

**Needham Finance Committee
Minutes of Meeting of March 13, 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, 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

Kevin Keene, Select Board

Carys Lustig, Director of Public Works

Stacey Mulroy, Park & Recreation Director (remote)

Liz Lee, School Committee (remote)

Citizen Requests to Address the Finance Committee

None

Approval of Minutes of Prior Meetings

MOVED: By Mr. Connelly that the minutes of the meetings of February 7, 2024 be approved as amended. Mr. Coffman seconded the motion. The motion was approved by a vote of 8-0.

Annual Town Meeting Articles for the FY2025 Budget - DPW

Facilities Maintenance Program – Article 7

Ms. Lustig indicated that the request covers items that don't cleanly fit within the capital definition, nor do they prudently fit using operating funds because they overlap fiscal years from the start of the project to the end. All funds approved at prior Town Meetings have been encumbered. School projects begin when the schools shut down for the summer and continue through the summer. There are projects that have not been completed mostly due to supply chain issues like the library elevator project that is waiting for materials to complete the project. The funds are used for planned projects and emergencies that come up. The planned projects include security door upgrades at the Mitchell Elementary School, normal annual programs like duct cleaning performed on every single building which is on a five-year cycle, gym floor refinishing on a cyclical basis, HVAC upgrades at Town Hall, sound system repairs at the Newman, Pollard and High Schools, and building alarm and security repairs throughout the town. These projects are primarily outsourced.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of Article 7 as printed in the warrant to appropriate funds for the Facilities Maintenance Program in the amount of \$1,000,000. Mr. O'Connor seconded the motion. The motion was approved by a vote of 8-0.

General Fund Cash Capital – Article 25

The Public Works and Schools items were reviewed by Ms. Lustig.

Global Positioning System (GPS) Equipment

Ms. Lustig indicated that this is an upgrade to the GPS system in all the vehicles. The current GPS equipment in the vehicles was run by Verizon and the product is no longer being supported. The DPW is transitioning to a new product that has more information and analytics that is provided remotely including idle time, whether safety belts are engaged, and can provide information on snow routes that can then generate models to make sure nothing is being missed.

The request is for the purchase, installation, maintenance and service and the budget includes the full price of the system as discounts are not guaranteed. If discounts are received, the remaining amount could be utilized towards services or replacement. The equipment can be reinstalled in new vehicles. They are also looking at the potential to have dashcams that would aid in training and would be an additional non-discounted cost.

Specialty Equipment

This is for items that do not fit into the rolling stock definition but are too large for operating capital. There are two items for the Parks & Forestry Division: an all-terrain vehicle and a renovator for baseball diamonds, both are replacements for current equipment which would not be retained. There are two items for the Highway Division: a roller and a paver.

Mr. Healy asked what the difference between Specialty Equipment and Specialized Equipment was. Specialty Equipment is considered a tool and is not registered. Specialized Equipment includes fire engines and ambulances where the vehicle is only a part of the purchase as add-on equipment is a substantial part of the cost and the vehicles are registered.

Sustainable Building Retrofit Program

This is a name change and was formerly called the Energy Efficiency article. The intent is to continue to upgrade the Town's buildings to make them energy efficient. The reason that it is now referred to as "sustainable buildings retrofit" is that the purpose of the program is to make buildings more resilient, which could include projects that use different energy types. The funding this year is to upgrade the lighting at the Broadmeadow and High Rock schools to LED lighting.

The Green Communities program is no longer funding lighting retrofits because LEDs are now considered an industry standard. Funding opportunities through Eversource will be pursued.

The DPW has a spreadsheet of the projects that are accomplished and a calculation of the energy efficiency. This will be provided to the Committee.

Eliot Boiler Design

This is for the design services for the replacement of the boilers at the Eliot School. The building is now over twenty years old. These are the last of the cast iron boilers installed in the town and the technology has been phased out. The new design is for high efficiency condensing boilers that have an energy efficiency benefit as well as reliability of the new system. The boilers are estimated to cost \$560,000.

