

TOWN COUNCIL MINUTES
Budget/Management Committee
Town Hall Council Chambers
March 22, 2012-Thursday

Verbatim minutes

Present: Kenneth DiFazio, Chairman
Patrick O'Connor, Vice Chairman
Arthur Mathews, Council President
Michael Smart, Councilor

Not Present: Michael Molisse, Councilor

Also Present: Richard Swanson, Town Auditor
Jane Hackett, Councilor
David Tower, Water Superintendent

Recording Secretary: Mary Barker

Chairman DiFazio called the Budget/Management Committee Meeting to order at 7:00 PM. James Wilson will present an update on the financial overview of South Shore Tri-Town Development Corporation. The chairman welcomed Mr. Wilson.

Financial Update Regarding South Shore Tri-Town Development Corporation-James Wilson, Chief Financial Officer- South Shore Tri-Town Development Corporation

Mr. Wilson: The purpose of me coming tonight and the offer was extended back in October; we finally had schedules that made sense for all of us and actually, it's a good thing that we didn't meet last October. I certainly have a lot more and a better understanding of what is transpiring especially now that the land is transferred from the navy to the corporation and then on to LNR. It feels funny to be sitting here, still as chief financial offer, but from a different organization and as has been my practice when I sit here, please feel free to stop me at any time. One of the benefits of appearing before Budget/Management has always been the ability for us to have a less formal conversation and more interaction as a presentation goes on. I have no objection, Mr. Chairman; matter of fact I would prefer it-that as we go through this evening to take any questions as they come about. If I need to go back through something, please let me know. In addition, this presentation was one with a couple of exceptions that was given to the advisory board in February in preparation for the budget deliberation by the board of directors and that deliberation will probably take place in May. I did add some very specific information that I know has been out there with regard to the town of Weymouth, so I've updated a little since the February meeting, and I'll point those out as we go along. So without further ado, let me proceed.

The first item, which has been on everyone's minds, if not verbalized, is where are we with respect to the re-use plan. The re-use plan as you may recall looks at three very specific phases and those phases are identified with respect to residential and commercial space.

Mr. Wilson: FOST 3-5 has been transferred in December. The navy still holds parcels of land that are subject to environmental clean- up. There's over 100 acres involved in that holdback. That clean up, an FYI is happening on a parcel-by-parcel basis. As soon as the parcel meets the ability for transfer, it will be transferred. There is no specific timeline associated with any of the holdback lands. You will hear the term "FOST 6" applied to those parcels; it is all encompassing. The parcel transfers to the corporation, then to LNR does not mean all of FOST 6 is complete. It will be done parcel by parcel.

Councilor Hackett: Only FOST 6 is land the navy still holds?

Mr. Wilson: that's correct.

Councilor Hackett: so if the Navy owns it, it's under FOST 6.

Mr. Wilson: yes

Chairman DiFazio: Who's cleaning that up?

Mr. Wilson: the Navy

Mr. Wilson: In the 16 months that I've CFO of the corporation, we've had 2 large building permits pulled; that has become our largest source of revenue. These 2 building permits were for both the Corcoran Building apartments and the Eventide assisted living facility. Each has in excess of 200 bedrooms that are planned for those developments. The Corcoran apartments have been so expeditious in being moved that Phase I has started having occupants so that in less than a year's time, 60 units have become available for tenancy and I believe either one or two tenants have moved in as of today. Beyond the residents associated with the apartments, we also have residents in single-family homes or townhouses, and today we have 28 of those residents who are living full-time on the base. The residents are essentially adults. I know this issue will come up later on so I want to get it out there. There are no school-aged children associated with it, and in fact; they are less than 2 years old, both children. I'm not that concerned with the townhouses and school-aged children with the townhouses; I am concerned about the apartment complex. There are 3-bedroom apartments in the complex; I suspect those are more likely to have them than the townhouses. I think that's just the nature of the beast if you will, so that's something that's very much on my mind.

Councilor Hackett: Are any of these apartments affordable?

Mr. Wilson: Some are.

Councilor Hackett: what percentage?

Mr. Wilson: Affordable is a relative term. If someone asked me to pay \$1800 for an affordable apartment, I'd probably pass out.

Vice Chairman O'Connor: There are two layers to the affordability; I had a meeting with Corcoran. 140 is one of them... the other is labor/industrial is one category- workforce housing and the other is the state subsidy. I know that Corcoran said they had a hard time filling the affordable housing inside the project.

Chairman DiFazio: so next week, if someone moves into these apartments, and they have a child who needs to go to school; what's the process that Tri-Town does with that child; so you contact Weymouth, do you contact Rockland?

Mr. Wilson: the legislation's very clear; it states right upfront: any school-aged child on the property of Southfield is automatically a student of the Weymouth Public Schools. There are no ifs, ands or buts; the legislation is clear on that.

Vice Chairman O'Connor: has the reimbursement rate been set for that?

Mr. Wilson: It has not. There have been proposals made; we have not heard back.

Councilor Mathews: I was thinking this conversation would come later. I have a couple of things about it now. I've spoken to Jeff Wall about this in fact last week. I'm hoping that this comes up at a board of directors' meeting; maybe you could relay this to the board of directors as well. I think there should be some type of protocol set up between LNR and Tri-Town in regard to when people are moving in; that protocol to let you know who is moving in to that residence, and if there are school-aged children accompanying them and maybe that would then come with an idea Councilor Smart had talked about: maybe a welcome letter to anyone who moves in to Tri-Town that gives them information; a brochure? But at the same time, they could reach out to you. I definitely think that there needs to be some line of communication or some type of protocol that's set in place when a unit is sold or rented out that LNR and/or the developers need to contact Tri-Town so you can have a list and the office, or a software program ...so that we can keep track on our end as well so that eventually when you develop a protocol list, we could actually work with the Weymouth school system to make sure they have that list.

Mr. Wilson: As I'd indicated, I would find the apartments more troublesome in terms of maintaining some type of fixed residency list, so I've asked Peter Mahoney at Corcoran to generate that list and to send it to me on a monthly basis. We need more than just a list of residents. We need demographic information for reasons I'll kind of go into on an overview basis down the line. It is critical for the operations, certainly of the finance department, to be aware of the residents and how the residents...the demographics associated with the residents. So, yes, it's something we are working on.

Councilor Mathews: I'm just looking at it for the Town of Weymouth, so that everyone in that housing up there and that is going to school from there, is actually getting some money from there as the legislation outlines.

Vice Chairman O'Connor: Thank you, Mr. Wilson for letting us know that proposals have been made regarding the figure for the children. I would like to go on record and say it is my

hope- I don't know what is in those proposals, but it is my hope that it is not a circuit breaker type payment whereas you get paid at the end of the year, but more of a payment as the year goes on; maybe a monthly payment to the Town of Weymouth, rather than quarterly or a year end payment. I'd like to see it concurrent because it's always tough I know in the education budget for them to keep up with Circuit Breaker, because the reimbursements the following fiscal year.

