

**Needham Finance Committee
Minutes of Meeting of March 30, 2022**

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 Needham Town Hall. The meeting was a hybrid meeting, also made available through Zoom video conference.

Present from the Finance Committee:

Joshua Levy, Chair

Members: Barry Coffman, Carol Fachetti, James Healy, Rick Lunetta, Louise Miller, Richard Reilly

Others present:

Kate Fitzpatrick, Town Manager

David Davison, Assistant Town Manager/Finance Director

Cecelia Simchak, Director of Finance and Administration/Public Services

Rhain Hoyland, Highway Superintendent

Kim Hewitt, Director, Needham Public Library

Citizen Requests to Address the Finance Committee

No requests.

Approval of Minutes of Prior Meetings

MOVED: By Mr. Reilly that the minutes of the meeting of March 23, 2022, be approved as distributed, subject to technical corrections. Mr. Lunetta seconded the motion. The motion was approved by a unanimous roll call vote of 6-0-1. (Mr. Coffman abstained.)

Annual Town Meeting Warrant Articles

Article 7: RTS Service Study

Ms. Fitzpatrick stated that this study meets one of the Select Board's goals, which is to conduct a study of the RTS' service delivery model. It has been 30 years since the last analysis of curbside pickup versus self drop-off. The RTS needs significant upgrades if it is to remain a drop-off site, so the Town does not want to make that investment without studying the service model. Ms. Miller stated that it would be a good idea to have a Finance Committee member on the committee overseeing the study. Mr. Reilly asked whether the Town would own the trucks for a curbside pickup model or if the service would be contracted. Ms. Fitzpatrick stated that that question would be part of the study. She stated that the goal is not necessarily to move toward curbside pickup. Mr. Reilly stated that it is important that the Town understand the potential costs. Mr. Healy voiced support for the study and stated that it is a good exercise to study what the best model would be. Ms. Miller stated that the appropriation uses one-time funds from overlay surplus.

MOVED: By Mr. Healy that the Finance Committee recommend adoption of Annual Town Meeting Article 7: RTS Service Study in the amount of \$50,000 from Overlay

Surplus. Mr. Reilly seconded the motion. The motion was approved by a vote of 7-0.

Article 26: General Fund Cash Capital (see also p. 5)

Ms. Simchak stated that the line for Big Belly Trash Receptacles would add them in more remote and less public locations than the original ones purchased by the Town. These receptacle have been very successful. They hold more trash and are less accessible by animals, less trash is found blowing around, and they alert the DPW when they are full. She stated that the next line in this article requests funding to install a new generator at the Center at the Heights which is a designated shelter and warming space. The current generator there is temporary and portable and will be moved to the Library. It is not appropriate for a shelter the size of the CATH. The new one will be more powerful and can run automatically. Mr. Healy stated that generators are currently in demand and there may be a premium cost at the present time. He asked if there is an immediate need. Ms. Simchak stated that the current request is for design funds, and the request for the purchase and construction will come next year. Ms. Miller stated that there are grants for generators. Ms. Simchak that they have looked into grants and been told that they are not eligible, but they are looking further. In response to a question from Mr. Levy, she stated that the construction costs will be in the ballpark of \$180K.

Ms. Simchak stated that this article also includes a request for funds to replace rooftop units at Broadmeadow and Eliot Schools. The current units are increasingly ineffective and inefficient and require the use of a refrigerant which is becoming difficult to obtain because its production has been banned by the EPA. They will do an assessment to figure out the best way to move forward. They plan to ask for construction funds next year and put the project out to bid for construction in summer of 2024. Ms. Miller stated that the \$800K+ cost seems very expensive since it could cover 4,000 hours or two people working full time for a year at time at \$200 per hour. Ms. Simchak stated that they are working with a re-commissioning consultant. She stated that it is costly, but they need to make sure to make the right decision. She stated that the cost will be split between the work at the two schools. Mr. Reilly requested that they provide the documentation of what would be done for the \$800K.

Ms. Simchak stated that another item is for funding for improvements at the RTS. This would design emergency repairs to the tipping pit to make sure it stays structurally safe. They will seek construction funds next year. This is a smaller project; the project to renovate the RTS is separate. In response to a question from Mr. Healy, Ms. Simchak confirmed that these funds were for emergency repairs and that repairs that are not immediately necessary have been pushed out.

