

Thomas M. Bowes
President
District 3

Shannon L. Hume
At Large

CHARLES B. Ryan
At Large

CHARLES C. Kokoros
District 1

JOHN C. MULLANEY
District 2



Sean E. Powers
Vice President
At Large

Stephen C. O'Brien
District 4

Michael J. Owens
District 5

PAUL "DAN" CLIFFORD
District 6

OFFICE OF THE TOWN COUNCIL

September 1, 2015

MINUTES

A meeting of the Town Council was held in the Horace T. Cahill Auditorium, Braintree Town Hall, on Tuesday, September 1, 2015 beginning at 7:30p.m.

Council President Bowes was in the chair.

The Clerk of the Council conducted the roll call.

Present: Thomas Bowes, President
Sean Powers, Vice President
Paul Dan Clifford
Shannon Hume
Charles Kokoros
Stephen C. O'Brien
Michael Owens
Charles Ryan

Not Present: John Mullaney

Also Present: Joseph C. Sullivan, Mayor
Mark Cusack, State Representative
Edward Spellman, Finance Director
Bill Bottiggi, BELD General Manager
Anthony Agnitti, BELD Commissioner
James Regan, BELD Commissioner
Barbara Tension, Commission on Disabilities

APPROVAL OF MINUTES

• August 11, 2015

Motion: by Councilor Powers to Approve Minutes of August 11, 2015

Second: by Councilor Kokoros

Vote: For (8), Against (0), Absent (1- Mullaney), Abstain (0)

Councilor O'Brien stated he was still waiting to hear from the Town Solicitor on the language and ambiguity of Council Order 15 030. Clerk of the Council will reach out to the Town Solicitor.

COMMUNICATIONS AND REPORTS FROM THE MAYOR AND TOWN BOARDS

- 043 15/15 035 Council President/Town Clerk: Town Council vote for new Voting Tabulators
James Casey, Town Clerk stated the new Voting Tabulators have been reviewed by himself, Debra Starr, Assistant Town Clerk and Maggie Johnson, Registrar. They were all in agreement this Voting Tabulator was the best for the Town of Braintree.

PURSUANT TO MASSACHUSETTS GENERAL LAW CHAPTER 54, SECTION 34 AND UPON THE REQUEST OF THE TOWN CLERK OF THE TOWN OF BRAINTREE:

The Town Council votes that the Town of Braintree begin using Election Systems & Software Voting Tabulator Model DS200 and discontinue use of LHS Associates Accu-Vote Model #79811-03 Voting Tabulator beginning November 3, 2015.

Motion: by Councilor Powers to Approve

Second: by Councilor Kokoros

Vote: For (8), Against (0), Absent (1- Mullaney), Abstain (0)

- 044 15 Council President/Town Clerk: Polling Place Accessibility Report
James Casey, Town Clerk stated he has been working closely with the DPW to ensure all polling locations will be ADA accessible and ready for Election day.
- 045 15 Council President/Town Clerk: Travel Policy - Town Clerk Conference September 2015
James Casey, Town Clerk stated he will be traveling to Springfield on October 1, 2015 to attend a meeting at the Massachusetts Town Clerk Association Conference.

Motion: by Councilor Powers to Approve Travel for the Town Clerk Conference

Second: by Councilor Kokoros

Vote: For (8), Against (0), Absent (1- Mullaney), Abstain (0)

- 046 15 Barbara Tennison: Discussion - Commission on Disabilities
Barbara Tennison gave an overview of what the Commission on Disabilities is trying to get accomplished. She has been discussing with Mayor Sullivan a proposed Disability Coordinator position. Crystal Evans proposed pictures on social media and posters to make those aware of the issues the people with wheelchairs face on a daily basis.

Council President Bowes offered Councilor Owens to be the liaison between the Commission on Disabilities and the Town Council.

Councilor Hume made a motion to refer to the Committee on Public Safety the Commission on Disabilities proposal to establish a Campaign on Community Accessibility.

Motion: by Councilor Hume

Second: by Councilor Ryan

Vote: For (8), Against (0), Absent (1- Mullaney), Abstain (0)

CITIZEN CONCERNS/COUNCIL RESPONSE

- 047 15 Councilor Owens/Penny Shaw: Disability Issues
Penny Shaw discussed many issues that made it difficult for people with wheelchairs and disabilities. She commented on issues at the library and around town.

OLD BUSINESS

- 15 027 Retirement Board Members Compensation or take up any action relative thereto (**Public Hearing TABLED on August 11**)

Refer to the Committee on Ways & Means Vice-Chairman O'Brien. This item is being TABLED until after some questions can be answered from the Town Solicitor at the next Ordinance & Rules meeting on September 9, 2015.

