

Needham Finance Committee
Minutes of Meeting of November 6, 2019

The meeting of the Finance Committee was called to order by Chair Tom Jacob at approximately 7:00 pm at the Needham Town Hall.

Present from the Finance Committee:

Tom Jacob, Chair; Carol Smith-Fachetti, Vice Chair

Members: John Connelly, Joshua Levy, Richard Lunetta, Louise Miller, Garrett Parker

Others present:

Kate Fitzpatrick, Town Manager

David Davison, Assistant Town Manager/Finance Director

Marianne Cooley, Member, Select Board

Maurice Handel, Member, Select Board

Citizen Requests to Address Finance Committee

No citizens requested to speak.

Approval of Minutes of Prior Meetings

MOVED: By Mr. Lunetta that the minutes of the meetings of October 23 and October 28, 2019 be approved as distributed. Mr. Levy seconded the motion. The motion was approved by a vote of 6-0. (Ms. Fachetti had not yet arrived.)

Green Communities

Ms. Fitzpatrick stated that in July the Select Board set a goal of exploring the application process for joining the Green Communities program and what was needed to qualify. She stated that there must be a real measurable in energy usage. She stated that a working group went through the Capital Improvement Plan and the building maintenance program to quantify potential energy reductions. She described the five criteria to qualify for Green Community status. The Town already meets the criteria for four of the criteria: allowing certain research and development as-of-right, having an expedited permit process, instituting a fuel efficient vehicle policy, and adopting the stretch energy code. She stated that almost all vehicles in the Town fleet are exempt or comply with Green Community. She stated that about 10 years ago, Town Meeting passed a nonbinding resolution to buy hybrid vehicles when possible. She stated that the School Committee just adopted a fuel efficiency policy, and the Select Board plans to do so also if it decides to go forward with the Green Communities application. In response to a question from Ms. Fachetti, she stated that the Town will not be doing anything it had not otherwise planned to do. The Town was already exploring ways to curb energy usage. Also, the Town was not planning to buy anything that it could no longer buy because of this.

Ms. Fitzpatrick stated that the Town has created a plan to meet the energy reduction requirement. She stated that the working group calculated how to achieve the needed 20% energy reduction. She stated that costs of the various measures would cost the Town \$3.8 million. She stated that \$1.3 million has been done or is currently being done, \$1.9 million is in the current capital plan, and an additional \$660K would be funded as part of the facilities annual maintenance program.

She stated that the application shows \$660K spent on the Emery Grover building that the Town does not currently plan to do. However, if nothing is decided, then the work will need to be done. Mr. Jacob asked what the process and controls are on the spending for the projects to meet the energy reductions. Ms. Fitzpatrick stated that all of the projects will be part of the annual capital and operating review process that the Finance Committee participates in. Mr. Connelly asked what would happen if the Town decides against a capital item that is part of the reduction plan. Mr. Matthews stated the Town would then figure out its options. He stated that the Green Communities program will not require any specific capital expenses. Mr. Connelly asked what would happen if the Town signs onto the program and does not do the proposed measures. Ms. Fitzpatrick stated that if the Town lost the designation, it would only mean that the Town could not apply for the grants. Any funding already granted would not need to be returned. Mr. Matthews stated that there is a group of citizens who have been seeking this. Ms. Cooley stated that this program may have an impact, but does not look at carbon footprint which arguably is more important.

Mr. Matthews stated that if the Town is signing on and would be making a good faith commitment to meet the 20% energy reduction goal, this plan shows a way to get there. Many towns that are Green Communities have not met that goal. If Town Meeting does not approve of some projects, then the Town can do something different. Mr. Connelly asked if the Town does not approve of a \$1 million renovation project such as renovating Emery Grover, whether the Town would have to find another \$1 million project. Ms. Cooley stated that the goal is the amount of energy reduction, and there is no committed spending. If the \$1 million project were expected to yield a 1% energy use reduction, the Town would need to look for another way to meet the 1% reduction. Mr. Lunetta stated that the Town has been proactive in energy savings efforts and asked why the Town was seeking this designation other than the optics of being “green.” Ms. Cooley stated that a majority of the Select Board was skeptical at first, but they have realized that the Town has put together a program to be able to achieve the required savings without changing how things are done, and will be able to achieve it faster because of the additional grant funding.