Article 28: Public Works Infrastructure

Ms. Simchak stated that these funds will be used for street resurfacing, sidewalk repairs and roadway reconstruction design work. Mr. Hoyland stated that they expect that there will be significant increases over the target funding of \$1.2 million for street resurfacing, due mostly to the increased costs of oil. The last contract had increases of 20-30% over the pre-Covid costs. He stated that they expect to be able to do 50% of the planned streets with surface treatments. The surface treatments cost about 1/3 of the cost of asphalt overlay. Mr. Reilly asked if they still rate the pavement conditions. Mr. Hoyland stated that they last looked at the pavement condition ratings 4 years ago, and the Town's roads rated 78 of 100 which he said is a pretty good score, and their goal is 80. Ms. Miller asked whether Chapter 90 funds were being used for the street

resurfacing. He stated that the Chapter 90 funds were going to the reconstruction projects in the downtown and the heights, and not for roadway rehabilitation or reconstruction. Mr. Healy stated that that is a decision that could have significant financial implications.

Mr. Levy asked for an explanation about the sidewalk program. Mr. Hoyland stated that the sidewalk program request is approximately \$800K. They received new contract bids 1.5 years ago, and the prices were about 35% higher than pre-Covid costs. There was one year that they did not award the contract to anyone because the costs were even higher than that and they did not have the funds. They did go out to bid in the middle of Covid and saw a 35% increase in sidewalk costs and a 20% increase for granite costs. One mile of sidewalk with granite curb costs approximately \$800K. Ms. Miller asked about the report of the sidewalk study. Mr. Hoyland stated that about half of the sidewalks are noncompliant, with a backlog of 40-50 years for the Town to get to full compliance based on the annual capital budget for sidewalks. Ms. Miller asked for a copy of the sidewalk study report. Mr. Reilly asked if the noncompliance of the sidewalks opens the Town to liability. Mr. Hoyland stated that municipalities have limited liability in this area, but that the courts seem to be moving in the direction that would require that towns have plans and budgets in place to address issues, so he would recommend that the Town should have a plan and a budget for this requested work.

Ms. Simchak stated that the traffic improvement request would fund design work for intersection improvements to improve signaling and traffic flow. The stormwater capacity funding will add new connections. Ms. Miller stated that if a development requires additional sewer connections or capacity, the Town should be receiving payment. Ms. Simchak stated that they do charge fees for connections. There is also funding requested for new guardrails in certain areas to be compliant.

MOVED: By Ms. Miller that the Finance Committee recommend adoption of Annual Town Meeting Article 28: Public Works Infrastructure in the amount of \$3,951,000 of Free Cash. Mr. Coffman seconded the motion. The motion was approved by a vote of 7-0.

Article 31: Sewer Enterprise Fund Cash Capital

Ms. Simchak stated that this includes the replacement of one vehicle, and also funding for a project to design the work to fix deteriorating parts of the sewer main. The design work consists of determining how much pipe needs to be replaced and how much can be re-lined. The \$610K in the article is for half of the work. The remaining half will be funded through ARPA. It will cost approximately \$9 million if all of it needs to be replaced, and ARPA funds will cover much of it, depending on the cost. Mr. Davison stated that this expense has been talked about for a couple of years, and some retained earnings have been reserved from both the Water and Sewer Enterprise Funds.

MOVED: By Ms. Miller that the Finance Committee recommend adoption of Annual Town Meeting Article 31: Sewer Enterprise Fund Cash Capital in the amount of \$901,255. Mr. Lunetta seconded the motion. The motion was approved by a vote of 7-0.

Article 30: DPW Complex Feasibility

Ms. Fitzpatrick stated that the Select Board has a goal to refresh the DPW feasibility study. There is an overall 8-building plan, and this will be the 8th. She stated that the water and sewer study recommended taking down the water building which would be difficult and costly. It would be ideal to bring all of the information together. The goal for the architect/engineer will be to create a coordinated and effective plan. Mr. Levy asked if this work is included in the Capital Improvement Plan. Ms. Fitzpatrick stated that there is an unrealistic \$35M included in the CIP. Mr. Reilly asked if \$60K would be enough for the in-depth study that may be needed. Mr. Fitzpatrick stated that the water and sewer study was very comprehensive and this will be able to use that information. Ms. Miller expressed frustration since there were earlier discussions of whether the DPW actually needed to be centralized, and now years later, the Town is looking into the opposite, whether the DPW can continue to be decentralized. She stated that it is also frustrating that this project has been moved off the list of upcoming projects. Ms. Fitzpatrick stated that she shared the frustration, and that this project has been very difficult to keep moving. Mr. Coffman noted that people have learned a lot lately about how they might live and work differently.

MOVED: By Mr. Reilly that the Finance Committee recommend adoption of Annual Town Meeting Article 30: DPW Complex Feasibility in the amount of \$60,000. Ms. Fachetti seconded the motion. The motion was approved by a vote of 7-0.

Article 8: Appropriate for Parking Study

Ms. Fitzpatrick stated that this would work toward another of the Select Board's goals, which is to examine private and public parking in the Town Center and the Heights. She stated that this started as a traffic flow study since there is a desire for more walkability and space to move. The Board wants to see if parking could be moved elsewhere. The study will also look at additional methods for parking payment methods including phone apps. Mr. Levy noted that the funding in this article is through the Parking Meter Fund. Ms. Miller asked for a copy of the study proposal.

