Needham Finance Committee

Minutes of Meeting of April 10, 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

Karen Calton (arrived at 7:05pm), John Connelly, James Healy, Mr. Paul O'Connor, Barry Coffman

Absent: Carol Smith-Fachetti, Vice Chair

Others Present:

David Davison, Deputy Town Manager/Director of Finance

Molly Pollard, Finance Committee Executive Secretary

Christine Urban, Citizen

Lynn, Howard Citizen

Joshua Levy, Select Board

Gary Ajamian, Citizen

Terry Ajamian, Citizen

Chris Heep, Town Council

Ken Buckley, Citizen

Marianne Cooley, Select Board Chair

Barbara McDonald, Citizen

Present via Zoom

Joe Abruzese, Citizen

Citizen Requests to Address the Finance Committee

None

Approval of Prior Meeting Minutes

None

Annual Town Meeting Warrant Articles

Citizens Petition Rescind Debt Authorization (Article 43)

Mr. Abruzese explained this petition aimed to rescind the debt authorization voted on during the special town meeting in October 2022. The debt was initially authorized for a transaction involving the Foster property, which ended up being sold to a different buyer than originally planned. Mr. Abruzese 's intention was to make the funds available for other town uses. He noted that the Select Board had submitted a similar article, article 36. Mr. Abruzese had discussions with the town moderator on how to manage potential overlaps between his petition and the Select Board's article at the town meeting. The moderator advised keeping both articles separate. Ms. Miller clarified the Finance Committee should vote related to the substance of the article and leave procedural questions to the moderator.

MOVED: By Mr. Healy that the Finance Committee recommend adoption of Article 43: Citizen’s Petition to Rescind Debt Authorization. Mr. Connelly seconded the motion. The motion was approved by a vote of 5-0 at approximately 7:09pm.

Citizens Petition to Expend Funds for Consultant for MBTA (Article 46)

Document Circulated: Email to Manager Fitzpatrick: Re: Determination of Interim Compliance under MGL c. 40A, Section3A

Mr. Ajamian explained this article is in reference to the rezoning of 100 acres in the town. Mr. Ajamian raised concerns about potential state control over town land and the rush of the rezoning process ahead of the official deadline of December 31, 2024. He also referenced a letter from the Department of Housing and Community Development (DHCD), now under a new name, confirming the town's compliance with interim plans until the district compliance deadline. Mr. Ajamian underscored the importance of infrastructure considerations, noting that current infrastructure was designed for single-family and some multi-family and commercial uses. He expressed concerns about unforeseen capital expenses related to infrastructure upgrades necessary for supporting new zoning. The article requests funding for an updated study similar to the Needham 2025 growth impact study conducted by NV5 in 2020. This study would provide an updated overview of potential capital liabilities. He also mentioned another consultant paid for with state funds, RKG, which focused on operational costs and financial models but argued that a technical study on infrastructure capacity was also essential for informed decision-making. Mr. Ajamian’s stressed the importance of using independent, unbiased consultants to provide guidance for town meeting votes.

Mr. Healy raised four concerns regarding a proposed town infrastructure study related to rezoning. He questioned if the HONE Committee had been approached to handle additional studies. He also inquired about the identity of the contractors for the study and the source of the $150,000 needed for funding. Additionally, he highlighted the need for a formal procurement process, noting the study could not be automatically assigned to NV5.

Ms. Miller responded that the HONE Committee chair mentioned a consultant was already focusing on operational costs and that a report on capital infrastructure needs was expected by April 30th.

Regarding the push for an independent study, Mr. Buckley clarified that some citizens prefer a separate, detailed technical analysis of infrastructure needs, which might be better handled by a specialized engineering firm. He noted the town employees, while capable and unbiased, might not have the specialized expertise or time to conduct such detailed assessments. Mr. Healy suggested organizing discussions between town officials and concerned citizens to resolve any misunderstandings and unify efforts.

Mr. Connelly followed up on Mr. Healy's earlier questions, seeking clarification on the source of the $150,000 and the rationale behind choosing that specific amount. Mr. Ajamian explained that the figure was agreed upon after discussions with independent consultants, noting that while $150,000 might not cover all needs, it should suffice to identify any major red flags before town members vote on zoning changes. Regarding the funding source, Mr. Ajamian indicated that they were considering using free cash, but acknowledged that they had not consulted Mr. Davison or any other town financial authority to confirm the availability of these funds. Mr. Healy clarified that Mr. Davison had already made projections about the amount of free cash to be certified by the state and its allocatio, which did not currently include the $150,000 for this study.

