

Needham Finance Committee
Minutes of Meeting of January 8, 2025
To view a recording of the meeting on YouTube:

<https://www.youtube.com/playlist?list=PL3PRZZjHC3yFvWuO8IwFGgK3KaPYkTyxK>

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, Barry Coffman, Joe Abruzese, Tina Burgos, Ali Blauer, Lydia Wu,
Paul O'Connor (via zoom)

Others Present:

David Davison, Deputy Town Manager/Director of Finance
Molly Pollard, Finance Committee Executive Secretary
Cecilia Simchak, Assistant Director of Finance
Carys Lustig, Director of Public Works
Barry Dulong, Director of Building Maintenance
Gabby Queenan, Sustainability Manager
Shane Mark, Assistant Director of Public Works
Tyler Gabrielski, Director of Streets and Transportation
Mike Retzky, Superintendent Water, Sewer, Drains
Ed Olsen (via Zoom), Superintendent, Parks & Forestry

Citizen Request to Address the Finance Committee

None

Approval of Minutes of Prior Meetings

MOVED: By Mr. Coffman that the minutes of meeting December 18, 2024, be approved as distributed, subject to technical corrections. Ms. Calton seconded the motion. The motion was approved by a roll call vote of 8-0 at approximately 7:02pm.

Chair Address to the Finance Committee

Ms. Smith Fachetti took a moment to express gratitude to the Finance Committee for their integrity and objectivity. She emphasized the committee's role as the objective voice for Town Meetings and conveyed pride and appreciation for the committee's work.

FY2026 Department Budget Hearings: Municipal Parking Program

Mr. O'Connor noted a modest year-over-year budget increase of approximately \$6,000, with expenses rising by approximately \$4,000. He highlighted the introduction of a pay by phone service for town center parking, allowing users to pay via their phones, which includes a service charge. Ms. Lustig explained that a competitive bid process led to the selection of a new provider, which offers a favorable pricing structure. Ms. Smith-Fachetti confirmed the new system will be available on all parking meters and asked if it would increase parking revenue, suggesting that unused time could enhance town income. Mr. Davison clarified that while there's a minor revenue boost from unused time, the real gain in neighboring communities comes from variable pricing options. Ms. Blauer asked about signage and costs regarding the new program. Mr. Davison explained that the service costs are covered by the customer, and signage will be installed before the rollout on April 1, with setup costs managed within existing budgets and partially paid for by the application vendor.

FY2026 Department Budget Hearings: Department of Public Works

Mr. Abruzese provided financial details, highlighting a total increase of \$557,081, a 3.9% rise in salaries and wages, and a significant decrease of 36.7% in budget capital. He attributed these changes to contractual adjustments and increased temporary labor costs. Mr. Coffman discussed increases in training and programs to encourage staff to obtain licenses for better mobility within the department, essential for handling retirements and transitions. He also explained the DSR4 requesting a FTE custodian for the Emory Grover building, citing an increase in bathrooms from 3 to 14 as a major driver for the need.

Mr. Connelly asked how the Emory Grover is currently being staffed and if this was considered during budget planning. Ms. Lustig explained the need is currently being handled with overtime and explained that during budget planning it was unclear that Hillside would need to continue to be serviced, and that the bathroom increase is driving a larger workload than the square footage increase would have initially suggested. Mr. Dulong provided details about Hillside, stating that it houses town IT and other offices, with a headcount of about six people. He mentioned possible permits for the gymnasium for community use.

Mr. Coffman explained the DSR4 regarding an additional park ranger and the desire for expanded coverage to manage field use and trash cleanup. He also stated there is a DSR4 for a public works craftsworker. Ms. Lustig highlighted the growing workload in the highway division, especially in maintaining traffic signals and systems, and stressed the need for additional skilled labor. Mr. Gabrielski supported this, noting the lack of redundancy in staff handling traffic systems, which poses a risk to maintaining operations.

