Needham Finance Committee
Minutes of Meeting of January 6, 2021

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, James Healy, Tom Jacob, Richard Lunetta, Louise Miller, Richard Reilly (arrived 7:09 pm)

Others:
David Davison, Assistant Town Manager/Finance Director
John Schlittler, Police Chief
Chris Baker, Police Lieutenant
Paula Sheerin, Police Department, Administrative Assistant
Carys Lustig, Interim Director of Public Works
Cecelia Simchak, Director of Finance and Admin/Public Services
Barry Dulong, Director of Building Maintenance, Public Works

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 minutes of the meeting of December 16, 2020 be approved as distributed, subject to technical corrections. Mr. Lunetta seconded the motion. The motion was approved by a unanimous roll call vote of 8-0. (Mr. Reilly had not yet arrived.)

FY 2022 Department Budget Requests (operating and capital):

Police Department

Mr. Lunetta introduced the budget. There are 63 employees, including 53 officers, and 5 dispatchers. There are 21 vehicles including 11 cruisers. The department responded to over 45K calls in FY20, an increase of approximately 8%. The collective bargaining agreement expired on June 30, 2019 with a one-year extension through June 30, 2020. The increases from that agreement are incorporated into the FY22 budget, but not any subsequent increases. Grant funding has increased. There are 3 vacant positions, and 2 potential retirements. Gasoline expenses are down, based on a 3-year average. The costs for vehicle supplies are level. There are 2 vehicle replacements: a frontline cruiser deferred from last year, and an administrative lieutenant vehicle. There is one DSR4 requesting funds for a Clinical Support person to be shared with Dedham and paid to Riverside Community Care as a fee. The person would not be a Town employee. Mr. Lunetta stated that the total department budget request is a slight decrease from FY21.

Chief Schlittler stated that there are issues that have the potential to impact in the requested budget. The recently passed criminal justice reform bill may have an impact due to changes in training and reporting requirements. Some changes will take effect immediately, and some in the coming months. Another issue is the difficulty recruiting and retaining officers. The environment in recent years has been difficult. Also, there are few residents on the Civil Service list, but a new test will be given in April, with certification in September or October.

Chief Schlittler stated that they are changing the vehicle replacement plan. Instead of replacing 4 cruisers each year, they plan to replace them every other year and purchase longer warranties, and keep vehicles for 3-4 years. This will allow them to be more flexible and will be more sustainable. Ms. Miller expressed concern at the budget shifting up and down significantly each year.

Mr. Connelly asked about the budget impact of the difficulty in filling positions. Chief Schlittler stated that they have been using salary funds to pay for overtime coverage. He stated that there are operational concerns when specialty positions are down since they cannot be easily filled. The issues are related to working longer hours and public safety rather than the budget. Mr. Healy stated that there is a national trend of police officers leaving jobs prematurely, and asked whether he is seeing that locally. Chief Schlittler stated that in Massachusetts, police chiefs have been retiring at three times the usual rate. He stated that some Needham officers have left their jobs, mostly people in the first 1-5 years on the job who have decided to leave the profession. Mr. Lunetta asked if anything could be done to help keep staff on board. Chief Schlittler stated that the Town has always been very supportive of the department, but the officers are concerned about the current environment and the safety of themselves and their families.

Mr. Levy stated that there are no Police vehicles in the fleet capital replacement program. Chief Schlittler stated that 2 vehicles are being replaced in the operating budget under their replacement program. He stated that they are changing the replacement schedule based on expected needs. In FY22 there are no scheduled cruiser replacements, but they will be purchasing a cruiser that was deferred and an administrative vehicle.

Mr. Levy asked how the requested new Clinical Support person will work in conjunction with law enforcement. Chief Schlittler stated that the person will be a licensed social worker and employee of Riverside. They could better help with a mental health crisis and have more access to getting health services for people. The goal is to help people to avoid crisis situations. He stated that the new outreach officer is helping a lot with domestic violence and substance abuse matters, and is also able to go to crisis calls. He can do follow-up, set up services and build relationships to help avoid future critical events. The Clinical Support person will be able to go one step further and have access to more records and be able to work more with other service providers. The person will work in Needham 2.5 days per week. She will be able to do triage and do clinical assessments and help with getting people into hospital care. There is a person in this position who has been working about 2 ½ weeks. The outreach officer is in place and has worked about 400-500 hours on this type of work and responded to approximately 100 incidents. These types of calls used to speak with a dispatcher for up to an hour.

Ms. Miller asked why the Clinical Support position would not be in the Health Department or work with Youth Services. Chief Schlittler stated that they Police have been working in conjunction with those departments which do have those resources, but they need this type of person to come on crisis calls which can require Police when people are assaultive, homicidal or suicidal. With the Clinical Support person in the Police Department, they would be able to provide faster service. This is a newer model, already being used in a number of other communities, including Wellesley/Weston, Newton, and Framingham. The court system is not the appropriate place for some of these people, so this will provide a better connection to medical and mental health systems.