Councilor Powers made a motion to TABLE Order 15 027 to a future meeting.

Motion: by Councilor Powers to TABLE Order 15 027

Second: by Councilor Kokoros

Vote: For (8), Against (0), Absent (1-Mullaney)

- 15 029 BELD: Watson 3 Generating Station – Authorization to Borrow or take up any action relative thereto (**Public Hearing**)

Motion by Councilor Powers to Open Public Hearing for Order 15 029

Motion: by Councilor Powers

Second: by Councilor Kokoros

Vote: For (8), Against (0), Absent (1-Mullaney)

Council President Bowes asked if any member of the Council or General Public want to speak on Order 15 029?

Councilor O'Brien stated in the Committee of Ways & Means this evening he thanked BELD on the meeting held on September 27, 2015. Many questions arose from the public and this body. We decided to continue this subject at the full Council meeting so all questions could be heard and answered with the full Council.

Mayor Sullivan stated there is not a better individual than Ed Spellman, Director of Finance who understands the finances in this Town. The numbers he provided will give guidance to you. We can afford this as a community. BELD is asking for \$95 million and we are a double A plus rating. Is this in the best long-term interest 25-30 years from now? We have not finalized a PILOT (Payment in Lieu of Taxes) plan with BELD. We are fortunate to have our own electric plant. BELD is owned by the Town of Braintree.

Anthony Agnitti, BELD Commissioner stated the communication was not done well to you as members of the Council. We will do better. We are looking 30 years out – what's good for our Town. NEPPA (New England Public Power Association) said to strike now. Old generation is coming off line and the time to strike is now. This proposal for a new plant is the best thing in Braintree's interest. We are either producers of power and getting paid or buyers of power and paying for it. Refurbishing is an option and a solution but will the opportunity for us to build be there in the future? It may or may not be.

Bill Bottiggi, BELD General Manager stated our mission is highly reliable electricity at the lowest reasonable cost.

Councilor Clifford reiterated the need for an all-inclusive formal business plan including but not limited to:

- 1) BELD's vision. We understand the Mission to provide low cost energy..... A) Does that mission statement as cited by BELD remain the same? More importantly , B) What is BELD's Vision statement. What and where does it want to be 3, 5, 7 years from now? C) Increase its market? D) Generate new revenues? E) Be a Best in Class operation?
- 2) Quantitative data, or in its absence, the assumptions, including risk mitigation of assumptions, for which the business case is built and compare and contrast those assumptions to your Watson II assumptions to demonstrate their effectiveness and actual differences between your assumptions and actual measurements. For example, you assumed 7 cents a kilowatt hour that actually was 4 cents. Please show all previous assumptions and actual measurements and most importantly reconcile and show the financial implications of the variances of original assumptions.
- 3) Cost benefit analysis/ Total Cost of Ownership (TOC).
- 4) Pro-forma projections of rate settings (both models), include some quantitative numbers that allow tax payers and rate payers something to compare like today's mean annual electric costs and projected mean cost using both the Watson 3 and Refurbished Potter.
- 5) Compare and contrast the actual current plant Watson plant performance to original business plan projections: including payer rates, and all business plan measurements of success.
- 6) Projections of power plants retiring and the business case around those.

Councilor Clifford stated we are not subject matter experts. Take the time and put a Business Plan together. This has been counterproductive. I need to know what the benefits are for our residents.

Anthony Agnitti, BELD Commissioner stated we feed into an overall system. If we are unable to feed into that overall system we have to pay. We are trying to be proactive. Rewards we would get back from the Government is a great opportunity for the Town. If we do nothing within the next 10 years we will see rates go up, not dramatically but they will go up.

Bill Bottiggi, GM BELD stated I have not put everything in a Business plan for you to review all at once. I do believe I have answered every question you have asked. I can put it all together. Our vision for the capacity market is to keep those rates down. Older plants have now started to retire. Coal, Oil, Nuclear plants. We are covered in the short term because we self supply all our own capacity.

Councilor Ryan asked when is Potter II going to be 42 years old? Bill replied 2019. So it is 38 years old right now.

Bill Bottiggi, GM BELD stated we can extend the life of Potter II by investing 10 million dollars. At some point all power plants become unreliable and need to retire. I did give you cash flow projections if we kept Potter II in service until 2027. In the short term that is the best move to make if we only want to get to 2027. I believe that we want to look out much longer than that. I believe that we have an opportunity that new generation is getting paid a high fixed cost – the capacity payment and that window may go away. That payment is fixed for 7 years. We will get that high fixed payment for 7 years. To stabilize our capacity costs is to own our own generation, otherwise we just buy it off the market. A lot of municipalities utilities do not have any generation. That is why they are so volatile in their electric rates. We have a lot of opportunity to hedge our costs by owning our own power plants.

