

**Needham Finance Committee
Minutes of Meeting of December 15, 2021**

The meeting of the Finance Committee was called to order by Chair Joshua Levy at approximately 7:00 pm in the Great Plain Room at the Needham Town Hall and also available via Zoom videoconference.

Present from the Finance Committee:

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

Others present:

David Davison, Assistant Town Manager/Finance Director
Evelyn Poness, Town Treasurer/Collector
Michelle Vaillancourt, Town Accountant
Roger MacDonald, Director of Management Information Systems
Stacey Mulroy, Director, Park and Recreation Department
Kristen Wright, Administrative Specialist
Cynthia J. Chaston, Chair, Park & Recreation Commission

Citizen Requests to Address the Finance Committee

No requests.

Approval of Minutes of Prior Meetings

MOVED: By Mr. Coffman that the minutes of the meeting of December 8, 2021 be approved as distributed, subject to technical corrections. Mr. Lunetta seconded the motion. The motion was approved by a unanimous roll call vote of 7-0-1 (Mr. Healy abstained as he was not able to attend that meeting, and Mr. Connelly had not arrived.)

FY 2023 Department Budget Requests

Finance Department

Mr. Healy introduced the budget. He stated that the budget is essentially level funded for the same services. There is an increase of 1.3% to fund step increases and contractual obligations. About half of the staff are union. There are no increases in the budget request for non-represented employees. Funds are included to cover same in Townwide Expenses if managers recommend increases. He noted that Ms. Miller last year had commented that management and senior leaders had worked harder than ever through the pandemic, and he agreed with Ms. Miller and suggested that they should receive salary increases for this budget submission. Mr. Healy stated that \$45K that was in last year's budget to pay for the 2nd year of a consultant, and that person's work has concluded so this amount is not included this year. There is an increase for independent auditor fees since there are new federal requirements for to conduct and produce a "single audit report." Fees for a third-party collector are also increasing. The capital request is the same as last year, and these funds will be used to replace approximately 20% of the Town's

computers and laptops. He noted that the departmental turnback last year was 2.9%, which matches Mr. Davison's previous comment that 3% turnback is typical and a sign of a sound budget.

Mr. Healy stated that the Department's DSR4 requests are each important and helpful. There is a request for an Applications Administrator in IT which will be able to support the Treasurer with the new revenue package. Currently, only one person can do this work, and the new position will provide some redundancy. This is a critical need, and will also help with other departments outside of the Treasurer's office and IT. There is also a DSR4 request for a student Intern. This position will work approximately May through August and is beneficial for the student and the Town. He feels that the position is more valuable than the cost.

Mr. Davison stated that the budget is \$45K less than last year, since those funds were for 2 years of consulting for IT security upgrades. If that amount had been included this year, the total increase would have been 2.6%. There were two DSR4 requests for costs above and beyond the current services: the Applications Assistant in IT which is very critical and an Intern in Accounting. Ms. Miller stated that last year there was a 0% increase for non-represented employees and asked whether he knew if that was envisioned again. Mr. Davison stated that he did not know if managers are on the same schedule as other non-represented employees. He expects increases of 1%. He stated that he has not heard that managers who are eligible would not be considered for a merit increase in FY23. Ms. Miller stated that it is hard to find qualified Finance employees in municipal government. She pointed out that the Director of Assessing position has been open for quite a while. She thinks the Town should carefully consider managers' compensation.

Ms. Miller stated that she is also concerned about succession planning in the department. Mr. Davison responded that Human Resources is involved in succession planning, as much as that is possible in the public sector, by encouraging people to advance their knowledge through continuing education. They do consider training when recruiting for new positions. He agreed that they have had a difficult time filling the Assessor position since it can be hard to keep people available throughout the hiring process. One promising candidate withdrew.