The Finance Committee suggested that the HONE Committee might engage with citizens to better understand and perhaps align on the infrastructure review's scope and comprehensiveness. Mr. Healy suggested that if the facilities team already had a scope of work and understood the key issues, sharing this information with the citizens' group might increase their confidence in the independent nature of the review. Mr. Levy noted the possibility of incorporating these discussions into upcoming HONE committee meetings.

Mr. Coffman suggested that concerns raised by citizens should be addressed within the comprehensive framework already established for such purposes, questioning the procedural approach of the citizens' petition.

Mr. Buckley agreed that the lack of detailed discussion on infrastructure at public meetings and the urban planner’s admission of not handling infrastructure specifics contributed to the push for the citizens' petition. The Finance Committee discussed that while there was a substantive need for the proposed study, the method of funding and procedural execution proposed by the citizens' petition was not the appropriate vehicle.

Mr. Buckley raised a concern about the implications of the rezoning under the MBTA Act, which aims to shift control of building from the town to the property owners within the designated 100 acres. Mr. Coffman clarified that all such developments would still undergo rigorous public vetting for issues like traffic and stormwater runoff. Ms. Urban questioned how infrastructure needs for new projects are assessed and who bears the financial responsibility for necessary upgrades. The Finance Committee discussed how developers present their plans, including projected impacts like sewage outflow, and how the town evaluates and prices these impacts.

Mr. Connelly questioned the timeline from now until December. Mr. Levy outlined the timeline for the report submission is April 30 followed by submission to the state the next day for preapproval. There is opportunity for potential changes before voting on this at town meeting in October and then the state will have to reapprove the final version of the plan before the end of December deadline. Mr. Connelly stated that the last minute timing of the report is unfortunate but makes clear that the warrant article appropriation would not allow for adequate procurement process and project completion in-line with the deadlines. Mr. Healy expressed similar doubts about the feasibility of hiring a consultant within the required timeline due to the detailed and lengthy public procurement process required by state law. Mr. Ajamian then provided some context for the discussion, explaining that as a new town meeting member, he had faced questions about whether an engineering study would be conducted. After receiving vague responses from the town, he was advised to initiate a citizen petition. He hoped that existing data from a recent report could be updated in time for the necessary decisions.

Mr. Buckley inquired about the possibility of an addendum or update to an existing report, to which Mr. Healy explained the "sole source justification" process. This process allows for bypassing some procurement steps if it can be proven that no other viable options are available and the situation demands such an action, though he noted it was not a straightforward or easy path.

Mr. Connelly shared his view that if the report due on April 30th lacks details on engineering and infrastructure, he would support a reserve fund transfer to hire an engineering firm for an additional study. He emphasized that the Finance Committee could act immediately to provide the funds if necessary.

Mr. Coffman pointed out that the town already has some infrastructure knowledge and is planning significant upgrades, suggesting that the town's resources might be sufficient to address any concerns without outside help. In these case that the April 30th report is not adequate, he supported handling the issue through a reserve transfer rather than the proposed method.

The Finance Committee decided to wait until after April 30th to vote on the issue.

Amend General By- Laws Technology Advisory Board (Article 40)

Ms. Miller stated that the Advisory Board had reviewed and made necessary changes to the language of the bylaw concerning the structure of the technology department. This change aligns with an operating budget change. Mr. Coffman sought clarification as to if the changes were merely rearranging responsibilities within the town's departments without creating new financial obligations. However, Ms. Miller clarified that there is indeed a new financial obligation linked to the warrant article. Mr. Davison explained that the revisions mainly involve removing processes tied to being part of the finance department and some redundant security language while retaining sections related to having a Technology Advisory Board. There will be an incremental cost, but that cost is unavoidable. Mr. Healy added that the shift includes moving responsibilities from Mr. Davison's department to the school, potentially affecting the replacement schedules for computers due to the school department's different schedule. Mr. Healy inquired about data confidentiality provisions, which Mr. Davison reassured were still covered under state law.

