

Needham Finance Committee
Minutes of Meeting of March 5, 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 7:01 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
Barry Coffman (via Zoom), Ali Blauer, Paul O'Connor, Joe Abruzese, Karen Calton (arrived 7:06), Tina Burgos, Lydia Wu (via zoom, arrived at 7:05pm)

Others Present:

David Davison, Deputy Town Manager/Director of Finance
Molly Pollard, Finance Committee Executive Secretary
Cecilia Simchak, Assistant Director of Finance
Philip Crean, Charles River Center
Reginald Foster, Chair of the Needham Housing Authority
Bill Grogan, Charles River Center
Hillary Ryan, Charles River Center
Anne-Marie Bajwa, Charles River Center
Dave Herer, Chair of the Community Preservation Committee
Maureen Callahan, Vice Chair of the Community Preservation Committee
Lauren Spinney, Administrative Coordinator of the Community Preservation Committee
Matt Zajac, Cambridge Housing Authority (via Zoom)
Stacey Mulroy, Director of Park and Recreation (via Zoom)

Citizen Request to Address the Finance Committee

None

Approval of Minutes of Prior Meetings

MOVED: By Mr. Connelly that the minutes of meeting February 19, 2025, be approved, as distributed and subject to technical corrections. Mr. O'Connor seconded the motion. The motion was approved by a roll call vote of 7-0 at approximately 7:03pm.

Annual Town Meeting Warrant Article Discussions

APPROPRIATE FY2026 CPA BUDGET AND RESERVES

Ms. Simchak stated that the article related to the annual appropriation is in flux pending the CPC's final vote. She explained that \$82,000 is allocated for the CPC administrative budget, covering consultant fees, legal postings, and staff time. By law, 10% of appropriations must go into designated budget reserves, but the town typically allocates 11% for flexibility, amounting to \$438,000 for the open space reserve. No funds will be added to the historic resources reserve due to debt service payments counting toward it. The Community Housing Reserve and Community Preservation Fund annual reserve are under review, as there is not enough funding to fully support all projects before the CPC. The committee is considering using those funds directly for projects, which would leave the reserves at zero for the next year. A decision will be made on March 19.

Ms. Blauer asked if this would result in zero balances for the Community Housing Reserve and Community Preservation Fund annual reserve, which Ms. Simchak confirmed. Ms. Blauer inquired if this had been done before, and Ms. Simchak stated that while smaller amounts have been redirected in the past, this approach has been used previously.

Mr. Connelly asked if there is a minimum amount required for reserves, and Ms. Simchak confirmed that at least 10% must be allocated either to a reserve or a project. Because a housing project exceeding 10% is being funded, no additional reserve allocation is required for FY26. Mr. Connelly asked if this would result in fewer funds available next year, and Ms. Simchak confirmed that only free cash and remaining reserves from historic and open space categories would be available, with open space currently around \$2.8 million.

Ms. Blauer asked about the typical amount of free cash available. Ms. Simchak estimated it at \$2 to \$3 million. Mr. Davison added that the amount varies, sometimes falling below \$100,000 or reaching several million dollars, depending on appropriations.

Mr. Connelly asked whether any extraordinary or emergency circumstances justified this deviation from standard practice and expressed concern about future projects losing funding. Ms. Simchak confirmed that these considerations are being discussed. She pointed out that the Needham History Center storage collection project is not competing with other projects for funding. The remaining projects are all vying for the same funds, and even if only housing projects were funded, there still would not be enough money. She noted that local funding commitments are required for certain housing projects to secure state funding, which is why they seek funding this year.

Ms. Blauer asked if the CPC maintains a pipeline of future projects. Ms. Simchak responded that while town-sponsored projects can be anticipated through the capital plan, external projects are harder to predict. She added that the Housing Authority project was expected in a future year but was expedited due to changes in external funding.

