Needham Finance Committee
Minutes of Meeting of April 4, 2023

The meeting of the Finance Committee was called to order by Chair John Connelly at approximately 7:00 pm in the Rosemary Complex Building, also available via Zoom teleconference.

Present from the Finance Committee:
John Connelly, Chair
Members: Karen Calton, Barry Coffman, Carol Fachetti, Carli Hairston, Joshua Levy

Others present:
Kate Fitzpatrick, Town Manager
Marianne Cooley, Chair, Select Board
David Davison, Assistant Town Manager/Finance Director
Carys Lustig, Director of Public Works
Chuck Murphy-Romboletti, Director of Human Resources
Rob Fernandez, Citizen's Petition Proponent
Kathy Raiz, Citizen's Petition Proponent
Reg Foster, Chair of Needham Housing Authority (NHA) Board of Commissioners
Margaret Moran, NHA Project Consultant (via Zoom)
Peter Pingitore, Chair, Community Preservation Committee
Cecilia Simchak, Director of Finance & Administration for Public Services

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 March 29, 2023, be approved as distributed, subject to technical or typographical corrections. Ms. Fachetti seconded the motion. The motion was approved by a vote of 6-0.

2023 Annual Town Meeting Warrant Articles

Annual Town Meeting Warrant Articles: Discuss and/or Vote

Article 41: Citizen's Petition - Plastic Bags

Mr. Connelly asked the proponents to describe their article and noted that the initial question for the Finance Committee would be whether there will be a financial impact for the Town. Mr. Fernandez stated that the article requests that Town Meeting approve a by-law to prohibit retailers from using plastic bags. It follows up on a voluntary ban that has been enacted for larger stores. There would be a phase-in period. Mr. Levy asked who would enforce the by-law and what the penalties would be. Mr. Fernandez stated that the Public Health Department would enforce it, which is the same structure as other towns use. The first offense would be a warning, and subsequent offenses would incur a daily fine. He stated that he spoke to Public Health and they said that the new requirements would not incur additional cost to the Town to enforce.

They proponents plan to go to the Board of Public Health to discuss it further. Ms. Calton asked if they had spoken to retailers. Ms. Raiz stated that they sent surveys to 75 businesses and received 19 responses. She stated that most retailers support the ban, and that 3 respondents currently use plastic bags exclusively, and 6 currently do not use any plastic bags. She stated that the large retailers such as CVS did not respond. She stated that she spoke to the Charles River Regional Chamber and they are in support of the ban. Needham is the only town of the four in the Chamber that does not already have a plastic bag ban in place. This requirement will apply to all stores. Ms. Raiz noted that a potential cost to the Town of plastic bag usage is the fact plastic bags can affect the processing of waste because they can get caught in waste processing equipment. Mr. Fernandez stated that he spoke with the Superintendent of the RTS who said that plastic bags are also one of the biggest sources of contaminants of recyclables.

MOVED: By Mr. Levy that the Finance Committee take no position with respect to 2023 Annual Town Meeting Warrant Article 41: Citizen's Petition - Plastic Bags due to a lack of financial impact. Mr. Coffman seconded the motion. The motion was approved by a roll call vote of 6-0.

Mr. Connelly explained that the Committee's decision to take no position is based on the fact that the Committee found that there is no discernible financial impact for consumers or the Town rather than the policy. He stated that Finance Committee members who are also Town Meeting members are able to vote in favor of the article at Town Meeting.

Article 28: Quiet Zone Design

Mr. Connelly stated that the Committee was planning to vote on this article at its meeting on April 19. Ms. Cooley stated that the Select Board has been discussing the creation of a quiet zone for years. She stated that the warning horns start at 4:30 am and sound about 100 times each day. She stated that the Town has identified five at-grade crossings, as well as one at the golf club that would benefit from installing a quiet zone. The Town is in discussions with the MBTA to work on at least 5 of the crossings. The solution suggested by the MBTA at the golf club was not sufficient. She stated that they have decided to incorporate the work to make the necessary changes for the quiet zone into the Great Plain Ave project and use Chapter 90 funds. Article 28 would fund the design work for creating a quiet zone at the 5 intersections other than the golf club. The total project will require $4.115 million of borrowing, and a total $5.4 million, with the remainder funded with Chapter 90 aid. Ms. Fitzpatrick stated that $170K of ARPA funds would also be used toward the project to reduce the use of Chapter 90 funds by that amount.