MOVED: By Mr. Healy that the Finance Committee recommend adoption of Article 40: Amend General By-Laws Technology Advisory Board. Mr. Connelly seconded the motion. The motion was approved by a vote of 5-0 at approximately 7:54pm.

Debt Service Stabilization Fund (Article 50)

Ms. Miller pointed out that no specific dollar amount had been decided yet and free cash was not yet certified. Mr. Davison explained the debt service fund's purpose: to manage times of extraordinary debt levels. This would help in smoothing out the debt percentages in times of extraordinary debt. Mr. Coffman showed agreement with the proposal, emphasizing that prioritizing this fund should be a high priority over the next few years, especially given the expected financial demands. Mr. Healy reminded everyone that implementing this fund would create a new allocation bucket, which could potentially reduce the available funds for other needs like operating expenses or capital purchases. This will be voted on at a later date.

Amend Zoning Bylaw- Affordable Housing District (Article 18)

Amend Zoning Bylaw- Map Change Affordable Housing District (Article 19)

These articles were previously discussed. There were no further questions.

MOVED: By Mr. Healy that the Finance Committee recommend adoption of Article 18: Amend Zoning Bylaw- Affordable Housing District and Article 19: Amend Zoning Bylaw- Map Change Affordable Housing District. Mr. O'Connor seconded the motion. The motion was approved by a vote of 5-0 at approximately 8:00pm.

Amend Zoning Bylaw- Solar Energy Systems (Article 20)

This article was previously discussed. Mr. Coffman asked about the financial impact. Ms. Miller said that the impact to the town finances is positive from a commercial tax perspective and unknown from a personal tax perspective. Discussion ensues about personal reservations, but as the Finance Committee it is decided that the impacts seem to positively benefit the town.

MOVED: By Mr. Healy that the Finance Committee recommend adoption of Article 20: Amend Zoning Bylaw- Solar Energy Systems. Ms. Calton seconded the motion. The motion was approved by a vote of 5-0 at approximately 8:04pm.

Linden Street Redevelopment (Article 22)

This article was previously discussed. Mr. Healy mentioned that the NHA is going to bid out for developers rather than necessarily using the Cambridge Housing Authority.

MOVED: By Mr. Healy that the Finance Committee recommend adoption of Article 22: Linden Street Redevelopment. Mr. O'Connor seconded the motion.

Discussion: Ms. Miller made the point that there was a potential MOA discussed when this project was heard in a prior meeting regarding the affordability and original intention of the project to provide housing for elderly community members. Mr. Healy inquired if this will be provided prior to town meeting. Mr. Heep affirms that at least the bullet points of the MOA can be put together before town meeting.

The motion was approved by a vote of 5-0 at approximately 8:06pm.

Sewer Main Replacement (Article 33)

This article was previously discussed. Ms. Miller highlighted that the project would significantly increase the debt service within the sewer enterprise. Mr. Davison confirmed it is roughly doubling it from its lowest point, though still comparable to what it was a decade ago. Ms. Miller discussed the importance of maintaining stable infrastructure funding levels to avoid financial fluctuations, which Mr. Davison and others agreed was difficult to manage.

Mr. Healy mentioned that the funding for this project would come from previously reserved sewer articles, emphasizing that no new external funds would be introduced for this purpose. However, Mr. Davison acknowledged that the project would ultimately lead to an increase in sewer bills for residents. He proposed preparing a memo with specific financial impacts, detailing that the project would not entail borrowing $13 million at once but would be part of a multi-year, multi-phase project totaling close to $40 million over a decade. Mr. Healy suggested involving the Department of Public Works to provide a broader overview of the project and its long-term goals, including infrastructure testing and improvements planned over the next ten years, underlining the extensive area the project would cover and its significant implications for the community.

MOVED: By Mr. Healy that the Finance Committee recommend adoption of Article 33: Sewer Main Replacement. Mr. O'Connor seconded the motion. The motion was approved by a vote of 5-0 at approximately 8:09pm.

