

Needham Finance Committee
Minutes of Meeting of September 21, 2022

The meeting of the Finance Committee was called to order by Chair John Connelly at approximately 7:00 pm in the Great Plain Room at Needham Town Hall.

Present from the Finance Committee:

John Connelly, Vice Chair; Louise Miller, Vice Chair

Members: Karen Calton; Barry Coffman; Carol Fachetti, James Healy, Joshua Levy

Others present:

David Davison, Assistant Town Manager/Finance Director

Marinane Cooley, Chair, Select Board

Matt Borelli, Member, Select Board

Kevin Keane, Clerk, Select Board

Stephen Frail, Chair, Climate Action Planning Committee (CAPC)

Nick Hill, Vice Chair, Climate Action Planning Committee

Citizen Requests to Address the Finance Committee

No requests.

Approval of Minutes of Prior Meetings

MOVED: By Ms. Miller that the minutes of the meeting of September 14, 2022, be approved as distributed, subject to technical corrections. Mr. Healy seconded the motion. The motion was approved by a vote of 6-0-1, with Mr. Coffman abstaining.

MOVED: By Mr. Healy that the minutes of the executive session of April 7, 2021, be approved as distributed, subject to technical corrections and released. Ms. Miller seconded the motion. The motion was approved by a vote of 7-0.

MOVED: By Mr. Healy that the minutes of the executive session of December 1, 2021, be approved as distributed, subject to technical corrections, and released. Mr. Coffman seconded the motion. The motion was approved by a vote of 7-0.

MOVED: By Mr. Healy that the minutes of the executive session of March 30, 2022, be approved as distributed, subject to technical corrections, and that the redacted version be released. Mr. Coffman seconded the motion. The motion was approved by a vote of 7-0.

Special Town Meeting Warrant Articles

Appropriate for Needham Climate Action Planning

Mr. Frail stated that the article seeks \$55,000 to create a climate action plan to address greenhouse gas emissions. He described the CAPC's process in making the plan, which should lead to bringing a consultant on board in January 2024. Ms. Cooley stated that CAPC has been

reviewing what other towns have done so that the work of the consultant can be focused and is not starting from scratch. Ms. Miller asked for the scope of work, and also why this funding is being requested in the fall, thus out of cycle. Mr. Frail stated that the Town may miss opportunities for additional state and federal funding if the plan is not finished earlier. Ms. Cooley stated that the Select Board has felt pressure to put a climate action plan in place. The plan needs to be created to determine what is achievable and then to prioritize actions. Mr. Connelly asked who would set the priorities. Mr. Hill stated that the CAPC will bring together the stakeholders to decide on priorities. Mr. Frail stated that the scope of work will include developing a list of proposed actions and timing, along with proposed funding sources. They will ultimately produce an executive summary and plan for the Town. He noted that towns that created the first plans of this type had costs of \$80K-\$100K. The state offers some guidance to help organize the planning and to identify key areas, but the Town needs to determine what will work best and have the most impact on the Town. These funds will provide for a consultant and are not intended to create a new position with permanent funding. Ms. Cooley stated that they are not sure whether at some point there may be a need for a position related to this type of work. The state requires the Town to be carbon neutral by 2050 and that the Town make a plan to achieve that.

Mr. Healy commented that expenditure requests should be made in the spring where they would compete for funds with other requests. He asked for a list of the state and federal funds that may be available if this requested is acted upon in October rather than in the spring. He also asked that they identify what future projects they expect will be requested when the consultant is done. Mr. Frail stated that the plan to pursue the energy aggregation program that will be discussed later, but other specific projects have not yet been determined since the consultant will be needed to help develop the plan. Mr. Hill stated that other towns have gotten funding from the state for resiliency plans. Mr. Healy asked that they provide the most and best information that they have on possible funding opportunities and costs to the Town for projects. He expressed concern about zoning changes that, like the stretch energy code, may have serious financial implications for homeowners. Mr. Hill noted that specific plans from other towns may not be comparable because the consultant will create a town-specific plan that depends on the Town's own infrastructure and circumstances. Ms. Cooley stated that they will go through the procurement process for the consultant.

Mr. Connelly stated that he does not oppose this idea but feels the consultant could prepare the report in a month so that if the funding were approved in the spring, the work could be done on time. The process for considering funding requests is important. Ms. Fachetti agreed. She stated the request would also be more compelling if they could do more preparation and use the consultant for the last 75% of the proposed work. Ms. Cooley stated that there is not sufficient staff time available to take on that amount of responsibility. She stated that the CAPC is made up of volunteers with varying areas of expertise, and that while they are working diligently, they need to rely on the specific expertise consultant to bring the plan together. Ms. Miller asked if the Town has applied for funding through the Municipal Vulnerability Preparedness Grant Program, and noted that the Town should stay on top of such opportunities. Ms. Cooley stated that she did not think that they had. Mr. Haff stated that it would be good to get a plan in place because there is also a potential for federal funds under the Inflation Reduction Act over the next 5 years. Mr. Connelly asked the proponents to come back on October 12 to discuss this further.