Mr. Wilson: Two things on that point; first, we operate under stricture rules than municipal government works under. We have what's called a tax plan, and we're not allowed to reimburse just because. There are no such things as pass-throughs. All our budgets are accommodated through...ordinary and necessary go through the regular budgetary process. Reimbursements have to be approved by the state, so we cannot just arbitrarily say...and I'm going to use real dates. In my mind, one of the trigger points, certainly in terms of a municipal setting; schools- October 1 is an important date. October 1 is the date there is an official registration of your school-aged population, and that registration goes to both the Department of Education here at the state level and then to the Department of Education at the federal level. There are lots of things that occur with that. If we too could get into that same cycle and understand the number of school aged children in the schools on that October 1st date. Like you, we set a tax rate in the fall. You're allowed one more bite of the apple, as such, when you prepare your tax rate to make adjustments within that budgetary process. If you don't hit that date, there's no further funds that can go out the door until the following year. So to me, it becomes critical and that's why this list becomes important that we become aware as soon as possible when a school-age children or when anyone actually becomes a resident of Tri-Town and that we're going to try to hit the same dates that the state imposes upon the communities so that we can then make that part of our budgetary process. If it doesn't hit the budgetary process, it can't be expended. That's just the way our statutes and agreements all work.

Chairman DiFazio: Jim, if someone was to move in there in a couple of months; they move in and the family contacts the school department, and says I have a child who has to go to school...I don't know if the Weymouth School department has a protocol...bang, bang, bang, you start next month...where's your interest in making sure that we know about that child and that we get the money for it? I'm not sure that your, that TriTown's interest is the same one that we have. In other words, I guess I'm not saying I'm not confident that this reporting system will be accurate, but I would think it's always best if the reporting system has the interest of who's supposed to get the money in mind. Do you follow me on that?

Mr. Wilson: I do, and let me see if I can answer it from three different elements. First of all, you should recall, I'm also a citizen of this town. My interest actually works two ways. Having sat in this chair as CFO, I am very cognizant of how revenues have to flow, and how revenues need to be reported, and how revenues actually are generated and hit the various revenue line items in order for a budget to be accurate and to try to accommodate as much as you can. That's part one. Part two; Mr. Donovan and I have a very clear philosophy. Yes, we are required to certainly have fiduciary responsibility to work in the best interest of SSTTDC, but if you read the legislation in terms of intent, we also are required to look at the best interest of the three towns. I'll talk a little bit about that at the very end of the

presentation. I think I can demonstrate that in terms of what we're looking to do. The third element is even more critical when we look at divergence of interest. There is always one group that oversees all of us, and that is the state. They want in fact to make sure there is compliance and in fact, we have had state auditors sitting in our conference room since August, trying to determine what it is that we do and how it is we do it. But they're going to come out with a report that will actually say these are the things that the legislation says; these are the things that they need to do; here's the process by which they'll do it. I feel badly for them because I've been involved on and off for twelve years- fifteen years rather. I can't imagine what it would be like just being dumped and said here's several thousands of pages worth of documents-make some sense of it. I just can't imagine that being easy. We've tried to work with them on how to get things done and it's actually been an interesting process. So, I think there is a convergence of interests, and it's certainly something Mr. Donovan and I are very much aware of and want to be able to do it. Again, we may be able to demonstrate this as we get further into this presentation.

Councilor Hackett: The only person in Weymouth who can sign a service agreement, including for the schools, is the mayor?

Mr. Wilson: That is correct.

Councilor Hackett: So, the school committee, interim or permanent school superintendent can't establish a rate to charge for out of district; only the mayor can?

Mr. Wilson: Correct

Councilor Hackett: They can recommend to her what they think the dollar figure should be, but that's the responsibility of the mayor, not the school administration and it's the responsibility of the parent when you move to find a school for your child.

Mr. Wilson: Absolutely. And there is a mechanism in place in the school department where if a new student comes in from Southfield the superintendent's office is notified. I'd be in contact with the superintendent and we'd at least have a mechanism to check and balance each other.

Councilor Hackett: On the same point, in the event that a student that a student comes midyear, and you've already established your budget, is re-appropriation an option within your budget?

Mr. Wilson: It is an option but because of the way our expenditures require oversight...it's not just an oversight of an agency, but it's ANF who has to approve all expenditures. That has to go up and down. Luckily this is the first year we had to sort of wrestle with the process, and the process I can't tell you was a smooth one. Hopefully, we've been able to smooth out the rough edges and as we go through it, it will perhaps be a little bit better. It is available; I don't want to say that's solely within our jurisdiction-it isn't.

Councilor Mathews: I didn't want to get into this point now; I wanted to get into it later, but

to follow up first on Councilor Hackett-that's why I'm hoping that Tri-Town is very cognizant with what they do with free cash appropriations during the year because if there are students who are moving in a month or two into the school year, I would like Tri-Town to have some money available, so there is going to be an expense when that student comes in and is only going to be in the school system for three quarters of the school year. I think that's going to get further later into the conversation. Lastly to wrap up on the school end from my perspective, the protocol would be that the setting of what the cost per pupil is going to be is going to come from the Department of Education. Is that how you will come up with it? Let's say, for the sake of argument, that the DOE says the cost per pupil for Weymouth is say \$12,000. Is that what you're going to have to then have to pay for each student that goes for a full year and then it could be as Councilor Hackett said prorated if they moved in midyear, say, you would pay \$6,000. How is that going to work from your perspective?

Mr. Wilson: I have made several promises that I would not get into the detail of the negotiations. I will, however, indicate to you, that that is an excellent theoretical approach.

Councilor Mathews: I was of the mindset that it wasn't a negotiated thing; that the DOE is going to come in and say...because the enabling legislation says that all students from this redevelopment will go to the Town of Weymouth, so I didn't think it was a negotiated thing; I thought the Department of Education says cost per pupil in Weymouth as of today is \$12,000 so every from Tri-Town, that comes from that development is going to pay; they're going to pay in a check for each child that goes.

Chairman DiFazio: that might not be the number that we really want.

Councilor Mathews: I'm saying that would be a start. There would be additional things that...the re-use plan talks about schools and in the original re-use plan there was talk of building a new middle school. I'm not talking about that; I'm just talking about the number of pupils that come out of the development; that's above and beyond what I'm talking about. What I'm talking about- the kids are going to start moving in this development soon, and I hope that we have some funding available so that if they say we have too many kids at the Hamilton primary school in grades 2 and 4 and we need to hire another teacher for each grade and we don't have the money to do it, we need to say...that money should be available from Tri-Town. That's all. I didn't think that was a negotiated thing.