APPROPRIATE FOR NEEDHAM HISTORY CENTER & MUSEUM'S ONGOING COLLECTIONS STORAGE UPGRADES

Mr. Herer presented the project, explaining that it falls under the historical preservation category. The History Center is requesting approximately \$47,000 to upgrade its artifact and document storage. Currently, these items are stored in unsuitable conditions in the cellar. The proposal includes installing industrial-grade shelving properly sized for storage boxes and a dehumidification system.

Mr. Connelly asked for a breakdown of costs, including how much is allocated to shelving, the dehumidification system, and contingency. Mr. Herer stated that most of the funding is for shelving, which will be ordered from a catalog such as Uline, and that a portion will go toward the dehumidification system. He offered to follow up with detailed cost information.

Ms. Smith-Fachetti confirmed that the \$47,000 includes a contingency. Mr. Herer explained that while there is little design work involved, costs can fluctuate. Ms. Calton asked what items are stored at the facility. Mr. Herer responded that the collection includes both artifacts and documents. Mr. Connelly asked whether this project is part of a larger, multi-year plan. Mr. Herer stated that this is a standalone request for storage improvements.

Ms. Spinney added that the Needham History Center and Museum is continually working to enhance its storage and archival practices to meet Department of Interior museum standards. She outlined previous CPC funding, including \$25,000 appropriated in 2012 for an archivist and collection specialist and another \$25,000 in 2018 to continue cataloging efforts. The archivist position is now fully funded within the museum's budget. This request focuses solely on improving storage capacity within the existing footprint.

Ms. Smith-Fachetti asked whether off-site storage had been considered. Mr. Herer explained that on-site storage is necessary because researchers regularly access the collection.

APPROPRIATE FOR NEEDHAM CONSERVATION DEPARTMENT & CONSERVATION COMMISSION'S TRAIL SIGNAGE IMPROVEMENTS

Mr. Herer, a member of the Conservation Commission, introduced a request for \$104,000 under the recreation category to improve signage on Needham's trails and open spaces. The project would cover entrance and trailhead signs, trail markings, intersection signs, and kiosks. While contractors would install posts and kiosks, much of the work would involve volunteers. Ms. Smith-Fachetti inquired whether volunteers would handle maintenance or installation, to which Mr. Herer clarified that the facilities would be durable, with a projected lifespan of at least 20 years.

Mr. Connelly asked about volunteer coordination and scheduling. Mr. Herer explained that, upon approval, an informal trails advisory committee—comprising members from the Recreation and Conservation Departments, Select Board, and School Committee—would meet to finalize design elements. Volunteers, many already familiar with the trails, would determine sign placement before ordering signage. The project also includes \$10,000 for trail improvements, such as bridge and bog walk repairs.

Mr. Connelly then asked about the purpose of kiosks, and Mr. Herer described them as informational stations placed at trail entrances, displaying maps, advisories, and seasonal

educational content. Ms. Blauer asked if kiosks would include trail maps for the town forest, to which Mr. Herer affirmed that maps were a key component.

Ms. Burgos noted that she had gotten lost in the town forest, and Mr. Herer acknowledged confusion among visitors. Plans include intersection signage modeled after the Trustees of Reservations system, with QR codes providing real-time location tracking. Mr. Abruzese asked if the project covered all Needham trails or just Ridge Hill and the town forest. Mr. Herer confirmed a town-wide scope but noted that smaller properties with only one looped trail had minimal signage needs. The budget was developed based on preliminary site assessments.

Ms. Smith-Fachetti asked if volunteers could complete the work within the summer, and Mr. Herer stated that he believed so. He cited a recent bridge repair project at Ridge Hill as an example. Mr. Coffman, recalling his own experience getting lost in the town forest, asked whether there were data on trail usage. Mr. Herer admitted there were no formal studies but noted steady use based on parking lot activity and resident observations. Ms. Blauer confirmed frequent visitors in the town forest.

Discussion shifted to unauthorized trails created by bikers. Mr. Herer acknowledged that while the project supports bikers, some of their trails encroach on wetlands. Signs may be used to close certain trails. Mr. Coffman asked if the town had dedicated bike trails, and Mr. Herer explained that bikers had informally expanded trails over time.