Mr. Connelly asked for a breakdown of what the Town will get for the $1.34 million appropriation in this article, what the scope of work is, and who would perform the work. Ms. Lustig stated that the majority of the funding will cover design work and permitting and that any surplus would be used for preliminary construction work. She stated that they can provide a breakdown. Mr. Connelly asked for a breakdown for construction costs as well. Mr. Connelly noted that the ratio of design to construction work seems high. Typically, design is 10-15% of a project costs and this is close to 50%. He asked that they include an explanation of why. Ms. Lustig stated that much of the cost is related to permitting with the MBTA. Ms. Fitzpatrick stated that the Town will know whether MBTA will grant the permits before the construction. Mr. Connelly asked if there has been any hesitation due to the fact that there is a lawsuit against the MBTA regarding another quiet zone. Ms. Cooley stated that the law suit relates to crossings that were older and subject to a different safety standards.

Mr. Connelly stated that he would not support the article since there is a pending lawsuit, too many questions regarding the MBTA requirements, and the ratio of design to construction is off, all of which put the Town's money in jeopardy. He had not heard of significant support from the community for a quiet zone. He stated that he felt that the $5 million would be better spent on the building projects at the Mitchell and Pollard Schools. Mr. Levy asked whether the project would include safety upgrades at pedestrian-only crossings. Ms. Fitzpatrick stated that it would not. She stated that this project would include safety upgrades only at street crossings, and train horns will still be able to be used in a quiet zone if there are people on the tracks, while trains would be expected to sound warning bells at pedestrian-only intersections.

Mr. Levy stated that he would be more comfortable with using cash for this project since there is a lot of debt planned for school construction projects. Ms. Fachetti asked if the project can proceed without clarity on the golf course crossing. Ms. Fitzpatrick stated that they cannot make the golf club crossing quiet, but they can proceed with other crossings. Mr. Coffman asked if they could make only some of the crossings quiet. Ms. Fitzpatrick stated that the Town cannot pick and choose which crossings to do, but can work on some before starting work on others. She stated that Chelsea is putting in a quiet zone now and they are watching how that proceeds. She stated that similar work has already been done in the Franklin/Norfolk area. Ms. Cooley stated that there are more crossings in Needham than elsewhere and that the quiet zone is a Select Board priority. She stated that the Town has received close to 400 emails in support of a quiet zone and feels that there is a swell of support from citizens who want to prioritize this. She stated that this has always been identified as a $6 million project.

Article 3: Establish Elected Officials' Salaries

Ms. Fitzpatrick stated that this article includes an increase to the Town Clerk salary consistent with the 2.5% non-represented employees. The rest of the article reflects that increase.

MOVED: By Mr. Coffman that the Finance Committee recommend adoption of 2023 Annual Town Meeting warrant Article 3: Establish Elected Officials' Salaries. Ms. Fachetti seconded the motion. The motion was approved by a roll call vote of 6-0.

Article 8: Appropriate for Outside Recruitment Services

Ms. Fitzpatrick stated that there have been no changes to the article since this was discussed with the Finance Committee at the budget hearing in January. Mr. Murphy-Romboletti stated that the funds are expected to last for 2 years. Mr. Connelly asked how the recruitment agency is paid. Mr. Murphy-Romboletti stated that there is a flat fee per recruitment. He stated that the agency is able to target both active and passive job seekers, and will vet candidates.

MOVED: By Ms. Calton that the Finance Committee recommend adoption of 2023 Annual Town Meeting warrant Article 8: Appropriate for Outside Recruitment Services. Mr. Coffman seconded the motion. The motion was approved by a roll call vote of 6-0.