Councilor Kokoros: Is there anything in the private sector that is a generator that is building plants similar to this and what is the cost of us building this – can we get a cost comparison.

Bill Bottiggi, GM BELD stated there are two 100 megawatts powerplants in Medway being built by the company that owns the plant across the river from us. Typically hedge fund finance and expect a very high rate of return.

Councilor Kokoros: We should be more vested in the operations of BELD understand what is going on so when we have to make a decision like this we are on the same page because we've been walking down the same path together.

Councilor Hume stated: Councilor Clifford I could not agree with you more. We are not subject matter experts. I knew nothing about power plants a month ago. All these questions are trying to get some understanding so we can make an informed decision. All the information and why we should do it is coming from you. I think we need experts to bring in experts to educate us. This is the biggest project we are voting on. \$95 million and we don't have all the finances. We don't know the risks. If residents ask me I can't tell them why I am for or against it. Right now I don't have all the information. I am not prepared to vote on this. I don't understand what the rush is. Why not wait until the Auction in February 2017?

Bill Bottiggi, GM BELD stated the criticality of the timing is what we believe is happening in the market. High capacity prices are paid to new power plants only when new power plants are needed. In order to participate in the Auction in February 2016 we have to give notice to ISO New England to retire Potter II at the end of September 2015. If we choose to not retire Potter II we cannot participate in the auction. We only have so much transmission export capability. We can wait another year but we may miss the window of high capacity prices. In the short term that will be ok since we still have Potter II. Eventually, we will have to pay the high capacity prices when we do have to retire Potter II.

Councilor Clifford: How many old plants are out there now that may be in the pipeline that will be retiring in the next several years that will enrich the price in the years ahead?

Bill Bottiggi, GM BELD stated there are probably 20 plants in Eastern MA that may retire but we don't know when that's going to happen. As time goes on these power plants get more expensive because you need more money to build them. We build Watson I & II for \$110 million. Watson 3 will cost \$95 million. It just gets more and more expensive.

Councilor Clifford: How do you answer the question if a resident asks what is in it for him to have this plant built?

Bill Bottiggi, GM BELD stated Lower electric rates, stability for the electric light departments cost structure for a long time.

Councilor Clifford stated: And if we don't do it?

Councilor Ryan stated: I am just wondering if this is the right thing to do – to build a new power plant. I think we need a comprehensive report. It is disjointed and frustrating trying to put everything together in a manner that you can comprehend it. I want to know if we do it now why and if we wait a year what are all the repercussions? I want to know the risks and I want to understand the risks. I still have questions about Potter II and if we put more money into that.

Ryan: Looking at the numbers – future rate structure. It would give me more assurance to have someone else look at this information.

Bill Bottiggi, GM BELD stated I can give it to Energy New England but BELD owns a piece and I am the Chairman of the Board for Energy New England. Potter II is not like an old house, it's like an old airplane. You do not want to get on an old airplane and fly.

Councilor Ryan stated an independent entity should look at this proposal. It would help me make a decision. Councilor Ryan stated he is in charge of operating a 43 year old facility that runs 4 times a year. I understand about running a facility that doesn't run that often. I know if it needs to run it is going to run with preventative maintenance. I have questions on Potter II and the viability of keeping it going. Why do I need to vote on this by the end of the month? What are the risks and benefits associated with that. At the end of all this I want to take a vote knowing it is 100% the right thing to do for the Town of Braintree.

Councilor Powers stated Braintree is unique in that we are able to produce our own power and water which is how it should stay. I would like to hear how BELD thinks we should improve communications. Anthony Agnitti, BELD Commissioner states he is willing to come to meetings and have an open door with finances and everything else. During negotiations with the Mayor on the PILOT someone from the Council can attend also. You will receive copies of our Agenda on a monthly basis.

Councilor Powers stated this vote is not contingent on a PILOT agreement and someone from the Council should absolutely sit in on those negotiations.

Mayor Sullivan stated we have had discussions associated with the PILOT. I have mentioned that in my comments initially. It is need to be known in terms of the vote that the Council will take that there is a funding because it is part of the whole finance plan in terms of the repayment schedule to the Town. We have the understanding what the PILOT payment will be. No General Obligation Bond can be initiated without a filing from the Executive branch. We have done our due diligence as far as scrutinizing as well, in terms of risk vs reward.

We had a successful track record with a program like this. As we enter the market place this time we can be successful again. As we look at our assets (BELD is an asset) and protect it and improve it. As part of this we need to have a PILOT plan in place. I do not have a PILOT plan in place tonight but I hope to have it within the next couple of weeks.

