

Needham Finance Committee
Minutes of Meeting of December 16, 2020

The meeting of the Finance Committee was called to order by Chair Carol Fachetti at approximately 7:00 pm via Zoom Video
Webinar <https://us02web.zoom.us/j/86237827965?pwd=T1k1b3ZQZ043UnYxdTZPMnpKNFpwUT09>

Present from the Finance Committee:

Carol Fachetti, Chair ; Joshua Levy, Vice Chair

Members: Barry Coffman, John Connelly, Tom Jacob, Richard Lunetta, Louise Miller, Richard Reilly

Others:

David Davison, Assistant Town Manager/Finance Director

Theodora Eaton, Town Clerk

Ann MacFate, Director, Needham Public Library

Carol Thomas, Chair of Library Trustees

Anna Giraldo-Kerr, Library Trustee

Jay Fialkov, Library Trustee

Thomas M. Harkins, Library Trustees

Kay Cahill, Library Trustee

Dennis Condon, Fire Chief

Deborah Bonnano, Fire Department, Director of Administrative Services

Citizen Requests to Address the Finance Committee

There were no requests to speak.

Approval of Minutes of Prior Meetings

MOVED: By Mr. Connelly that the open session of December 9, 2020 be approved as distributed, subject to technical corrections. Mr. Reilly seconded the motion. The motion was approved by a roll call vote of 8-0.

FY 2022 Department Budget Requests (operating and capital):

Town Clerk/Board of Registrars

Mr. Coffman introduced the budget. He stated that it was an extraordinary year in the Town Clerk's office. He noted that it is decreasing in FY22, since there will be one fewer election. Other than that, it is mostly level funded. Ms. Eaton stated that it was a difficult year with the pandemic and the changes to elections and early voting and mail-in voting. She stated that there will be fewer elections, so they will be able to focus on some other activities. Mr. Coffman stated that the elections appeared to go very well. Ms. Eaton stated that despite some challenges, they were able to do the work well. She stated that 85% of eligible voters voted in the November election, with 62% being early in-person or by mail. Election day was therefore relatively quiet. Mr. Jacob agreed that everything seemed to go smoothly. He asked if mail-in voting would likely continue after the pandemic. Ms. Eaton stated that it would, though some refinements would be

needed and voters will need to be better informed of the process. Ms. Miller asked if the department was able to keep to the FY21 budget or if additional expenses for mail-in voting came from another budget. Ms. Eaton stated that they secured a grant for more than \$10K which helped to keep the department within its budget. Ms. Miller noted that there is legislation pending to allow early voting for local elections, and asked what that would cost. Ms. Eaton stated that the costs would mostly consist of pay for poll workers, but it would not be very significant.

Mr. Coffman stated that one fact of particular note was the unusually high number of marriages that Ms. Eaton performed. Ms. Eaton stated that typically, she performs about 30 marriage intentions per year, but this year, there have been 171. She stated that nearby places, including Newton, Boston and Waltham have stopped doing marriage intentions, since they say they do not have the time. Ms. Miller stated that it is very impressive that the Town Clerk's office could handle all of the work for the elections and other aspects of the office during the pandemic, and also take on the additional marriage intentions of the other cities and towns.

Public Library

Ms. Miller stated that the Library FY22 budget is essentially a cross between level services-- with contractual increases in salaries and expenses-- and level funding for other expenses. She stated that it has been a challenging year for the Library, which will probably lead to some permanent changes in how they provide services. Most services have traditionally been provided in person, but this year they needed to change to be able to provide services such as children's and adult programming electronically, as well as provide pick-up services for books and other items. She stated that they have managed to stay within their budget. She stated that their 5-year plan is due for review. They may need to do a 2-3 year plan for the next years, then return to a 5-year plan thereafter.

Ms. Miller stated that there has been a great increase in attendance at programs provided over zoom, and also a large increase in the use of electronic resources. They are considering various initiatives such as upgrading the website to provide more user services. She stated that the DSR4 requests she would consider recommending are for the Overdrive and Overdrive Advantage databases, currently funded with state aid. Overdrive provides access to a group of electronic books through the Minuteman system, and Overdrive Advantage allows the Town to buy additional copies of popular materials for Town residents. If the Overdrive base cost were covered by the General Fund budget, then the funds could be used to provide more copies of the materials through the Advantage program.