Mr. Coffman introduced the two DSR4 requests for student co-op programs, one for a trades worker and one for an engineer. He also stated there is a DSR4 for a key management system for controlling the shared vehicles. Mr. Connelly asked for a prioritization of the DSR4 requests, to

which Ms. Lustig responded that priorities were ranked in order of priority, but she acknowledged that funding items without long-term costs might be more feasible in some cases.

Mr. O'Connor inquired about the license incentive program, prompting Ms. Lustig to explain its significance in addressing succession planning, particularly for water treatment licenses, which are crucial due to an aging workforce. Mr. Mark emphasized the cost savings from in-house CDL training compared to private schools. Ms. Smith-Fachetti asked if the training program primarily serves Needham employees, to which Ms. Lustig said yes, but with occasional collaboration with smaller communities. For example, Dover has participated in the CDL training based on a reciprocal agreement.

Mr. Coffman introduced the Climate Action Committee roadmap and the proposed \$500,000 DSR5 warrant article for Town Meeting. Ms. Queenan explained that the Climate Action Committee's roadmap, adopted in June, includes 56 actions across six categories such as electric vehicles, buildings, and natural resources. She highlighted the availability of grant funding for these initiatives but noted the challenge of meeting match requirements, which can range from 10% to 40%. As an example, she discussed a \$125,000 grant received for water quality improvements near Alder Brook, requiring a 25% match for implementation. Having a dedicated fund would enhance Needham's competitiveness in securing grants.

Ms. Wu inquired about the grant application and execution process. Ms. Queenan clarified that funds can only be spent after contract execution, emphasizing the importance of having pre-approved match funding. Ms. Smith-Fachetti asked about how other municipalities handle match funding. Ms. Queenan responded that approaches vary, with some communities establishing capital or operating funds for specific project categories like EV chargers.

Mr. Connelly asked how the \$500,000 figure was determined. Ms. Queenan explained it was based on the roadmap's priorities and the anticipated costs of implementable projects. Ms. Smith-Fachetti and Ms. Lustig discussed the flexibility of the funding period, suggesting it could span several years depending on grant success. Ms. Lustig noted the difficulty in tying such funding to specific capital or operating budget requests due to the unpredictable nature of grant opportunities.

Mr. Connelly expressed concern over the initial \$500,000 request, suggesting a smaller amount to establish a track record before seeking additional funds. Ms. Blauer proposed breaking down the warrant into specific categories for clarity at Town Meeting. Ms. Lustig acknowledged the operational challenges of this approach, particularly in managing funding and grant timelines.

Ms. Wu asked about the process for identifying and applying for grants. Ms. Queenan described maintaining a grant database and collaborating across departments to identify suitable opportunities. She highlighted successful projects like LED lighting upgrades and water heater

replacements funded through grants, emphasizing their dual benefits of operational improvement and carbon reduction.

Ms. Wu inquired about the financial impact of grants, with Ms. Queenan noting that the town had accrued over \$400,000 in grant funds in the past year, spending about \$100,000 in town resources to match those grants. She assured that these projects are expected to be completed within the fiscal year. Ms. Smith-Fachetti inquired about the operation of EV charging stations, particularly whether they would be free or if users would be charged. Ms. Lustig explained that the town currently has nearly a dozen public EV charging stations with a fee structure based on the cost per kilowatt hour and an overhead fee for maintenance and service distribution. Town employees can charge for free as an incentive. She noted the funding sources for these chargers, including state grants and the Eversource Make Ready Program, which enabled public chargers with no cost for an additional transformer. As the town builds its EV fleet, dedicated chargers for municipal use are needed, though related programs are not currently available. She emphasized the complexity of available programs and the intent to manage the system under one framework with fees for users. If a level three charger were made available, discussions on charging costs would be necessary.

Ms. Wu confirmed that the public chargers have a usage fee and a four-hour maximum. Ms. Lustig elaborated that the time limit is due to demand and to prevent long-term parking at the chargers. This ensures availability for users needing a quick charge for their commute.

