

**Needham Finance Committee
Minutes of Meeting of August 18, 2021**

The meeting of the Finance Committee was called to order by Chair Joshua Levy at approximately 6:00 pm via Zoom Video conference:
<https://us02web.zoom.us/j/82969485226?pwd=NHhkRGUwTXk2MmFLd3RPZkhFSXM4UT09>

Present from the Finance Committee:

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

Others:

David Davison, Assistant Town Manager/Finance Director
Dan Gutekanst, Superintendent of Schools
Anne Gulati, Assistant Superintendent for Finance and Operations
Hank Haff, Senior Project Manager
Stuart Chandler, Chair, Permanent Public Building Committee
Steve Popper, Director, Public Facilities Construction

Citizen Requests to Address the Finance Committee

No requests.

Approval of Minutes of Prior Meetings

MOVED: By Mr. Connelly that the minutes of the meetings of executive sessions of December 1 and 9, 2020 and March 17, 2021, and of the open session on June 23, 2021 be approved as distributed, subject to technical corrections. Mr. Reilly seconded the motion. Mr. Levy noted that the executive session minutes pertained to a potential property purchase. The motion was approved by a roll call vote of 8-0-1, with Mr. Healy abstaining.

Reserve Fund Transfer Request

Mr. Levy stated that on August 3, the School Department, working with the PPBC, requested \$75,000 to be transferred from the Reserve Fund to the School Department to fund an extension of the School Master Plan. The funds would be added to \$25,000 that is left from previous appropriations which would provide \$100K. Dore & Whittier prepared a memo indicating that they would need \$60K for the anticipated work, and recommended \$15K for possible additional questions.

Dr. Gutekanst stated that in light of the additional facility planning information, a review of the timeline for the proposed projects at Mitchell and Pollard schools is appropriate. The School Committee's voted plan constitutes an enormous "lift" for the Town financially, so it would make sense for the master plan designers to look at elongating the timeline and also to determine the additional work needed to keep the school buildings functioning in the meantime. He stated that \$25K is left from the original appropriations. Dore & Whittier has explained what they would do with the additional funds. Mr. Levy asked why they are asking for \$75K additional

when they already have \$25K and the cost of the additional work is \$60K + \$15K for a total of \$75K. Mr. Popper stated that there was no specificity of the scope when he came up with the number so, given the variability, they felt that 500 hours was a reasonable amount. He stated that there is \$25K left from the original appropriations (which totaled \$190K) but he would suggest having the additional \$25K on reserve to address any additional needs. Mr. Haff noted that the scope of the work is not yet known, and that the additional \$15K that Dore and Whittier indicated is expected to be used for cost estimating. Dore & Whittier plans to treat the \$60K as a number not to be exceeded. He stated that the Facility Financing Working Group (FFWG) has also discussed wanting to look at Emery Grover or DPW, but the master plan addresses only schools.

Ms. Miller suggested that this request should be made through Town Meeting warrant article rather than a transfer from the Reserve Fund. Mr. Levy stated that the FFWG discussed the fact that the School Master Plan scenarios C and D both required the Town to exceed the debt limits over several years and felt it was important to find scenarios that would have less financial impact. Dr. Gutekanst stated that the FFWG suggested that it would be better to get the information sooner rather than later. Mr. Healy stated that the Finance Director created the facility financing plan which was approved by the Select Board, and noted that that additional funds are being requested for the opinion of an outside vendor because people do not like the way the current capital plan works out. He wanted to make clear that by requesting advice from an outside vendor, the Select Board or Finance Committee and others are not delegating the decision. Mr. Connelly agreed with Mr. Healy's point, and also stated that he was inclined to agree with Ms. Miller's suggestion that this request should have been a warrant article. He also commented that he did not yet understand why the request is for \$75K instead of \$50K. Mr. Haff stated that the request is for a Reserve Fund Transfer in order to expedite the process. He noted that it will be an iterative process involving Mr. Davison and the FFWG, and that it could take time.