Ms. Miller stated that there is a request for an additional person for reference and digital services. She asked if they needed the additional skills, or needed additional staffing. Ms. MacFate stated that they need both. They need some more skills for digital services to work on the website, but also need help at the reference desk. She stated that the Overdrive program is a basic service, and the need will only continue to grow, so it should be in the operating budget. Ms. Miller stated that once the Library is again open to the public, people will come back. They will come to read the newspaper, and children will come after school, but there will also be more demands for internet services. Ms. MacFate provided circulation data showing that printed books and DVDs are still popular, but over 45% of the circulation was digital at one point during the past year, when typically the level has fluctuated from 26-33%. She stated that digital check-outs are increasing. She described the Overdrive and Overdrive Advantage programs for digital books,

and also the applications Hoopla and Kanopy which provide access to digital magazines and movies. Ms. Miller stated that they have redeployed staff to help with curbside delivery and with remote programming. Ms. MacFate stated that the Friends of the Library have provided digital programming which has been very popular. In some cases, there have been more attendees than could fit in person in the community room. She stated that at the request of the Board of Public Health, they have reduced shift changes, so the part-timers have been working fewer longer shifts, which has been working well and requires less cleaning.

Mr. Reilly asked Ms. Miller whether she recommended both Overdrive Basic and Advantage both be funded through the General Fund or only the Basic. Ms. Miller stated that if any DSR4 requests are brought into the operating budget she would recommend both of them, since they will continue to be used, and usage will likely increase. She stated that additional consideration needs to be given to the request for increased staffing and whether the requested position is the correct one. She stated that benefits costs need to be considered. Mr. Reilly asked if the reference digital special was requested because they don't have the skill on staff or need an additional person. Ms. MacFate stated that they have some of these skills, and could use more help in reference, but this is not all in one person now.

Mr. Lunetta asked if it made sense to have the state pay for Overdrive for the next year to assess how it is used after the pandemic. Ms. Thomas stated that the request is not new, and that the Overdrive services are a basic library service that have been heavily used in the past, not just this year, and the trend has been increasing each year. She stated that the program was paid for the first year by the Foundation, but they do not pay for costs they consider operating expenses, but rather for trial programs. She stated that it is paid for from state aid only because it is not in the budget and not because it is experimental. Mr. Lunetta asked if the state aid is in jeopardy. Ms. Miller stated that the FY21 state aid is not in jeopardy, but FY22 is uncertain. She stated that the cost of Overdrive is a set amount. The amount spent on Overdrive Advantage is determined by the Town and what they want to provide. She felt if some of the state aid is freed up, then they would be able to provide more through the Advantage program. Ms. Fachetti stated that there is a policy about how state aid is expended, and that it is to be used for pilot programs or for large expenses like building design costs. If they spend the account down to zero, they will have no funds for emergencies, pilot programs or to save for bigger projects. She stated that they are now considering looking at changing the configuration of the 2nd floor because the way libraries are being used is changing.

Mr. Levy asked if they had a plan for the freed-up funds if the Overdrive program moved to the operating budget. Ms. Thomas stated that they would not spend it on anything that they don't need. She stated that they are just beginning to develop the next strategic plan, but it has been difficult to gather information about how the building is used when it has been closed. Ms. MacFate noted that the Overdrive Basic subscription cost is based on usage data and is paid to the Minuteman system. They then decide what additional items to buy through the Overdrive Advantage program by reviewing wait times for materials and buying more copies based on demand. She stated that the cost for Overdrive Advantage is not predictable. With additional funds, they may buy more or would also give additional consideration to a book sorting machine. They will use state aid for a contract to study and create a space plan. Mr. Levy stated that the cost for Overdrive was not previously moved into the operating budget because the Committee has asked how the savings would be spent and there was no plan. He stated that it would be helpful to have more information, though he understands they may still be making a plan. Ms.

Thomas stated that they are still working on the strategic plan, and will file the plan in October if they stay on schedule.

Mr. Lunetta asked how much of the state aid funding is unencumbered. Ms. Miller stated that the balance has remained around \$130K and that \$104K is unencumbered. She stated that there is about \$88K of expenses covered by trust funds. Ms. Miller stated that it would be good to review the job descriptions as part of the 5-year plan to make sure that the positions fit the needs of the future.

Ms. Thomas stated that they did a comparison of spending of libraries in comparable towns and found that, in FY2018 which was the latest year for which data was available, Needham fell at the bottom of appropriations of municipal income per capita. Needham spends \$54 per capita, while Wellesley spends \$84 per capita, Belmont: \$87, Winchester: \$86, Natick \$64, and Lexington: \$75 per capita. Looking at non-appropriated income, Needham still falls at the bottom, with Needham at \$55, Wellesley: \$95, and Natick \$82 per capita. She stated that the library runs on a lean budget, possibly too lean, since the staff does not have the time to consider and plan.

Fire Department

Ms. Miller recused herself from the discussion of the Fire Department budget since her son is a firefighter in the department.

