

Needham Finance Committee
Minutes of Meeting of January 24, 2024

The meeting of the Finance Committee was called to order by Chair Louise Miller at approximately 7:02 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, James Healy, Joshua Levy, Paul O'Connor

Others present:

David Davison, Deputy Town Manager/Director of Finance

Cecilia Simchak, Assistant Director of Finance

Tedi Eaton, Town Clerk

Lee Newman, Director of Planning and Community Development (remote)

Adam Block, Planning Board Chair (remote)

Natasha Espada, Planning Board Vice-Chair (remote)

Debbie Anderson, Conservation Director (remote)

Carys Lustig, Director of Public Works

Shane Mark, Assistant Director of Public Works

John Regan, Fleet Manager

Tom Ryder, Town Engineer (remote)

Rhain Hoyland, Highway Superintendent

Mike Retzky, Superintendent of Water, Sewer & Drains

Steve Cusick, Water Treatment Facilities Manager (remote)

Matthew DeMarrais, Superintendent Recycling and Solid Waste Division

Barry Dulong, Director of Maintenance (remote)

Liz Lee, School Committee Vice-Chair (remote)

Anne Gulati, School Director of Finance

Tyler Gabrielski, DPW Management Analyst

Kristen Wright, DPW Management Analyst

Kristin Bent, DPW Finance Assistant – Water Billing (remote)

Ed Olsen, Parks and Forestry Superintendent

Citizen Requests to Address the Finance Committee

No requests

Approval of Minutes of Prior Meetings

None

FY2025 Department Budget Hearings

Town Clerk

Ms. Smith-Fachetti and Mr. Coffman were the liaisons and met with the Town Clerk on January 6th to review the budget. Ms. Smith-Fachetti reported that a challenge for the department is how the June 22, 2023 Voting Act changed the way the Town Clerks office accomplish election work. This has increased the amount of time and effort and communications it takes to run an election. A third of town and city clerks in Massachusetts have either retired or resigned due to these difficulties. In FY2024 there are two elections. In FY2025 there are three elections. The salary and wages increase by a modest amount of \$2,614, however the increase for temporary election workers is \$47,109 due to the increase in elections from two to three. The expense budget has an increase of \$21,750 to cover communications, for the increase in ballots, for early voting and voting by mail expenses. An additional part-time position is also being requested.

Ms. Eaton reviewed the time-consuming manual labor in the vote by mail process. In the 2022 elections over 9,600 vote by mail ballots were received. With three elections is the number of ballots is anticipated to increase. The department is currently down two employees who are not anticipated to return.

Ms. Eaton will be retiring after the April election, one year earlier than the end of her term, which will leave the Town Clerk's position on the Town ballot for election to finish her term. She was thanked for her many years of service.

Mr. Healy expressed concern about the current salary level for the town clerk position, given how the warrant article has been drafted in past years. . Ms. Eaton will see if information is available through the Massachusetts Town Clerks Association regarding what town clerks are being paid in comparable towns and the surrounding area. Mr. Healy also asked that the Select Board ensure that the warrant article be drafted so that the salary does not need to be amended on Town Meeting floor but all adjustment are included in the warrant article.

Planning Board and Community Development

Mr. Connelly and Mr. Levy are the liaisons to the department and met with Ms. Newman in December. Mr. Connelly introduced the budget. There are three divisions: Planning, Conservation and Board of Appeals. There are currently 5.53 positions in the department, four full-time and three part-time positions. The salary and wages, temporary services, and overtime amount for FY2025 is projected at \$575,608, an increase of about 1.8%. The expense request has increased from \$38,450 in FY2024 to \$40,850 in FY2025, an additional \$2,400. The total DSR2 request is \$627,296.

There are two DSR4 requests, one for a full-time planner for \$119,776 (includes salary, expenses and benefits) and an additional 10 hour a week administrative support \$15,700 (includes wages and expenses).

There are two DSR5 financial warrant article requests. The first is for \$80,000 for planning consulting assistance. Periodically the department makes requests for these services. There was one in FY2015 for \$45,000 and one in FY2022 for \$60,000, which is funding that the Planning Department can access over several fiscal years. The FY2015 amount is fully expended and the FY2022 one is almost fully expended on consultants working on the MBTA Communities Act. The \$80,000 DSR5 will be used to hire consultants as needed. The second DSR5 is to fund the continuation of the Small Repairs Grant Program in the amount of \$50,000 and is in line with prior appropriations.

Ms. Newman indicated there are some major demands for planning work over the next five years. A large amount will be work after implementation of the MBTA Communities Act in several areas that will require redistricting or rezoning. It is anticipated that parking regulations will also be looked at in the next five years as well as inclusionary zoning. The DSR5 request of \$80,000 and the additional full-time planner will help with these initiatives.

