Special Town Meeting
October 25, 2021
Questions & Answers

Article 6 Question:
Will users of the reservation be able to access (by walking) the Chestnut Trail and North Trail trailheads behind the demolition site from the lower parking lot during and after the work?

Based on casual observation, the barn/ranger station building does not appear to be in much better shape than the garage or lodge buildings. Is the town comfortable that the barn/ranger station will still be able to be effectively used in five to ten years (when a plan for the site can at the earliest be enacted) without investing in costly interim repairs and maintenance? I ask this because stated benefits of the proposed project described in the provided documents, such as fire safety and vandalism prevention, are diminished or negated by the fact that the barn/ranger station will remain, and because there would presumably be cost inefficiencies in having to go back later to remove the other structure.

Article 6 Answer:
I have confirmed with the project team and the Conservation staff that while the immediate area around the Manor house and four-bay garage would be closed off during construction, there is hiking trail access from both parking areas along the Ridge Hill driveway. The Swamp Trail also connects the two trail systems on the West and East side of the reservation. Users of the reservation will be able to access (by walking) the Chestnut Trail and North Trail trailheads behind the demolition site from the lower parking lot during and after the work.

The Town has recently completed a structural analysis of the barn. The building is structurally safe, requiring some system upgrades. This building is in active use by the Town and the Needham Community Theater, and there is interest in preserving it for future use. You are correct that if it needs to be demolished in the future, we will lose the economies of scale, but the Select Board agreed that the potential to preserve it was worth the risk. Active use does keep buildings in better repair.

(Answer provided by Kate Fitzpatrick, Town Manager)

Article 7 Question:
Please correct me if I'm wrong. The Finance Committee is chiefly concerned with exceeding the debt service limit. Funding Article 7 will not exceed the debt service limit. If this article passes, and the May 2022 warrant includes an article to fund the construction of the Emery Grover project, it alone won't exceed the debt service limit. What will exceed the debt service limit is Emery Grover + Mitchell + Pollard + other proposed town projects. Does the assessment that these projects, when coupled together, exceed the debt service limit, take into account potential funding sources like the CPA for Emory Grover and MSBA for Mitchell/Pollard?

Article 7 Answer:
The Select Board notes in its recent letter that the Town has chosen to exceed the 10% total revenue to total debt guideline for brief periods in the past in order to fund major school projects such as Needham High School and the Sunita Williams Elementary School. We anticipate that this will happen again at points in the future. These projects were funded through debt exclusion overrides. The Emery Grover project will not impact the 10% debt guideline.

Funding for the Emery Grover project is proposed to be funded within the Tax Levy. The debt within the levy guideline is to spend or reserve 3% of General Fund revenue for debt service. The funding proposal for Emery Grover contemplates a mix of Tax Levy-supported debt, CPA funds, and cash. In recent years the Town has established a Debt Service Stabilization Fund in order to mitigate debt that might exceed the 3% guideline.

(Answer provided by Marianne Cooley, Vice Chair, Select Board)

Article 7 Answer:
Based upon preliminary debt forecast scenarios performed earlier this year, the funding of Emery Grover + Mitchell + Pollard + other identified town projects is projected to exceed both of the Town's long-standing debt service policies for several years. These scenarios assumed $6M in funding for construction of the Emery Grover building through CPA debt. These scenarios also assumed that 20% of the construction costs for Mitchell would be reimbursed by the MSBA. Additionally, one scenario assumed that 20% of the construction costs for Pollard would be reimbursed by the MSBA, while another scenario assumed that none of the construction costs for Pollard would be reimbursement by the MSBA.

The Finance Committee is still working with stakeholders in Town to develop an affordable financing plan that addresses all of the known upcoming projects. While the town has gone over the 10% debt service limit in the past, it has been for very limited periods of time, and only where there is a clear plan to get back under the debt limit as soon as practicable. We have not yet had the time to develop a plan that provides for both upgraded space for School Administration and the needed upgrades to Mitchell and Pollard, while also adhering to the Town's established debt policies.

Staying within the established debt limits is important for the financial health of the Town, so as to avoid taking on more debt than the Town can pay off, and also to demonstrate to rating agencies that the town is well disciplined and worthy of favorable interest rates on its debt. Needham continues to maintain a general obligation bond rating of AAA, which is the highest possible rating. Needham's AAA bond rating has been maintained since 2000.

(Answer provided by Joshua Levy, Finance Committee Chair)

Article 7 Question:

The Finance Committee proposed an amendment to only fund a limited amount to address the cost of using Hillside School as a swing space versus funding this cost and a detailed design of the Emery Grover Building Project. The FC is concerned with not being over the total debt service.

Per youtube video, the FC committee acknowledges the EM building is in disrepair. The School Committee projects if the project goes forward, completion would be in 2024: 2-3 yrs away.

It is my understanding this project and the rehab of both Mitchell and Pollard will be funded through different resources and there are committees currently working to develop a sound plan. These school projects would need to go through the MSBA; a process the school district needs to be ready to fund within 2 years of approval.

Mitchell School bathrooms have been rehabbed this summer which is wonderful but I am sure even this undertaking does not address all the issues with this school. However, it demonstrates a commitment to sustain the school until it can be rebuilt. Whereas the EG building has immediate safety needs which cannot be deferred any longer per SC and to my knowledge necessary band-aide repairs have not been completed.

As a town we are going to fund EG, and the SC has made good efforts to reduce the scope of the project, so I am wondering why we are delaying this project which has been discussed for 30 yrs. Will costs increase in the next year? Do we have any other options? The FC is concerned with not being over the debt limit but since we all agree the EG building needs to be redone now, why wait any longer?

Article 7 Answer:
The Finance Committee is primarily concerned with appropriating design funds for Emery Grover before having a financing plan in place that addresses all of the needed building projects that have been identified (i.e. Emery Grover, Mitchell, Pollard and the DPW complex), while also adhering to the Town's established debt policies.

The Town maintains two debt service policies: the 3% Rule, whereby the Town will allocate or reserve three percent (3%) of projected General Fund revenue (e.g. property taxes less debt exclusions, state aid, and local receipts) for debt service; and the 10% Rule, whereby the Town will strive to limit total debt service, including debt exclusions and self-supporting debt, to ten percent (10%) of gross revenues.

Based upon preliminary debt forecast scenarios performed earlier this year, the funding of all identified projects within the next decade is projected to exceed both of the Town's long-standing debt service policies for several years.

The Finance Committee is still working with stakeholders in Town to develop an affordable financing plan that addresses all of the known upcoming projects. If design funds for the Emery Grover building were pursued next year, it is possible, though not certain, that the estimated construction costs could increase relative to today’s estimates. Though increased costs would be an undesirable possibility, the Finance Committee believes that budgeting and planning must take into account all identified capital needs of the Town so that these needs have a path forward for funding. Pursuing one project before such a plan is in place potentially risks funding for other needed projects, or may limit the Town's ability to stay within its established debt limits.

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(Answer provided by Joshua Levy, Finance Committee Chair)