Mr. Reilly stated that he does not see that the request seems to be an emergency or time sensitive. Dr. Gutekanst expressed frustration at being potentially told to further delay this work and stated that Finance Committee members have said if funds were needed, to ask for a Reserve Fund transfer. He requested that the Committee support this request at this time, even if the Committee supports only \$50K. Ms. Gulati stated that part of the immediacy is because some of the iterations will require work from the Finance Director, who has much other work.

Ms. Miller stated that she cannot vote in favor of this request because she does not feel comfortable funding a study this way. The request should be made to Town Meeting. She feels it does not meet the purposes that the Reserve Fund is intended for. Mr. Levy stated that it is important for the additional work to help reach a solution and not just be gathering additional information. Dr. Gutekanst stated that the goal of the School Committee is to upgrade Pollard and reconstruct Mitchell and this should help find the path toward that goal. They hope to engage with the MSBA if the MSBA opens a window in the winter. Mr. Coffman stated that he is concerned about the impact of Option D on the debt limits, and hopes that this will help them to find a way to mitigate that. He understands the arguments about the process, but he does not want this to get hung up on that.

Ms. Fachetti stated that she would be supportive of the funds transfer if the study will include the effects of shifting enrollment and the effects on the facilities planning. She stated that she also would support reducing the transfer to \$75K since Dore and Whittier indicated that they need

\$60K. She noted that the FFWG has been unable to find a way to move forward because of the amount of money needed for the current plan and the effect on taxpayers. Mr. Lunetta stated that he hopes that the additional funds would be money well spent and will provide the information needed to move forward. Dr. Gutekanst stated that he does not feel that the Town is at a dead end, and that this additional effort is needed to keep moving.

Mr. Reilly stated that he does not think that there is a dispute whether these funds are needed for the purpose discussed. He stated that he is concerned that a negative vote on the request would appear as if the Committee did not support the need for the additional study. He stated that he does not agree with the process, but feels the Committee should support the request. Mr. Connelly asked if any of the funds would be used to look at Emery Grover. The request indicates that fund would be used to further study Pollard and Mitchell, and consider debt limits and enrollment. Ms. Gulati stated that Dore and Whittier are focused on school teaching buildings. She noted that the debt service analysis included the costs of the Emery Grover project. Mr. Connelly stated that he had suggested a Reserve Fund transfer for possibly funding further study with the thought that it would speed up the process, but was concerned that this additional study may take up to 6 months. He would be more comfortable with a Reserve Fund transfer if it would produce more immediate results. Ms. Fachetti stated it is important that the study is excellent and will solve the problem, and not simply be a rapid study. Mr. Healy noted that the debt financing recommendations should come from the Finance Director not Dore and Whittier. Ms. Miller stated that she would like to put a motion on the table, though she would not support it.

MOVED: By Ms. Miller that the Finance Committee approve of the request for a Reserve Fund transfer to the School Department in the amount of \$50,000. Mr. Connelly seconded the motion.

DICUSSION: Mr. Connelly stated that he would vote in favor of the motion. Mr. Healy stated that there clearly are substantial funds in the School Department budget, and he wanted to recognize that oddity.

VOTE: The motion passed by a vote of 8-1 with Ms. Miller dissenting.

Emery Grover Building

Mr. Levy stated that the Finance Committee has discussed that the needs at Pollard and Mitchell should take priority over Emery Grover, and noted that there is an article in the draft warrant to fund design for renovation of the Emery Grover building. He raised the question of whether the Finance Committee wanted to make its opinions known at this point. Mr. Connelly stated that School Administration should move to Hillside for at least 5 years, whatever the ultimate plan is. He stated that there is no disagreement that School Administration should be moved out of the current Emery Grover building as soon as possible, but there is disagreement about whether the current plan at Emery Grover is the correct project, and if so, whether it is correct to do it first. He stated that an RFP is being put out for leasing options for School Administration, and that he would like to see those options. He is not sure that a 4-story building on the same site is warranted. He would like to fund design and construction that would move School Administration to Hillside as soon as possible. Mr. Lunetta agreed that staff should be moved out of Emery Grover, and that Hillside should be made ready. He does not support funding for design or renovation of Emery Grover which would be another single-source building. He feels

the project is extremely expensive for an office building. He feels that the funding should go to make Hillside ready for School Administration.