Councilor Smart: Jim, hypothetically, when a parent moves into the community, Southfield, contacts the school administration, they say come on down. Now, depending on what school age it is, whether Hamilton, the middle or high schools; school committee and school administration- they are already aware of this? Have you given a similar presentation to the school committee to let them know that the legislations says that yes, they will go here- have you done that or has Tri-Town done that?

Mr. Wilson: Tri-Town has not done that; I have however been in touch with the administration and this is going to be like most things at Tri-Town-there is no template for it anywhere in the state and were just sort of drawing a map as we go along. That's where it's

essential that communication play a key role in how that occurs.

Councilor Smart: I agree, and I think that what might be lacking is communication with the school committee; After speaking with a number of them; I certainly don't want to speak for them so I'm not going to say what they said, but I think that they need to have a similar presentation, and maybe an update on the legislation, which they may not be aware of. Some of them have not been involved for a long time, and even some of them who have been involved may not be up to speed on exactly what it says. Does the school committee or school administration have the ability to say we don't have any room?

Mr. Wilson: Not according to the legislation; not in my opinion.

Councilor Smart: I know.

Mr. Wilson: Theoretically, it's literally out of our hands; they don't have to report to us.

Councilor Smart: In my opinion, I think there is a little bit of an information gap there, and not by any fault of the school committee, because they were not as involved in it as much as we were in 2004 and 2003, but there's some on there, there are individuals who don't know what is going to happen and what needs to happen.

Mr. Wilson: I would question that. I certainly understand and I would take your point but their administration had been speaking to me specifically, specifically for over a year. They could ask their administration; I'm sure their administration would be happy to provide them with information regarding the statutory construction.

Chairman DiFazio: Proposals with our mayor; our mayor's on the school committee; they'd be looking in the other direction and watching what they're doing. Could I just ask you- you might not be the perfect person to ask, but I think you might know the answer. Let's say it's \$12,000; when the town of Weymouth receives the \$12,000, what requirements do they have to do with that money? Does it go to the general fund? Does it go to the school department? Do we have the discretion of what we want to do with it?

Mr. Wilson: In my opinion, you do and I would point to MGL Ch.44 534. In my opinion, this is not an out of state, or out of district placement. It is an in-district placement, so when you have a, I'll call it a fee for lack of a better term; again the general laws never pictured this type of situation, then you must create an account, a set-aside if you will for those funds, or in the alternative it goes into the general fund. So you have the choice of a revolving type of some description under 44, 54, and I have a specific section of the statute which applies, and I've made that recommendation, but that requires the school committee to agree to it and the council too. That's one; barring that, then it goes in under your general revenues, and I believe that comes in under the mayor's budget-at least, it used to come in under the mayor's budget, under SSTTDC reimbursements. You have two options; one is as viable as the other. It depends on how you want to handle the funds.

Councilor Mathews: this is probably one of the bigger issues that we've been asked about. It

was news to me; I was always under the impression that the school children thing was not a negotiated thing as far as the cost per pupil.

Mr. Wilson: My guess is, if push came to shove, you're right. I prefer not to look at it that way. The schools have been...over the past year I've been involved, and I can't speak to any more than what I...the administration has...we've tried to foresee and accommodate every possibility as we become aware of it. We won't know until there's actually a student. That's the long and short of it.

Vice Chairman O'Connor: kind of off of this subject; the 60 units in the Corcoran apartment building, in Phase I, when are Phase II and Phase III supposed to come on line?

Mr. Wilson: I would say by this time...within the next year and a half all of the phases....

Vice Chairman O'Connor: So all of the 1800-2400 will be available?

Mr. Wilson: The entire construction phase is eighteen months, so you're talking July to July then again the end of eighteen; we've had a wide open winter so we've been able to accelerate. All you need is another winter like last year next year that would slow everything down.

Vice Chairman O'Connor: Is it in two phases or three phases?

Mr. Wilson: Three phases. There are three separate buildings. Each one is considered a phase, if you will.

Vice Chairman O'Connor: My other question; on the same status of FOST 6- you said there are no specific timeline on a clean -up from the Navy? Is there any point in time that you would envision a timeline would be set?

Mr. Wilson: I would not, because there's one site that I'm specifically interested in. It's the one that's going to take thirty years to monitor. Certainly not in my lifetime- not sure at 90 years old, that's where I want to be. That's the one that has the plume. The plume is migrating. May it migrate once we begin doing things; I don't know. So that's the one I guess will take the longest. The others the Navy has indicated, and it appears they are accomplishing, they're moving as expeditiously as possible. I don't know whether you know; the DEP and EPA are the overseers so it goes through the two layers of review before the parcels are released and then actually, once DEP and EPA sign off, they come to us and say does this meet the requirements of the re-use plan? There's regular meetings regarding it, and as they become available, they become available. The Navy wants out, and they want out as quickly as possible. I don't think it will be a short time, especially with regard to one of the larger sites.

Vice Chairman O'Connor: FOST 6. And even with that there's no timeline set, I'd just like to set the peace of mind aspect that the project's on the path at least of...

Mr. Wilson: And it is, clearly.

Councilor Smart: the SRA doesn't even have a proposed method yet.

Mr. Wilson: yes, the solvent release area...

Councilor Smart: Because there are some issues with the water or potential for groundwater resource there, so it's been discussed for months at the RAB meetings, but they don't even have a proposal yet and it still has to be publicized, go to the Record of Decision, and get the signoff as Jim said...

Mr. Wilson: And then it has to be done and monitored.

Councilor Smart: It still has years of steps, I think. I don't think they'll have it this year.

Mr. Wilson: I don't think so either.

Councilor Smart: A method. It's going to get complicated. The hangar, Hangar 2 I believe it is; I don't think that has been finalized yet.

Mr. Wilson: It has not been.

Councilor Smart: but it's further along. I think it has less complications with the plume and the use of the aquifer for lack of a better term, a real water resource. It's going to be a while for those two.

Councilor Smart: the hiring of staff to accommodate increased responsibilities, will those...I know we, collectively, have heard this from Tri-Town in the past; that they're not going to make a huge empire down there of hirings. Is there a possibility that positions and I know these are just examples, like the treasurer or tax collector are going to be combined positions when there's certainly not a huge workload for them; for all of those positions?