Article 9: Appropriate for Temporary Staffing Services

Ms. Fitzpatrick stated that this article has not changed and is also expected to provide 2 years of funding for these services. Mr. Coffman asked if there has been any change in the ability to recruit and hire for positions recently. Mr. Murphy-Romboletti stated that the labor market is still tight but they have been able to make sure good hires.

MOVED: By Ms. Calton that the Finance Committee recommend adoption of 2023 Annual Town Meeting Warrant Article 9: Appropriate for Temporary Staffing Services. Mr. Coffman seconded the motion. The motion was approved by a roll call vote of 6-0.

Article 36: Town Hall Saturday Hours

Ms. Cooley stated that the Select Board received a request from the Town Clerk to have Town Hall closed for business on Saturdays. Under the current law, the registrar's office must be open a full day from 9am to 5pm on the last available day of voter registration for town elections. The deadline for voter registration is 10 days before an election. Since Needham holds votes on Tuesdays, the last day of registration would be a Saturday. The Town Hall has been open for some Saturday elections, but is not set up for full days. The Town Clerk's staff is already stretched with regular business and running elections. The Town Clerk received notice from the state Elections Division that if Town Meeting voted to close Town Hall on Saturdays, that would push the final day for voter registration to move back from Saturday to the preceding Friday. The Town had good intentions with opening for some hours on Saturday to vote, but is not currently planning for full day staffing.

Mr. Connelly asked if there is a financial impact of the article. Ms. Fitzpatrick suggested that the Town Clerk be invited to answer questions. Ms. Cooley stated that the Select Board has also asked for that information, but the cost of the Saturdays is probably minimal as many of the poll workers are volunteers. Mr. Connelly stated that the Finance Committee would defer action on the article in order potentially to wait to vote until after the Select Board has voted. Ms. Cooley stated that may not be until April 25.

Article 37: Amend Gen. By-Law - Non-Criminal Disposition

This article would amend the by-law to address administrative issues. It will show the schedule of fines in chart form for clarity and will remove references to penalties in individual by-laws in order to avoid conflicts and standardize the sections. Mr. Coffman asked how much is collected in fines and fees. Mr. Davison stated that the dollar amount is very low. Mr. Coffman stated that if the by-law changes are not materially affecting the amounts of fines, then there is limited financial effect of the article. Ms. Fitzpatrick stated that this is a first phase of correcting errors and clarifying the text. In the next phase, the Town will consider the substance of the by-laws.

MOVED: By Mr. Coffman that the Finance Committee take no position with respect to 2023 Annual Town Meeting Warrant Article 37: Amend General By-Law - Non-Criminal Disposition due to a lack of financial impact. Ms. Fachetti seconded the motion. The motion was approved by a roll call vote of 6-0.

Article 38: Amend Gen By-Law - Transportation Committee

Ms. Cooley stated that from fall of 2022 through January 2023, the Select Board reviewed all of the transportation committees in Town. They determined that the work of the Transportation Committee in the by-laws is no longer useful under the Town Manager structure of government. The Town Manager works with the MBTA, and will continue, but there should be one transportation committee with oversight over all of the transportation modes through Town which can work to make a master plan to support multi-modal transportation. In order to eliminate the current Transportation Committee in the by-laws, a Town Meeting vote is required. She stated that the new committee will be reconstituted with an updated charge. She stated that she did not believe that there would be a financial impact due to these changes.

MOVED: By Mr. Coffman that the Finance Committee take no position with respect to 2023 Annual Town Meeting Warrant Article 38: Amend General By-Law - Transportation Committee due to a lack of financial impact. Ms. Fachetti seconded the motion. The motion was approved by a roll call vote of 6-0.