Ms. Vaillancourt stated that she cross trains the staff in her department to do each other's work, including the payroll and accounts payable and business analyst functions. The Assistant Town Accountant can also fill in for payroll and accounting. Ms. Poness stated that she does not have full staff right now, but typically, they are all cross-trained as well and can do each other's jobs. Her office is currently down two full-time staff, and the person in IT that helped them run reports and cut checks is retiring, but they are getting help from Accounting. Everyone is pitching in. Mr. MacDonald stated that in his department, several people can do all of the basic functions. However, the Town has a complicated network, and data center and communications functions cannot be handled by a desktop support person. One person is supporting public safety IT needs, and that person would be very difficult to replace.

Mr. Reilly asked where they are in their procurement process for the new billing system. Mr. Davison stated that they have received proposals for the billing and collection software, and have had product presentations. They have narrowed the group from 4 to 3. There will have interviews for proposals and hope to have made the choice by March 2022. They will look at the timeline and phasing in the modules. He had said at the start that he thought from the start that the process would take about 18 months until the contract is executed, and they are still on track.

He stated that they hope to issue the water/sewer and motor vehicle excise taxes through the new system on July 1, 2022. They probably will not be able to issue property tax bills through the new system until July 1, 2023.

Mr. Healy noted Ms. Pones's hard work, dedication and loyalty over many years for the Town's great benefit. He also noted that interest rates dropped quickly when the pandemic hit and Ms. Pones put funds into CDs, when the Town would have lost money by leaving them in money market accounts.

Technology Capital

Mr. MacDonald stated that there are no changes from prior year's submissions for FY23. He stated that this year is the GIS system update. In FY23, they will still need funds for the public safety mobile equipment that are in the cars. It should be the last time this will be in the capital plan request. The equipment is not lasting five years, but rather 3-4 years, so it does not meet the Town's definition of capital. Thus this equipment will be in the operating budget. He stated that police equipment is used 24/7. Public safety is also increasing its use of mobile devices.

Mr. Levy asked if the IT department is involved in public safety communications. Mr. MacDonald stated that they are heavily involved. They support the department and have overseen the technology in the new building. It has taken him away from other projects. Mr. Lunetta asked who counsels public safety on data collection. Mr. MacDonald stated that there is a lieutenant who is involved with data collection, and there is also a hired consultant. Mr. Lunetta asked how old the dispatch application is. Mr. MacDonald stated that about 8 years ago they upgraded to the CAD system and moved all the old data over. Mr. Reilly asked if they have considered leasing versus buying equipment in light of the changes in this area. Mr. MacDonald stated that they do not think that leasing would be a benefit. Many leases are "all or nothing" and will not allow for smaller changes that the Town makes, and would cost essentially the same. They try to swap out equipment where possible. He stated that they use \$50K per year, which will change out the computers in one building. He thinks that everything will continue toward cloud-based use, so eventually computers will act more as portals. Mr. Reilly stated that he feels that he needs more information to be comfortable making a decision on this expense.

Mr. Levy asked if IT is involved in the communication towers. Mr. MacDonald stated that they are not involved with the maintenance of the tower itself, but the communications are essentially all part of the technology. Mr. Levy asked if there has been any discussion of more integration with the technology in schools. Mr. MacDonald stated that they are not considering that at this time. Mr. Davison stated that the business side of the school technology needs are under the Finance Department, but the education side, including teacher and student technology, is not part of the town-side IT Department. Mr. MacDonald stated that the schools have separate infrastructure. Two people in the School Department manage the servers and switches. On the town side, there are 15 buildings, 10-11 of which have people in them, but on the school side, there are fewer buildings but with many more peoples.

Mr. Lunetta asked if they are involved with the new applicant tracking software. Mr. MacDonald stated that they have helped HR with it. They had staff involved in the selection process, and will support it, but the software is ultimately the HR department's responsibility.