Mr. Wilson: I would be willing to...let's take my position for example, as chief financial officer. As you know, or maybe you don't, there was a tax plan that was agreed upon by the secretary of ANF as a condition of the bond that was used to fund the parkway. It was signed off by DOR and the board of directors. The position that I currently hold was an element; that you had to have a CFO if you want the bond. I was there exactly 24 hours when I got the phone call; if you look at paragraph 2 of the tax plan, you are supposed to have a treasurer/collector on staff when you come on and that treasurer/collector is supposed to be independent of you. I didn't even have the lay of the land, let alone a sense of what staffing was needed. Luckily, I have a fairly good working relationship with the DOR, and I asked for a waiver, which they granted. They said you have one year to get your sea legs and then to determine your staffing needs and we've done that. My position as you may well imagine is not just limited to the finances. It is broader than that. I do legal work; I do review work; similar to what I did sitting as the CFO here. It is a multitasking organization- every person does multitasking and the positions that have been hired have been in one of

two venues-either they are required under the tax plan, which the treasurer/collector is, or they are required as a matter of permit. In order for us to have a water source, we have to have a superintendent of water and sewer; someone who is certified. That gentleman is actually sitting behind me. Well, somewhere behind me; perhaps...if he's still there if he hasn't run away in horror at this whole thing. We tried to be very judicious. When I came in we had five people. Today we have six but they're under different titles. Full-time equivalents- we actually have 7.5. we have part-time inspectors and if you look at the body, there are probably more inspectors than there are the rest of us; however, they are all part-time and they're on an as-needed basis.

Councilor Smart: Per diem?

Mr. Wilson: Per inspection.

Councilor Smart: If you recall, and I don't know that you do, we talked about this and you, in your previous position wanted to keep a watchful eye that it didn't become too big; that we had too many laborers and spending too much of the resource that was supposed to go back to the three communities.

Mr. Wilson: We'll talk about the resources as we go forward. That brings out an interesting point when we get there. But yes, and I think you're aware that given your experience with me, that we try not to hire willy-nilly. We need to do what is statutorily or permit required of us, but when you're hiring staff, remember there's a whole process involved. You're not only hiring staff, but you have to train them, and if you're training them, that takes time away from your job. You don't have time to bring in another person. There are only so many of us that do this type of thing, so we're trying for Fiscal 2013 adopt the philosophy: ok, we hired people in Fiscal 2012, now let's get them trained and see what we need perhaps in 2014. If we continue growing the way we're growing, I suspect that we will need more public works type, because remember, we don't own all of the streets yet. We own some streets but not all. Once we own all of them, that's going to require the maintenance associated with them. Right now, for example, when we have water and sewer issues, we have a contractor called White Water who assists us in those matters and that's in the budget. At some point that's going to become too costly to bring someone in to do that task, and it might in fact be cheaper to hire your own staff. That's several years away and to give you...if someone had said to me when I came on in October, 2010...and remember, in that month there was nothing going on. Barely, grass was cut, and here sixteen months later we have an apartment building ready to be occupied; I have 28 residents, and there's a waiting list for the townhouses and cottages that are not yet built; not even permitted to be built. So there's a lot going on; I'll call it exploding and we're trying to maintain as much equilibrium as we can without losing sight of our objectives and our requirements to oversee. We're trying to balance that but I do agree with you.

Councilor Smart: I know that you're bound with the negotiations for the service agreements, so I'll be careful in the way I ask this but how does that interact with the service agreements; with now hearing that you possibly could be hiring for lack of a better term DPW crews of your own?

Mr. Wilson: Would you allow me to answer through my budgetary comments when we get to that point, and if I don't touch on exactly what you need to know you can prod me there. I really prefer not to get into the specifics but I can certainly give you a flavor as to what we're looking for and that might be helpful to answer your question.

(on to next slide in PP) This is what's been permitted as to date, broken down by type of use. The purpose of the slide is to show that we are very close to the 500 residential units in Phase IA and we are not anywhere near the 150,000 sq.ft. of commercial space under Phase IA. This is troublesome, because theoretically, we...when the slide was created, there weren't any prospects out there. There is an under 101,000 sq.ft. office building that came as a design yesterday which will be heard by the board of directors on April 2nd so this issue may in fact go away and will permit us to go into Phase 1B. The board of directors has been trying to wend their way through this process, because we again have a large demand for the residential units. Not quite as much demand as we thought on the commercial space. That seems to have suddenly evaporated and we'll know more as we proceed through the next few weeks.

Councilor Smart: Do you think that largely due to the market; the timing and the economy for the residential to be leading and the commercial/industrial or commercial/manufacturing to be lagging?

Mr. Wilson: I'm party to a variety of negotiations, this being one of them. I would say this...perhaps a better way of putting it. LNR has been a leader in trying to solicit commercial property and they actually had a very unique approach to it that they ran by us in December. If that is successful it may help us because we said well then if you do that then we'll do something else as sort of a team effort. Secretary Bialecki went through that with us and he was very excited with the approach. We're still in negotiations and it may be discussed on April 2nd. I'm not sure how far they'll get or the bottom line there but I think that financing is a key element and I don't know if you are all familiar with the financial world as it relates to commercial. I'll give you the actual example on the base. Eventide has pulled a building permit for all of its units. It can't build under the terms of its mortgage until it is 75% occupied. They have to have everyone in the assisted living lined up until they can get a dollar to put a shovel in the ground. That's the condition of the market out there. Same is true for Corcoran though they had a little easier time and this company coming in has pretty much the same type of restrictions placed on it. The banks are locking down, but what I'm seeing is because the project itself seems to have taken off, there seems to be some excitement about it and banks are willing to look less askance at it. I'm very pleased with how this is working out over the past month.

Vice Chairman O'Connor: I don't know if this is your opinion of it, but even outside of the financial aspect of this, with only 28 residents on the property, as far as commercial goes it would be a specific industrial park type of company that would be going in there. You wouldn't look at commercial like banks and smaller commercial aspects because they wouldn't move in there with only 28 residents?

Mr. Wilson: You might have a processing plant for banks. You may not have a bank branch but you may have a bank processing plant.

Vice Chairman O'Connor: The types of things that you see in most industrial parks in the first phases, because you...I believe in this project and believe it will be successful, but when you're looking at from a standpoint of setting up a Dunkin Donuts, you're not going to set it up when there's only 28 people.

Mr. Wilson: I'm waiting for the Dunkin Donuts, by the way.

Vice Chairman O'Connor: I'm sure they'll be twenty of them.

Mr. Wilson: Not twenty.

Chairman DiFazio: Who is the 48,000 of commercial space; is there a customer?

Mr. Wilson: Eventide, the assisted living facility is one of them and Corcoran is the other. Corcoran has ten. They have some retail; I don't know where they are with obtaining a tenant. Patrick, I know you have been speaking to them; I don't know if you got to that level of detail with them. I haven't seen any applications come across my desk for an occupant.

Vice Chairman O'Connor: I didn't.

