

Needham Finance Committee
Minutes of Meeting of January 17, 2024

The meeting of the Finance Committee was called to order by Chair Louise Miller at approximately 7:01 pm in the Great Plain Room at Needham Town Hall, also available via Zoom teleconferencing.

Present from the Finance Committee:

Louise Miller, Chair, Carol Smith-Fachetti, Vice-Chair

Members: Karen Calton, Barry Coffman (remote), John Connelly, Joshua Levy, Paul O'Connor

Absent: James Healy

Others present:

David Davison, Deputy Town Manager/Director of Finance

Reg Foster, Needham Housing Authority Chair

Penny Kirk, NHA Board Member

Ed Scheidler, NHA Board Member

Margaret Moran, Cambridge Housing Authority Director of Planning & Development

Matt Zajac, Cambridge Housing Authority

Bob Smart, Needham Housing Authority Local Zoning Counsel

Dan Chen, Bargmann Hendrie & Archetype (remote)

Andrea Longo Carter, School Committee Chair

Liz Lee, School Committee Vice-Chair

Connie Barr, School Committee

Michael Greis, School Committee

Alisa Skatrud, School Committee

Dan Gutekanst, School Superintendent

Anne Gulati, School Director of Finance

Mary Lammi, School Assistant Superintendent/Student Support Services

Alex McNeil, School Assistant Superintendent/Human Resources Director

Hank Haff, Director of Building Design & Construction

Cecilia Simchak, Assistant Director of Finance

Barry Dulong, Director of Maintenance

Announcement

Mr. Connelly announced that Ford Peckham passed away on Friday, January 12th. The Committee observed a moment of silence in his honor.

Citizen Requests to Address the Finance Committee

Doug Katz, a parent of two high school students and member of NHS Friends of Music, spoke of his support for the upgrades to the school theaters and would like to see any cuts to the upgrades be reinstated. He also supports the position of a part-time technical director for the theater programs. He indicated that the maintenance of the school theater spaces has been neglected for many years and asks that funding the upgrades and the part-time technical director position be a priority. Mr. Katz realizes that the Committee does not vote up or down on the issue but wanted to share his views and that of the NHS FOM. Ms. Miller indicated that capital planning is

addressed during the town meeting warrant article process, which will occur after the operating budget review.

Approval of Minutes of Prior Meetings

MOVED: By Mr. Connelly that the minutes of the meetings of October 4, 2023 and October 30, 2023 be approved as distributed, subject to technical or typographical corrections. Mr. O'Connor seconded the motion. The motion was approved by a vote of 7-0.

Needham Housing Authority Linden Street Redevelopment Project Preview

Ms. Miller reported that the Needham Housing Authority has made revisions to the proposed Linden Street Redevelopment Project based on the last discussions that took place. The project will have a warrant article or two at the Annual Town Meeting and this presentation is a brief preview. There will be further discussion when the warrant articles are finalized. Reg Foster, Needham Housing Authority Chair, introduced Ms. Moran of the Cambridge Housing Authority (CHA). CHA was brought on board as a consultant in 2020 and Bargmann Hendrie & Archetype was brought on as the architect one year ago.

Ms. Moran reviewed the project team, the project, the proposed schematic design and the anticipated funding sources for the Linden/Chambers Street redevelopment project.

It is assumed that there will be no property taxes in the future as is the current status. It is hoped that the local building permit fees will be waived.

Ms. Moran stated that the CHA is highly qualified for managing the project. Since 2010 they have overseen over \$1B in financing in renovation or construction projects in Cambridge. They are currently managing \$150M in renovations or construction projects. They have also acted as project manager in other communities, including some out of state.

It was noted that a FAQ sheet submitted to the Community Preservation Committee was included in the package sent to the Finance Committee which may answer some questions that Finance Committee members may have. Finance Committee members were requested to send questions related to the project or warrant articles to the chair who will consolidate them and forward them to CHA.

The Planning Board is working on the final language for the warrant article. There is a Planning Board public hearing scheduled for February 27th. The CPC has scheduled its public hearing for March 13th.

A GANTT chart was submitted. If the zoning warrant article and the CPC request for an additional \$5.5M is approved at the May 2024 Annual Town Meeting and if all other sources of funding are in place, construction is anticipated to start in the fall of 2025. Construction will not start until all funding and building permits are in place.

FY2025 Department Budget Hearings

Needham Public Schools

Mr. Connelly introduced the budget. There have been three meetings so far between Mr. Connelly, Ms. Smith-Fachetti, Mr. Levy and the School Department to review the budget. The process on ongoing. Mr. Connelly observed that the current student enrollment is 5,547 for FY2024 and is anticipated to increase by 13 in FY2025 according to the McKibben Population & Enrollment forecast. The enrollment in FY2019 was 5,728 and has steadily decreased. It is not anticipated to reach the FY2019 levels again until FY2035. The current enrollment is flat but the needs of the students and services they require change, increase, and are challenging to meet.