Mr. Connelly sought clarification on budget allocations for EV charging stations, questioning whether specific project costs were part of the \$500,000 total or separate. Ms. Queenan clarified that these were examples of how the \$500,000 could be implemented, not separate funds.

Ms. Lustig detailed the variability in the DPW's operating capital due to different categories of equipment being replaced annually. Mr. Mark and Ms. Lustig discussed the types of equipment and vehicles included, emphasizing that the costs can fluctuate based on the specific needs each year.

Ms. Blauer asked about the tree planting program's budget and the quantity of trees it would allow. Ms. Lustig and Mr. Olsen outlined the town's current efforts, including a three-prong strategy of setback plantings, street trees, and open space plantings. They highlighted the challenges of maintaining the urban canopy with limited staff and the impact of development on tree removal and this would allow them to roughly double their tree plantings.

Ms. Wu raised questions about the town's responsibility for trees planted on private properties. Ms. Lustig confirmed that the town remains responsible for these trees, noting the benefits of providing shade and addressing common issues with berm trees planted near sidewalks.

FY2026 Department Budget Hearings: Sewer Enterprise and Water Enterprise

Mr. O'Connor provided an overview for new committee members about the Sewer and Water Enterprise Funds, explaining that these funds are supported by user fees rather than the general fund levy. The Sewer Enterprise Fund has a salary and wage increase of 4.61%, a 4.4% increase in regular expenses, and a total budget increase of approximately \$132,000. He noted the variability of the MWRA assessment, which is determined after the May town meeting, typically using the prior year's assessment in the warrant article. He confirmed that there are no additional DSR requests, making the sewer and water enterprises relatively stable.

Mr. Coffman inquired about the visibility into the MWRA charges and any anticipated material changes. Ms. Lustig and Mr. Retzky explained that the MWRA's major upcoming capital expenditure is a 50-mile, 400-foot-deep tunnel project, with Needham as a central location for the work. This project will provide a redundant tunnel system, ensuring water supply continuity. The project includes updates at the Select Board meeting and a public meeting in January.

Mr. Coffman clarified that this MWRA project is separate from a local sewer project on Green Street. Ms. Lustig noted that the tunnel project would enhance regional water redundancy and entail regulatory compliance costs related to PFAS removal, similar to phosphorus discharge regulations in local water systems.

Finance Committee Business

Mr. O'Connor shared that the newly renamed Envision Needham Center committee met to plan community outreach in February. They aim to pilot reducing Great Plain Avenue from four to two lanes to increase public access. This pilot, involving barriers to simulate the lane reduction, is set to start in April and will be evaluated through traffic studies.

Ms. Burgos updated on the Large House Study Committee, which is defining the scope by comparing tear-down projects in Needham with other communities. The goal is to present findings by May Town Meeting, though the extent of this presentation is still undetermined.

Ms. Smith-Fachetti reported on the School Committee's budget discussions, noting a proposed 7.5% budget increase, which poses funding challenges. The superintendent is working with the School Committee on budget reductions, which might include reallocations and cuts. There are significant expenses for salaries, special education, transportation, curriculum enhancements, and technology upgrades.

Mr. Abruzese inquired about the possibility of an unbalanced budget, to which Mr. Connelly and Mr. Davison clarified that state law requires a balanced budget. The Town Manager must submit both a balanced budget and any differing budget proposals from the School Committee to the Finance Committee.

Discussion also highlighted the integration of the town's IT structure under the school budget, which has faced challenges but is seen as better than managing issues departmentally. The consolidation is still adapting, with ongoing efforts to fill critical vacancies.

Adjournment

MOVED: By Mr. Connelly that the Finance Committee meeting be adjourned, there being no further business. Ms. Calton seconded the motion. The motion was approved by a roll call vote of 9-0 at 8:20p.m.

Documents: *None*

Respectfully submitted,

Molly Pollard

Executive Secretary, Finance Committee