Transportation Safety Committee Improvements (Traffic Improvements)

This is a repeat article that has been put in for the last five years and is a dedicated funding source for the Transportation Safety Committee for requests from residents about improvement to right of way. This funds small projects like signage, painting or other small changes. The amount was increased by \$50,000 last year for increased requests for solar and RRFB signage. Solar signage can cost up to \$30,000 or \$40,000 per installation. Ms. Lustig can provide the Committee with the projects that have been completed. Usually these are pilot programs like the jersey barriers at some intersections. If the requests are not within the committee's scope, they will bring it to the DPW.

Vehicle Charging Stations

There are two reasons for requesting the funding. The first is the Climate Action Plan to install additional electrical vehicle charging stations around the community. The majority installed to date have been funded through State and Eversource programs. This request would be a funding source to install additional Tier Two charging stations for regular passenger vehicles or small trucks around town.

The second reason is the School Department would like to purchase an electric school bus in a pilot program, and which will require Tier Three charging stations for high-capacity passenger vehicles at the Newman School where the buses park. If the pilot program is successful, they plan to add two additional electric buses. The charging stations would need to be installed before the bus is purchased. The charging stations would be dedicated for the buses and will not be available to residents. If the electric bus pilot program fails, the charging stations could be repurposed for staff or other individuals to use. The chargers will be installed behind the buses so may not realistically be available to anyone else.

The funding request is for one Tier Two charging station and three Tier Three charging stations. The electric bus pilot program will start with one bus, but the intent is to purchase three. All of the infrastructure to support three charging stations would be done at one time.

Ms. Lustig was asked to review the language of the article item for clarity.

Athletic Facility Improvements - Claxton Field - Article 27

The Park & Recreation Department is the proponent of the request, but the DPW will execute the work. Ms. Mulroy gave an overview of the project. It is now an environmental project as well as an upgrade to the field. The fields will stay in the same position. Eight to twelve inches of topsoil will be peeled back, and geo barrier laid down to protect people from the contaminants

below. The soils and fencing will be upgraded, and the lighting will be upgraded to LED. More than half of the \$3.6M is for environmental remediation required by the DEP. The contaminated material was found at a depth of four feet. The project should be out for bid in the next week.

The Community Preservation Committee was going to fund a portion of the project, but after the cost ballooned, they funded the High School tennis courts instead. Active recreation is not considered open-space and the Community Preservation open space funds cannot be used for this purpose. General Community Preservation funds only can be used for active recreation.

Water Fleet Refurbishment – Article 29

MOVED: By Mr. Connelly that the Finance Committee recommend the adoption of Article 29 to appropriate funds for the Water Fleet Refurbishment in the amount of \$75,000 coming from the Water Enterprise fund retained earnings. Mr. Coffman seconded the motion. The motion was approved by a vote of 8-0.

Sewer Main Replacement – Article 33

The request is for \$13M. This is one of several phases of the project. There is a large interceptor sewer that accepts waste from several parts of town and conveys it toward the MWRA along Greendale Avenue between Greendale Ave. and Route 128. A full camera investigation was carried out which found several issues. The first was the condition of the pipes and the second was a capacity issue. The pipes could be relined but to correct the capacity issue the pipes would have to be replaced, which is a more expensive endeavor. The pipes are not large enough to convey the amount of sewage it needs to convey. Relining the pipe would make the interior smaller.

The DPW has received a significant portion of the ARPA funding and \$3M is going to reline the currently failing areas. This is the first phase of the sewer replacement project. The total project is estimated at \$38M in total. The consequences of not doing that project are significant enough to bring the project forward. The project has been phased as much as possible to lessen the impact.

Most of the design work is completed and assuming the article passes, construction would start in the spring of 2025 and would probably take at least one construction season. Ms. Lustig will confirm whether it would take longer than that and get back to the Committee.

This issue was discovered after the Modera project was completed. It was discovered during the investigation for the potential development of Parcel 74. Ms. Lustig does not believe it is related to the Modera project but will confirm this.

Mr. Davison indicated that the Town would see if the project qualifies for zero percent financing.

