Needham Finance Committee
Minutes of Meeting of September 30, 2024

To view a recording of the meeting on YouTube:

https://youtu.be/rURuRR1w0mI?si=VON8eF4Th2xylLWO

The meeting of the Finance Committee was called to order by Chair Carol Smith-Fachetti at approximately 7:00 pm in the Great Plain Room at Needham Town Hall, also available via Zoom teleconferencing.

Present from the Finance Committee:
Carol Smith-Fachetti, Chair; John Connelly, Vice-Chair
Karen Calton, Paul O'Connor, Barry Coffman, Joe Abruzese, Tina Burgos (arrived at 7:04pm), Lydia Wu

Others Present:
David Davison, Deputy Town Manager/Director of Finance
Molly Pollard, Finance Committee Executive Secretary
Cecilia Simchak, Assistant Director of Finance
Natasha Espada, Planning Board, Chair
Lee Newman, Director of Planning and Community Development
Artie Crocker, Planning Board, Vice Chair
Katie King, Deputy Town Manager
Gary Ajamian, Town Meeting Member Precinct F
Carys Lustig, Director of Public Works

Citizen Request to Address the Finance Committee

Mr. Ajamian mentioned representing about 35 residents in May who wanted more financial information about the impact of a proposed rezoning. He said they were told that the information was unnecessary, but many residents still want it. They are asking for clear, concise documents outlining the financial impacts of the base proposal and the larger one. Gary emphasized the need for Town Meeting members to have enough time to understand these proposals and the financial impact, both short-term and long-term, regardless of the pace of development. He referenced Lexington's experience after receiving state approval, expressing concern that Needham may not be adequately prepared for a similar influx of development reviews. Mr. Ajamian also highlighted that many residents are unaware of the proposals, and when they learn, they become concerned and ask for more information. He believes Needham has a history of thoroughly vetting financial impacts and evaluating indirect costs, such as the effect on schools and class sizes. He stated that this kind of analysis is missing or unclear, and many reports are difficult for the average citizen to understand.

<u>Approval of Minutes of Prior Meetings</u>

MOVED: By Mr. Connelly that the minutes of meeting September 18, 2024, be approved as distributed, subject to technical corrections. Mr. O'Connor seconded the motion. The motion was approved by a vote of 6- 0 at approximately 7:08.

<u>Special Town Meeting Article Discussions</u>

<u>Article 8-11 Zoning Changes Regarding MBTA Communities Act</u>

Documents: Email: RE: Presentation from September Public Hearing; Email: FW: Presentation from September Public Hearing; MBTA Communities Act Zoning: School Capacity Analysis; Summary of MBTA Communities Compliance; Town of Needham Finance Committee Meeting Packet

Ms. Espada, referring to the presentation documents provided, gave an overview of the MBTA Communities Act, which requires 177 designated communities, including Needham, to establish zoning that allows multifamily housing by right. She explained the key requirements: a minimum of 15 dwellings per acre, with a portion of the district located within half a mile of an MBTA station. Needham must comply by December 31, 2024. Ms. Espada outlined Needham's specific zoning obligations, including a gross area of 50 acres and a unit capacity of 1,784 units.

She then discussed the formation of the Housing Plan Working Group (HONE) as an advisory team to help comply with these requirements. HONE included a variety of experts and town representatives, such as planners, architects, developers, and members of various departments like finance, police, and fire. The group worked extensively, meeting with community stakeholders and gathering input through three large community meetings.

Ms. Espada emphasized the group's thorough process, contrasting Needham's extended deliberations with other towns that moved faster. She also described how the group consulted with town entities like the Department of Public Works and Needham Public Schools to evaluate the potential fiscal, infrastructure, and school enrollment impacts. Consultants were hired to assist with zoning planning, and a draft zoning proposal was finalized after community input and multiple public hearings.

She detailed the timeline leading up to the October 2024 special town meeting, noting that their zoning proposal received minimal state comments, indicating that their consultants did a good job ensuring compliance with state requirements.

Ms. Smith-Fachetti raised a question about whether the state reviewed both the compliance plan and the neighborhood plan, to which Ms. Newman clarified that both plans were submitted for state comment. Mr. Connelly inquired about where to access the state's comments, and Ms. King stated they could be emailed, while Ms. Espada mentioned that the information was also available in Planning Board meetings and community discussions.