Mr. Lunetta introduced the budget, noting that there was \$1.069 million revenue from rescues in FY20. There were 4029 calls, of which 51% were for EMS. The staffing level in the FY22 budget is 80, including the additional staff, which is housed in the new headquarters. There are currently 4 vacancies. He stated that the SAFER grant will cover 35% of salaries of 8 firefighters for 8 months of FY22. He stated with the additional staffing, they are able to keep 4 units in service. Previously, they would have insufficient staffing and need to take one ladder truck and one ambulance out of service about 10 times per month. He stated that the collective bargaining agreement expired June 30, 2020, so any increases that may come in a new agreement are not included in the current budget request for this department.

Mr. Lunetta stated that there is a DSR4 requesting \$3,329 for a new stair chair which assists in transporting people down stairs. There are 2 capital requests: the continuation of the replacement program for fire protection gear for firefighters for \$43K; and the replacement of SCBA (self-contained breathing) tanks. There are 41 tanks in used, each one is used over 1000 times. 18 will be replaced in FY22 with facemasks for \$192K. There are 2 requests in the Fleet replacement program. The total budget is up 4.2%.

Chief Condon stated that the addition of the 8 new firefighters has been a game-changer. They can now fully staff 2 ambulances, and provide better paramedic coverage to the Town. They can do simultaneous calls without relying on other towns, and can man the ladder truck with 4 people (though the standard is 6) and can fully function on the EMS level. They are now fulfilling mutual aid needs. He stated that the requested stair chair is important, though it could be put into the operating budget. There are 2, and they could use a 3rd for the back-up ambulance. The third ambulance has been kept in service because it cannot be sold for much. The stair chair is safer for the people being transported and also the workers. He stated that the ongoing replacement program for fire protective gear replaces 20% of the gear each year. Each person has 2 sets, and

one of the sets will be replaced every 5 years. When a set reaches 10 years old, it is replaced. The SCBA equipment is needed for breathing in a situation with smoke, fire or hazardous material. Each firefighter has their own face piece. They have applied for grant funding, and were scored well, but did not meet the financial need. This gear is used regularly, though not on every call. He stated that situations with firefighter fatalities are usually due to SCBA equipment that is out of date or does not function properly.

Mr. Reilly asked why overtime increased 12% in the request. Chief Condon stated that there are more people on staff, and they are not able to fill all vacancies, so there is more use of overtime. He stated that some of the problem filling vacancies is that they need paramedics to be able to keep the ambulances in service. Also, there was no civil service exam this year because of the pandemic, so the list is exhausted. As they interview people, those people are getting offers from 20-30 communities. He stated that civil service testing is starting again so hopefully there will be a new list in February. Mr. Reilly asked if it is double counting to include the salaries of vacant positions in the budget and also to increase overtime to cover for those vacancies. Chief Condon stated that it takes up to a year to hire people and they need the salary funding. He stated that when there are retirements, it can take time to replace people. This year there have been two retirements, one long term illness, and one career change. Mr. Jacob asked if the \$125K overtime was just the incremental extra pay for overtime, or the full amount paid. Ms. Bonnano stated that it included the full amount to cover vacations, sick time, storm and other coverages. Mr. Coffman asked whether the salaries for unfilled positions in the current year will be returned to the Town. Chief Condon stated that they would not know until June 30, as there can be unforeseen circumstances. Mr. Levy asked if they knew about half of the money since the year is half over. Ms. Bonnano stated that so much coverage has been needed for Covid-related absences that they don't know yet. Chief Condon stated that their spending depends on incidents and is not necessarily linear. Mr. Coffman stated that if they are budgeting for overtime, then there should be money left when there are unfilled positions. Chief Condon stated that no money is squandered, but there may be need for it.

Ms. Fachetti asked if there are any expenses in the budget that are due to Covid, and will not be needed after the vaccine. Chief Condon stated that they have used more PPE than usual, but he thinks that will not change much in the future. They have received help from MEMA and FEMA. He stated that the number of calls may increase, since they have decreased lately with more people staying home, and fewer car accidents and sports injuries. The PPE and other costs will likely be similar later.

Mr. Levy asked if the position that works with both Fire and Public Health is in this budget. Chief Condon stated the Emergency Management Program Coordinator is in the Fire Department budget. The position has been very important in Covid response. They were able to quickly set up an emergency operations center (EOC) even before the state did. Most of the Covid work has been with Public Health. He stated that other towns have noticed how good Needham's statistics are. There has been very good interaction with MEMA and FEMA.

Finance Committee

Ms. Fachetti stated that the budget is level-funded. Mr. Lunetta asked if there are additional expense needs. There was discussion about technology needs covered by the IT department, and costs related to working remotely which are not covered by any department budgets.

