Sewer Enterprise Fund Cash Capital in the amount of \$332,531. Mr. Reilly seconded the motion. The motion was approved by a vote of 9-0.

#### May Special Town Meeting Article 39 - Sewer Main Replacement

Ms. Lustig stated that this will fund the design work for removal of a sewage blockage. Ms. Miller asked if they would be using MWRA funds, since there is a sunset to the funding program. Mr. Davison stated that the reason this article is debt is so that the Town can access those funds. If so, they will be financed at 0% interest. He stated that this will lead to a \$2 million appropriation request next year. Ms. Lustig stated that is a worst case scenario, and it will be lower if the sewer main can be re-lined rather than replaced.

MOVED: By Ms. Miller that the Finance Committee recommend adoption of May 2021 Special Town Meeting Warrant Article 39 – Appropriate for Sewer Main Replacement in the amount of \$363,000. Mr. Reilly seconded the motion. The motion was approved by a vote of 9-0.

#### May Special Town Meeting Article 40 - Water Enterprise Fund Cash Capital

Ms. Lustig stated that this appropriation will fund the construction to replace the water main that is currently under Rosemary Lake. Mr. Lunetta asked why the pipes were not removed when the lake was last drained. Ms. Lustig stated that the pipes are being replaced and relocated, and the current pipes will be not be removed from under the lake. The funding will also fund the design for a later main project on South Street. Ms. Lustig stated that the construction cost is estimated to be \$2.9 million. Mr. Davison stated that the article would also fund the replacement of three vehicles in the Water Division fleet. All of them are currently out of services and need replacement.

MOVED: By Mr. Lunetta that the Finance Committee recommend adoption of May 2021 Special Town Meeting Warrant Article 40 – Appropriate for Water Enterprise Fund Cash Capital in the amount of \$1,016,634. Mr. Levy seconded the motion. The motion was approved by a vote of 9-0.

#### May Special Town Meeting Article 41 - Water Service Connections

Ms. Lustig stated that this is to replace remaining lead service connections. They had originally requested a smaller annual amount four years ago but the Finance Committee had suggested

funding it all together. That initial funding lasted about 3 years. Mr. Davison stated that funding this through borrowing may allow for access to grants or low interest loans before the program sunsets. Mr. Coffman asked if the having the bigger authorization changed how the work is done or when the money is spent. Ms. Lustig stated that there is only so much work and that it would not affect what is done or when. Mr. Reilly stated that it makes sense to fund it all at once in case the funding allowance program goes away. Mr. Davison stated that this is for \$1 million, based on a 5-year plan, but there could ultimately be millions of dollars of work.

MOVED: By Mr. Reilly that the Finance Committee recommend adoption of May 2021 Special Town Meeting Warrant Article 41 – Appropriate for Water Service Connections in the amount of \$1,000,000. Mr. Lunetta seconded the motion. The motion was approved by a vote of 9-0.

### **Updates:**

Ms. Fachetti stated that there was meeting with the school liaisons. They told Dr. Gutekanst that the decision on Emery Grover cannot be isolated from the rest of the capital projects. The most important next step will be to look at the facility financing plan which is expected in late April. Mr. Connelly stated that there was some pushback about the fact that EG has been studied many times. He stated that the Finance Committee liaisons said that they need to look at everything comprehensively and also to consider what the post-COVID environment will look like. He stated that Dr. Gutekanst urged the Committee not to vote on the article for two weeks while they work on this. Mr. Coffman stated that Dr. Gutekanst understood that it will take time to understand how this project fits into the capital plan. Mr. Lunetta stated that the rental cost information that was provided seemed very high compared to Boston rates, citing his own work experience. He stated that they need to consider options beyond the EG building. Mr. Coffman stated that they cannot stay in that building in the current condition for any meaningful amount of time.

Mr. Connelly asked if there was any news on the proposed parcel acquisition. Ms. Fachetti stated that the Town Manager had stated at the Select Board meeting that there was no agreement with the property owner.

### **Adjournment**

MOVED: By Mr. Healy that the Finance Committee meeting be adjourned, there being no further business. Mr. Jacob seconded the motion. The motion was approved by a unanimous roll call vote of 9-0 at approximately 9:48 p.m.

Documents: Town of Needham Capital Improvement Plan FY 2022 – FY 2026 (December 2020); Town of Needham 2021 Annual Town Meeting Warrant (3-19-2021 draft); Town of Needham May 2021 Special Town Meeting Warrant (3-19-2021 draft); Memo from Planning Director Lee Newman to Finance Committee Chair Carol Smith-Fachetti re: Planning Consulting Assistance (March 29, 2021); Facilities Maintenance Warrant Article FY22 Breakdown

Respectfully submitted,

Louise Mizgerd  
Staff Analyst



*Approved April 7, 2021*