Ms. Burgos asked if the Planning Board's updates in August were primarily based on state feedback. Ms. Espada responded that the changes were influenced by both state comments and community input. She mentioned specific changes, including those regarding 100 West Street, which arose from feedback by community members. The Planning Board also put significant effort into site plan review, considering models from other towns.

Ms. Espada then provided an overview of the zoning process, noting that it's about setting rules for future development. She highlighted that multifamily housing is already allowed by right or special permit in most districts in Needham, except for two—industrial and business districts. She outlined the existing zoning rules regarding parking, dwellings per acre, and building heights, which already align closely with the requirements under the MBTA Communities Act.

She also provided historical context, referring to zoning changes made in 2009 that increased density in certain areas, such as Needham Center and Chestnut Street, through overlays. Despite these zoning adjustments, only one project, a four-story mixed-use building, was developed under these new rules.

Mr. Connelly questioned the numbers presented, specifically asking why the base compliance plan seemed to exceed the required acreage. Ms. Newman explained that while the base plan allows for more than the requirement, this is due to how zoning rules are applied across various parcels. Adjusting the plan to meet the exact requirement would be difficult because it would involve significant changes to zoning and dimensional standards.

Mr. Connelly asked if the town had considered options between the base plan's 1,870 units and the neighborhood housing plan's 3,296 units. Ms. Espada clarified that, initially, the town's modeling produced around 4,000 to 4,500 units, but the team worked to reduce the number by eliminating certain zones and focusing on specific areas like Chestnut Street. She explained that the number of units isn't easily adjustable because the zones and parcels are already set up in a particular way. Ms. Espada pointed out that while the neighborhood plan allows for higher density, it was carefully designed to focus on the Chestnut Street district and Highland Avenue, both of which already have some infrastructure to support this increased density.

Mr. Connelly then asked about weather combining industrial zones could help the town meet its 50-acre requirement. Ms. Newman responded that while combining zones could theoretically work, the team felt that focusing on existing commercial corridors was more effective. The goal was to introduce multi-family housing as a right in business and industrial districts where it could take advantage of existing development patterns. Ms. King added that one of the key factors in their approach was balancing footprint size with building height. If the town tried to reduce the overall footprint of these housing districts, they would need to increase building heights dramatically to meet the housing requirement.

Ms. Wu asked about the purpose of the housing initiative, wondering whether the goal was to make housing more affordable and accessible or simply to meet a minimum legal requirement. Ms. Newman explained that the town's zoning efforts were in response to a state law requiring Massachusetts communities to zone for multifamily housing near transit stations. This is part of a broader effort to address the housing crisis in the state. In Needham's case, there will be provisions for affordable housing, with developments of six or more units required to allocate 12.5% of units as affordable. Additionally, there will be incentives for workforce housing.

Ms. Wu then asked what would happen if the town chose not to comply with the state's housing law. Ms. King responded, stating that non-compliance would result in the loss of certain state funds. She emphasized that the town's plan separates the issue of compliance from the broader discussion of housing needs. In other words, the town can first decide whether to meet the legal requirements and then make a separate decision on whether to go beyond those requirements to address other housing needs.

Mr. Connelly raised another question about specific housing projects, such as the ones near Highland Avenue and Rosemary Ridge, asking if the zoning would allow for tearing down existing buildings to build higher-density housing. Ms. Newman confirmed that the zoning involves adding height to existing apartment districts, particularly in areas like Chestnut Street, where current zoning already allows for up to four stories by special permit. This means that, under the neighborhood plan, the town is simply extending these allowances rather than creating entirely new zoning rules.

Mr. Coffman pointed out that other towns, like Wellesley, have included larger housing projects in their plans to meet state requirements. Ms. Espada responded that the town can only have 10% of its housing outside of the half-mile radius from train stations, and that they've already utilized that option for specific areas.

Ms. Smith-Fachetti then added clarification, explaining that any housing built under this change must be within a half-mile of a train station to comply with the MBTA Communities Act. Ms. Espada also noted that the Planning Board would continue to review additional areas, like the Hersey district, for potential housing developments.

