

Needham Finance Committee
Minutes of Meeting of April 2, 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
Barry Coffman, Ali Blauer, Paul O'Connor, Joe Abruzese, Tina Burgos (arrived 7:02pm)

Absent:

Karen Calton
Lydia Wu

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
Shane Marks, Assistant Director of Public Works
Gabby Queenan, Sustainability Manager
Lauren Spinney (via Zoom), Administrative Coordinator, Community Preservation Committee
David Herer (via Zoom), Chair of Community Preservation Committee
Maureen Callahan (via Zoom), Vice Chair of the Community Preservation Committee
Reginald Foster (via Zoom), Chair of the Needham Housing Authority

Citizen Request to Address the Finance Committee

None

Approval of Minutes of Prior Meetings

MOVED: By Mr. Connelly that the minutes of meeting March 26, 2025, be approved, as distributed and subject to technical corrections. Mr. O'Connor seconded the motion. The motion was approved by a vote of 6-0 at approximately 7:01pm.

Annual Town Meeting Warrant Article Discussions

APPROPRIATE FOR ON-GOING COLLECTIONS STORAGE UPGRADES/NEEDHAM HISTORY CENTER & MUSEUM

Documents: CPC Memorandum to the Finance Committee

Mr. Abruzese asked for confirmation that the amount was appropriate for the items needed, to which Mr. Herer responded that the proponents had provided a breakdown including pricing of

the items to be purchased. Ms. Smith-Fachetti asked if the items could be purchased through government contracts, to which Mr. Davison said no since they are not part of the government.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of the warrant Article 20: APPROPRIATE FOR ON-GOING COLLECTIONS STORAGE UPGRADES AT THE NEEDHAM HISTORY CENTER & MUSEUM in the amount of \$46,712 to be raised from the CPA History Reserve. Mr. Abruzese seconded the motion. The motion was approved by a vote of 7-0 at approximately 7:04pm.

APPROPRIATE FOR NEEDHAM TRAIL SIGNAGE IMPROVEMENTS

Ms. Blauer sought clarification on whether this appropriation overlapped with the trail resurfacing in the general fund cash capital article. Ms. Simchak explained that DPW funds were designated for trail maintenance, while CPC funds were allocated for improvements, including signage and additional amenities. She emphasized that the DPW's maintenance work was separate and could not be funded by CPC money.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of the warrant Article 21: APPROPRIATE FOR NEEDHAM TRAIL SIGNAGE IMPROVEMENTS in the amount of \$104,000 to be raised from the CPA Free Cash. Mr. Coffman seconded the motion. The motion was approved by a vote of 7-0 at approximately 7:07pm.

APPROPRIATE FOR EAST MILITIA HEIGHTS DEVELOPMENT - CHARLES RIVER CENTER

Mr. Connelly asked if there are provisions to ensure the money is used only for this project and the process for reclaiming funds if the project does not proceed. Ms. Simchak explained that the funds are only available after closing. She noted that a request for pre-closing costs was deemed ineligible and confirmed that funds are disbursed on a reimbursement basis after invoices for construction services are submitted.

Ms. Smith-Fachetti asked about the role of a capital campaign in the project's financing, clarifying that in addition to housing-related funding, the project relies on outside donor contributions. Ms. Spinney stated that the capital campaign is separate from state and federal funding and is intended for amenities and services beyond construction, such as 24-hour monitoring technology. Ms. Smith-Fachetti questioned whether such technology was a necessity for residents rather than an optional enhancement. Mr. Herer indicated that while the capital campaign includes various items, the specific necessary fixtures have not been detailed.

Mr. Abruzese inquired why a capital campaign was not being used to contribute to construction. Mr. Herer stated that while this had not been discussed, the organization likely has the capacity to fundraise. He noted that their fundraising ability was considered in determining the grant amount, as they have more flexibility than the Needham Housing Authority.

Ms. Blauer asked whether the affordability range of 30% to 80% was included in the grant

agreement. Ms. Simchak confirmed it would be and that a deed restriction would be required to maintain affordability in perpetuity. Ms. Blauer asked if the proponents had responded to receiving less than the full requested amount and whether they had a plan to cover the shortfall. Ms. Simchak stated they had not received a response, and Ms. Spinney added that the proponents were pleased and did not indicate that the reduction would impede progress. She noted that the committee considered cost-saving opportunities when making their funding decision. Mr. Herer remarked that the project remains flexible in its early stage.