Mr. Connelly then asked about the CPC's process for voting on applications from its own members. He questioned whether members recuse themselves when voting on projects they are involved in. Ms. Spinney clarified that CPC members represent various boards, including Planning, Recreation, Conservation, and Housing, meaning most projects originate from within the committee itself. While members do not act as liaisons for their own projects, they do participate in voting. Ms. Simchak added that the issue had been discussed before, and the committee decided that recusal was unnecessary. Ms. Spinney noted that with nine members, CPC maintains quorum even if one member were to recuse themselves.

APPROPRIATE FOR CHARLES RIVER CENTER EAST MILITIA HEIGHTS DEVELOPMENT

Ms. Callahan introduced the Charles River Heights project, a proposed integrated housing and education complex at 59 East Militia Heights Drive. The project, led by the Charles River Center (CRC), aims to provide housing for adults with intellectual disabilities alongside those without disabilities. In 2023, CRC acquired the property to address housing needs for individuals with autism and intellectual disabilities. Partnering with the Planning Office for Urban Affairs, the project will consist of 86 housing units for households earning 30–80% of the area median income. Approximately half of the units will be available through a closed referral system for individuals with disabilities and CRC staff, with CRC providing support services such as remote monitoring, clinical assistance, job training, and transportation. The remaining units will be open to the broader low-income population. The project aligns with federal and state laws requiring community integration for individuals with disabilities. Estimated at \$50.1 million, the project seeks \$3.5 million in town funding. If approved, CRC will submit a pre-application for state

funding in November 2025, with a projected financial closing in early 2027 and construction completion in mid-2028.

Mr. Connelly asked about the remaining \$47 million in funding. Ms. Spinney explained that CRC has multiple funding sources, including the Executive Office of Housing's competitive low-income housing tax credits and bond financing. Mr. Crean stated that major funding will come from federal and state low-income housing tax credits, subordinate state financing, a \$5 million economic development bond allocation, a permanent loan, and state funding for energy efficiency. Mr. Connelly requested a financial schedule, and Ms. Spinney confirmed it was included in linked materials.

Mr. Connelly inquired about the fate of the \$3.5 million if the project fails to secure additional funding. Ms. Spinney explained that CPA appropriations operate on a reimbursement model, with funds set aside while CRC competes for funding. A timeframe of one to two years is typically given, after which the Community Preservation Committee (CPC) would review the project's status and decide whether to extend or reallocate funds. Ms. Burgos asked about the competitiveness of the state funding process. Ms. Callahan acknowledged its competitiveness but expressed confidence in the project's strength. Mr. Crean noted that the project already secured \$5 million and is working to meet zoning and municipal funding commitments, which are key state requirements.

Ms. Burgos asked whether the \$3.5 million request was to fulfill the local commitment requirement or due to exhausted funding options. Ms. Blauer followed up with questions regarding CPC discussions about potentially reducing the funding request, including a proposal to lower it by \$1.2 million through employee housing concessions and income averaging. Mr. Crean explained that income averaging requires state consultation before implementation, and lenders and investors have not yet determined if the five CRC staff units can be offered at a zero-rent concession. The team is still evaluating these options with financial stakeholders.

Mr. Abruzese asked about the structure of the Charles River Center. Ms. Bajwa explained that it is a \$40 million nonprofit with multiple day programs and group homes. She emphasized that while they provide services, they are not involved in property management and are currently seeking a management firm. The organization will not be certifying individuals for housing but will focus solely on providing support services. Mr. Abruzese then inquired whether the Community Preservation Committee (CPC) typically funds private organizations like this, noting that other funded projects appeared to be for public use. Ms. Spinney clarified that the Charles River Center is a nonprofit, and some portions of the development, such as the community center and walking trail, will be open to the public. Mr. Crean added that state guidelines allow for a 70% local resident preference in the initial lease-up phase.