Ms. Espada and Ms. Newman reiterated that while the neighborhood housing plan does allow for significantly more units than the base compliance plan, the town took great care to concentrate that additional density in specific areas like Chestnut Street. These areas were chosen based on their existing infrastructure and proximity to transit, ensuring that any new development would fit into the town's broader planning goals.

Ms. Wu raised concerns about the potential impact of bringing more people into Needham, especially in terms of the effect on the education system and other resources. Ms. Espada acknowledged the importance of these issues, stating that they would be addressed later.

Ms. Newman then proceeded to explain the four zoning articles on the warrant. Article 8 establishes the multifamily housing overlay consistent with the base compliance plan, and

Article 9 is the map change associated with that plan. Article 10 builds on Article 8 by introducing amendments that allow for greater housing density, following the neighborhood housing plan's guidelines, and Article 11 presents map changes to implement the revised boundaries of the neighborhood housing plan.

Ms. Newman showed the geography of the base compliance plan and the neighborhood housing plan, both of which follow the Highland Avenue corridor. The base compliance plan focuses on existing apartment districts and business areas, while the neighborhood housing plan introduces modifications that increase housing capacity, especially along Chestnut Street. The neighborhood plan also reduces density in areas like Garden Street to better reflect the different character of the west and east sides of Chestnut Street.

The presentation then shifted to dimensional requirements. Ms. Newman explained that, while most zoning rules remained unchanged, there were some adjustments. For instance, in the business districts, the maximum building height would be increased from 2.5 to 3 stories, and parking requirements were reduced from 1.5 spaces per unit to 1, given the proximity to a train station.

Ms. Smith-Fachetti asked if the zoning changes were tied to a specific project, to which Ms. Newman responded that 100 West Street, an empty building for eight years, was being considered for redevelopment. Mr. Coffman then inquired about the 244-unit figure for this development project. Ms. Newman clarified that while initial zoning allowed for 187 units, adjustments were made after developers faced challenges with the state's model, which didn't account for hallways, mechanical rooms, and other spaces. This led to a temporary increase to 244 units, but the town later capped the number at 190 units to align with the community's concerns and developer's needs.

Mr. Crocker and Ms. Espada elaborated on the impact of FAR changes, explaining that increasing it allowed developers to include necessary spaces like hallways without exceeding the unit cap. The town retained the right to impose additional rules through a special permit for some developments exceeding these zoning standards.

Mr. Coffman suggested that the presentation at Town Meeting should more clearly illustrate the existing zoning rules versus the proposed changes to avoid confusion and ensure that people understood the context. Ms. Smith-Fachetti supported this idea, recommending a comparison chart for clarity.

The discussion then moved on to workforce and affordable housing incentives. Ms. Newman explained that developers could receive additional density by including workforce housing, which is targeted at those earning between 80% and 120% of the area's median income. This was designed to complement the requirement for affordable housing, which is set at 80% of the area's median income. Ms. Smith-Fachetti inquired about the calculation of the area median income (AMI), noting that different indexes might be used. Ms. Espada clarified that HUD defines the standard metropolitan area for AMI, and the town is using this same threshold. Ms. Newman will provide the specific numbers in a follow up.

Mr. Connelly asked about the half-story incentive. Ms. Espada noted that a half-story could be added to buildings with commercial space on the ground floor to accommodate the greater headroom needed for retail spaces. The taller buildings also have setback requirements.

Ms. Newman discussed the zoning adjustments along Chestnut Street, noting that the west side above the railroad tracks would allow for a height of four stories, an increase from the previous three-story limit. The incentive framework would permit up to four and a half stories. In contrast, the east side would remain capped at three stories.

Ms. Newman stated that in an upcoming meeting RKG will present financial projections related to housing development. She outlined the methodology used by RKG to estimate potential build-out based on assessed property values and anticipated changes under different zoning scenarios, indicating that projections yield 411 units under the base compliance plan and 1,288 under the neighborhood housing plan.

Mr. Connelly emphasized that significant development is expected on Chestnut Street, highlighting its potential for growth despite concerns about its current infrastructure. Ms. Espada acknowledged the challenges in redevelopment, citing the need for increased density and the historical lack of progress. Mr. Crocker pointed out the issue of fractionalized property ownership hindering development.