Ms. Blauer expressed concerns about pre-committing a significant portion of FY26 funds without knowing future financial constraints and potential projects. Mr. Abruzese agreed and noted that the organization has other potential funding sources. He stated that the \$2.8 million CPC allocation, given future budget constraints, was concerning. Mr. Connelly highlighted that using these funds would significantly reduce CPC reserves, affecting availability in FY27. He calculated that projected revenue and existing debt service would leave substantially less funding for future projects. Ms. Blauer added that funding design work for projects that would later need to be financed during times of lesser funds also presented a challenge.

Mr. Connelly asked why this project was being funded through CPC receipts while the Seabeds Way and Captain Robert Cook Drive project was being funded through the reserve. Ms. Simchak explained that the decision was based on a prior commitment and its connection to the Linden project but stated that the allocation could be adjusted.

Mr. O'Connor asked what would happen if CPC receipts fell short. Ms. Simchak stated that any shortfall would have to be made up later. Mr. Davison noted that receipts are unlikely to fall short since they are based on a predictable tax levy.

Mr. Coffman asked how prioritization was determined between this project and the Seabeds project, noting that the latter's request was reduced based on expectations of additional funding. Mr. Herer stated that both projects were high-priority and that the Seabeds project was split to fit available funding. He explained that the restructuring still allowed necessary voucher allocations for the Linden project. Mr. Coffman raised concerns that funding the Charles River project could limit resources for Linden and Sea Beds if additional funding sources do not materialize. Mr. Herer acknowledged the possibility but stated that Needham Housing Authority believes its funding plan for Linden is solid.

Mr. Foster affirmed that Linden and Seabeds are the highest-priority projects in his opinion. He stated that while they have a strong plan to secure the necessary \$57 million for Linden, the project depends on securing subsidy units. He noted that Seabeds has been downsized to fit available funding, including CPC funds, but acknowledged the risk that funding sources could change due to broader economic and political conditions.

Mr. Coffman expressed concern that the committee is depleting its reserves entirely for the Charles River Project, which could put other projects at risk if additional funding sources do not materialize. Ms. Blauer noted that not only are the reserves being depleted, but next year's funds are being pre-committed at an unprecedented level. Mr. Connelly acknowledged that pre-committing funds is a standard practice but stated that the extent of this commitment is greater than in previous years.

Ms. Simchak explained that funds had been set aside for the Linden project in past years to prevent pre-committing future budgets, but those reserves were used. She confirmed that this year has the highest number of projects in recent memory.

Mr. Connelly questioned whether the open space reserve, which currently holds \$3.2 million with an annual allocation of \$438,000, could be capped, given that land acquisition opportunities are limited. Mr. Davison clarified that state law mandates that 10% of receipts be allocated to open space, community housing, and historic preservation each year, and funds cannot be redirected.

Mr. Connelly expressed concerns about allocating \$2.8 million to the Charles River Project while two higher-priority projects, the Linden and Seabeds projects, still face uncertainties. He questioned whether the Charles River Project's funding request is urgent or if it could be postponed to avoid depleting funds.

Ms. Blauer asked whether the Charles River and Linden projects would compete for the same low-income housing tax credits. Mr. Foster confirmed that Linden has already applied, while Charles River intends to apply in Fall 2025. He also clarified that the Seabeds project is not currently seeking tax credits to avoid internal competition.

Ms. Burgos supported funding the Charles River Project now, citing rising construction costs as a risk to delaying it. Ms. Smith-Fachetti and others questioned whether the project could wait a year, allowing more time to secure external funding and explore loan options. Mr. Coffman emphasized that the Charles River Project has more external fundraising opportunities than the Linden and Seabeds projects, which rely heavily on town funds. He stressed the importance of maintaining a financial buffer to support these critical housing initiatives.

Mr. Connelly inquired about the financial implications if the article does not pass. Mr. Davison explained that the unallocated \$741,000 would remain in CPA free cash, while the \$2 million would be allocated under the standard reserve allocation article. Mr. Connelly asked whether these funds could be redirected to the housing reserve, to which Mr. Davison confirmed that this would be legally permissible but would require CPC approval.

To address the committee's concerns, Mr. Davison recommended inviting the Charles River project proponents back for further discussion before making a final decision. The committee agreed.

APPROPRIATE FOR PRESERVATION OF SEABEDS WAY

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of the warrant Article 23: APPROPRIATE FOR PRESERVATION OF SEABEDS WAY in the amount of \$3,200,000. Mr. Coffman seconded the motion. The motion was approved by a vote of 7-0 at approximately 7:40pm.