MOVED: By Mr. Reilly that the Finance Committee recommend adoption of Annual Town Meeting Article 8: Appropriate for Parking Study in the amount of 135,000 from the Parking Meter Fund. Mr. Coffman seconded the motion. The motion was approved by a vote of 6-1, with Mr. Healy dissenting.

Article 13: Authorization to Expend State Funds for Public Ways

Mr. Levy stated that this is an annual article to approve of the receipt and expenditure of Chapter 90 funds from the state. Ms. Fitzpatrick stated that the DPW has been saving the Chapter 90 funds for the downtown project, but is now considering whether to have that project funded with federal infrastructure funds. There is not a way to use ARPA funds for highways, but ARPA could be used for safer grades for train crossings and potentially for the quiet zone work. They are re-thinking the downtown infrastructure project and would like to get back to using Chapter 90 funds for roads. Ms. Miller asked how much money is in the Chapter 90 account. Ms. Fitzpatrick stated that she would provide that. Mr. Healy stated that this is an annual article, but that in addition to recommending adoption, generally, he suggested the Finance Committee should also look at the manner in which the Town intends to use the funds this year.. Ms. Miller stated that the Committee does not need to vote on the appropriate use of the funds. She noted that she has objected every year to the use of the funds for the downtown project. She stated that

she also objects to the addition of the quiet zone to the project since Town Meeting voted it down. Mr. Healy stated that he, too, is not in favor of using these funds for the downtown project or for implementation of a quiet zone, which is potentially dangerous, and cited a recent terrible accident resulting from a quiet zone. He stated that he feels that there are better uses of the funds for improvement of the general roadways. Ms. Fitzpatrick stated that there has been a change of leadership at the DPW and that plans may change. She stated that she would commit that the Town will not spend these funds on the downtown project without consulting with the Finance Committee. She stated that Town Meeting did vote to support the feasibility study on the quiet zone though it had voted down a citizen's petition for a quiet zone. Mr. Levy stated that it would not be productive to vote against this article and not to accept the Chapter 90 funds.

MOVED: By Mr. Lunetta that the Finance Committee recommend adoption of Annual Town Meeting Article 13: Authorization to Expend State Funds for Public Ways. Mr. Reilly seconded the motion. The motion was approved by a vote of 7-0.

Article 29: Library Space Utilization Study

Ms. Hewitt stated that the original plan for a space use study was created by her predecessor with a focus on study rooms, but what is most apparent to her is that there are many teens that come to the library in the afternoon and that the current teen space is too small. She would like to expand the teen space, and met with Hank Haff to discuss how to improve the use of space and the flow. There are several options to consider such as moving some walls or moving the teen space to downstairs.

MOVED: By Mr. Healy that the Finance Committee recommend adoption of Annual Town Meeting Article 29: Library Space Utilization Study in the amount of \$60,000 from Free Cash. Mr. Reilly seconded the motion. The motion was approved by a vote of 7-0.

Article 26: General Fund Cash Capital (continued)

Ms. Hewitt stated that there is a request for funds beyond the Library's technology funds in the operating budget. These additional funds will allow the technology librarian to finish the five-year library technology plan and purchase the computers, printers and scanners needed. She stated that they are incrementally replacing equipment with better technology.

Ms. Fitzpatrick stated that there is a request for funds for a space utilization study at the CATH to capture some additional space for programming. Mr. Davison stated that the study will look at how space is used and what activities are taking place to see how to reconfigure the space. Mr. Healy stated that the building was planned to do what was right at the time, but there may need to be changes.

Mr. Davison stated that there is a request for funding for an update to the GIS Systems to allow for a new fly-over to digitally map the Town's systems. It is very labor intensive and needs to be redone about every 10 years to be usable.

Mr. Davison stated that there is a request for personal protective equipment for firefighters, which is heavy duty gear. Every firefighter has 2 sets of gear and one set is replaced for each firefighter every 5 years (or 10% of the inventory in the department is replaced every year.)

Mr. Davison stated that another request will fund replacement of public safety mobile devices for Police and Fire department vehicles – cruisers and ambulances. This equipment is used in the field and needs to be rugged. It allows information to be captured right away.

Mr. Davison stated that the request for funding for traffic improvements will be used by Public Works to fund improvements recommended by the Traffic Committee. The Fleet Program request has not changed since it was discussed during the budget process.

Mr. Levy stated that the Cash Capital article should be voted after meeting with the School Department.