Ms. Smith-Fachetti asked if moving from a special permit to an as-of-right process would stimulate development. Ms. Newman stated that mixed feedback from developers has surfaced regarding the impact of this change. Ms. Espada noted that developer input shaped density considerations on Chestnut Street, with varying opinions on the effectiveness of zoning changes.

Ms. King noted diverse developer opinions on zoning regulations noting that larger developers may be more likely to consolidate parcels but are also more likely to not be deterred by a special permit process. Mr. Abruzese questioned the rationale behind the estimated unit numbers, particularly the low projection under the base compliance plan. Ms. King explained that RKG would clarify these estimates in an upcoming meeting, indicating the analysis focuses on individual parcel values rather than general assumptions.

Ms. Newman presented the different districts in the base compliance and neighborhood plans. The presentation provided outlines the base compliance plan changes in height, FAR, lot coverage, max dwellings per acre, and parking minimums.

Mr. Connelly asked whether it would make a difference if some were condominiums rather than apartments. Ms. Newman clarified that all are considered multifamily, regardless of ownership type. Mr. Coffman commented that existing properties would need to be redeveloped to accommodate these changes. Ms. Espada added that most buildings might not be structurally viable for additional stories, suggesting demolition for new construction instead.

Mr. Abruzese inquired about reducing parking requirements due to anticipated demand, noting limited street parking. Ms. Espada responded that the proposed changes aim to reflect real parking needs, adding that developers often request parking reductions. Ms. Newman referenced studies that show the area is over-parked.

Mr. Coffman asked about the number of existing units in the Chestnut Street area, to which Ms. Espada responded Chestnut has 46 existing units, the new zoning unit capacity is 370 and the existing zone with overlay is 987.

Ms. Newman explained that the site plan approval process involves applications reviewed by the Planning Board, including a public hearing. Multifamily housing is allowed by right, but the Planning Board can impose reasonable conditions related to lighting, fencing, stormwater, traffic, parking, and landscaping. The conditions cannot impede redevelopment. Ms. Espada added that feedback from attorneys led to incorporating the character of the neighborhood. Ms. Newman expanded development standards to ensure projects respect the environment, open spaces, utilities, and traffic, requiring a licensed traffic engineer for assessments.

Mr. Connelly asked if the review process would consider factors like a four-and-a-half-story building affecting sunlight on neighboring properties. Ms. Newman clarified that dimensional requirements address such concerns, but developers are not explicitly prevented from shading neighbors. Mr. Connelly expressed concern about sunlight impacts on properties near train tracks. Ms. Espada explained there are dimensional and density requirements as well as setbacks that should address this largely.

Ms. Newman highlighted that developments with six or more units must set aside 12.5% for affordable housing, based on 80% of the area median income. Mr. Coffman questioned how the percentage applies to smaller developments. Ms. Newman confirmed that the percentage is rounded up to ensure compliance.

Mr. Abruzese asked about the responsibility for infrastructure improvements in large developments. Ms. Newman stated that projects must have adequate water, sewer, and utilities. Ms. Espada mentioned ongoing discussions with the Department of Public Works to ensure the town isn't financing these improvements. Ms. Smith-Fachetti inquired about traffic mitigation, and Ms. Espada confirmed that traffic engineers assess the project's impact.

Mr. Connelly asked if peer reviews of engineering studies could be required. Ms. Newman confirmed that peer reviews have been used in other projects with as of right zoning and would verify if applicants could be required to pay for them in this case.

Ms. King noted that in the next meeting RKG Associates will review the propensity for change, likely unit buildout, and fiscal impact analysis, particularly focusing on the operating budget side. Mr. Connelly raised a concern about whether an independent peer review had been conducted on RKG's analysis, particularly regarding the methodology for calculating student generation and fiscal impacts. Ms. King explained that during the procurement process, RKG's expertise was vetted, and their fiscal impact methodology was reviewed by various town finance and school staff. Mr. Connelly made note that the Finance Committee was not directly involved. Ms. Espada replied that a representative from the group was included. Ms. King noted that the methodology used by RKG was consistent with prior analyses.

Ms. King outlined the capital impact assessment process, which involved examining unit and student projections and consulting with departments like DPW, Finance, and Public Safety. Regarding Police and Fire Services, there were no anticipated capital impacts because recent investments had already addressed potential future needs. Mr. Connelly asked about where additional police cars or fire trucks would be placed, and Ms. King clarified that police cars fall under operating expenses, not capital, and fire does not need additional investment.

