

Needham Finance Committee
Minutes of Meeting of January 12, 2022

The meeting of the Finance Committee was called to order by Chair Joshua Levy at approximately 7:00 pm via Zoom videoconference.

Present from the Finance Committee:

Joshua Levy, Chair; John Connelly, Vice Chair

Members: Barry Coffman, Carol Fachetti, Rick Lunetta, Louise Miller, Richard Reilly

Others present:

David Davison, Assistant Town Manager/Finance Director

Dan Gutekanst, Superintendent of Schools

Anne Gulati, Assistant Superintendent for Finance and Operations

Connie Barr, Chair, School Committee

Aaron Pressman, School Committee

Andrea Longo Carter, School Committee

Michael Greis, School Committee

Citizen Requests to Address the Finance Committee

No requests.

Approval of Minutes of Prior Meetings

MOVED: By Mr. Reilly that the minutes of the meeting of January 5, 2022, be approved as distributed, subject to technical corrections. Mr. Lunetta seconded the motion. The motion was approved by a unanimous roll call vote of 5-0. (Ms. Miller and Ms. Fachetti had not yet joined the meeting.)

FY 2023 Department Budget Requests

Town Clerk

Mr. Coffman introduced the budget, which is essentially level-funded for FY23. He recognized the dedication and hard work of the Town Clerk and her staff during the recent tumultuous years that included significant new requirements for elections. He stated that this budget typically fluctuates based on the number of elections each year. Typically odd years have one election and even years have three elections, which include one primary and two regular elections. In FY22, the Town Clerk has just held a special election to fill the vacancy on the Select Board, and will need to request a funds transfer for that additional expense. Mr. Coffman stated that this office is the chief holder of public records, and will be handling all public records requests, adding another administrative function to a busy office. The staffing level has remained the same for several years. He stated that the department's revenue is down this year since alcohol licensing has been transferred to the Town Manager's office.

Ms. Eaton stated that she has an additional part-time person working in the office. She had planned on making a DSR4 request, but is first seeing how the position works out. There are currently four full-time staff and one part-time staff in her department. She stated that a couple

of previous staffers sometimes come in for about 12 hours per week to do the things that no one has time to do, and they do a good job. She stated that the office is always very busy. This year, as a result of the census, all Town Meeting Members are up for reelection. There are also 3,600 dogs in Town that are licensed through the office. She noted that there will be a request for a Reserve Fund transfer, but she is waiting for the last of the bills to come in. She had thought that the cost would be close to \$30K, but it will be closer to \$20K. She did not hold early voting except by mail. For federal elections, she is required to have in-person early voting for 2 weeks before the election.

School Department

Mr. Levy stated that he and Mr. Connelly and Ms. Fachetti had met with the School Department and School Committee liaisons three times in December and early January to go over the budget and raise and answer questions. He stated that the FY23 budget request is for \$87.2 million, an increase of \$3.6 million or 4.3% over FY22. Ms. Barr expressed thanks to all the parties involved for being effective and keeping things moving.

Dr. Gutekanst gave a slide presentation to summarize the FY23 budget. He stated that health and safety considerations continue to be key as the pandemic continues. He stated that there are increasing student needs, particularly in the areas of Special Education and mental health. Although overall enrollment has decreased by about 180 students, student needs are increasing. The department also has increased maintenance costs for heating and ventilation. They are continuing to focus on the strategic educational priorities outlined in the “Portrait of a Needham Graduate” policy and also on issues of equity and inclusion. The goals are to have a talented, diverse staff, a student/teacher ratio of 18-20 to 1, to target support for specific areas of need, and to avoid charging additional fees to students where possible. He stated that he is requesting \$77K more than the stated budget to provide for an additional counsellor at the High School. The total budget request includes an increase of \$1.8 million for contracted salary increases and \$612K increase to be able to provide for level services. He stated that this budget has been scrubbed to find savings where possible, and that they have done some reductions of services and supplies in order to redeploy funds for staffing. The total requested increase in staff in the operating budget is 25.82 full-time equivalents (FTEs), many of which are working currently and who are supported by other funding sources. He stated that the increase includes 15.93 FTEs of teachers, 0.6 FTEs of administration, 6.69 FTEs of teaching assistants, and 2.6 FTEs of support staff. The total budget increase is 4.4% over FY22 or \$3.6 million. FY22 is the final year of the current union contract for most employees, so the Department will be negotiating a new contract with Units A and B to cover the next fiscal year and the following two years.