The next phases are budgeted in the capital plan for FY2026, FY2027 and FY2028. Mr. Davison indicated that this is one of the things that is driving the increase in the sewer debt service which will be going up over the next three years and then will level off to about \$1.8M a year. This

translates to an increase of over 10% in the operating budget which will translate into an increase in rates of over 10%.

The other large project currently scheduled is the replacement of the Cook's Bridge sewer pump station. The Town is working with Wellesley to see if a gravity sewer system there is possible. The feasibility study is currently underway. A gravity sewer system would be significantly less expensive. Ms. Lustig will review whether there are any further sewer projects in the five-year capital projects. Mr. Davison indicated that debt financing through the sewer enterprise will be the sewer main replacement for another \$33M and the Cook's Bridge sewer pump station over the next ten years. Ms. Miller stated her concern that other projects not fall behind just because there is one very large project. Mr. Davison indicated that the other projects that have been identified by the DPW for sewer are at the level that they would be funded by cash.

Mr. Davison will forward the revised warrant text and Ms. Miller will place it on the agenda for next week for a vote.

Water Enterprise Cash Capital – Article 34

The request for a mini excavator has been made for several years by the water construction crew. This would provide flexibility in smaller diameter pipe projects. The smaller diameter pipe installation projects act as a training for new employees. There are usually site constraints in these projects and a mini excavator is necessary. A mini excavator is being rented for these projects and a cost benefit analysis has determined that it is cheaper to purchase one rather than to continue renting. In addition, they are not always available to rent during an emergency.

MOVED: By Mr. Connelly that the Finance Committee recommend the adoption of Article 34 to appropriate funds for the Water Enterprise Fund Cash Capital for the three items set forth in the warrant in the total amount of \$180,814. Mr. Coffman seconded the motion. The motion was approved by a vote of 8-0.

Water Service Connections – Article 35

This is a long program for the DPW with the focus of removing as much lead from the water system as possible. The primary source of lead is lead goosenecks between the water main and the water service to the house. Needham water is treated with a chemical that prevents lead from getting into the system so there is no threat to individuals who have lead goosenecks in their water system, but the Town is under a mandate to remove lead. The water will continue to be treated in case there is lead within homes. There are roughly 1,000 services remaining that contain some amount of lead. The DPW is able to do about 100 services per year. The \$1M requested will allow the work to continue over two to four years and allow the Town to award a multi-year contract, which tends to be more advantageous. Funding was received three years ago which has been expended.

The funds are being transferred from prior water project articles and the Water Enterprise Fund Retained Earnings.

MOVED: By Mr. Connelly that the Finance Committee recommend the adoption of Article 35 to appropriate funds for Water Service Connections in the sum of \$1,000,000

the funds to come from the sources set forth in the warrant. Mr. Levy seconded the motion. The motion was approved by a vote of 8-0.

FY2025 DPW Operating Budget – Final

The Committee had left open whether to transfer the School Department IT budget into a combined School and Municipal IT budget in one line item. This will not be happening this year. There will be a stand-alone appropriation line item 22 for the Municipal IT. The School IT budget line item is line 24. The vote made last week will stand.

The School Department IT will run both operations. The funds that are assigned to the Municipal IT will not be fungible with the School Department budget. It will be a separate line voted by Town Meeting within the School Department budget. The Memorandum of Understanding is still being drafted.

Updates

Mr. Healy suggested that members go over the department operating budgets that they are liaison to, so they can provide Ms. Smith Fachetti with information if needed during the ATM. He also suggested that warrant article assignments be given out as soon as possible. Ms. Miller asked that members send her an email if they are interested in particular articles.

The next meeting is scheduled for March 20, 2024.

Adjournment

MOVED: By Mr. Healy that the Finance Committee meeting be adjourned, there being no further business. Mr. Coffman seconded the motion. The motion was approved by a vote of 8-0, at approximately 8:17 p.m.

Documents: FY2025 Department Budget Requests, Updated 2/23/24 Draft ATM Warrant

Respectfully submitted,

Kathryn Copley
Administrative Specialist