Mr. Coffman stated that he is frustrated that there has been no re-thinking of how the Schools do business and not enough consideration of what alternatives could look like, particularly whether they could use less space. He would support using funds to make Hillside ready as soon as possible. Dr. Barr stated that School Administration is willing to look at what is needed, but noted that many offices are public facing, and so their needs are different than just office space.

Mr. Levy agreed that people need to be moved out of Emery Grover, but did not agree that Emery Grover should be prioritized over Pollard and Mitchell. Mr. Reilly requested information showing which School Administration functions are public-facing, and how many people work at each of the different functions. Mr. Jacob stated that the Town should start work on Pollard and Mitchell and take more time to consider School Administration's needs. He stated that we do not know how an office will look in the future. He would agree with a warrant article that focuses on Hillside and puts aside Emery Grover for now.

Mr. Levy stated that the Committee has voiced a strong desire to get School Administration out of Emery Grover and go full steam ahead on moving them to Hillside. He raised the issue of whether the Finance Committee should sponsor a warrant article. Ms. Miller stated that she would not be comfortable with the Finance Committee bringing an article to Town Meeting, and hoped that something could be worked out with the Select Board and the School Committee.

Dr. Gutekanst stated that they are actively pursuing additional leasing information. He stated that the pandemic has changed the world for many businesses but not for town government or schools. He stated that they need to have staff on site to interact with teachers, students, staff, and the public, but did acknowledge that it may be possible to scale back on the footprint of Emery Grover. He stated that they are looking at what is really needed for instructional technology. The schools have been holding back on some spending, and hope to bring a consultant on board to look at the future of work. They want to build a building for the future. He stated that Hillside could be good temporarily but he would not recommend being there for the long term. He noted that the current draft warrant article has not been reviewed by the School Committee, but noted that the Schools did tell Town Meeting they would be back in the fall with a request for design funds, but there is more work ahead for a School Administration building.

Mr. Haff stated that preliminary discussions with the Building Commissioner suggest that he would allow Hillside to be used for School Administration, but not as a school. If the building will be occupied for 5 more years, significant upgrades will be needed including adding elevators and upgrading the heating system. To determine the cost, they would have to use the 2013 Dore and Whittier analysis and escalate it. He noted that there is also an environmental issue at the site.

Mr. Healy stated that Hillside may not be the answer. He does not agree with Dr. Gutekanst about the amount of work that can be done remotely. He works at UMass Medical School and that there are a substantial number of people are able to work remotely. He is frustrated that the Select Board is putting this article in the warrant and expecting the Finance Committee to jump quickly. He added that the Finance Committee should sponsor a warrant article only in limited circumstances. Mr. Levy stated that he did not intend to discuss the merits of the current warrant

article, but to raise the issue of whether Emery Grover should take priority over Pollard and Mitchell. Mr. Healy stated that the school buildings should be addressed first. Mr. Connelly agreed and added that Hillside has been used for children until recently, and then for Police and Fire personnel. It could be used safely for 3-5 years while the Town sorts out the process for the projects at Pollard and Mitchell and makes a long term decision for School Administration. Mr. Lunetta stated that he would like to remove any obstacles and to make Hillside work for School Administration, and would prioritize the school buildings before Emery Grover.

Updates:

There were no further updates.

Adjournment

MOVED: By Mr. Healy that the Finance Committee meeting be adjourned, there being no further business. Mr. Lunetta seconded the motion. The motion was approved by a unanimous roll call vote of 9-0 at approximately 7:23 p.m.

Documents: Request for Reserve Fund Transfer dated 8/3/2021; Memo to Steve Popper, Director Building Design and Construction from Donald Walter of Dore & Whittier re: Needham School Master Plan Extension, dated August 12, 2021; 8-13-21 Draft of Special Town Meeting Warrant for October 25, 2021.

Respectfully submitted,

Louise Mizgerd
Staff Analyst