Special Town Meeting Warrant Articles

Article 1: Fund Collective Bargaining Agreement - Needham Fire Union

Ms. Fitzpatrick stated that it has been a priority of the Town to eliminate Civil Service for the Fire Department, as is being accomplished for the Police Department. The salary increases in the agreement are: 2.5%, 2.5%, 3% and 3% for FY23-FY26. There is also an increase in the base pay for paramedics since the Town conducted a review and found that the paramedics are underpaid, which has affected recruitment. The Town has agreed to broaden the allowed educational degree programs that qualify for additional pay to cover more areas relevant to the Fire Department work. Mr. Connelly asked if the Classification, Performance and Settlement line in the FY23 budget would cover the FY23 salary increases. Mr. Davison stated that an additional $90K is needed, which will be transferred from the Reserve Fund under the Special Town Meeting Warrant Article 3. In FY24, the funds for the salary increases under this agreement will come from the CPS line. In FY25, the increases will be included in the base budget. Ms. Fitzpatrick stated that this contract is currently the only outstanding collective bargaining agreement.

MOVED: By Mr. Coffman that the Finance Committee recommends adoption of 2023 Special Town Meeting Warrant Article 1: Fund Collective Bargaining Agreement - Needham Fire Union. Mr. Levy seconded the motion. The motion was approved by a roll call vote of 6-0.

There was discussion about the order of discussing Articles 1 and 2 at Town Meeting. Ms. Fitzpatrick stated that they work together, and that the Town would not want to leave Civil Service and then not approve of the agreement, so it is not necessary to have Article 2 first.

Article 2: Home Rule Petition - Exempt Fire From Civil Service

Ms. Fitzpatrick stated that there are two ways to exit the Civil Service system: through a Home Rule Petition or by voters on a ballot. The legislature needs to act on a Home Rule Petition. It has not yet acted on Needham's petition to exempt the Police from Civil Service, so that will be on the ballot. The Town wants to go on record as at least trying to do it this way. The Town would not have been able to negotiate the exit from Civil Service without this article.

MOVED: By Mr. Levy that the Finance Committee recommend adoption of 2023 Special Town Meeting Warrant Article 2: Home Rule Petition - Exempt Fire From Civil Service. Ms. Calton seconded the motion. The motion was approved by a roll call vote of 6-0.

Community Preservation Committee Annual Town Meeting Warrant Articles

Article 23: CPA – Needham Housing Authority - Seabeds Cook Preservation

Mr. Pingitore stated that the article on the Linden/Chambers project has been withdrawn. The Seabeds-Cook project is the only remaining NHA article. He stated that the ultimate project is an exhaustive repair project. This request is for pre-development funding. Mr. Foster stated that this funding will allow the NHA to reposition itself to access a new federal funding source, but they must go through a process to achieve that. There will be a detailed property analysis to determine all of the needed repairs.

Mr. Foster stated that to determine the amount of CPC funds that could be used, they referred to a DHCD memo from 2013 to determine which repairs qualified. The found that 21.5% of the expected total costs qualified. They compiled a budget for the pre-development work and the design that totals $1.1 million. The $241K sought in the article is the CPC eligible share of these pre-development costs. They are planning to issue the RFP for the design of and engineering of all of the repairs. Then they will hire a general contractor. This funding will provide a source for the pre-development work. Pre-development funds are the hardest to secure. Without this amount, they would have to borrow the funds since there is no other identified funding source. Mr. Connelly asked what they would be getting for the whole $1.1 million. Mr. Foster stated that they would have a design package for bidders. He stated that they do not expect to come back to the Town to request additional funds for this project. Once the federal funding source is open, it should cover all of the construction costs. Mr. Levy asked if the project would create any new housing. Mr. Foster stated that the funds will preserve and extend the life of the current housing units which include 30 affordable townhouses for families and 46 one-bedroom units for elderly and disabled. No units have elevators.