Working Group Update: Housing Plan Working Group

Ms. Fachetti stated that the working group has held two meetings. They are planning a survey of residents, which would update a survey done in 2007. The first draft they created was too technical and detailed, so they will likely change the strategy and create a new survey with a broader view. The current plan is to hold a public meeting to educate residents about the planned initiatives and what might be available, as well as what other towns are doing and then to distribute the survey. After that there will be a public hearing and a final plan. Ms. Fachetti stated that the Town has a good amount of affordable housing, but it needs to reinvest in it. Mr. Levy asked the desired outcome of the process. Ms. Fachetti stated that at this point it seems to differ among all the members of the group. The goal is to end up with one affordable housing plan that is endorsed by all, though she is not sure if that is possible. Mr. Levy stated that they will need a measurable goal to be able to know if they are succeeding. Ms. Fachetti stated that they first need to assess what they have and then make a plan to upgrade and preserve it. Mr. Healy stated that the Chambers St. housing needs reconstruction, since Yurick St. has already been rebuilt and that this would be a sound and very worthy goal of a new Housing Plan. The focus should be to make the accommodations better for the people already living here. Ms. Fachetti stated that that is the direction the Select Board is moving.

Park and Recreation

Mr. Jacob introduced the budget. He stated that the department base budget request is up 3.9% with salaries up \$46K or 3.1% and expenses up \$16K or 7.3%. Pool chemicals increased significantly and CO2 is also increasing. There are also funds for playground repairs following a playground assessment. Most are for ADA compliance. The costs for portable restrooms are increasing, offset by favorable contracts for restroom cleaning and for opening and closing the pool. There are two DSR4 requests: (1) \$138K for Outdoor Facilities Specialist for approximately 70 hours of work per week to proactively address issues at the fields including trash and vandalism and permitting violations; and (2) \$34K for six program staff of 5 counsellors and one supervisor to increase camp capacity which will cost \$570 and bring in as much as \$2K of additional revenue per week. Ms. Mulroy stated that the work following the playground assessment will be done in-house. She stated that the portable restrooms are used more since they are now used the whole season and used to be only used for special events or when buildings were closed for the season.

Mr. Levy asked about pool attendance and the length of the season. Ms. Mulroy stated that the average was 80-95% of capacity. Because of staffing limitations, they used a time slot system. She stated that they opened on June 7 for weekends, while high school students were still in school, and then full time for the last week of June. At the end of August, they shortened the hours based on staffing. They would limit capacity when there was less staff. The major causes of staffing problems are the general staffing shortage combined with competition from others who hire the same age group, and the increasing minimum wage. Mr. Lunetta asked if revenue has been affected. Ms. Mulroy stated that they rolled previously purchased passes to the next year due to Covid so there was less revenue. The membership numbers look good, but they are concerned with staffing levels. There will be higher costs with the new schedule C wage table, and increases for returning staff, which are worked into the budget. She stated that about 40% of staff returned in 2021, but it is too early to know about 2022. Mr. Reilly asked for data on past revenue. Mr. Connelly also asked for the costs of pool startup and shutdown. Ms. Mulroy stated that they have a 3-year contract with the vendor for startup, shutdown, and on-call services, and that there are also costs for DPW assistance.

Ms. Miller asked whether the additional costs in playground maintenance will be needed annually or if it is catch-up work. Ms. Mulroy stated that this request is for annual maintenance, and that there would be substantial costs to try to catch up. Ms. Miller asked what the expected timing is to get up to date. Ms. Mulroy stated that they are planning a staggered approach using CPA funding. If the Outdoor Specialist funding is approved, that work will include preventative and not just reactive maintenance. Mr. Healy asked if there is a playground maintenance/replacement plan. Ms. Mulroy stated that she has a plan, but that it would be very expensive to do it quickly. There are 17 playgrounds, each with a 20-25 year life span, and she plans to upgrade one every other year. Mr. Healy stated that any repetitive costs should be included in the budget. He stated that they should consider requesting use of funds from the Athletic Facilities Fund. Ms. Mulroy stated that has not been done before. Ms. Miller stated that she thinks the timeframe to get playgrounds updated should be shortened. Mr. Lunetta noted that the Town has significant reserves that should be accessed where needed. Ms. Chaston stated that it has been difficult to get funding. Ms. Mulroy stated that the ultimate goal is to get as many playgrounds ADA accessible as possible. The Town currently has 2 ADA compliant playgrounds, but they are at schools and not available to the public during school hours. Mr. Healy suggested that one immediate goal should be to make one of the non-public school playgrounds ADA accessible so that residents could use same during the school day. Mr. Lunetta stated that he would like to see the playground assessment on the website.