Mr. Block spoke to the additional needs of the department indicating that the department foresees a significant demand and increase in the number of applications and reviews because of the MBTA Communities Act implementation. An increase in staff and expenses will be needed to reach the Town's future goals in a responsible and balanced way.

Ms. Smith-Fachetti asked if grants would be available to support the MBTA Community Act. Ms. Newman understands that there should be some grants available and a grant of \$60,000 has already been received.

Currently the Planning Board's initiatives are on the back burner because the department needs to meet regulatory obligations first. With the addition of another FTE, the department anticipates that it will better meet its regulatory obligations and both Ms. Newman and the new planner will be able to advance the Planning Board's goals.

Public Works Department FY2025

Ms. Miller, Mr. Coffman, and Mr. O'Connor were the liaisons to the department. Ms. Miller reported that the DPW budget request is a bit higher than other departments due to the after-effects of the COVID-19 pandemic. The Department lost many staff, has had many vacancies over several years and is working on restaffing. A large part of the budget is for contractual services that have been affected by inflation and supply chain availability.

Fleet Program FY2025 (Capital)

Handouts detailing the fleet requests were distributed. Ms. Miller met with Mr. Davison and Ms. Simchak. They discussed smoothing out the annual request at about \$2.5M in Free Cash. The requests do fluctuate from year to year depending on what vehicles are needed. They also discussed using the Capital Improvement Fund as a smoothing mechanism which would supplement when needed and unused funds would be placed in the CIF in years in which expenditures were less than the \$2.5M. The request for FY2025 is just under \$2.35M, including the fire engine. Ms. Miller discussed using Free Cash for the fire engine to bring the total Free Cash expenditure to \$2.35M and to leave borrowing capacity in the 3% within the levy.

The various vehicle requests were reviewed.

The topic of the timing of a change in policy towards greener vehicles was discussed. It is anticipated that more electric vehicles will be purchased in the future, and more electric charging stations will be needed. The purchase of an electric school bus has been deferred while the infrastructure requirements of such a vehicle are determined.

The list of requested vehicles is valued at the gross expected amount of the vehicle. The Town disposes of vehicles either as a trade in for a new vehicle or sold by auction where funds are

turned over to the general fund and recommended to be placed in the CIF. The fire engine request, which is most of the budget, will replace an older vehicle and is not an addition to the fleet.

Ms. Lustig noted that DPW has made a capital request, and, she believes that the Town Manager and Select Board recommended a two phase construction for public works which includes a new wash bay that would extend the life of all the fleet vehicles and bring the Town into compliance with its NPDES permit.

Public Works Sewer Enterprise Fund

There are no DSR4 requests. The budget request is for an increase of 1.9%. The MWRA assessment is level funded and may bring that to 2.5% or 3% once it is known. Salary and wages are increasing by 4.4% due to COLA and step raises. Expenses are driven by contractual increases.

The drains amount for FY2025 is \$776,019. Mr. Levy asked how the flooding issues can be helped. Ms. Lustig has been to 21 neighborhood meetings to address storm drainage. She indicated that the draining from storm events happens relatively quickly but is not happening fast enough to not impact peoples' properties, mostly in low lying areas with poor soils in the center of town. The issue is the capacity of the pipes, not the inlets or the existing structures. The first part of the Storm Water Master Plan was just funded by ARPA and when recommendations come in it is anticipated that the improvements will start near the Charles River and work towards the center of town. These projects would be outside of the operating budget and would be capital investment projects. The department has spent more money than anticipated responding to flooding issues. There are some drainage improvement projects currently underway, costing roughly \$1,000 per foot of drainage pipe.

Public Works Water Enterprise Fund

Salary and wage increases are less than the Sewer Enterprise Fund. The increase in expenses and services is higher due to the purchase of chemicals and new meter reading software. The request for \$18,000 for the software will be a yearly expense. The new software will also have the ability to detect water leaks faster as data will be provided on a monthly basis, even though billing will be on a quarterly basis. The PFAS levels in the town's water are good. During the drought in FY2022 a record volume of water was pumped and this increased the electricity draw over the three year average. Operating budget funds that are not used revert to retained earnings. The operating budget determines the water rates.

There is one DSR5 request for fleet refurbishment for water vehicles to extend their life. This is the first request for water and it may be renewed as it is depleted. This allows more flexibility on an annual basis rather than having it in the operating budget. A sewer refurbishment article was funded last year for the first time and a general fund refurbishment article was first funded approximately six years ago and has been reauthorized twice more. The water fleet refurbishment would be funded from retained earnings.

Public Works General Fund

Public Works has nine divisions. There are quite a few DSR4 requests. In Administration an increase in the training budget is requested as there are more entry level staff who require more training. Ms. Lustig noted that Needham has established an entry level driver training program under Federal requirements for CDL's. Three individuals have passed through the program to date.