Dr. Gutekanst stated that the request includes \$1.2 million for program improvements, which is higher than usual, but these programs have already started during Covid, and the Department is interested in continuing them. He stated that the new enrollment figures show that the district lost about 180 students since October 2019, and they expect enrollment to stay somewhat level for the next 15 years. They surveyed the families of students that left during Covid and as a result they do not expect most of them to come back. He stated that other local districts have lower student/teacher ratios since they have also lost students and have not eliminated positions. Needham aspires to an 18:1 ratio for classroom teachers to students. The ratio of 13.0 used to compare against other towns also includes SPED, art teachers, nurses, guidance counsellors and other staff in the count. Dr. Gutekanst noted that the level of SPED enrollment has stayed flat in the past few years at about 17.5%. This includes the students who attend school out of district

because their needs cannot be met in district. The FY23 budget does not include as much additional SPED funding as some years due to several factors including: students aging out of the district, the success of in-house SPED programs, and higher-than-expected Circuit Breaker funding last year. He state that they have targeted requests to where the specific needs are such as additional specialists (such as art specialists) needed at Eliot due to increased enrollment in that school.

Dr. Gutekanst stated that he is increasing the request for additional counsellors from 1.4 FTEs in the initial request to 2.4 FTEs. It has become clear through the fall that families are unable to access sufficient counselling help. This funding would allow a position that started this year to continue. There is some additional staffing requested in FY23, including a nurse to address needs at the High School and Pollard, additional math and literacy intervention for Newman, Mitchell and Eliot, which was needed everywhere this year but is targeted in those schools for next year. Five additional FTEs are requested to add one to each elementary school. Most of the new positions being requested in the FY23 operating budget are currently funded through grants or holding back of expenses. There are many more current positions that are funded outside of the budget, but only 21 are requested for inclusion in the FY23 budget. Mr. Coffman asked why there are requests based on class size when enrollment is flat. Dr. Gutekanst stated that the 180 students that left were spread across the K-12, but there will be increased enrollment at Eliot and Sunita Williams. Mr. Reilly asked for an explanation of “targeting” schools. Dr. Gutekanst stated that it means to make sure that the students’ math, literacy, social and emotional needs are supported. They looked at the data and realized that students at Newman and Eliot need math support and Newman and Mitchell need literacy support, so they may add staff there.

Dr. Gutekanst stated that there is a request for summer academic support in connection with a program with Park & Recreation where students have academic programming for the mornings, then go to Park & Rec programming in the afternoons. 130-140 students will participate. It has been funded previously with Covid funds. The request is for \$37K which is half of the need, and with a plan to partner with some groups in the community for the remainder. The program will be open to all, and is tuition-free. At the Middle School, there are needs for math and literacy intervention. The budget also adds stipends for equity and inclusion initiatives there. At the High School, there are needs for SPED teachers, nurses, and equity and inclusion stipends, as well as to provide funds for parity in athletics (adding coaches for girls’ golf and girls’ rugby). There are funds requested to be able to provide the seal of the bi-literacy program to qualified graduating students without charging a fee. The budget includes a subsidy to avoid increases in athletic fees. Additional staffing is requested for an Operations Coordinator to better coordinate the use of facilities for art performances, and a world language coach to support the world language program. The budget includes requests for technology replacement, and for recruiting and retaining bus drivers.

Dr. Gutekanst stated that in FY24, he expects to request funding for additional teachers, and for salary increases to retain current teachers, plus funds to increase professional development, to strengthen the SPED program, to provide for literacy interventions, and to avoid increases in transportation and athletics fees.

Mr. Reilly stated that many employers are having trouble hiring staff, and asked how that issue has factored in. Dr. Gutekanst stated that the district has had trouble hiring for some positions. He stated that teacher attendance has been low recently due to Covid, but has increased in the last week from 90% to 93%. The student attendance is much lower at 85-86%. He stated that

approximately 30 positions are not filled as of now including teaching assistants and a van driver.