Mr. Lunetta asked what the role of the Outdoor Facilities workers would be. Ms. Mulroy stated that there would be two people who function like park rangers. Park and Rec has many facilities, but no one working in the field. All full-time staff are in buildings or at the pool in season. The Outdoor Facilities staff will check other facilities including fields, buildings, restrooms and playgrounds, and also check permits of people using fields for businesses such as boot camps. She stated that this person can address trash at fields, clean restrooms as needed, and have a presence to help stop vandalism. She stated that there are about 37 facilities. Mr. Lunetta stated that there are many departments that have staff that should be responsible for these functions. Ms. Chaston stated that they have tried for years to get help from other departments such as the schools and police, but this isn't covered. Mr. Healy stated that these workers/rangers cannot be everywhere, but could have some presence and make a difference. Mr. Connelly questioned whether there would be work to do in the winter, and suggested that it might make sense to start with one person. Ms. Chaston stated that the biggest need is for events after early release at schools, or evening events. Mr. Jacob stated that he had the same question, and suggested that it would be helpful to see a schedule with an explanation of what the positions would accomplish, since \$200K including benefits is a big ask. Mr. Coffman stated that this could be allocated across a few departments since the work will benefit different departments. Mr. Connelly stated that it is also important to consider whether the position will require a vehicle.

Ms. Fachetti asked if additional trash barrels would help with the underlying issue. Ms. Mulroy stated that they have tried adding trash barrels and picking up more often. She stated that they are going to try a pilot with many trash barrels at one field, and another where they take them away altogether and have carry-in/carry-out only to see what happens. In Natick, they found the carry-in/carry-out produced less trash.

Ms. Mulroy stated that the DSR4 request for additional summer staffing would allow for a new program for 50-70 kids, and hopefully bring in at least double the amount in revenue as the cost.

They Town would only pay the cost if she can get enough staff to run the program. If not, they would not run the program.

Updates

Mr. Levy stated that the School Master Plan extension report is expected in January. The School Department will then seek public opinion. Mr. Healy stated that there needs to be a financing plan that is consistent with the Town's debt policies. He is concerned that they will drag their feet about making the financing public and that it might be completed after the Master Plan is completed, when the two documents should be hand-in-hand. Ms. Fachetti stated that the Finance Committee could do a better job telling the debt management story, and that it may be helpful to have a dashboard on the website. Ms. Miller stated that information could be downloaded from the state DLS website. Mr. Healy suggested that the Committee make a report under Article 2 of the Annual Town Meeting warrant to explain the story. Mr. Reilly stated that it would be helpful to have comparative information relative to other towns.

Ms. Miller stated that it will be helpful if the Finance Committee can weigh in on the School Master Plan report before it is finalized, otherwise it become adversarial. Mr. Healy stated that the Finance Committee has the right to ask Mr. Davison for a financial plan based on the data. Ms. Miller stated that it could be helpful to take their assumptions and make a ballpark model that can be refined later. Mr. Connelly stated that he anticipates they will inform the Committee after they release the information and not ask for refinement beforehand. Mr. Levy stated that they are looking at programmatic needs and stretching out the timeline both to address the debt payments and also to see if it is possible for additional MSBA funding.

Adjournment

MOVED: By Mr. Healy that the Finance Committee meeting be adjourned, there being no further business. Mr. Reilly seconded the motion. The motion was approved by a roll call vote of 9-0 at approximately 8:40 p.m.

Documents: Town of Needham, FY 2023 Department Budget Requests, submitted December 2021.

Respectfully submitted,
Louise Mizgerd
Staff Analyst

Approved January 5, 2021