Mr. Wilson: (next slide) Just a brief overview of the various payments by LNR. It took me weeks to have the DOR understand the difference between the Host Community payments and payments from Tri-Town. This is my attempt at keeping that focused and different. Under the Host Community Agreement, LNR is required to pay the town of Weymouth certain funds at certain times. This is a list of their payments to the town and the other two towns. We have not paid any of this. Ours is limited to service agreements at this stage of the game. All of these funds have gone directly from LNR- they notify us- because that's part of the agreement, but payments do not pass through us. It is not a Raise and Appropriate for SSTDC and goes outside our jurisdiction.

Chairman DiFazio: (to Auditor Swanson) Dick, you don't have any problem with those numbers?

Auditor Swanson: No, I was just looking at them. They tie out to my schedules.

Mr. Wilson: We've always been in sync, Dick.

Auditor Swanson: Yes, we reconcile.

Mr. Wilson: (next slide) now the meat of the presentation. There are several considerations as we go forward and present a budget-the first one of which is called an infrastructure bond. This is a pledge. The infrastructure bond is unlike any I've ever seen anywhere and in fact, it is unique to this state. The DOR...I had to go in there and spend the day with them,

walking them through 1800 pages of documents. It is boiled down to two sentences. In exchange for \$15.5 million, you must pledge between 25 and 35% of your tax revenues to the payment of. The rest and remainder is paid by those individuals living in FOST 1 & 2, so that starting in FY13, 25 and we'll call it 30 because I just got a memo today on one piece of the bond. There will be 30% of our revenues automatically that will go to the payment of the bond. If I were to make it something that would be familiar to you, your tax revenue's about \$80 million; that's like committing \$20 million of it to just debt service. That's a huge chunk of your operating expense, operating revenue gone out of the equation. This bond is good for thirty years and that scale is sliding. It slides from a low of 25 to a high of 35.

Councilor Hackett: Who makes the determination of whether 25 or 35 is percentage paid?

Mr. Wilson: It's actually spelled out in the 1800 pages. It is a lockstep; it is an analysis done by parcel, by sale, by owner and we actually have to for every unit owner, we have to determine...there are several factors that need to be considered, and then based upon those factors, it's either 25, 30 or 35% of their total taxes, revenue is siphoned off and put toward the debt service.

Councilor Hackett: So, it's on an individual taxpayer basis?

Mr. Wilson: On a parcel basis.

Councilor Hackett: Say your revenues were \$100 million; it is not that you are paying between 25 and 35 million of the aggregate hundred; it's each individual parcel's tax bill 25-35% goes, not 25-35% of the aggregate of the revenue?

Mr. Wilson: That is correct. It will amount to about 30% when you add it all up, but yes, the analysis is parcel by parcel, and in fact that parcel by parcel analysis is due to my office next month. The board will probably vote it at the same time the budget is voted, because that becomes a part of your tax commitment.

Councilor Hackett: It doesn't affect how much taxes they pay; it affects how much the individual parcel owner's taxes goes to your bond and how much to the general revenue.

Mr. Wilson: No; it actually affects their taxes, because the other 75% is then levied by parcel, so that if the liability for that parcel is \$1000, and \$250 comes from Tri-Town, the other \$750 is yours as homeowner, and that's parcel by parcel analysis.

Councilor Hackett: Understood.

Vice President O'Connor: I know that you're those parcel analyses in the next week; have you done an analysis realistically for the length of this bond or is your opinion of when it gets paid off?

Mr. Wilson: The bond, like any other bond, is tied to the debt schedule. The debt schedule is

a thirty-year debt schedule and it's pretty clear this debt, this particular bond is controlled by the secretary of ANF.

Councilor Smart: Would it be tied to the success of the project?

Mr. Wilson: No. It's an obligation.

Councilor Smart: Tri-Town would be on the hook for it no matter what, regardless. What if there's not the 75%...you're getting 25% of each parcel? You're paying that portion of it, no matter what. So, if they don't sell those parcels or acreage; they may be selling chunks of parcels at a time. Where would you get that funding?

Mr. Wilson: I would make the analysis in this way; God help us if it happens. If you had \$80 million worth of tax revenue here in the town and only \$50 million of it is collected, what happens? You only have two options. Either find the \$30 million from someplace else, or you do a lot of cutting because under statute, and that includes the statute we operate under, debt service comes first and this actually has a super priority.

Councilor Smart: And that's just for Phase I of the parkway?

Mr. Wilson: This isn't the parkway; this is the special assessment. I'll get to the parkway-that's the next part of the next one. This is just the infrastructure bond. It's paying for the roads; the roads, some of the streetlights, and some of the water and sewer (?)

Councilor Mathews: what is the interest rate?

Mr. Wilson: It's 8.5%

Councilor Mathews: Will the state allow you an opportunity to refinance, to get to a manageable rate? Today's rates are going in 3's and 4's?

Mr. Wilson: If I were sitting as a municipality with a bond rating, it would probably be somewhere around 2.25 to 2.5%. Am I looking at redoing it? Yes, but there is an indenture associated with it. The indenture actually requires...there's many steps, but one of which, and last week I asked Standard & Poor to come out and review our finances, because I believe we should be able to get...remember when this was let there was no debt experience with Tri-Town; it had no credit rating. I won't use the term junk bond, but it was in that category of investment. So now that we have two full years of revenue in play and our collection rate is 100%, that might enable us, in fact to obtain a bond rating- go to Standard & Poors to have it rated, then go out to see if there's anyone in the municipal world who can in fact take up the bond and buy out the investors. There is a prepayment penalty, but the difference between even 3 and 8% over a thirty year period is substantial and I believe it might be in all our best interests to do that and take the hit on the prepayment penalty.

Auditor Swanson: I think Jim might have already answered some of my questions. I was going to ask you, Jim, if this is the type of bond that can be paid early since it's 8.5% if you

have the cash in the future?

Mr. Wilson: It cannot be paid off early. The way the indenture reads, and it's not an easy document to read. In my opinion, I would need the agreement of the bondholder, the secretary of ANF, Bond Council and the board of directors to all agree that this was the right thing to do. Now, probably three of the four of them would say yes, but when you're talking about the bondholder having to agree...you're talking a different...if they can get 8% what investment do you know that is getting 8%?

Auditor Swanson: Yes; it's something they would want to hold on to.

Vice Chairman O'Connor: The 8.5%- is that fixed?

Mr. Wilson: Yes.

Vice Chairman O'Connor: Dick kind of got to what I was getting to...it's tough as a brand new entity to get a good rate out there and in a terrible market. It seems like this is something, would you say we're going to be trapped with for a while? Is this \$15 million in the end going to cost us quite a bit more? I know we have to do it; we have to build roads, we have to build sidewalks, we have to do this but \$15 million at 8.5%, with 25% of the tax revenue going to it, it seems like it's quite a gangbuster deal for the bondholder.

