

***Economic Development Committee Meeting
September 18, 2013
Town Council Chambers***

Present: Chairman Francis Burke
Councilor Patrick O'Connor
Councilor Jane Hackett
Councilor Brian McDonald

Absent: Councilor Thomas J. Lacey

Also Present: Joe Connolly, Chair, BOD, SSTTDC
Jeff Wall, BOD, SSTTDC

Recording Secretary: Jody Lehrer

Chairman Burke called the committee meeting to order at 7:30 p.m. He noted that there is no recording secretary present, but the meeting is recorded.

He noted that joining the meeting are members of the South Shore Tri Town Development Corporation (SSTTDC), Joseph Connolly, Chairman, and Jeff Wall.

The matter referred is regarding the audit conducted by State Auditor Suzanne Bump- of the SSTTDC.

Chairman Burke noted that the committee has met with Councilors, and Mayor Kay and would now like to discuss issues with members of the BOD's.

Water and Sewer

Chairman Burke noted that one pressing issue is water and sewer; and during the BOD's last appearance before Council, were told that a solution was forthcoming in 60/ 90 days-- but nothing happened.

Mr. Connolly said that the last time they were here there was an understanding with the MWRA that said that they have an abundance of water they would like to sell. The details surrounding getting the water to Weymouth were not clear at that time. He further stated that they have not heard from Braintree, as the water would potentially come through their pipes. This avenue is very costly, and they would bear the costs should that be the only way out.

According to the Mayor and water department with whom they met last month, SSTTDC will get at least 500,000 gallons or more to South Field and they don't expect major commercial activity right now, as the market is dry; this water supply is sufficient for their needs at this time.

Recently, the Rockland Abington Joint Water Committee voted to extend permits and look into what they can give to SSTTDC.

Mr. Connolly further noted that they are trying to get to the million gallons per day mark, dependent on upgrading Rockland Abington Water Treatment Plant, but they won't know what they will need for improvements for a month. Getting to this mark will allow them to bypass the MWRA, the waiting time of the MWRA, and the hookup

cost and deliver what is needed. It will take the issue off the table. MWRA hasn't done anything since their initial overture.

Between Weymouth, Rockland, and Abington, they should be able to meet the million gallons per day threshold.

Councilor McDonald said he has always looked at South Field as a big subdivision in Weymouth, noting that 95% of what occurs there in is the town of Weymouth. It raised serious issues, including water and sewer, which are massively important. Commercial development will be hesitant to commit if there is no water and sewer.

He asked if SSTDTC representatives are comfortable that the contractual issues in the audit haven't been resolved? He questioned if a subsequent audit shows the issues have been resolved? He said that he also wants to know that sewer and water issues are resolved.

Mr. Connolly said that the audit represented a time frame that was the toughest three years at South Field. The rates they received for bonding were not ideal, but they subsequently refinanced and obtained lower rates.

He said if the auditor came back and took a snap shot of 2011, 2012, and 2013, she would see a different picture, citing that SSTDTC is a small business-- with seven or eight employees, operating seven days a week.

SSTDTC delivered an 18-page response to the audit that was also given to the Council. There was debate about whether the audit was fact or opinion. *Mr. Connolly* noted that they were correct in a couple of areas--they did not have MUNIS at the time, but since have installed the program.

Back then, there were economy issues, and the master developer didn't do a lot of work on the commercial side but on the housing side, they could attract big names to increase building. Development on the commercial side has been difficult, but they have had a couple of feelers.

Councilor McDonald said he understands and appreciates what they have done. He said the issue is that we have been fortunate to get the residents into Southfield but in order to attract commercial development we need to secure a long term program for sewer, water, police, fire, whatever, as opposed to going from contract to contract.

Mr. Connolly said that MWRA has ample water but they couldn't afford to wait any longer for MWRA so they started meeting themselves. They investigated within the three communities; if they sell water to Southfield it maintains lower rates in Weymouth. If Rockland and Abington do the same thing, it's a win- win situation as it is a revenue stream. Without infrastructure costs on the Rockland Abington side they don't know what the margin will be, but are sure that it will be cheaper than the MWRA. In the long run, MWRA may be the final solution because on full build- out South Field will be bigger than nine towns in Norfolk County.

Councilor McDonald questioned when residents in South Field would have water rates commensurate with rates for other Weymouth residents.