Ms. Miller asked how the position would be structured to accomplish the stated goals, since it is shared with Dedham and the person would be available only 2.5 workdays. Lt. Baker stated that there is currently nobody on staff with a medical or psychological license. This person will be able to follow up with hospitals and do assessments and have faster access to beds for substance abuse or mental health. They will work with the outreach officer. Mr. Healy suggested that it might be better to have a broad-based contract with Riverside for services as needed instead of having a specific person available only during half of business hours. Lt. Baker stated that a specific person is needed to be able to provide follow-up services and have a relationship with people and families. Chief Schlittler stated that the person would also be providing services that can help avoid a crisis that will require Police. Ms. Miller asked how other towns have structured their similar positions. Lt. Baker stated that there are different models. Some have shared positions like this one, and others have one FTE.

Mr. Lunetta stated that it sounds like the person would be needed more than half the time, and asked whether the position might be more successful if they worked 5 days. Chief Schlittler stated that there is currently someone in the position, but they will be able to assess it better after more time since the person has only been working for 2 ½ weeks. He noted that the person has been able to help already in 2-3 cases. Mr. Lunetta stated that the question really is whether the person providing social and clinical work should be in the Police Department, since it is not the police work. Lt. Baker stated that it is not a new model. The state Department of Mental Health has had a grant to fund such a position for a long time. They applied for grant funding, but they are legacy grants that will not be available unless the current recipients give theirs up. The position will not be available for all emergency situations, since that is a moving target, but Riverside does offer those services. Chief Schlittler stated that 40% of the officers in the Department have training in mental health issues.

Department of Public Works

Mr. Levy introduced the budget. The most notable changes are increases in roadway repairs based on the fact that there was only one bidder for the work in FY21. The amount was carried over for FY22 just in case the situation remains the same. He stated that recycling costs have decreased after several years of increases. He stated that the Jack Cogswell building has opened, serving not only as storage, but 17 staff are working there due to distancing requirements. He stated that there are 5 capital items requested, of which only the stand-on plow is new. Other requests include replacement equipment for Parks and Recreation and Solid Waste. There is a DSR4 to decommission a dam required due to a change in state law, which will avoid future costs. The facilities maintenance warrant article for FY22 work has been increased from $600K in earlier plans to $1 million to cover deferred maintenance because much of the FY21 funding was redirected to facilities upgrades for Covid safety purposes. $1 million in FY22 would cover any Covid-related expenses and maintenance.

Ms. Lustig stated that there are two ongoing themes in the department: succession planning following the retirement of long-time director Rick Merson and upgrading the asset management system to integrate all public works modules for one system that includes all preventative and predictive maintenance and can track the history, which will be particularly helpful with the loss of institutional knowledge. She stated that the DSR4s include a request to add co-op programs with trade schools. There are requests for 3 co-ops in the General Fund, and one in the Water Enterprise Fund. The goal is to train students in Building Maintenance, Parks and Forestry and Fleet, and also to get them interested in Needham with the goal of retaining them. It is difficult to find people with the necessary training and licensing.

Ms. Lustig stated that the Department has been operating in an unknown environment but have managed to keep all of the critical work going during Covid. Some projects have been deferred, but the work cannot continue to be put off. She stated that they should be in good shape if the stimulus funds can cover certain Covid-related expenses.

Mr. Reilly asked for clarification on the \$178K in filter costs, and the chart showing the related work. Ms. Lustig stated that the costs are based on the salaries of HVAC technicians and the amount of work needed to do all of the preventative maintenance needed for the air filters. She stated that the building custodians used to change filters, but the work should be done by trained technicians who also can make sure that the systems are functioning properly and recommend any additional maintenance needed. Mr. Reilly noted that the 17.6 weeks of work needed for the technician at a cost of \$180K means that the cost for the 2 HVAC technicians is approximately \$10K per week. Ms. Miller stated that the ASHRAE Standards for ventilation systems require semi-annual inspection and annual replacement of air filters, rather than the proposal to change each filter quarterly. Mr. Dulong explained that the filters being changed quarterly are the first filters from the outside that catch the initial particles like dust and pollen. The inner filters are more expensive and will be changed less frequently, but the amount of labor the same. He stated that the Town recently spent \$1 million on work that would been less costly if there had been better maintenance and custodians were not changing filters. Mr. Reilly stated that he still does not understand how the expected cost is so high. Ms. Simchak stated that she got a quote from the vendor in the summer, and got a re-quote recently. She stated that it was inflated because of the timing of when they will go out to bid. Mr. Coffman asked what the cost differential would be for the filter work when the Town goes back to the systems as they were before Covid. Mr. Dulong stated that it would be less but not as much as a 100% cost difference, though he would have to think about it. There would be certainly be less air circulation and fewer filter changes, and less maintenance.

Mr. Connelly asked how they covered the \$850K of costs for Covid-related without a Reserve Fund transfer. He also asked how many of the Covid-related tasks would need to be done again in FY22. Ms. Lustig stated that they had not yet requested a Reserve Fund transfer, but that they may, depending on the funding from the CARES Act and from FEMA. She stated that the total has been about \$1.2 million, and not all of it will be needed again. Mr. Connelly noted that it would be best to know about any need for money from the Reserve Fund as soon as possible, as there may be competing demands for those funds. Ms. Miller stated that FEMA should cover 75% of eligible expense and CARES would cover the remaining 25%. Any costs that fall under the CARES Act would be 100% covered.