Amend General By-laws- Periodic General By-Law Review (Article 38)

This article was previously discussed. Mr. Healy expressed a desire for a more mandatory consultation process with other committees that could be affected by changes, as well as a safeguard to ensure that amendments to bylaws do not unintentionally affect the town's charter. Mr. Heep, addressing Mr. Healy's concerns, outlined the current draft of the bylaw which specifies the limits of the committee's jurisdiction and mandates consultation with relevant boards when reviewing bylaws under their scope. Mr. Heep noted that the committee's scope was deliberately confined to general bylaws and did not extend to the charter, and any significant amendments affecting the charter would need to be handled appropriately. He suggested that amendments could be proposed during town meetings if necessary.

Mr. Coffman asked whether the Finance Committee should take a formal position on the bylaw review process. Mr. Healy stressed the importance of the budgeting bylaw, highlighting its significance in the Finance Committee's operations. The Finance Committee determined that while the review itself might not have direct costs, a position should be taken given the Finance Committee bylaw. Ms. Miller concluded that it was essential for the Finance Committee to articulate any concerns or positions regarding the bylaw review, to provide clear guidance during town meeting discussions, particularly about preserving the integrity of critical financial bylaws like the budgeting bylaw revised in 2004.

MOVED: By Mr. Healy that the Finance Committee adopt Article 38: Amend General By-laws- Periodic General By-Law Review. Mr. Connelly seconded the motion. The motion was approved by a vote of 5-0 at approximately 8:17pm.

Authorized Select Board to Remove Restrictions (Article 41)

The committee will vote on this at a later time.

Amend General By-Law – Local Historic District (Article 42)

This has been previously discussed. Mr. Connolly noted that there is no clear financial impact to the town.

MOVED: By Mr. Healy that the Finance Committee adopt no position on Article 42: Amend General By-Law – Local Historic District. Ms. Calton seconded the motion. The motion was approved by a vote of 5-0 at approximately 8:20pm.

Citizen's Petition- Single Use Plastic Ban Bylaw (Article 45)

The article was previously discussed. Ms. Miller noted survey of local business owners was never provided to the Finance Committee. Mr. Coffman stated this makes the town slightly less friendly to businesses.

MOVED: By Mr. Healy that the Finance Committee recommend against adoption of Article 45: Citizen's Petition- Single Use Plastic Ban Bylaw. Mr. Coffman seconded the motion. The motion was approved by a vote of 5-0 at approximately 8:22pm.

Capital Improvement Fund (Article 48)

Ms. Miller brought up the Capital Improvement Fund on the agenda due to concerns that this article might be withdrawn. She advocated for not withdrawing it and suggested that even if only a small amount of funding was available this year, it should still be allocated to demonstrate the fund's importance and intended uses.

Special Town Meeting Articles

Amend General Bylaws- Fines Under Section 3.5 (Article 8)

MOVED: By Mr. Healy that the Finance Committee recommend adoption of Article 8: Amend General Bylaws- Fines Under Section 3.5 (Article 8). Mr. O'Connor seconded the motion. The motion was approved by a vote of 5-0 at approximately 8:24pm.

Finance Committee Reorganization

Ms. Miller stated that Michael Fee is working on new members to fill the vacant positions, but in the meantime a new chair needs to be voted in. She states Carol Smith-Fachetti has expressed her willingness to act as the new chair for the remainder of this fiscal year and next fiscal year.

MOVED: By Mr. Healy that Carol Smith-Fachetti become chair of the Finance Committee, following the resignation of Louise Miller. Mr. Healy also moves that Mr. Connelly will serve as vice-chair of the Finance Committee for the balance of this fiscal year. Mr. Coffman seconded the motion.

Discussion: Mr. Connelly affirms his commitment to becoming vice-chair.

The motion was approved by a vote of 5-0 at approximately 8:26pm.

Finance Committee Updates

Ms. Miller stated that Mr. Levy is the Finance Committee designee on HONE, so someone will have to be the new Finance Committee designee. It is decided that Ms. Calton will be the new designee.

Ms. Miller stated that she is the Finance Committee representative on the bylaw and charter review committee and suggested Teddy be the Finance Committee designee. It was determined by the group that nobody need be appointed until January.

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 5-0, at approximately 8:29p.m.

Documents: Email to Manager Fitzpatrick: Re: Determination of Interim Compliance under MGL c. 40A, Section3A

Respectfully submitted,

Molly Pollard

Executive Secretary, Finance Committee