The overall School Department budget request increase is 6% or approximately \$5.5M. Approximately 50% is for salary increases, approximately 25% for out-of-district special education tuitions and transportation, approximately 9% for student support and approximately 11% for other positions. There have been wide fluctuations in the amounts for out-of-district tuitions costs. For FY21 the costs were \$5.3M, FY22 \$3.3M, FY23 \$3.0M, FY24 \$5.2M and for FY25, they are projected at \$6.4M. Increases like these are not sustainable and need to be addressed.

Mr. Gutekanst indicated that the key factors driving the School Department budget request increase are enrollment, inflation, salaries and contracts, compliance, infrastructure, and program improvements. The State continues to raise special education tuition rates.

Needham has a higher ratio of students to classroom and special education teachers than many of the surrounding communities. Collective bargaining agreements around the State are settling at higher levels. While this does not affect the FY25 budget, it is anticipated that this issue will be putting pressure on future budgets. The student demographics have changed over the last ten years with an increase in racial diversity and economic disadvantage status. There are more students in the English as a second language program, for which Needham is being required to spend more funds to address deficiencies found by the State. The special education program has been reviewed by the School Department both educationally and fiscally.

There are several School Department Capital Improvement Plan requests and there will be a technology warrant article presented at the next Annual Town Meeting to address townwide technology. These will be discussed at a future meeting.

Mr. Connelly reported that he, Mr. Levy and Ms. Smith-Fachetti will have another School Department liaison meeting in the near future.

Building Design & Construction

Mr. Connelly introduced the budget.

For this fiscal year the department is overseeing the Emery Gover Renovation which is anticipated to be substantially complete in the fall of 2024. The Eliot School roof top unit replacement project is currently in the submittals phase and construction will occur over the summer of 2024. The Broadmeadow School roof top unit replacement project is in the design development/construction documents phase and will be bid this spring for construction during the summer of 2025. Numerous studies have been completed but have not yet been funded.

The FY2025 budget is \$350,022 which includes three current FTE positions, and the salary increase is under 1%. There is a DSR4 request for an additional senior project manager in the amount of \$118,000 for salary, \$6,000 for expenses and \$37,000 for benefits. Mr. Connelly felt that there was a question of timing on when to include this in the budget as future projects have not yet been funded.

Mr. Haff reported that the Pollard Middle School Addition/Renovation has been invited into the MSBA Eligibility Period and design funds for several projects stemming from earlier studies will be included in warrant articles for the May ATM. The 270-day MSBA Eligibility Period for Needham has an official start date of May 1st however it is hoped that the process can be accelerated to meet the Master Plan schedule. The eligibility period has a long list of deliverables required by the MSBA. Mr. Haff reviewed the many requirements.

The Committee is concerned whether a full-time senior project manager would be needed if only the Pollard Feasibility funding goes forward and not the other projects. Mr. Haff indicated that Ken Sargent is fully engaged with the Emery Grover project through closeout and with the Eliot School RTU project. He also noted that hiring a senior project manager could be a lengthy effort. The Building Maintenance department has been trying for two years.

The Committee requested the time requirements needed for the various current projects and a forecast on the time needed if design funds are appropriated for other projects, focusing on the next 24 months.

Town By-Law and Charter Review Working Group

The Town By-Law and Charter Review Working Group is looking for a Committee member to join them. They are putting together language for a warrant article to create official on schedule charter and by-law review. Ms. Miller volunteered to join the working group.

Updates

Mr. Levy reported that the second HONE public workshop is scheduled for tomorrow night, January 18th at 7PM in Powers Hall. Updated materials are available on the website. The focus will be on the MBTA Communities Act. The Linden Street NHA redevelopment project cannot be included as it is restricted by income and age and does not currently comply. Comments can be sent to the Planning Board. A third workshop is scheduled in March. A final proposal will be presented at the fall Special Town Meeting.

Mr. Connelly reported that the next meeting of the Quiet Zone Working Group is January 22nd. The working group has asked to come before the Committee to get feedback. The materials will be forwarded before the meeting for review. It has yet to be determined whether there will be a warrant article at the Annual Town Meeting.

The next meeting is scheduled for January 24th.

Adjournment

MOVED: By Mr. Connelly that the Finance Committee meeting be adjourned, there being no further business. Mr. O'Connor seconded the motion. The motion was approved by a roll call vote of 7-0, at approximately 9:09 p.m.

Documents: FY2025 Department Budget Requests, CHA presentation, School Department presentation

Respectfully submitted,

Kathryn Copley
Administrative Specialist