Mr. Wilson: When I read it, I can't tell you I was happy with it, but I am told this is the best that could be done. It was done in 2010. I wasn't there during the negotiations. I do know that they had no bond...matter of fact, the official statement is clear. Bank of America refused to touch it and Bank of America is considered one of those areas you go you can get pretty much anything approved. The bondholders are private investors so when you're in that realm, it takes on sort of a life of its own. I'm going to work toward getting it restructured. I'm not sure I'm going to get it replaced because the indenture is just too onerous.

Vice Chairman O'Connor: Fifteen years from now, everything's going smoothly at Tri-Town, we're making a lot of money; commercial's going well, the housing market's turned around; things are going for a good chunk of change up there as I expect they will- they have already and in a terrible market. Does that 24% of tax revenue stick then?

Mr. Wilson: That'll be up to 35% by that point.

Vice Chairman O'Connor: So it's up to 35%. What if that 35% is \$6 or 7 million?

Mr. Wilson: There is a trigger out and that's part of the complication. It gets reserved. I still have no access to it.

Vice Chairman O'Connor: So that money is just set aside. It can't go back to the cities and towns?

Mr. Wilson: It goes into a separate fund. I'm required to segregate it and hold it. I can release the reserve and we'll talk a little bit about the reserves in the next piece of the pie. The reserves can be released, but then again, everyone has to agree. That's going to be an annual exercise, August 1st of every year until it smooths out. That's going to be the long and short of the story and it takes about two months to get all the pieces and parties in play.

Vice Chairman O'Connor: That costs money too, I'm sure.

Mr. Wilson: It sure does.

Vice Chairman O'Connor: Thank you for explaining that, Jim. I'm trying to wrap my head around it.

Mr. Wilson: It took me longer than it did you.

The parkway bond is actually two phases and it's been widely touted as the East West Parkway. It's the connector road between Route 3 and Route 18 and that is the easy part. There are two buckets of money that are paying for it. One is a state bond; the other is a state and federal grant. Part two is pretty much there but it hasn't been signed off on as of this stage. Part one has been and this parkway bond looks like this: I'm going to use round numbers if you will. I'll get into the specifics further on in the presentation. It too is a lockstep and it says we the state, we the Commonwealth of Massachusetts through the Office of Business Development (MOBD) are going to borrow the money to pay for the parkway bond. That is a thirty-year bond; debt service about \$1.1 million, and in order for us to pay that, you, Tri-Town have to prove to us that you that there are what are called new state revenues generated by that parkway. New state revenues take on two specific avenues of analysis; the first one of which is: are there new revenues generated as a result of sales tax purchases for building materials and that's also fairly easily calculable. You have every contractor who comes on site as part of the pay req and say, I want an analysis of every purchase you made and how much sales tax you paid. That part is easy-second part; not so much. Calculate how much new income tax is being generated by the base, by Southfield, which means you have to go to every person and say, what is your income and how much have you paid in state taxes? Again, for the construction of the road, that's easy because we have pay req's that do that. How do you do that and how do you enforce that for like IBG, who is a private company building the townhouses at the base. You ask for their cooperation; you indicate to them that if they fail to do it there is a reason life may become more difficult for them, but you're still dealing with a private entity. You compile all of those numbers, and then those numbers are submitted to the DOR for review and certification and the DOR, and this is the first year we did it...the DOR says, here is the debt service; here is the new state revenues that are being calculated. If there is a deficiency, a difference between the bond and the new state revenue, you, Tri-Town, are responsible to pay. And in FY2012, that deficiency was \$756,000. I have a slide that demonstrates how that actually occurred. I can complain a lot about this one because I wasn't involved and if people had stopped and thought for one day, they would have seen that this wasn't the way to approach it. They let the bond on June 30th, which means the first payment was due on June 30, 2010, which means that the first cycle is as of June 30, 2011. There are only two

months of construction schedule in the 2011 year. If they had waited one day, and let the bond on July 1st, we wouldn't have had a payment in 2012; we would have had a payment in 2013 and because this year has had twelve full months of a building cycle, the number of new state revenue would have increased dramatically. And so it goes; we got hit with that deficiency in 2011. It's a year-by-year analysis; project by project analysis. It took me roughly two and a half months to compile; you don't work on it full-time, obviously. Then you have to go in and explain it to DOR. Then you have to explain it to the secretary of ANF. If they all agree and sign off on the deficiency, then you can set a tax rate. We are not permitted to set a tax rate until that deficiency is known because that deficiency is the first thing that must be paid out of the budget. Under state law, the state gets paid first. So the state comes first, then the special assessment, then your operating expenses. That's how our budgets are constructed and that will be true every year. The parkway bond is a twenty-year bond; that will be every year for twenty years. That provision is called a Claw back provision and the analysis is year by year. Those are two major financial impacts on our budget that are somewhat out of our control. They're circumstantial in nature.

Vice Chairman O'Connor: On the parkway bond; I was up at the State House when we were doing the bond bill with Representative Mariano and Senator Morrissey back then and I thought it was a pretty brilliant way of financing the whole thing considering how bad we got whacked with the infrastructure bond when you put them into consideration. That could be a net even with the development of the base, say Phase II.

Mr. Wilson: I would agree. I think over time over time the issue goes away, but in the process it's going to be painful.

Vice Chairman O'Connor: It's like a variation of the I-Cubed financing the governor...

Mr. Wilson: It's funny; when I used that analysis I got shushed; it wasn't a true I-Cubed. It's a variation on it.

Vice Chairman O'Connor: The state wants to show their investment in the project, and in my opinion, this is the best way to do it. In order to get away with giving us the money for it they say they build us some growth within the state and we have your back in trying to build the parkway.

Mr. Wilson: That is true, but just remember that has an impact on your finances, including free cash.

Councilor Hackett: I agree it's creative, but it's also the state getting \$439,000 and the three communities not getting a dime for the next few years.

Vice Chairman O'Connor: The interest would have been big though on a private investor.

Councilor Hackett: It would have been.

Vice President O'Connor: I wouldn't have got it.

Mr. Wilson: That would have been \$45 million worth of bonds, and remember when those bonds were let, there were no tax rates.

Councilor Hackett: And the economy that we were issuing these bonds in. In June of 2010 we went for the special assessment bond, I remember. They were being rejected; no one wanted anything to do with them. But, the state could have some flexibility or creativity of their analysis of the data that was presented by Tri-Town when they dictate to us the Claw back provision.

Mr. Wilson: And they are. I think it'll show... it's dangerous...but there is some flexibility that we've been able to work through the first year. Everyone was new to it, but there has been some leeway given. On the positive side, the transfer of FOST 3-5 would allow us to have some new growth. That new growth...you have to take the new growth and subtract out the environmental pieces. And the way it dots the countryside, some parcels are good; some are not, but certainly we know that would account for at least \$200,000 worth of new growth at the current rates, or the current manner in which we are required to assess by DOR. And that will certainly be for 2013. I anticipate that once we get sort of a baseline and a history of what parcels sell for, that new growth will accelerate. Right now that's not going to happen and we can take it from there.