Authorize Community Energy Aggregation (CEA)

Mr. Frail stated that this article will begin the process to implementing an aggregation program. Ms. Miller suggested that when they choose a consultant, they should make sure that the consultant will continue the work through the bid process to get the best bids and not only run a public relations campaign. She stated that they should keep in mind that some people may not be able to afford high electricity bills when choosing the default level of renewable energy. Ms. Cooley stated that such a decision will be made down the road, and that the CAPC has discussed this issue and has the same concerns. Mr. Healy asked if this initiative would have another decision point for Town Meeting to vote on. Ms. Miller stated that the additional costs for the renewable energy would be paid by the users, so the program would not need to request funding from Town Meeting. Ms. Cooley stated that ratepayers will have an option to opt in or opt out of different levels. Mr. Healy stated that he needs more information on what the potential costs might be, such as what has actually happened to rates under these programs in other towns. Ms. Cooley stated that would be challenging to discern since some towns are offering certain savings, and that towns can re-set the tax rates in 6 months, so there may appear to be savings that aren't true. She stated that the Town may negotiate the program and find out that it is not the time to move forward. She confirmed the Select Board would make the final decision without further oversight.

Mr. Coffman noted that aggregation would just provide another option for people. Ms. Miller pointed out that people currently get the lowest rate, while in most of these programs, depending on how they are set up, people have to act to opt in to get the lower rate. Mr. Frail stated that the benefit of the CEA is that it will give the Town an opportunity to negotiate with the energy supplier. Mr. Coffman stated that this will give the supplier the incentive to give competitive pricing. Ms. Fachetti stated that this is trying to incentivize a shift to renewable energy. It would give homeowners the opportunity to choose their own tolerance with respect to the cost. Mr. Levy asked if the Town can change the agreement and get out if it finds that it is not advantageous. Mr. Hill stated that it is a competitive process and the Town cannot break the contract. Ms. Cooley stated that the usual contract is for 3 years, and she does not know if it can be renegotiated. She noted that everyone could choose to opt out.

Ms. Calton asked whether there is a plan to educate the Town since there is only one opportunity for Town Meeting to vote on this program. Mr. Hill stated that they have prepared the FAQs for Town Meeting. Mr. Connelly suggested that they consider including a reporting mechanism in the article for periodic review by ratepayers. Ms. Colley stated that the CAPC is working on having information available to people on the Town dashboard. Ms. Miller stated that there should be more detail in the warrant article information specifically about the effect of what they are planning to do. Ms. Cooley stated that the Select Board will hold public hearings before implementing the program. Mr. Hill noted that there is a mandatory two-month notice before the opt-in or opt-out takes effect. Mr. Healy and Ms. Fachetti stated that they would prefer not to vote now. Mr. Connelly stated that the proponents could submit additional information if they wished.

Appropriate for Property Acquisition

Mr. Borelli stated they are working on responses to the Finance Committee's information requests. Ms. Cooley stated that this purchase was considered a year ago for \$25 million which was unachievable. The current proposal is for \$2.5 million for parcels that will preserve land and provide opportunities for passive recreation and river access for kayak and canoe use. She stated that the Purchase and Sale agreement is not completed and that they will not release the appraisal

until the P&S is executed. She noted that the appraisal does support the purchase price. The price is contingent upon the developer getting 40B approval on the development project. There was discussion of the friendly 40B process. Mr. Borrelli stated that the Town is looking at how to better partner with developers on 40B projects.

Ms. Cooley stated that the proposed number of bedrooms in the 70 units is not yet available, and will not be known before Town Meeting. She stated that the developer will not be making a final plan unless the Select Board has the authority to purchase the property. Mr. Connelly stated that there will not be enough information to make a recommendation on this proposed funding based on the way the process is working out. Mr. Borrelli stated that one of the goals was to prevent development of the 6 separate one-acre lots that are adjacent to Ridge Hill. The zoning board of appeals will review the development before it can move forward. At this time, the Board is asking for the vote on the contingent purchase in order to have public hearings and allow the process to move forward. Mr. Connelly asked why that was not happening first. Mr. Borrelli stated that the seller would not continue to hold the properties off the market. He stated that affordable housing is a secondary concern after preservation, recreation and river access. Ms. Cooley stated that the seller had originally been seeking \$6.6 million for the six lots.

Mr. Levy stated that he visited the Town land in Ridge Hill and this area and was surprised that the trails were very lightly marked and do not seem well used. He asked how the Town plans to provide access to the proposed property. Ms. Cooley stated that the Conservation Commission is looking at improving signage since the trails will no longer pass through private property. Ms. Miller stated that the Conservation Commission has access to funds. It could make a request for CPA funding in the spring. Mr. Borelli stated that this purchase is intended for municipal purposes and not specifically for conservation. Ms. Cooley stated that this will allow the Town to use it in the future to offset "no net loss" conservation requirements. Ms. Miller expressed concern whether this proposal will work out as described when there is not even a road map of how this process is expected to go. Mr. Borrelli stated that there will be a concrete development agreement that will go to the ZBA, but that will not happen before Town Meeting. Mr. Connelly stated that Town Meeting should not vote before that. Mr. Borelli stated that the Select Board is an elected board and will make a decision in accordance with what Town Meeting says. Mr. Healy felt that there are too many unknown factors to be able to recommend this expense. Mr. Connelly asked the planned source of funds. Ms. Cooley stated that it would be funded by debt within the levy limit. Mr. Davison stated that the borrowing will happen when the Town takes title to the property. Mr. Connelly stated that the Committee will resume the discussion when the response to information requests is submitted.

Updates:

The Committee planned to meet on September 28, October 12 and October 19.

Adjournment

MOVED: By Mr. Healy 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 8:27 p.m.

Documents: October 24, 2022 Special Town Meeting Warrant (09-09-22 draft); Draft FAQs re: Community Electricity Aggregation; Sample Request for Proposal, Technical Support for a Climate Action Plan.

Respectfully submitted,

Louise Mizgerd
Staff Analyst

Approved September 29, 2022