Mr. Abruzese asked if the development would go before the Planning Board, to which Ms. Spinney and Mr. Crean confirmed that it would be processed as a friendly 40B. He then raised concerns about community feedback, specifically regarding traffic and stormwater impact. Mr. Crean explained that reports on these issues will be completed before the Zoning Board review. Mr. Abruzese also questioned whether the town would bear any additional costs due to these issues. Mr. Grogan confirmed that all related costs would be covered within the project's development budget, with no additional town funding required beyond the CPC request.

Mr. Connelly asked whether the \$3.5 million CPC request was a required percentage of the total budget or simply the funding gap. The response clarified that it represents the funding shortfall. He also questioned whether the CPC funds would be used exclusively for construction, which was confirmed by the CRC. Ms. Blauer then asked if the CPC was considering providing the funds as a loan instead of a grant. Ms. Callahan explained that while the idea was introduced by a consultant, it had not been the CPC's standard practice and would require additional discussion. Mr. Herer added that structuring the funding as a loan would involve the Needham Affordable Housing Trust, a process that might not fit within the project's timeline.

Mr. Connelly further inquired about Charles River Center's financial commitment to the project. Ms. Bajwa explained that they had already invested significantly by purchasing the land and planned to raise funds through a capital campaign focused on adaptive technology and safety measures. The campaign aims to raise \$5 million over two to three years. Ms. Smith-Fachetti questioned whether this \$5 million was included in the \$50.1 million project cost, and Ms. Bajwa confirmed that it was an additional amount. She also noted that the organization raises about \$500,000 annually but emphasized that capital campaigns are structured differently from routine fundraising efforts. When asked about past capital campaigns by Ms. Smith Fachetti, Ms. Bajwa stated that the last one, conducted about 25 years ago, raised \$2 million for a corporate office and day program facility. She reassured the committee that a consultant is already assisting with planning for the upcoming campaign.

APPROPRIATE FOR NEEDHAM HOUSING AUTHORITY PRESERVATION OF SEABEDS WAY AND CAPTAIN ROBERT COOK DRIVE

Ms. Callahan provided an overview of the request for \$3.2 million in funding to preserve and redevelop affordable housing at Seabeds Way. Initially, a \$9.95 million request included both Seabeds Way and Captain Robert Cook Drive, but a phased approach was adopted, with the current request covering only Seabeds Way. She explained that the federally subsidized housing, consisting of 46 one-bedroom units for seniors and disabled households, was in need of substantial investment due to insufficient federal funding. A capital needs assessment rated Cook's condition as poor and Seabeds' as fair. The proposed work includes roof and window replacements, upgraded building systems, fire safety improvements, and structural repairs.

Mr. Connelly inquired about the funding sources beyond the CPC's \$3.2 million contribution. Mr. Zajac, Deputy Director of Planning at the Cambridge Housing Authority, detailed that the remaining \$17.6 million would come from a combination of private loans, state and federal funding, and internal resources from the Needham Housing Authority. He outlined various grants and funding applications, including state decarbonization funding, home funding, and contributions from the Linden Street redevelopment project.

Mr. Connelly then asked about the project timeline. Mr. Zajac explained that the design phase is at 100% schematic completion, and construction documents are now being developed. Funding applications are expected to be submitted through the spring and summer, with construction anticipated to begin in early 2026 and last approximately 16 months.

Mr. Coffman asked about resident displacement. Mr. Zajac stated that temporary relocation may be necessary but emphasized that residents have a right to return. The relocation strategy would

prioritize keeping residents on-site when possible, utilizing vacant units or Section 8 vouchers if necessary. Cambridge Housing Authority staff would assist with the relocation process.

Mr. Coffman also asked if the \$3.2 million request was determined as a gap-filling measure. Mr. Zajac confirmed that it was calculated after maximizing other funding sources. Ms. Blauer sought clarification on whether this request was always planned or if it was a response to funding changes. Mr. Foster explained that initial plans assumed no additional CPC funding would be needed, but regulatory changes in federal programs increased project costs, requiring a larger reserve fund and additional upfront repairs. These changes led to an increased funding gap, prompting the revised request.