ACTION PARK & PICKLEBALL COURTS (DESIGN)

Ms. Blauer expressed concern about funding design for a project without a clear indication that CPA funds would be available in the future for construction. Mr. Davison responded that the construction would be funded from the general fund. Ms. Blauer noted that this contradicted

what Parks and Recreation had previously told the committee. Mr. Davison clarified it was part of the capital plan to use general fund funding. Mr. Coffman asked if that was because CPC funds were unavailable. Mr. Davison said CPC funding would be helpful but noted that like with the tennis courts, the general fund would likely contribute, suggesting a similar approach here. Ms. Blauer asked if the same applied to the Elliot School. Ms. Simchak stated that part of the Elliot project might not be CPC eligible. Mr. Coffman asked about why the CPC funds were used for funding the design, whereas the construction would be coming from the general fund.

Mr. Davison explained the project's cost estimate was \$3 million and that CPC funds were generally reserved for projects in historic preservation, community housing, or open space, making this recreation project a lower priority. He said general fund debt within the levy limit was currently assumed for construction funding. Mr. Coffman asked why CPC was being used for design funds given concern about CPC balances. Mr. Abruzese said he shared Ms. Blauer's concern, viewing the project as discretionary compared to others and suggesting it could be deferred since it's new construction and not a pressing need. Ms. Blauer said she would find it helpful to see how the project fits into future planning. Mr. Coffman commented that if the project were solely a general fund article, it might be viewed differently. He argued that general fund support might be more appropriate here, since construction wouldn't use CPC funds anyway.

Mr. Davison pointed out that a change in funding source would require resubmission. Mr. Coffman asked whether the \$300,000 CPC request could remain in place while exploring use of general funds or free cash in the fall. Mr. Davison explained that use of free cash depends on timing and certification. Ms. Blauer asked if there would be funds available when the design was complete and construction funds were needed. Mr. Davison replied that \$3 million could be found, but prioritization among projects always limits full funding. Ms. Smith-Fachetti confirmed the \$3 million would be funded with debt, which Mr. Davison clarified would be within the levy limit and in competition with other debt-financed projects. Ms. Blauer asked what year construction funding would be requested, and Mr. Davison said 2026 was the current assumption. She asked about the Elliot project, and Mr. Davison said it depends on the scope and cost, which would be clarified after the design phase. He noted the town manager does not currently view Elliot's construction phase as a tier one capital project, though some of the project might be CPC-eligible under open space depending on its final scope.

Mr. Coffman asked whether the funding source could be changed at Town Meeting if articles were not approved. Mr. Davison said the moderator would decide if a change was within scope, and as filed under CPC, they would be subject to an up-or-down vote. Mr. Connelly asked if Park and Recreation had explained why they sought CPC design funds given that the construction would come from general funds. Ms. Blauer said she asked Ms. Mulroy, who had told her construction would be funded with CPC funds. Mr. Davison said Ms. Mulroy may intend to apply, but he is planning for general fund financing given revenue forecasts. He emphasized that future CPC funding is not ruled out, but his financial planning assumes general fund resources.

Mr. Connelly stated his support for moving forward, noting that while \$3 million would be difficult, \$300,000 was a manageable amount to enable planning. Mr. Abruzese asked about what other capital projects would be competing for funding, and Mr. Davison listed the DPW, library, other fields, and quiet zone, acknowledging that not all could be funded. Mr. Connelly and Mr.

Coffman confirmed that all projects compete financially, even those outside the levy, such as Pollard. Ms. Blauer noted the design would retain value even if construction were delayed. Ms. Smith-Fachetti supported the project, pointing out its long history and strong community interest.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of the warrant Article 24: APPROPRIATE FOR ACTION SPORTS PARK & PICKLEBALL COURTS DESIGN in the amount of \$300,000. Mr. O'Connor seconded the motion. The motion was approved by a vote of 6-1 at approximately 7:59pm.

ELIOT SCHOOL GROUNDS RENOVATION (DESIGN)

Ms. Blauer noted that her concerns are similar to that of the previous article but she noted this project is smaller scale and much needed. Mr. Abruzese remarked that the design cost for this project represents a much smaller percentage than the previous one.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of the warrant Article 25: APPROPRIATE FOR ELIOT SCHOOL GROUNDS RENOVATION (DESIGN) in the amount of \$69,960. Mr. Coffman seconded the motion. The motion was approved by a vote of 7-0 at approximately 8:00pm.