Mr. Connelly asked what kinds of costs the CPA funds can cover. Mr. Pingitore stated that they can cover costs of refurbishment work that is planned to extend the life of the building by 40+ years. The focus of the work will be on preservation of the affordable housing units including repairing the building enclosure, siding and roofing, replacing dangerous wiring, and adding fire suppression systems. They looked at each category of repair and itemized what the CPA funds could cover. He stated that $1.8 million of the $8 million project, or 21.5% would be eligible for CPA funding. They then applied that percentage to the predevelopment work. Mr. Foster noted that they used the same method for the CPC allocation to the Emery Grover project. Mr. Coffman asked where the remaining $800K of redevelopment funds would come from. Mr. Foster stated that the NHA has its own funds and has barely enough for this. He stated that they will put out an RFP and go through a competitive process. They hope to select the firm in mid-July. By the end of 2024, they hope to award the construction contract. Mr. Foster stated that the new funding will provide $2.7 million per year which they can borrow against. The NHA also owns the land outright. He said that they will be providing temporary rental housing in

Town to relocate tenants as needed during the project, with no cost to the tenants. He noted that this property will be redeveloped while the Linden Chambers units need to be replaced. Mr. Levy asked if this is a one-time opportunity. Mr. Foster stated that this project to upgrade the facilities to qualify for the stream of federal funding is a well-worn path which has been followed by many housing authorities before the NHA and has been available since 2017. He stated that CPC funds can be used to preserve affordable housing, but not for maintenance. He stated that once the federal funds are available, those funds can be used for maintenance. They will create a capital reserve for significant work such as the roof. Ms. Fachetti asked if they would be increasing the number of units. Mr. Foster stated that there is no expansion on the table, but there is room for an additional 60-unit building that is potentially on the horizon. For now, the NHA Board wants to deal with the current projects.

MOVED: By Mr. Levy that the Finance Committee recommend adoption of 2023 Annual Town Meeting warrant Article 23: CPA – Needham Housing Authority - Seabeds Cook Preservation in the amount of $204,308. Ms. Calton seconded the motion. The motion was approved by a roll call vote of 6-0.

Article 24: CPA - DeFazio Playground Design

Mr. Pingitore stated that the CPC has voted in favor of this article and it has not changed. Ms. Simchak stated that the projected construction costs are $435K.

MOVED: By Ms. Calton that the Finance Committee recommend adoption of 2023 Annual Town Meeting warrant Article 24: CPA - DeFazio Playground Design in the amount of $35,000. Mr. Coffman seconded the motion. The motion was approved by a roll call vote of 6-0.

Article 21: Appropriate to Community Preservation Fund

Mr. Pingitore stated that the CPC has voted in favor of this article. The allocations will be in the warrant: $1,749,706 to the annual reserve; $955,633 or 22% to the Community Housing Reserve, 0 to Historic Resources because sufficient funds will be going to fund the debt for the Emery Grover project; and $477,817 or 11% to Open Space to meet the required minimum.

MOVED: By Mr. Coffman that the Finance Committee recommend adoption of 2023 Annual Town Meeting warrant Article 21: Appropriate to Community Preservation Funds, as designated in the warrant. Ms. Fachetti seconded the motion. The motion was approved by a roll call vote of 6-0.

Article 22: Community Preservation Fund Supplement

Mr. Pingitore stated that the CPC received additional funds from the state. These changes are needed to meet the statutory minimums for allocations to the various CPC reserves. The supplement will provide for Community Housing in the amount of 20% for FY22 and FY23, and 10% in the others.

MOVED: By Mr. Coffman that the Finance Committee recommend adoption of 2023 Annual Town Meeting warrant Article 22: Appropriate Community Preservation

Fund Supplement, as designated in the warrant. Ms. Calton seconded the motion. The motion was approved by a roll call vote of 6-0.

<u>Adjournment</u>

MOVED: By Mr. Levy 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 6-0 at approximately 8:25 p.m.

Documents: 2023 Annual Town Meeting Warrant, 3-24-2023 draft; May 2023 Special Town Meeting Warrant, 3-24-23 draft.

Respectfully submitted,

Louise Mizgerd
Staff Analyst

Approved April 19, 2023