Councilor Powers stated I am hopeful a PILOT Plan can be put in place over the next couple of weeks.

Council President Bowes stated we have constituents we have to worry about what their thoughts are. You mentioned last year you were not ready. Now you are asking us to decide within a month and a half. Why can't we wait a year?

Bill Bottiggi, GM BELD stated: We can wait a year. We may miss the window of high capacity payments.

Council President Bowes asked what was last year's number?

Bill Bottiggi, GM BELD stated: \$15

Council President Bowes asked what was this year?

Bill Bottiggi, GM BELD stated: \$17.73

Councilor Ryan stated the report that you are going to give us I would hope it would include the reasons why we should have it built and have a decision for this year and if we hold off what are the pros and cons and the risks associated with holding off and the backup data to support those assumptions with plants going on and coming off line.

Councilor Owens stated if we are giving \$95 million he would like an objective third party to give the Council information about the capacity market will look like over the next 30-50 years.

Bill Bottiggi, GM BELD stated: The capacity market is only 7 years old. It will be really hard to find anyone who can project what the capacity market will be like in 40-50 years. We use energy consulting Ameresco and Waldron engineering to help us get to this point but we pay them.

Councilor O'Brien stated he would like to hear from a member of the audience Tom Herlihy who was very knowledgeable at the recent BELD meeting.

Resident, Tom Herlihy of 40 Harness Lane stated he was at the BELD presentation on August 27th. He stated it was a good presentation and it had a lot of information in it. I reviewed the presentation and did some analysis on some of the numbers. He created a document of financial impact spreadsheets. I have a lot of respect for Mr. Bottiggi and the operators at BELD. That plant could be run with the proper money put into it. There are a lot of plants around this area that are still running. I don't think 42 years for a plant is old. I am a power plant guy. I have worked at all of them all my life. I wanted to see this work but not so sure.

Councilor Powers asked to continue the Public Hearing to a future meeting.

Council President Bowes confirmed with Mr. Bottiggi that we will receive the Business Plan that Councilor Clifford has been looking for on the Friday before the meeting.

Councilor Clifford stated we should give Mr. Bottiggi the time he needs to put together a comprehensive Business Plan.

Bill Bottiggi, GM BELD stated: I need a decision by the end of the month. If you can't give me that decision I will be forced to postpone the project for a year.

Councilor Hume stated: I realized that is your time schedule but if we are not ready to vote but our time schedule is us being informed and ready. We take a vote when we are ready to vote.

Anthony Agnitti, BELD Commissioner stated I understand this needs to be right for the Town. I like the idea of an outside source but that takes time for analysis.

Jim Regan, BELD Commissioner stated: We can refurbish Potter II in house. If we do not move forward with the new Watson 3 there will be no PILOT as the Mayor spoke of.

Bill Bottiggi, GM BELD asked to please give me all your questions by September 15th.

Anthony Agnitti, BELD Commissioner stated that an outside person will give us a report but there will be a lot of assumptions in it.

Council President Bowes: Motion to continue the Public hearing to a future date is on the table.
Second by: Councilor O'Brien.

A motion to continue the Public Hearing until September 23, 2015.

Motion: by Councilor Powers

Second: by Councilor O'Brien

Vote: For (8), Against (0), Absent (1-Mullaney)

- 14 022 Council President: Update of Chapter 5-565: Peddling & Solicitation (Former By-Law chapter 5.32) or take up any action relative thereto (**PUBLIC HEARING TABLED on August 11**)

Council President Bowes referred to Councilor Clifford (Committee Chair) for Committee on Ordinance & Rules for recommendation. Councilor Clifford asked for this item to be TABLED to a future meeting until questions can be answered from the Town Solicitor.

Councilor Powers made a motion to TABLE Order 14 022 to a future meeting.

Motion: by Councilor Powers to TABLE Order 14 022

Second: by Councilor Ryan

Vote: For (8), Against (0), Absent (1-Mullaney)

NEW BUSINESS

None

Refer to the Committee on Ways & Means

- 033 15 Town Auditor Job Posting or take up any action relative thereto
- 15 034 Mayor: Salt Shed Replacement - Insurance Recovery Account Transfer or take up any action relative thereto

ADJOURNMENT

It was unanimously voted to adjourn the meeting at 10:38p.m.

Respectfully submitted,
Susan M. Cimino
Clerk of the Council

Documents provided for Meeting

- August 11, 2015 Council Meeting Minutes
- 15 027 Retirement Board Members Compensation or take up any action relative thereto
- 15 029 BELD: Watson 3 Generating Station – Authorization to Borrow or take up any action relative thereto
- 14 022 Council President: Update of Chapter 5-565: Peddling & Solicitation (Former By-Law chapter 5.32) or take up any action relative thereto