School Department – FY21 Budget Update

Dr. Gutekanst stated that at the last update, the School Department thought that additional funds may be needed to get through the year with Covid-related expenses. He thanked Ms. Gulati and Mr. Davison for their hard work managing the finances in the challenging year. Ms. Gulati presented slides. She stated that it does not now appear that there will be a deficit, though it is close. She anticipates \$5.9 million in resources are available to meet \$5.9 million in expenditures. The resources are circuit breaker funds, budgetary holdback, school grants and municipal grants for Covid-related expenses, and some miscellaneous revenue such as from revolving funds. The expenses include the remote academy, hybrid learning, and PPE. She stated that they had expected a \$1 million deficit from nutrition services because they would have the same costs with less revenue, but the USDA extended the waiver program that provides for free breakfasts and lunches to all students in Town, including non-NPS students, so the demand has increased, which has reduced the expected deficit by half.

Ms. Gulati stated that some costs are lower due to social distancing such as preschool costs. She stated that there appears to be a mild deficit in SPED costs, an area that can typically have huge deficits. She stated that there are some compensatory services that need to be provided for students who cannot access certain services. There is a deficit in the yellow bus service because they cannot sell as many seats due to distancing requirements. She stated that some savings is resulting from positions being held unfilled—currently 4.7 FTEs.

Ms. Gulati noted that the school has changed its spending plan, but will be using all of the municipal funds, mostly for technology needs, and some for safety related costs. Mr. Levy asked what happens at the end of the year to the technology deployed to elementary students. Dr. Gutekanst stated that it has not yet been determined, but NPS owns the devices, Chromebooks and iPads, and they will still have a useful life. They may be used in classrooms later, or as part of the group of devices that students take home. Ms. Gulati noted that the curriculum has been modified to use the devices, and some of those changes may become permanent.

Mr. Reilly asked if there are more cleaning costs in other budgets since there is less cleaning than anticipated in the School Department budget. Ms. Gulati stated that the cleaning and sanitizing that is going on is being done by the DPW building maintenance staff. She stated that there was a plan for nutritional services staff to do some light cleaning, but it turned out that they could not work out the schedule so the School costs for that are lower than originally expected. Dr. Gutekanst stated that they also learned that the most important issues are air exchange, masks and distancing, and that surface cleaning was not as significant, so they changed plans somewhat. He stated that they are now concerned that DESE may impose new rules on required learning times or other issues that could impact what they need to do. He stated that they do what they need to do at this point with the current resources, but will check back.

Discussion

Mr. Jacob stated that he wished to discuss the Library budget. The issue with the Library request to move Overdrive into the operating budget is not the need for that program, but the best way to manage state aid funds. Mr. Lunetta stated that they feel that the cost should be in the operating budget because it is a basic service, but he feels that if the state will pay for it, there is no need for the Town to cover it. There does not appear to be a better plan for the funds. Mr. Jacob stated that there needs to be some policy determination, such as a decision that some proportion of the

state aid could pay for operating expenses. Mr. Reilly noted that one possibility is that standard expenses are paid for in the operating budget and extraordinary expenses are covered by state aid, as they are doing. Ms. Miller stated that she has spent time each year talking about this with Ms. MacFate. She stated that the various Library funds grow each year because there is typically salary savings, and they don't turn it back but expend it on these items. She stated that it can be hard to move the Trustees or the Library Director in a new direction. She stated that the discussion about their new strategic plan presents them with an opportunity. It may be a good time for a consultant to address the question of what library should look like. She stated they talked about whether they need \$250K of books. She noted that the Library Trustees have much power under the statute, somewhat like the School Committee. She stated that they get about \$35K of state aid each year, and keep the account at about \$130K. She stated that they are waiting until after the pandemic to make a new plan. She stated that they will need new metrics about utilization of the Library and material circulation. Mr. Reilly stated that it would be expensive to increase the spending per capita by \$30 as they suggested. Ms. Miller stated that they presented figures from only certain towns. She noted that the new Trustees are open to new ideas.

Updates

Ms. Fachetti stated that James Healy has been appointed to the Finance Committee. He has significant experience in municipal government including as a member and chair of the Finance Committee as well as serving on the Select Board, so he will be able to hit the ground running at the next meeting on January 6, 2021.

Documents: Town of Needham - FY 2022 Departmental Spending Requests; Library State Aid Expenses FY10-FY20; Library Trust Fund FY20 Expenses by Category; Library Trust Fund FY20 Expenses by Fund; Library State Aid Fund Projected Expenses FY21; FY21 School Budget Update Presentation - Dec. 16, 2020; FY21 School Budget Projection Update Detail – Dec. 16, 2020.

Respectfully submitted,

Louise Mizgerd
Staff Analyst

Approved January 6, 2021