Ms. Smith-Fachetti asked about EMS, Ms. King confirmed that no additional ambulances would be needed based on the projected population increase. Ms. King also noted that a shift in building use, such as the conversion of a nursing home to multifamily housing, would reduce the number of emergency calls.

Ms. King then detailed the projections for school enrollment (provided in the documentation), emphasizing that unit distribution and affordability influence student generation. She noted that two key changes had been made to the analysis since April, including more conservative rates for two-bedroom units and the inclusion of additional units. She explained the validation of the projections by comparing them with actual student generation from other local properties. Additionally, the town had been coordinating closely with the schools to ensure consistent enrollment projections.

Mr. Connelly asked if any of the conversations with McKibben had been memorialized, and where such discussions were documented. Ms. King responded that the details were summarized in her memo on school enrollment analysis and the School Department's original memo on future school needs.

Mr. Connelly further inquired if, in the discussions or otherwise, there had been any consideration of how the availability of these units might attract people without school-aged children, which would free up houses for young families. He specifically referred to families who may want to stay in town and how that could impact school enrollment.

Ms. King acknowledged that they had discussed this possibility but concluded they could not base projections on any reasonable data regarding that outcome. McKibben's projections already included factors like demographic shifts and the turnover of single-family homes, so they felt uncomfortable making any specific guesses related to zoning. She mentioned that they would monitor such trends over time through McKibben's future school enrollment updates. Mr. Connelly then suggested including a contingency factor to account for the potential effect of families moving into single-family homes and noted that McKibben's updated report wouldn't be available until after their vote. Ms. King responded that even in December, McKibben might not be able to provide an answer, emphasizing that it would be an issue to monitor over time.

Mr. Connelly asked if any sort of analysis had been done comparing student yield from properties like Charles River Landing, Kendrick Street, and Modera, especially since Kendrick Street and Charles River Street were farther from schools and were not typically considered as family-focused buildings. He was interested in whether buildings closer to schools, like Modera, might attract more families with children. Ms. King explained that the reason they used Kendrick and Modera in their analysis was because the school district had been tracking them annually, noting their impact on school enrollments. Ms. Smith-Fachetti added an observation that Charles Court Apartments, which was an existing building, seemed to have more families with children each year, and she wondered if data from that building could also be considered.

Ms. King confirmed that the unit breakdown mattered, particularly at places like the Kendrick, which had a similar profile to RKG's assumptions, making the data somewhat reliable. However, she acknowledged that factors like developers' choices and unit marketing were beyond their control, although they would gather more data where possible.

Ms. King discussed the implications of school building capacity. She circulated a new analysis that compared enrollment projections with the current and planned school capacities, explaining that they had taken conservative approaches with enrollment figures. Mr. Connelly raised a concern about what would happen in the years between when the students from these developments arrived and when the planned school expansions would be completed. Ms. King provided timeframes, noting that the full buildout was projected for 2034, with the school master plan aiming for the Pollard and High Rock renovations to be completed by 2031 and Mitchell by 2038.

Ms. King explained that for water and sewer, DPW did not anticipate that the proposed zoning would result in new capital projects. She emphasized that these areas were already developed and connected to the water and sewer systems. The primary driver for capital infrastructure improvements, she stated, was typically the age and condition of existing infrastructure, which would need attention regardless of the zoning changes. She also pointed out that developments must demonstrate adequate water, sewer, and utility services, as outlined in the state guidelines.

Ms. King noted that some new housing developments could even reduce pressure on the system, depending on the current use being replaced. For example, a restaurant or medical facility might use more water than a multi-family housing development. She also highlighted more stringent stormwater management and energy code requirements for new developments, which could ease pressure on existing infrastructure. Additionally, Ms. King mentioned that Needham was fortunate to have two water sources—local wells at Charles River and the MWRA—providing both volume capacity and redundancy. She identified the town's pumping stations as the pinch point in the system, with a capacity of seven million gallons per day, compared to the town's average daily use of 3.7 million gallons.