Ms. Miller stated that there seem to be two questions to consider for the budget: (1) what is needed for the educational program in Needham, regardless of the pandemic, and (2) what is needed due to the pandemic. Additional needs due to the pandemic should not be added to the annual operating budget. She noted that if the additional need for a bus driver is due to the pandemic, then that would be a short-term need that should not necessarily be added to the base budget. Dr. Gutekanst stated that the need for a van or bus driver is immediate. It is needed this year and will be needed next year. The people in those positions are aging, and younger people are not coming in. Additional funds are needed to attract or retain drivers, and he thinks this issue will continue. They would continue to evaluate the need for the additional funds. Ms. Miller stated that this applies not only to bus drivers, but to any costs that are driven by the pandemic. Ms. Gulati stated that the memorandum with the response to the liaison's questions dated January 12, 2022 specifically identifies which requested staffing increases are related to Covid, and which are expected to continue beyond the pandemic. They identified that 1.0 FTE for a nurse providing direct care would not be needed after the pandemic. She noted that the impacts of the pandemic go beyond direct service and have disrupted the educational process. The effects will not necessarily be finished in one year, and may last many years. There are counsellors and social workers that have been hired with one-time funds, but the needs may continue. The list shows the various positions that have been funded with one-time funds including grants and circuit breaker funds.

Mr. Levy stated that aside from the nurse that provides direct service due to Covid, there are 20.28 FTEs requested for indirect services. He asked which would still have been included without Covid. Ms. Gulati stated that there are mental health and behavioral issues that already existed before the pandemic, but which have been exacerbated. The intensity is what is different and needs to be addressed, such as the counselling staff needed to address the higher caseloads. Dr. Gutekanst stated that it can be hard to separate out Covid versus non-Covid needs. The district was already trying to address high caseloads for SPED staff before the pandemic since they were out of balance. Mr. Levy noted that the issue is not only about hiring additional staff, but also where to find additional people to hire.

Ms. Miller stated that she does not understand why circuit breaker funding is considered one-time when those funds are used for the costs in the budget, and then any leftover amounts are kept as circuit breaker reserve. Ms. Gulati stated that is not entirely correct. DESE requires the School Department to estimate the amount of circuit breaker funding anticipated during the fiscal year and then the tuition obligation is reduced by that amount. The amount in the operating budget request is the net amount needed after deducting circuit breaker amounts. The circuit breaker reserve is comprised of amounts not spent on tuitions. The state allows those funds to be carried forward for one year. Those prior year funds, plus the additional funds from the current year are used each year for SPED tuitions. Thus, the reserve is a one-time funding source to be used for one-time operating needs and will not continue into FY23.

Mr. Reilly asked for an elaboration on the transportation budget which has been an issue in the past. He asked what the impact of Covid and distancing requirements has been. Dr. Gutekanst stated that last year there were masking, distancing and open window requirements on buses. However, only half of the children were in class at a time, so the district could transport them. This year students are back on the buses, and there is a seat for everyone and no waiting list. Ms.

Gulati stated that the ridership has not returned to pre-Covid levels, but the buses are filled. There is no waitlist because enrollment is lower. Masks and open windows are still required. They do have issues keeping enough drivers. Transportation companies have been hit hard by the pandemic. The transportation director has been filling in for the van driver position. They have been able to retain all but one driver, but there are no back-up drivers. Mr. Reilly noted that the costs of transportation contracts had increased substantially in the past. Ms. Gulati stated that the department is now in a good place with a settled contract with known increases. There remain some issues with after school programs because sometimes there are no drivers to transport students. She stated that they have purchased, but not yet received, a multifunction school activity bus which can be driven with a standard driver's license. It cannot be used for transportation to and from school, but can be used for afternoon programs.