Mr. Parker asked why the Town chose to spend \$75K for a \$990 return on the hot water heater as shown in the energy reduction plan. Ms. Fitzpatrick explained that the work has been done, because the water heater broke and had to be replaced, and was not replaced for the energy savings. It is simply included here to take credit for the energy reduction as part of this program.

Mr. Lunetta asked how much grant funding could be expected through the program. Ms. Fitzpatrick stated that communities have mostly gotten grants in the \$150K-\$200K range. There would be a one-time grant if the Town is accepted into the program which would be about \$140K. She stated that the subsequent grants are awarded in a competitive process, and communities are more likely to get one when they have not ever gotten one before, and then beyond that it is strictly competitive. She stated that the Town has identified \$130K of initial work including an energy efficiency study. Ms. Miller stated that the grants are capped, and a town cannot apply beyond the funding cap until the previous work is completely done. Ms. Miller stated that the use of the grants is entirely an executive function. She asked whether the Green Communities funding would be used as a source of funding for expenses in the operating budget or capital plan, or for other projects. Ms. Fitzpatrick stated that the Town would use the funds just as another source of funding for projects recommended in the CIP or operating budget. Mr. Matthews stated that it is not enough money to let it drive the decisions. He understands that the expected grant funding could be overstated, but to the extent there may be extra funding for

certain expenses, he sees a value in the program. He stated that if it is done carefully, it can work well.

Ms. Miller asked who would be doing all of the reporting. Ms. Fitzpatrick stated that the Town already keeps records. She stated that there is a work order system that tracks every repair, and the Town has also been tracking energy savings since 2011. She stated that the DPW administration will handle it. Mr. Matthews stated that the burden is manageable. Mr. Levy asked if additional staff would be needed. Ms. Fitzpatrick stated that the Town intended to do the same things it was already doing, and what this would do is to use any grant funding for planned projects, which would free up funds that would have gone into those projects. Ms. Fitzpatrick stated that the baseline for the energy reduction plan is 2018. Mr. Levy asked if newer or expanded buildings would affect this. Ms. Fitzpatrick stated that new or expanded buildings opened after the baseline are not included in the calculation of the energy reduction. It is important to set the baseline before the pool opened.

Finance Committee Updates

Ms. Cooley stated that the zoning article that covered the Muzi property did not pass Town Meeting by the required 2/3 vote, but the Select Board remains interested in updating the zoning in that area. There is a plan to put together a working group with members of the Finance Committee, Select Board, and Planning Board to discuss the key issues and determine what approach might be successful.

Ms. Fitzpatrick stated that the Planning Board is meeting to consider zoning that would allow Children's Hospital to create a 12-suite surgery facility for pediatrics next to Trip Advisor. Mr. Lunetta asked if it would complete with the other hospital. Ms. Fitzpatrick stated that it is considered complementary because it is strictly pediatric surgery. Ms. Cooley stated that the feedback has been mostly supportive. Mr. Levy asked if traffic would be considered. Ms. Cooley stated that it always on the Planning Board's list of questions for a special permit. Mr. Matthews noted that traffic is a regional concern. Ms. Cooley stated that traffic and transportation need to be considered on a bigger scale. Ms. Miller stated that it will be important to think about why hospital use was initially excluded from this zoning. Ms. Fitzpatrick stated that the Town did not want nontaxable uses on valuable property. The Town is looking at how to create a mechanism so that if they stopped paying taxes, they would lose their special permit. Mr. Jacob noted that he was on the Council of Economic Advisors at the time, and has had considered the zoning as implemented to be too restrictive.

Adjournment

MOVED: By Mr. Connelly that the Finance Committee meeting be adjourned, there being no further business. Ms. Miller seconded the motion. The motion was approved by a vote of 7-0 at approximately 7:50 p.m.

Documents: Town of Needham, Presentation on Green Communities, October 16, 2019; Town of Needham, Application for Green Communities Designation, November 12, 2019

Respectfully submitted,

Louise Mizgerd

Staff Analyst

Approved December 11, 2019