Article 33: Appropriate for Compensated Absences Fund

Mr. Davison stated that this provides funding for benefits for certain grandfathered employees to pay for a limited percentage of unused sick time upon death or retirement. This benefit is being phased out. There is a sizable potential liability, but it is only payable upon retirement or death and not if an employee leaves the Town employment, in which case the benefit is forfeited. He stated that the balance in the fund is \$450K and this will bring the balance to \$700K. The long term liability is \$5 million if everyone eligible left today. Ms. Miller stated that this seems unreasonably high. Mr. Davison stated that it also can also cover payment of unused sick time which is required under state law. Mr. Lunetta asked what the annual spend-down is. Mr. Davison stated that none had been used lately, but there have been some big hits in recent years of \$50K-\$60K. Ms. Miller stated that she felt that it should be not funded from the tax levy or other recurring revenue since it is a reserve and is not accessed often. She stated that taxes should not be raised for the Compensated Absence Fund. Mr. Coffman noted that it is a payroll accrual. Mr. Reilly pointed out that funds from the tax levy are used for the workers' compensation reserve. Ms. Miller stated that she feels that this is the least defensible fund for recurring revenue.

Mr. Healy asked if there is a similar benefit for non-represented employees. Mr. Davison stated that it has been negotiated out of benefit packages. He stated that the Town caps the accrual of vacation time because the Town is subject to triple damages for violating the requirement to pay for accrued vacation or overtime. Ms. Fitzpatrick stated that sick leave accrual and buyback was started about 50 years ago when it was assumed that people would not use it if it would be bought back. There was no long term disability, and people could accrue sick time. Mr. Healy stated that it can be seen as a valuable benefit if it is available only at retirement.

MOVED: By Mr. Lunetta that the Finance Committee recommend adoption of Annual Town Meeting Article 33: Appropriate for Compensated Absences Fund in the amount of \$250,000 from the Tax Levy. Mr. Healy seconded the motion. The motion was approved by a vote of 6-1, with Ms. Miller dissenting.

Article 37: Amend General By-Law - Snow and Ice on Sidewalk

Ms. Fitzpatrick stated that the current by-law requires abutting businesses to remove snow and ice from sidewalks but only certain businesses comply. This will expand the requirement to buildings with 3 or more dwelling units within the business district. It would not apply to individual homes in residential neighborhoods. The goal is to cover places that no one is

currently cleaning. She stated that the Town is piloting a program to see if the Town would do a better job. Mr. Coffman asked what the Town's experience is with issuing fines for failure to clear sidewalks. Ms. Fitzpatrick stated that the Town issues warnings, but she will need to look into fines. Ms. Miller expressed concern about the requirement as it applies to 3-family homes not far from downtown. The requirement may not mean to capture some of these. Ms. Fitzpatrick stated that most of the 3-family homes include all rental units and are not owner-occupied.

MOVED: By Ms. Miller that the Finance Committee recommend adoption of Annual Town Meeting Article 37: Amend General By-Law - Snow and Ice on Sidewalk. Ms. Fachetti seconded the motion. The motion was approved by a vote of 7-0.

Mr. Coffman stated that he would still like to see the information on fines.

Article 38: Amend General By-Laws - Household Refuse

Ms. Fitzpatrick stated that it is not currently against the Town by-laws to deposit household trash in Town receptacles and this will correct that issue. There is a significant problem in certain places at certain times.

MOVED: By Ms. Miller that the Finance Committee recommend adoption of Annual Town Meeting Article 38: Amend General By-Laws - Household Refuse. Mr. Lunetta seconded the motion. The motion was approved by a vote of 7-0.

Article 39: Street Acceptance - Hutter Ridge Rd

Ms. Fitzpatrick stated that the road has been constructed in conformance of the standards of the Town. The developer will ask the Select Board to accept the street as a public way. Mr. Levy stated that having more public ways will increase the amount of Chapter 90 funding.

MOVED: By Mr. Healy that the Finance Committee recommend adoption of Annual Town Meeting Article 39: Street Acceptance - Hutter Ridge Rd. Mr. Reilly seconded the motion. The motion was approved by a vote of 7-0

Updates: The next meetings will be April 6 and April 20.

Move into Executive Session, Exception 3, not to return to open session at conclusion

Mr. Levy declared that an open meeting may have a detrimental effect on the bargaining position of the Town and that an executive session is necessary to protect the bargaining position of the Town.

MOVED: By Mr. Reilly that the Finance Committee vote to enter into Executive Session under Exception 3 to the Open Meeting Law to discuss strategy with respect to collective bargaining and not to reconvene in Open Session. Mr. Connelly seconded the motion.

VOTE: The motion was approved by a unanimous roll call vote at approximately 8:30 p.m.

Documents:

2022 Annual Town Meeting Warrant (3/18/22 draft); Town of Needham Capital Improvement Plan FY2023 – FY2027.

Respectfully submitted,

Louise Mizgerd
Staff Analyst

Approved April 6, 2022