Mr. Herer noted that proceeding with Seabeds Way first would still allow the release of federal Faircloth subsidies needed for the Linden Street project. Mr. Foster added that while the interdependency of these projects was unplanned, a financial arrangement with the Linden Street developer would provide \$1.2 million, reducing the CPC request from \$4.4 million to \$3.2 million.

Ms. Blauer asked about the allocation of the Faircloth units for phase 1A and the requirement to complete the Cook refurbishment for phase 1B. Mr. Foster confirmed that the Faircloth units were for phase 1A, and the Cook refurbishment had to be completed for phase 1B. She also inquired about how much of the \$5.5 million given last year by the CPC was for phase 1A versus 1B. Mr. Foster responded that \$4 million of the \$5.5 million would go toward phase 1A, explaining that the per-unit cost for phase 1A was higher due to the inclusion of infrastructure and utilities for the whole building. He further mentioned that town requirements for water retention added to the cost.

Ms. Blauer expressed concern about the potential \$10 million shortfall for future funding, particularly for phase 1B, and whether there were other options besides CPC funds. Mr. Foster acknowledged the challenge of securing funding for affordable housing preservation and renovation but confirmed that they were continuously looking for other funding sources. He mentioned that new construction often had more funding options than preservation projects.

Ms. Blauer asked about the possibility of moving forward with phase 1A if CPC funds were not available for phase 1B. Mr. Foster explained that the completion of phase 1A was necessary for securing additional subsidy units for phase 1B, which would be tax-credit funded. While phase 1B was permitted, it still required funding, and the NHA was relying on the availability of subsidy units for financing.

Mr. Zajac added that the housing authority was always looking for new ways to bring in funding. He mentioned that policy changes at HUD or the state could have impacted the ability to finance future phases. Ms. Blauer then asked if they had considered reallocating phase 1B funding to support the Seabeds project. Mr. Zajac said that this option had not been considered, and Mr. Foster noted that reallocation would likely have required Town Meeting approval, though they weren't sure about the specifics. Mr. Connelly added it is possible to redirect the funds through Town Meeting. Mr. Foster discussed the competition for available funding in the current round and the likelihood that they might not be funded, although they were hopeful for a mid-year round of funding through the Governor's Affordable Homes Act.

APPROPRIATE FOR NEEDHAM PARK AND RECREATION DEPARTMENT: ACTION PARK AND PICKLEBALL COURTS (DESIGN)

Ms. Spinney introduced the request from the Needham Park and Recreation Department for \$300,000 in design funding for an action sports park and pickleball courts at Claxton Fields. This project is part of the recommendations from the Active Recreation Assets Group, established by the Select Board in October 2022. The group identified the need for a sports park, pump track, and pickleball courts. After evaluating potential locations, Claxton Fields was chosen as the most appropriate site. The estimated total cost of the project is \$3.3 million, and if the design funding is approved, the project will go out to bid, with an engineering firm engaged this summer.

Mr. Abruzese questioned why design work was still needed, given that the field renovations were already underway. Stacy Mulroy clarified that the current field renovation project, which includes a geothermal barrier and field improvements, is separate from the skate park and pickleball courts project. She also explained that the skate park will be located at the quarry area of Claxton Fields, while the pickleball courts will be placed across from the RTS exit, where a former playground was.

Mr. Connelly raised concerns about parking, asking if there would be enough for the increased usage. Mulroy responded that the design includes considerations for increased parking, noting that pickleball usage tends to be higher in the mornings, while field usage is heavier in the afternoons, but weekends could be most problematic.

Ms. Blauer inquired about the timeline for applying for construction funds and if the projects could be done separately. Ms. Mulroy stated that, if design funding is approved, the project will go to bid in July, and construction funding would likely be requested by October 2026. She also clarified that while the projects could be done separately, there could be cost savings if both the skate park and pickleball courts were constructed together.