Mr. Wall said he doesn't know when they would reach that point, and noted that they set up a water and sewer enterprise fund for DOR. This can be used to offset rates as you build a balance in the accounts. He said that he hopes it will be as soon as possible.

He noted an issue was bonding, noting that they didn't get into the bonding market early on. They failed because they didn't have a revenue stream or capital and it was going to be land bond sale. *Mr. Wall* further noted that then the market crashed, and resulted in Bank of America having no buyers for their type of bonding. For an agency with no revenue stream or income, with regards to setting up a structure for bonding, they got into the bonding market relatively quickly after enabling legislation allowed.

Eventually they refocused, knowing the importance of a revenue stream, and went after the tax rate. He confirmed that they set the tax rate, then received bonding. *Mr. Wall* admitted that the audit clearly indicates that legal and consulting fees were exorbitant, but have since been resolved, citing fees are below \$400,000 or closer to \$300,000 this year for legal and consulting.

Councilor Hackett wanted to add to the discussion about when the water rates for Tri-Town residents would more similar to the Town of Weymouth residents. What they are charged is a function of what the town of Weymouth is charging. She noted that we are charging Tri Town at the second tier rate. Also, Tri Town has its own two-tier structure, plus a five percent charge, plus their own overhead for retained earnings, infrastructure improvements, and bonding capacity. Going back to the Rockland Abington scenario, there is a two-part question: first on cost rate structure (will the five percent be charged) and second on quality.

Mr. Connolly stated that they had explored MWRA as a viable emergency alternative to come in from North Weymouth, but one half of the town would be under a water ban. In 2011 there were rumblings about joint Weymouth, Rockland, and Abington all providing a portion of water. The quality of water from two different tested systems was mentioned.

Mr. Connolly said that they are a lot closer to reaching the threshold number so they don't have to go to MWRA. As far as the 5% pass-through, they don't know. He believes that South Field residents didn't know what they were getting into. Their goal is to lower the rates.

Councilor O'Connor said he read the audit and has been vocal about it. The Council requested contracts and documents and the Tri-Town executive director refused to deliver the documents, and instead said that the Council needed to send the town auditor to Tri-Town to go through documents. That is not transparency.

Chairman Burke reiterated that the Council did request copies of contracts for 2013 2014 and received a response that there were over 3,000 pages involved. An offer came back for the town auditor, Dick Swanson, to go to SSTD to view said contracts. *Mr. Swanson* complied and reviewed 2012 (which he believes they never requested) but is now moving onto 2013. He spoke with *Mr. Wilson*, who will supply a three-page summary of the contracts.

Councilor O'Connor stated that this administration, especially Secretary Bialecki and the Governor, have looked positively on investing in the East/ West Parkway project and have been cheerleaders for the project. There are members of LNR –now Starwood and Tri-Town's consultants– who are very influential, and very well

connected with the current administration. He noted that with 16 months remaining, we are going to have a different set of eyes looking at the project whether it be Democrat, Republican, or Independent. That could change the state's outlook on investing in the project. He is questioning if there is a plan to capitalize on progress with this administration especially where we pay back over time with projected tax benefits to the Commonwealth.

Mr. Wall said that on the parkway issue, the Governor and administration have been proponents in completing the parkway. They are attempting to secure bonding for the remaining part of the parkway in these last 16 months. He is concerned because he doesn't see commercial development in sight and noted that the BOD's hired their own consultant for commercial development to try to garnish some people that would take a look at this land.

Mr. Wall noted his concerns with the lack of commercial development in Starwood's vision. Further he noted that they may not be aware of the impact on Columbian Square of possibly 1,000 homes.

Chairman Burke said he attended the Advisory Board meeting this past week, and they weren't too keen on responses to requests for information. He noted that Starwood's website cites residential development, not commercial development.

Councilor Hackett noted her concern for the Town of Weymouth as it is as though we have set up a circuit breaker system for services we provide to South Field-- we provide the services, followed by payment. She stressed the difficulty of this as is related to the budget process. We are obtaining some history for budgeting purposes, because we are going into the second year of the contract. We utilize a six-month history and perform a 12-month projection. She states that the town is bringing in revenue but is not staffed to provide the quality and level of services we should provide not just there but in other parts of town.

Additionally, Councilor Hackett noted her concern with going year to year and constantly negotiating; she cited the fact that we were three quarters of the way through the school year last year before coming to an agreement. That was a lot of money that would have had an impact on the school system during FY 13, had we had it, and were able to budget for it.