Mr. Reilly asked about building ventilation and whether there has been a decision made to keep to a higher standard than required. He stated that the DPW has requested a budget increase due to high ventilation costs. Dr. Gutekanst stated that he is not a ventilation expert but the Town knew that adequate ventilation was necessary because Covid is a respiratory disease. He stated that the Harvard School of Public Health studied Needham classrooms and buses in summer 2020. Buses were found safe if the windows were open. The various school buildings had very different ventilation rates, but the study found that if they could achieve 4-6 air exchanges per hour, it could mitigate the spread of disease in a classroom with 20 people. The Schools used Covid Funds to test each classroom to get to 4-6 exchanges per hour. They also use HEPA air filters, and have opened windows and used fans in place where the ventilation system couldn't meet the goal. He stated that the national standard calls for 2.8 air exchanges per hour, but they have opted for the higher amounts, though they may reduce that next year. He noted that Mr. Dulong, Director of Building Maintenance, knows about ventilation systems, and may reevaluate. Mr. Reilly stated that he did not have any argument with the level; he just wanted to know how they got to the amount. Dr. Gutekanst stated that they all came together to use various resources to make sure they could open schools last fall.

Mr. Levy stated that there were \$1 million of holdbacks, and asked what spending had been held back. He noted that the Select Board had reallocated \$230K of ARPA funds for Covid testing, which freed up some of the funds that were held back. Dr. Gutekanst stated that they had held back on hiring some positions, and also spending on curriculum materials, professional development and supplies. Principals have been asking if some funds could be freed up for those purposes. He noted that at the end of the year, some amount will likely be returned to the Town. Mr. Pressman noted that there is information about other towns in a School Committee presentation from December 21, 2022 that can be found online, as well as from Ms. Gulati's January 12 memorandum to the School liaisons.

Mr. Levy asked if there are specific metrics that the School Department uses to assess the success of its programs. Dr. Gutekanst stated that they often compare various metrics to other towns, and also look at changes holistically. He stated that they survey families in the district every other year about whether they are meeting needs, and about student performance, and about music and athletics. He stated that they also look at high-need students to see where they can boost learning. They absolutely collect data to assess programs and also compare themselves to peer communities.

Mr. Levy asked about the temporary administrative assistant position requested to be employed during the renovations at Emery Grover. Dr. Gutekanst stated that they are hoping to maintain

the same building configuration at Hillside, but realized that there will be other short term needs, which could become longer term needs, including this position, which would be in the front of the office to greet people, and would also be able to help organize and pack files to go to Hillside, locate files as needed, and then later pack up to relocate back to Emery Grover.

Updates

The next few meetings will likely be via Zoom due to continuation of high rates of Covid infection.

Mr. Reilly stated that there has been no reference to the funding of the construction project at Emery Grover. Mr. Levy stated that the School Committee is planning a discussion of the School Master Plan at their January 18 meeting. Mr. Coffman stated that according to the PPBC minutes, new sprinklers will be needed at Hillside but it is not clear if additional funds are needed. Mr. Lunetta asked if there was any mention of why this issue did not arise when Police and Fire were using the building. Mr. Greis stated that he is the representative for Emery Grover on the PPBC. He stated that the Building Commissioner is not happy with the continued temporary use of Hillside, and was willing to accept the lack of sprinklers when the building was in 24-hour use for Public Safety personnel, but now he feels it is no longer acceptable. He stated that Mr. Haff told the PPBC that the cost would be approximately \$400K and it's not sure if it will cause the project to go over budget. He stated that the Fire Chief and the Building Commissioner are in agreement about the requirement. Mr. Connelly asked if there is any idea of when the Town will come up with the amount of construction costs to be considered at the May Town Meeting. Mr. Greis stated that the project has a compressed timeline, and they understand that there will need to be sufficient time for the PPBC and Finance Committee to consider the amount.

Adjournment

MOVED: By Mr. Lunetta that the Finance Committee meeting be adjourned, there being no further business. Mr. Reilly seconded the motion. The motion was approved by a roll call vote of 7-0 at approximately 8:34 p.m.

Documents: Town of Needham, FY 2023 Department Budget Requests, submitted December 2021; Department Capital Requests FY2023 – FY2027; School Superintendent's FY23 Budget slides; Memorandum to School Committee & Finance Committee Budget Liaisons from Anne Gulati, Assistant Superintendent for Finance and Operations regarding FY23 School Department Budget Requests dated January 12, 2022; Memorandum to School Committee & Finance Committee Budget Liaisons from Anne Gulati, Assistant Superintendent for Finance and Operations regarding FY23 School Department Budget Requests dated January 4, 2022.

Respectfully submitted,
Louise Mizgerd
Staff Analyst

Approved January 19, 2022