Mr. Connelly asked if any work from the current project would need to be altered to accommodate the new pickleball courts. Mulroy confirmed that no field renovations would be affected, though some grass may be moved. He also inquired about soil contamination in the quarry area, and Mulroy assured him that the area had been tested, with no contamination found, as the quarry is made of bedrock.

Mr. Abruzese followed up on the design costs, comparing the \$300,000 design cost for the \$3.3 million project to a lower design cost for a different project at the Elliot School. Mulroy explained that the higher design cost for the sports park and pickleball courts was due to the specialized design needed for the skate park, as only a few companies have the technical skills required for this type of work. Additionally, permitting and sound studies for the project added to the costs.

Ms. Smith-Fachetti asked whether the pickleball courts at Mills would be affected by this project, to which Mulroy responded that the commission was still evaluating how many courts could fit at Claxton Fields, which would influence their decision. Mr. Coffman asked for a breakdown of costs between the skate park and pickleball courts, and Mulroy estimated that the

skate park would account for about two-thirds of the design costs. She was unable to provide a breakdown for the construction phase but offered to follow up with details.

APPROPRIATE FOR NEEDHAM PARK AND RECREATION DEPARTMENT AND DEPARTMENT OF PUBLIC WORKS: ELIOT SCHOOL GROUNDS RENOVATION (DESIGN)

Ms. Spinney introduced the request for \$69,960 in design funds for renovations at the Elliot School playground, a joint submission from the Park and Recreation Department and DPW. The playground, which serves 450 students and the surrounding community, was built in 2003. Over time, issues with poor drainage and turf deterioration, along with a lack of accessible playground equipment, have emerged. The requested design funds would address these issues and include improvements to the fields, playground, basketball court, and walkways, along with the installation of gates to control access and prevent damage from vehicles. The total estimated construction cost for the project is \$1.5 million.

Ms. Blauer asked whether CPC funds would be requested for construction. Mulroy confirmed that construction funding would be sought in the fall of 2025. She explained that school projects must be completed quickly during the summer, before school resumes, which is why the playground and field renovations would be handled together. Ms. Smith-Fachetti clarified that construction would begin in summer 2026, assuming the timeline aligns.

Further discussion centered around the funding process. Ms. Blauer asked if reappropriating FY26 funds would still allow for the project. Mr. Davison explained that new free cash certification would be required each year. Mr. Connelly inquired about the overall available funds, and Ms. Simchak reported a shortfall of \$660,977 even with the reallocation of funds. Mr. Connelly suggested that decisions on how to address this shortfall would be made during deliberations on March 19, to which the CPC members agreed.

Mr. Coffman sought clarification on the eligibility of athletic facilities for CPC funding. Mr. Herer explained that recreation projects are eligible for CPC funding, however, the project must be on land controlled by the Park and Recreation Department or designated for such use. Ms. Simchack added that turf is not eligible for CPC funds.

Stephen Palmer Reuse Development Committee Appointment

Ms. Smith-Fachetti announced that Ms. Blauer would be the Finance Committee appointee.

Finance Committee Business

Ms. Burgos gave an update that the Large House Review committee was defining the scope of their recommendations and how home prices might be affected.

Ms. Smith-Fachetti gave an update on the town manager search, saying that interviews would begin the next week.

Mr. O'Connor reported on an unofficial informational meeting of Envision Needham Center, and noted that he would be sharing slides that were presented. He noted that funding and procurement for the pilot may slow the project. He also note that Ms. Lustig, the Director of Needham Department of Public Works, is willing to come in to do a presentation to the Finance Committee. Ms. Smith-Fachetti stated that it could be scheduled once more of the warrant articles have been discussed.

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 8:49p.m.

Documents: Memorandum to the Finance Committee: FY2026 Community Preservation Committee Project Applications, Charles River Heights Project Summary

Respectfully submitted,

Molly Pollard

Executive Secretary, Finance Committee