Mr. Reilly stated that he is the liaison for Townwide Expenses, and questioned why the provision for potential Covid related expenses wasn't included in the Reserve Fund as possible emergency expenses that are not in the budget. He stated that this approach would provide more flexibility. Mr. Davison agreed with the concept but stated that these expenses will be in a financial warrant article, not the in the FY22 operating budget. Mr. Healy stated that the Stabilization Fund should be also considered. It is very rarely used. Ms. Miller requested a breakdown of the expenses being reimbursed by FEMA and the CARES Act. She stated that Needham should receive $2.7 million, which now can be used through December 2021. Mr. Davison stated that any request for a Reserve Fund transfer would be clear about the expenses and what costs are eligible for FEMA and CARES Act funding. He stated that the Department cannot overspend its budget and have a deficit on June 30.

Ms. Lustig noted that the $600K from the facilities maintenance warrant article was used almost exclusively for work needed to open the schools. Next year, they need funding for maintenance deferred from FY21 and also ongoing maintenance.

Mr. Connelly stated that there is a DSR4 request for a project manager. He encouraged the DPW to collaborate with the Building Design and Construction Department which he suggested will have excessive staff next year. He stated that it does not make sense to add a new position in this department when there is an additional position in Building Design. Mr. Levy noted that the DPW has used the services of the Building Design department to help with the work retrofitting the buildings for Covid safety. He stated that they could also help with projects for the Parks and Forestry division.

Mr. Reilly raised the issue that it may be unrealistic to expect to use $20K of costs for attending seminars and training in FY22. He requested that the Town consider cutting such costs across all the budgets for the coming year.

Sewer Enterprise Fund; Water Enterprise Fund

Mr. Levy stated that the sewer division will continue its regular activities, and the funding for the NPDES compliance work is requested through a warrant article.

Ms. Lustig stated that there are no major changes in the water or sewer programs, but there has been a change of leadership, with a new Superintendent of Water and Sewer. He will be able to assess what changes may be needed in the future. Ms. Lustig stated that the DSR4 request for a co-op program is essential since licensure is different in the private sector. The Town would like to work with Minuteman High School which has a water treatment licensing program. The Town currently has only 3 licensed people, and the requirement calls for someone to always be on site. Mr. Levy stated that the Assistant Superintendent position that was shared 1/3 each between the General Fund, and the Water and Sewer Funds will now be fully covered in the Water budget. Mr. Davison stated that this will ultimately be covered by the water user fees. He stated that the General Fund will still contribute to the drains program, and that funding does cover some salaries.

Fleet Capital

Mr. Davison stated that the fleet replacement program assesses vehicles each year to determine whether maintenance or replacement is needed. He stated that they project the replacement plan out 5 years. The spending request for FY22 is $2.2 million across the three funds. Seven vehicles have been removed from the FY22 list. Two vehicles from the Building inspection department can be deferred, and one vehicle will be removed from inventory and disposed of. A vehicle in the fleet division, as well as a piece of sewer heavy equipment can be deferred. They are reconsidering one vehicle in the RTS in order to determine what it should be replaced with. One vehicle in for the sewer division is new to the list but needs replacing. The Town Manager has identified three of the replacement requests as Tier 2 (two in the highway division, and one for Health Department), which means those vehicles they will not be replaced if there are insufficient funds. The Health Department has recently received a grant from the state that will cover the van.

Mr. Levy asked about the police vehicles. Mr. Davison stated that they are covered by the operating budget since they do not fit the Town's definition of a capital expenditure (cost greater than $25,000 and a useful life of more than 5 years). Mr. Levy asked the rationale for the definition. Mr. Davison stated that it is in a Town by-law enacted before he worked for the Town. Mr. Levy asked why the same vehicle model can show different costs. Mr. Davison stated that the fleet replacement costs include additional equipment, such as partitions in police cruisers. He also noted that when some front line vehicles are replaced, they become a 2nd line vehicle and a different (often older) vehicle is disposed of. Mr. Levy stated that the school van replacement schedule has been changed to even out the schedule. He asked if their requested are tiered in the same way as the Town vehicles. Mr. Davison stated that the look at the school vas to see if they can get extra life out of them. But there are safety standards that apply to the school vans that do not apply to other municipal vehicles.

Ms. Miller asked for a placeholder to discuss the Police cruiser replacement schedule during the overall budget discussion, since she is concerned about the fluctuating line in the budget.

Updates

There were no updates.

Adjournment

MOVED: By Mr. Coffman that the Finance Committee meeting be adjourned, there being no further business. Mr. Reilly seconded the motion. The motion was approved by a unanimous roll call vote of 9-0 at approximately 8:47 p.m.

Documents: Town of Needham - FY 2022 Departmental Spending Requests; Town of Needham Capital Improvement Plan FY 2022 – FY 2026; DPW Additional Information (Quarterly Filter Changes table; DPW Projects FY15 v FY20; FY17 v FY22).

Respectfully submitted,

Louise Mizgerd
Staff Analyst