Enterprise Funds-the one thing I tried to do here and got resistance from the DOR I actually got achieved at Tri-Town, where we have a single enterprise fund for water and sewer. Up to this year they've been two separate funds. The DOR thought it was a great idea to have a single fund. Although the accounting is the same at least there's one fund associated with it and allows for some flexibility in the manner in which we accommodate infrastructure improvements.

Councilor Mathews: Are you running debt service in the enterprise fund? Is it in the red? Where are the accounts now; are they positive?

Mr. Wilson: They are positive; they wouldn't be accounts if they were negative.

Councilor Mathews: When trying to read through some of the minutes of your most recent meeting and it looks like there may have been a transfer of free cash too one of the funds? I'll try and pull it up on my phone; I was only skimming through it real quick.

Mr. Wilson: That free cash was an actual payment-an unpaid bill for water and sewer. Those rule...we still have to accommodate. We got free cash certified in February. We can't get a tax rate or free cash certified until each of these two things are approved by the ANF. So once those are done, it's a cascading effect, and once the free cash was certified, because we had the numbers back in the fall, we were able to raise and appropriate, and I think the appropriation you're talking about is about \$36,000? That would be for an unpaid water and sewer bill.

Councilor Mathews: I'll look through and get back to you.

Mr. Wilson: at the back end of this presentation I've got an itemization of free cash expenditures. We can talk about it then.

In terms of the ordinary and necessary expenses, we have a program-based budget. We have fully transitioned out of a redevelopment corporation. We have fully transitioned in to a municipal finance system. We started in February and have fully integrated into and follow all of the rules and regulations in municipal accounting and have reported that to the DOR. In FY2013, while we're trying to maintain the staffing level, we also understand there are some requirements under the re-use plan, more specifically Appendix B, which says that there are things that need to be accomplished in Phase I. In Phase I you have two levels of analysis. First one is services. Second is amenities, and I'll use that term broadly, but there are two elements to that, and I now want to begin a whole process to evaluate each of those. As mentioned earlier, our parkway agreement with the Commonwealth- this is the actual analysis. This is what was certified. \$1.1million for the bond payment, the new state revenues is about \$340,000, that deficiency- \$470,000 is required to be paid by Tri-Town. \$439,000 will be paid in this fiscal year and the secretary's indicated that we can pay the remaining \$28,000 in FY13 from available revenues and we'll certify that when we get closer to tax rate setting.

Councilor Hackett: Let me be clear; so you're only paying \$439,000?

Mr. Wilson: This year.

Councilor Hackett: \$290,000 – ANF's paying?

Mr. Wilson: No, we paid it. We're paying. We've already paid it. We paid the \$291,000. \$439,000's about to be paid. We have \$27,000 remaining to be paid. In addition, the secretary's indicated we have to raise and appropriate another \$500,000 for a reserve account. So in about two fiscal years, we have to come up with between \$1.1 to 1.2 million for the parkway bond. What I'm hoping is that as we end FY12 and go into FY13, there will not be this type of deficiency. We've had a wide-open winter. I don't think there was ever a day that there was nothing going on at the base, so I would hope that the \$340,000 will come closer to the \$1.1million in debt service.

Vice Chairman O'Connor: Because obviously, Jim, you said the June 30, July 1 date where you had to certify in FY11...that \$439,000- what does that encompass? Do you remember? Or what doesn't it encompass?

Mr. Wilson: Most of that is state income tax, because the parkway bond was exempted from the sales tax under the terms of the documents. So there's very little in terms of purchasing materials for the parkway and there was very little of the actual building of the homes at the end of FY11. Those really didn't start until later on in the process. There wasn't enough time to.

Vice Chairman O'Connor: So that \$439,000 was at zero occupancy?

Mr. Wilson: Definitely, there was zero occupancy. We had no residents on June 30, 2011.

Councilor Hackett: But they're still requiring you to reserve for \$500,000.

Mr. Wilson: Yes. That's actually in the second part of the indenture. I keep on using the term "indenture." Municipalities don't normally have indentures; this is another layer above it. It is the contract between Tri-Town and the Commonwealth. It isn't the bond issuance itself. It's how it's going to be paid. And that is a binding contract that has full weight of law behind it. Both the parkway agreement and the infrastructure bond both have indentures.

Vice Chairman O'Connor: But, basically, all the parkway bond has to do is be successful. If the project's successful, the bond is pretty much nothing; correct, because if it's a success, you're paying it off in growth.

Mr. Wilson: I would agree, but when you have a budget of \$2.1million and you get a bill for \$760,000.

Vice Chairman O'Connor: It's a hit, but it was anticipated. Well, as you said, if it was July 1st, then this wouldn't have happened.

Mr. Wilson: I'd be interested in your comment if the state said to you one bright day, oh, by the way your \$150 million budget now has a \$50 million whack on it. That's where you are and that's where we are. I'm not...there's much I can comment on there. To me, the Claw back is probably ok; the look back is horrendous. It doesn't even make sense in light of the actual.

Vice Chairman O'Connor: If they give you a \$50 million whack on it this year, but then you take the rest of that money and build your town up, then you don't have to pay another whack ever again.

Mr. Wilson: Remember that comment, because I'll get back to it.

The FY12 budget: \$2.1- 2.2 million. Our expenditures through the end of December was about \$1.1; right on target. Our revenues through 12/31 were \$3 million and that's associated basically with the two major building permits we received in the beginning part of the fiscal year. Receivables as of February 1st were \$620,000 for the second half for real estate taxes.

Councilor Hackett: for FY12, what was your projected revenue?

Mr. Wilson: \$2.1; we follow the same rules...

Councilor Hackett: You did project expenditures of \$2.2 and revenues of \$2.2 and you had revenues of \$3 million at midpoint.

Mr. Wilson: Yes.

Councilor Hackett: So you're \$900,000 above projection at the midpoint? Close to 40%?

Mr. Wilson: If I were to guess, I would say you're higher than that; probably closer to 60%.

Councilor Mathews: As we talk about FY12 and moving forward, setting this up as a municipality, you've gotten a lot of the consultants off of the payroll. Are there going to be any more consultants?

Mr. Wilson: There's going to be a change in consultants, and let me give you an example.

Councilor Mathews: A building inspector that you classify as a consultant; I'm not talking those.

Mr. Wilson: Under the terms they are.

Councilor Mathews: We were talking about FY12- as we roll into FY13, I hope they wean off.