Building Maintenance has an increase of approximately \$750,000 made up of contractual increases. There is a significant increase in contract cleaning and there is also a DSR4 request to change the manner in which contractual and in-house cleaning for school buildings is done. The company hired through an RFP process to do cleaning for the High School, Pollard and Newman defaulted within three months and a new RFP process was done. There was a significant increase from the previous contract to the defaulted contract and an additional increase when the RFP process was repeated. The department is looking to bring one of the schools back to in-house cleaning as outsourcing is no longer less expensive. The DSR4 is for another custodian at the Newman School for this purpose.

The Engineering budget is also increasing. One position was moved from another division to Engineering for a net increase in the department but not in the overall budget. A DSR5 expense item for \$100,000 is included for property surveys. There is also a software license increase.

Ms. Lustig indicated that they are migrating the surveying to the operating budget. Surveying the various parcels owned by the Town will take five to ten years.

The Fleet division has a small increase that is contractual. They are also requesting a DSR4 for an assistant fleet supervisor, which has been requested over several years. This would be a management position for management of staff and equipment ordering. There have been many changes over the years to the equipment and vehicles, which are more electronically complex. There are electric vehicles and charging stations to maintain. Older vehicles are used longer and maintained to extend their life. Obtaining new vehicles and parts is increasingly difficult and time consuming. Hiring an assistant fleet supervisor would allow the mechanics to repair vehicles in a timely manner rather than spend time tracking down parts and equipment.

Highway has a net increase in expenses of \$115,000 of which half is for engineering services and the other half for contractual increases. Needham is a Complete Streets Community and to implement the program there is an engineering component and a need for additional inspectional services. There is a DSR4 for one heavy equipment operator that would complete a second crew and would allow more work to be performed in-house. Ms. Lustig can provide an analysis of project load and what having an additional FTE would be.

Parks & Forestry has a small increase to their budget. All increases are contractual increases. There are two DSR4 requests, one for a second park ranger and one for forestry management program. A second ranger would allow seven-day coverage between the two rangers. The current ranger covers Tuesday through Saturday. The new hire would cover Sunday and Monday with overlap on other days. Saturday and Sunday are high field utilization days. The ranger monitors the parks, helps manage fields, manage forest trails, monitors trash in the community and deals with graffiti. In the winter the park rangers are part of the snow removal program, monitor each park daily, repair and maintain park and field equipment, trash removal generated by the ½ school day every other Wednesday. The forestry management program includes an updated survey of street trees required by Mass general law, addresses the increase of

diseased/infested tree removal and creates a set back planting program. An outside company is needed to assist in these efforts.

Recycling and Solid Waste requested budget increases are primarily contractual. Cardboard is currently generating income, and all other recycling is at a cost. The value of commingled recyclables has decreased.

The contract with Wheelabrator for waste removal ends in 2028 and the department is in contact with the consortium of towns from twenty years ago to see if it can be reestablished to negotiate with Wheelabrator or determine another path. The food waste program removes some material from the waste stream to an anaerobic digester.

An RFP for the study regarding pick-up or drop off of trash that was funded last year was advertised, but the two responses received came in over budget. The current thinking is to do a survey first to narrow the options to be studied and engineering is working on a set of survey questions. It is anticipated that the survey company the town works with will do the survey.

Public Works has several recurring DSR5 requests. It was noted that a Sustainability Manager was hired as recommended by the Climate Action Plan Committee but not funded at Town Meeting. The position was created from reclassifying an existing position where the incumbent retired and the duties of the position are not primarily done with new technology. A DSR4 was presented last fiscal year which was not funded. The Committee at that time had recommended that the department find funds within its existing budget.

Updates

Mr. Healy suggested it would be helpful if the departments prioritize the DSR4 and DSR5 requests.

The Town Manager has submitted the proposed FY2025 budget, which was handed out to the Committee. Ms. Miller suggested everyone start reviewing it. She will create a spreadsheet for the Finance Committee to review and vote on a draft recommendation.

Ms. Miller indicated that the Safer Quieter Needham group is expected to attend a Committee meeting in late February. Mr. Connelly reported that there was a meeting of the Quiet Zone Working Group on January 22nd. GPI was hired as the transit engineering consultant out of the \$100,000 appropriated budget and has just started the study. GPI issued a slide deck with information and is proposing a meeting with the MBTA at the golf course crossing on February 2nd. There is a question whether a public crossing can be part of a quiet zone if there is a private railroad crossing within a certain proximity. There may not be a warrant article on the issue at the May 2024 Annual Town Meeting as the study is not likely to be finished.

Mr. Levy indicated that there will be a Citizens petition to rescind the debt authorization for the Foster property.

The next meeting of the Finance Committee is scheduled for January 31st.

Adjournment

MOVED: By Mr. Healy that the Finance Committee meeting be adjourned, there being no further business. Mr. Connelly seconded the motion. The motion was approved by a vote of 8-0, at approximately 9:05 p.m.

Documents: FY2025 Department Budget Requests

Respectfully submitted,

Kathryn Copley
Administrative Specialist