APPROPRIATE FY2026 CPA BUDGET AND RESERVES

Ms. Smith-Fachetti questioned whether they should proceed, noting the Charles River project is referenced. Mr. Connelly responded that if the project does not proceed through another route, the funds would need to be appropriated through this article.. Ms. Simchak clarified that there is a restriction on the funds, and it would be up to the CPC since the legal requirements are already fulfilled without the \$2 million. Mr. Connelly stated that the article could be amended if needed but believed this proposal stands alone regardless of the Charles River project's outcome.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of the warrant Article 26: APPROPRIATE FY2026 CPA BUDGET AND RESERVES. Mr. Coffman seconded the motion. The motion was approved by a vote of 7-0 at approximately 8:00pm.

APPROPRIATE FOR CLIMATE ACTION PROGRAM INITIATIVES

Mr. Connelly expressed reservations about the proposed \$250,000 appropriation for a sustainability grant matching fund. He emphasized that this type of structure—fronting money before any specific grants or projects are in place—would be a first for the town. He noted that typically, funds are appropriated once a project is secured, not in anticipation of one. He stressed that \$250,000 is a substantial sum, representing funds that could instead be used for more tangible and certain needs like teacher salaries. He also mentioned that only five towns in Massachusetts have similar models, and most appropriate significantly smaller amounts. He said the town should “walk before it runs” and recommended starting with a lower dollar amount.

Mr. Coffman responded by pointing out that similar practices already occur in the Department of Public Works (DPW) for unspecified maintenance projects, though Mr. Connelly countered that even those are more clearly defined than the proposed sustainability fund. Mr. Connelly went on to question whether the town is actually required to have matching funds appropriated before applying for certain grants, concluding that most do not require it upfront, including the solar project grant for the Cogswell building.

Ms. Burgos spoke in support of the request, noting that four out of the six proposed grants address stormwater, which aligns with town priorities, especially in light of recent flooding. She emphasized the return on investment—potentially \$1.8 million in grant funding from an approximately \$250,000 match—and noted the town’s successful track record in raising nearly \$500,000 with minimal resources.

Ms. Queenan clarified that while matching funds don’t always have to be appropriated at the time of application, grant applications often require a letter of commitment from the town manager indicating how the match will be handled. Ms. Lustig added that the timing of awards and the town’s budget cycle sometimes complicates this commitment, as funds may be needed before they can be approved at a Town Meeting. Ms. Blauer pointed out that if the grant application and funding windows are typically more than six months, the town’s May and October meetings could accommodate many requests without needing a pre-approved fund. However, she said the proposal felt too broad and would prefer more specificity—differentiating between uses like stormwater projects versus EV chargers—so Town Meeting could make informed decisions about priorities.

In response, Ms. Burgos expressed concern that such restrictions would make the town less nimble and competitive in pursuing fast-moving funding opportunities. She stressed the applicant’s ability to act quickly and the importance of flexibility in a volatile funding landscape.

Ms. Blauer acknowledged the validity of both perspectives and suggested a compromise: fund a smaller amount now as a nimble reserve and see how it performs before committing more. Mr. Connelly reiterated his concern that the proposed grants are not urgent and involve long application cycles, making the large upfront appropriation seem unnecessary. He preferred a cautious approach, citing the applicant’s promising track record but emphasizing that the town has never tried this model and should proceed gradually.

Mr. Coffman confirmed his support, arguing that \$250,000 is reasonable in the context of a \$200+ million town budget and that the process already includes checks and balances through the Climate Action Committee. He stressed that the amount requested is a fair starting point given the potential returns and current priorities like stormwater.

Ms. Queenan explained that the original \$250,000 amount was tied to a now-lost congressional earmark opportunity and that the funding landscape—and how communities structure these funds—varies widely. She noted the figures provided about other towns are just a sampling, not a conclusive analysis. Ms. Blauer closed by questioning whether the opportunities are actually there right now, or if the money might sit unused.

MOVED: By Mr. Coffman that the Finance Committee recommend adoption of the warrant Article 10: APPROPRIATE CLIMATE ACTION PROGRAM INITIATIVES.
Mr. O’Connor seconded the motion. The motion was approved by a vote of 6-1 at approximately 8:24pm.