Mr. Abruzese asked question regarding the potential financial impact of increased water usage on the town due to potential increases in MWRA usage. Ms. Lustig explained that irrigation in the summer was the largest variable for MWRA usage, with wild swings in water use from year to year based on weather conditions. She added that water restrictions mandated by the state during droughts would likely limit MWRA usage. Ms. Lustig reassured that the anticipated developments would not significantly increase water demand, especially given their likely limited landscaping, and that the town had plans to maintain capacity for water generation in winter months.

Moving on to stormwater, Ms. King emphasized that both stormwater quality and quantity were top priorities for the town, particularly in areas prone to flooding. She mentioned that DPW had funding to work on a townwide stormwater master plan, taking a systemic approach rather than focusing on hyper-localized areas. She explained that the town already had a stormwater bylaw requiring properties with 4,000 square feet or more of impervious surface to ensure no impact on abutting properties. The select board was also reviewing the bylaw to potentially strengthen it, with recommendations expected by 2025.

Mr. Connelly interjected to confirm that the zoning plan wouldn't add any new capital needs for schools, water, sewer, or stormwater, as long as the town followed through with its current plans. Ms. King agreed, adding that while the plans were based on current conditions, they would also support future development. Mr. Connelly requested detailed figures for these capital projects to get a clearer picture of the town's needs, which Ms. King promised to provide. Ms. Espada also asked if information about potential MSBA grants would be included, to which Ms. King replied that she would ask the School Department.

Ms. King reported on traffic analysis conducted by GPI. GPI used the recommended zoning at the time and projected traffic conditions over the next 10 years, covering 15 key intersections. The analysis included current data and future projections for traffic conditions without zoning changes ("no build" scenario) and compared these to the anticipated impacts of planned neighborhood build-outs.

GPI recommended mitigation strategies for nine of the intersections, including changes to traffic signals, roadway restriping, and pedestrian timing adjustments. Seven of these intersections were already part of existing capital plans, but two—Chestnut at School Street and May at Webster—were not, and may require future attention. GPI concluded that with these mitigations, the roadways could handle the projected build-outs.

Mr. Connelly asked for clarification on whether GPI's conclusions considered the impact of increased residents and cars. Ms. King confirmed that GPI used conservative estimates, including the assumption of one parking space per unit. However, Mr. Connelly expressed concern about traffic impacts, considering that households may have multiple cars. Ms. King emphasized that the analysis included factors like traffic growth rates and trip generation but admitted it wasn't a direct correlation with population growth.

Mr. Connelly asked whether GPI's work had been independently fact-checked, and Ms. King responded that their conclusions had been reviewed by local engineering staff. The conversation then shifted to parking, with Ms. King noting that current zoning exceeds national best practices.

There was also discussion of environmental regulations, specifically that new housing developments would need to meet stringent energy standards, like passive house requirements.

Ms. King highlighted funding risks for non-compliance, particularly discretionary grants such as Massworks and Housing Works, and noted that while core budget items were not currently at risk, federal and state transportation projects could be. Additionally, the list of grants requiring compliance is continuing to grow. Compliance with zoning requirements would ensure eligibility for significant grants, such as a $20 million request for Highland Ave redesign. Ms. Wu asked about timeline for compliance, to which Ms. Espada replied that the zoning needed to be passed by December.

Mr. Connelly sought clarification as to if the base plan put us in compliance. Ms. Espada confirmed the base plan is all that is needed for compliance and added that the town had structured the articles comply while allowing flexibility for future adjustments. Lastly, Ms. Wu inquired about occupancy limits, which Ms. Espada explained are regulated by building codes.

Ms. King discussed other communities' compliance. She shared data, dated September 4th, that 71 communities had passed plans, while only 3 had received state approval, and 106 had not adopted it yet. Most communities planned to address the law at fall town meetings, another 31 had until next year to comply. Only two communities, Milton and Holden, were not compliant. Of the 3 approved plans, all exceeded the minimum requirement but also included state reductions after final submission. Lexington was noted as an anomaly, proposing 11 times the required amount, with the final determination set at 10 times the minimum. Mr. Coffman inquired about the reasons for the reduction. Ms. King and Mr. Crocker explained that the state's reductions were a result of inaccuracies in the towns' submissions.