She is in agreement with Councilor McDonald, in that Southfield residents are Weymouth residents and she wants them to be fully integrated into the community.

I don't believe the structure with you folks going through a municipal budgeting process and us having to go through a municipal budgeting process is working. It is not working financially as well as it could to the advantage of both entities. Everything is speculative. Mr. Wilson is conservative on his numbers and Mr. McKinney is conservative on his numbers. We are budgeting 45-48% of what we should be. I would like it to be a little bit more that we are in this together.

Councilor Hackett believes that budgeting issues are having an adverse impact on being able to provide services to South Field and the rest of Weymouth. She believes that conversations with the Commonwealth should occur regarding requirements of the town, school department, and SSTTDC. She requested that the BOD's bring this message back to the corporation, as she doesn't want the financial component to the Town of Weymouth to get lost in the discussion.

Mr. Wall said there needs to be more concrete figures in place for services provided by Weymouth. We need to make sure that if an amount is budgeted that that amount goes on the first day to the community that is providing those services. That goes a long way in forecasting budgets and preparing for the next fiscal year. He feels that we need to get away from *per call*, as it doesn't work for either side. With regard to the schools, we need to understand Chapter 70 and how it affects South Shore Tri Town. The enabling legislation went far but not far enough pertaining to school setting and Chapter 70. It states "you will pay for school children," but doesn't take into consideration Chapter 70 money. He agrees that financials need to stay ahead of a discussion on plan changes.

Councilor McDonald considers this to be a Weymouth project, because if it fails we own it. It is in Weymouth, not Abington, nor Rockland. He envisions the other towns as abutters. It is a huge new neighborhood in Weymouth, and Abington and Rockland abut Weymouth, although this is not discussed in the enabling legislation.

He cites the fact that Starwood is a new company, the new master developer. He believes they are a \$36 billion dollar corporation and may not be primarily involved in commercial development.

Mr. Connolly said he appreciates the frustration and from their perspective, he eagerly awaits the outcome of the meeting on October 7. He is concerned that Starwood's priorities may not be our priorities.

Chairman Burke said if the committee would like to speak with Mr. Donovan, then a request should go through the BOD's. Chairman Burke met with Mr. Donovan earlier this week to discuss ongoing issues. Of frustration to the Council is that numerous times Mr. Donovan was requested to appear, and it resulted in letters back and forth from SSTD attorneys to the Council. At his meeting, Mr. Donovan stressed that he works for the BOD. Chairman Burke questioned if there is any information Mr. Donovan would have that the Council can't obtain through the BOD's on a quarterly basis.

Mr. Wall said no, as he is there on a day-to-day basis. That is the difference between the BOD and Mr. Wilson and Mr. Donovan, the BOD's can have Mr. Donovan address issues in the quarterly report through them.

Chairman Burke noted that Mr. Donovan has offered his personal cell phone number for any Councilor to contact him. Chairman Burke wishes to establish a schedule with Mr. Wall and Mr. Connolly to come before the committee for regular updates.

Chairman Burke noted that the Council faces a different set of issues than the BOD's face as we nurture this development. The more we stay in contact the more we may be able to bring about some commonality in budgeting.

He noted his appreciation for Mr. Connolly and Mr. Wall's appearance.

Councilor Hackett asked what the process would look like after October 7.

Mr. Connolly said it would be to remove the emotions as this would force everyone to make practical decisions and prioritize. They will call a special meeting after they have

a chance to review the plans, and he assured the Council that they will receive copies the same day the plan is unveiled.

Mr. Wall noted that it is the intention of the BOD, to allow the three communities to opine in open discussions. This would put the onus on the three communities in 120 days to act on specific changes. He would like to allow that discussion to continue for the towns before the BOD would put a stamp on it to say this is the plan that was presented to us in totality.

Mr. Connolly said they will go out to the community, to Pond Plain, North Weymouth, East Weymouth, to neighborhood civic associations. It is no different than the original plan in 2005 that was approved.

With no further business to attend to, Councilor O'Connor moved to adjourn at 8:17 PM-motion seconded by Councilor Hackett and voted unanimously.

Respectfully submitted: Jody Lehrer as Recording Secretary (not present but transcribed via audio)

Approved by: Chairman Francis Burke