Special Town Meeting Warrant Articles Discussion

APPROPRIATE FOR PUBLIC, EDUCATIONAL, AND GOVERNMENT (PEG) PROGRAMMING

Mr. Davison explained that the town received \$195,516 for Needham cable TV, part of required payments from cable companies to support local access programming. Previously, these funds went directly to local cable providers, but a law change now requires the money to go through the town before being appropriated. He noted this process causes delays and administrative complications. The Governor's Municipal Modernization Act proposes reverting to the old system, allowing funds to go directly to cable access organizations.

MOVED: By Mr. Coffman that the Finance Committee recommend adoption of the Special Town Meeting Warrant Article 1: APPROPRIATE FOR PUBLIC, EDUCATIONAL, AND GOVERNMENT (PEG) PROGRAMMING. Mr. Abruzese seconded the motion. The motion was approved by a vote of 7-0 at approximately 8:27pm.

APPROPRIATE FOR INTERSECTION IMPROVEMENTS

Ms. Lustig recalled that about a year and a half ago, there was an article to appropriate funds for restriping at the intersection of Route 128 and Kendrick Street. Although the town initially planned to use the funds for that work, the state ultimately covered the cost. As a result, the allocated town funds remain available.

She explained that the original permit required Boston Children's Hospital to conduct a feasibility study for the intersection at Fourth and Kendrick. If the study determines that a traffic light is warranted, the remaining funds would then be used to design the traffic light.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of the Special Town Meeting Warrant Article 2: APPROPRIATE FOR INTERSECTION IMPROVEMENTS. Mr. Abruzese seconded the motion. The motion was approved by a vote of 7-0 at approximately 8:29pm.

AMEND THE FY2025 SEWER ENTERPRISE BUDGET

AMEND THE FY2025 WATER ENTERPRISE BUDGET

Mr. Davison explained that these articles involves transferring DPW funds from salaries and wages to expenses, with no change to the bottom line. Due to vacancies, the department saved on salaries but needed to hire outside contractors, and this transfer will cover those costs.

Mr. Abruzese confirmed the net impact is zero. Mr. Coffman asked if the vacancies were expected to remain unfilled. Ms. Lustig said the roles had been open over half the year, and it's a broader industry issue, not unique to Needham.

Mr. Coffman clarified the fiscal year, and Ms. Lustig confirmed it's for the current one. She added that only two vacancies remain—one in water and one in sewer—the fewest in five years. Mr. Connelly asked about temp agencies. Ms. Lustig said they use outside crews for emergencies or specialized tasks, like backflow inspections, when internal staff aren't available.

Mr. Coffman asked about interns. Ms. Lustig said new staff are pursuing licenses, supported by a town incentive program. Many in the field are retiring around the same time, creating regional shortages. Mr. Marks noted that licensing is delayed by required training and testing, which limits promotion until complete. In the meantime, outsourcing fills the gap to meet regulatory demands. Ms. Lustig added that most attrition is due to retirement or employees finding jobs closer to home, ending long commutes.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of the Special Town Meeting Warrant Article 3: AMEND THE FY2025 SEWER ENTERPRISE BUDGET. Mr. O'Connor seconded the motion. The motion was approved by a vote of 7-0 at approximately 8:34pm.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of the Special Town Meeting Warrant Article 4: AMEND THE FY2025 WATER ENTERPRISE BUDGET. Mr. O'Connor seconded the motion. The motion was approved by a vote of 7-0 at approximately 8:34pm.

APPROPRIATE TO CAPITAL EQUIPMENT FUND

Mr. Davison explained that the request is for \$161,128, which represents proceeds from the sale of surplus equipment. The committee previously amended the funding to ensure these proceeds would go directly into the fund, but this process won't begin until July 4 of fiscal year 2026.

Ms. Smith-Fachetti clarified the starting balance of the fund, confirming it was correct at approximately \$1.7 million as of January 1.

MOVED: By Mr. Connelly that the Finance Committee recommend adoption of the Special Town Meeting Warrant Article 13: APPROPRIATE TO CAPITAL EQUIPMENT FUND. Mr. O'Connor seconded the motion. The motion was approved by a vote of 7-0 at approximately 8:36pm.

Finance Committee Business

The committee determined a time to visit 470 Dedham Ave ahead of their vote regarding the Cogswell building.

Adjournment

MOVED: By Mr. Connelly that the Finance Committee meeting be adjourned, there being no further business. Mr. O'Connor seconded the motion. The motion was approved by a vote of 8-0 at 9:43p.m.

Documents: CPC Memorandum to the Finance Committee

Respectfully submitted,

Molly Pollard

Executive Secretary, Finance Committee