Ms. Burgos raised concerns about focusing solely on costs without considering benefits. She pointed out that bringing more people into the community could boost the local economy and suggested that and increased taxes could support local projects. Ms. King responded that while fiscal impacts regarding tax revenue and municipal services will be presented next week, a broader analysis of overall economic benefits, such as construction jobs and increased local business patronage, had not yet been conducted. She acknowledged the importance of new growth for the town's goals and welcomed discussions on the benefits of more residents living and working in the area.

<u>Article 13: APPROPRIATE FOR TOWN HALL REPAIRS</u>

Mr. Davison discussed the need for a $100,000 appropriation to fund engineering and design services related to the repairs of the Town Hall. The current air conditioning system is problematic, having experienced multiple failures, and the backup generator is insufficient for operations beyond basic life safety functions. Mr. Coffman asked if this replacing the system is at all in the Capital Plan. Mr. Davison noted that while replacing the system was not part of the Capital Plan, the system, now 13 years old, typically requires replacement every 15 to 20 years.

He acknowledged that repair costs are high due to outdated equipment, some of which is no longer manufactured. Ms. Smith-Fachetti inquired about the total estimated cost, to which Mr. Davison responded that design engineering usually accounts for about 10% of the total cost, suggesting an overall estimate of around one million dollars. He mentioned that the $100,000 request is conservative and that the actual costs may be lower depending on the findings from the engineering assessments of both the main and specialized systems in the building.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of ARTICLE 13: APPROPRIATE FOR TOWN HALL REPAIRS in the amount of $100,000 to be transferred from the Overlay Surplus. Ms. Calton seconded the motion. The motion was approved by a vote of 8-0 at approximately 9:41pm.

Article 14: AMEND STABILIZATION FUND

Mr. Davison outlined the proposal to rename the Capital Improvement Fund to the Capital Equipment Fund, aiming to clarify its purpose and enhance stability for future funding needs. The fund would be designated to set aside money for equipment replacements when other funding sources are insufficient. Mr. Davison stated that this new fund would also allow for the earmarking of funds received from the sale of surplus equipment, with a target goal of accumulating $3 million in the fund, up from the current balance of $1.7 million.

Mr. Abruzese asked whether this fund could be used for the Town Hall HVAC system replacement. Mr. Davison clarified that, as it stands, the fund is limited to facility improvements of $250,000 or less as stated in the capital plan. However, he mentioned that the Capital Facility Fund could potentially cover such improvements if we did not have the funds. Mr. Connelly raised a question regarding the draft warrant, asking if the article would also transfer money into the newly named fund. Mr. Davison explained that the title would change to "Amend Stabilization Fund" and provided the exact wording for the upcoming town meeting vote.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of ARTICLE 14: AMEND STABILIZATION FUND. Mr. O'Connor seconded the motion. The motion was approved by a vote of 8-0 at approximately 9:43pm.

Motion on articles not yet voted

MOVED: By Mr. Connelly that the warrant will show our recommendation to be made at Town Meeting for all articles that we haven't yet acted on in the Special Town Meeting Warrant. Mr. Coffman seconded the motion. The motion was approved 8-0 at 9:46pm.

RESERVE FUND TRANSFER- FINANCE DEPARTMENT

Documents: Request for Reserve Fund Transfer

This was previously discussed. He requested a transfer of $90,600 into the Finance Department budget to cover costs associated with the recertification process. This transfer is necessary due to contracts with both a personal property company and a firm assisting with the valuation of commercial and residential real estate.

MOVED: By Mr. Connelly that the Finance Committee approve the Reserve Fund Transfer in the amount of $90,600. Ms. Coffman seconded the motion. The motion was approved by a vote of 8-0 at approximately 9:48pm.

Adjournment

MOVED: By Mr. Coffman that the Finance Committee meeting be adjourned, there being no further business. Ms. Calton seconded the motion. The motion was approved by a vote of 8-0, at approximately 9:46 p.m.

Documents: *Email: RE: Presentation from September Public Hearing; Email: FW: Presentation from September Public Hearing; MBTA Communities Act Zoning: School Capacity Analysis; Summary of MBTA Communities Compliance; Town of Needham Finance Committee Meeting Packet, Request for Reserve Fund Transfer*

Respectfully submitted,

Molly Pollard
Executive Secretary, Finance Committee