Mr. Wilson: To me, the most expensive part of this whole process is the legal bills. They've been just astronomical and there's no such thing as a ten-page agreement. The Navy documents were 2700 pages of documentation. LNR was another 2,000 pages. I'm an attorney, and if I were to sit and start today writing, I might get finished a year from now. The analysis and the detail are just incredible. Every possible contingency, and especially in the Navy, had to be in play. It boggles the mind, the level of detail in those documents.

Councilor Mathews: So moving into FY13, we're going to see a different chain.

Mr. Wilson: That budget will go from \$500,000 to \$70,000. That's a clear example if you want to use it as a consultant-type analysis, that would be one. Then that allows you to do some other things inside the budget.

The second piece of this is to adhere more closely to the tax plan. The tax plan is the fundamental document. Tri-Town has received a waiver for FY10, FY11 and some elements of it in FY12. It'll be full implementation in FY13 and that deals essentially with the reporting and the staffing levels in the various component parts. The enterprise funds will in fact have a single focus. The board, by the way has not agreed to this yet, I should mention that. The board won't consider the enterprise fund until about May. The recommendation that was placed before the advisory board was to unify water and sewer enterprise funds; the advisory board has agreed; they're sending their recommendation both to the governor and to the board of directors for their consideration. The enterprise funds will probably be the focus of a lot of upgrades. When we started meter-reading, we had to have the person go in the houses, make appointments with people and manually read. We didn't have the equipment.

Councilor Mathews: So when giving out building permits there, we're not instructing the builder to put a meter outside of the building?

Mr. Wilson: We are, but you need something to read it.

Councilor Mathews: You don't have the scanner?

Mr. Wilson: We do now.

Councilor Mathews: That was one of the free cash purchases?

Mr. Wilson: Yes, you got it..

Councilor Mathews: I'm looking behind the scenes at this.

Mr. Wilson: And we actually have the MUNIS upgrade. We'll talk again when we get to the free cash.

What we want to do now is focus not only on the structure but the implementation of how to wend through the regulatory and financial requirements of an enterprise fund, given where we are right now. That's the philosophy.

Budget for FY13 is \$2.7 million; \$1.4 from real estate taxes (comprised of FY12 plus 2.5%) and then new growth, essentially related to the transfer of the land. Local receipts are very different for us than they are for you. We have some similarities, but very different. Our local receipts are contingent upon development and development is a lockstep process. We don't have the range of fees that you do. We have essentially two; we have a building permit and an entitlement fee. One is paid by the contractor who will do the development; the other is paid by LNR. They're paid at the time the building permit issues. If there are no building permits then the entitlement fees and building permits don't exist. It is very much locked into the development and that's why this is very conservative. If you recall the permit piece, we are capped at 500 residential units. The fees that we have received to date for building permits is all residential and when I developed this budget it concerned me that residential will come to a stopping point at 500 and we have to sit around and wait for the commercial space so that these fees here are projected hoping that we have a little bit on the residential and the remainder on the commercial side. Again, with the turn of events yesterday with a plan being submitted, we'll probably meet these numbers. I was very concerned a month ago with if we would meet them because of those caps in the phasing of it.

Councilor Hackett: So as an overview, this budget assumes going forward into Phase 1B?

Mr. Wilson: No; this budget assumes completing Phase IA.

Councilor Hackett: Completing Phase IA and not going into Phase IB?

Mr. Wilson: At the time we created this, we didn't see any commercial space being developed. This budget was prepared in January. The commercial space didn't come on our plate until yesterday.

Councilor Smart: With the proposal for 101,000 sq.ft. commercial, what needs to take place? Do you need a site plan or actually need to have a permit pulled? You indicated there is a waiting list for the condos.

Mr. Wilson: The residential houses...

Councilor Smart: How long will they wait before they get scared off or change their minds? What really needs to happen?

Mr. Wilson: I'll give you the process, and the board of directors is currently wrestling with that issue. The process goes like this; again, unlike municipalities there's first of all what's called a Development Plan Submittal and that may have a large tract of land associated with it. From the large tract of land there are then individual site plans. It may be a contractor of some description taking a parcel and wanting to do something with it. From there you have the building permit and the question arises, when is the person applying in the process secured that they have the right to build whatever it is they're having built or have a building permit for? That's the decision the board of directors is currently looking at. They seem to have rejected the idea that a developer who has a plan confers right. A developer with a plan probably does not confer right to build. Usually a building permit.

Councilor Smart: By definition of the legislation or by definition in the re-use plan of what development would be considered, or what would...

Mr. Wilson: Case law. It's straight case law. When has the party who is applying secured their right to build and they don't have a right to build until a building permit issues. We're somewhat different because we have those three tiers; I know I feel that a development plan probably doesn't qualify because all that is...the re-use plan is a development plan; it doesn't trigger a right to build. Site plan might be closer; building permit-clearly. That confers a right to build and that's something we can't pull away from them unless they violate some element of the law or the building code. That's where the board is right now and I'm hopeful that they'll wend their way through that process in April and May.

Councilor Smart: I would hate to see not just the residential part of it, because people get frightened, commercial developers as well. If you recall this was always supposed to be a quick permitting process- that we would be able to turn around a site plan or a building permit process in a thirty to sixty day, or whatever it was, I don't remember the exact number of days, but it was a short period of time compared to other municipalities.

Mr. Wilson: It is a short period.

Councilor Smart: Hopefully, they will render a decision soon so that other potential clients don't get frightened off by the quick permitting process.

Mr. Wilson: I think you confuse quick permitting with the re-use plan. The re-use plan was adopted by all three towns; they feel that is the baseline document. Once they see their way clear of analyzing what that re-use plan allows, then I think the development process is much quicker. Again, this is the first time they've run up against it, and it's the re-use plan they're looking at governing. They're responsible for implementing each of the elements of the re-use plan. The re-use plan looks at phases; IA, IB; IA says 500 residential units when 150,000 sq.ft. of commercial. When is Phase IA closed out, and then allows you to drop in to the next 150,000 and the next 500,000. It the re-use plan, not the permitting process. They're intertwined; one affects the other but the baseline of their analysis is actually at the re-use level.

Councilor Smart: Is the IA and IB contingent from MEPA- because when we discussing this in 2004 and ultimately voting it on July 25, 2005, we just had Phase I, 2, 3. We didn't break it down into IA, IB.

Mr. Wilson: You actually did. The re-use plan is clear; Appendix B.

Councilor Smart: I disagree. I don't remember it being that way.

Mr. Wilson: I would invite you to look at the phases in the re-use plan. It's there and in the narrative too, which is kind of odd, but it's there nonetheless.

Special Assessment- I'm going to go back down through that road. Our special assessment is for the infrastructure bond. That's the \$50 million bond that's hanging out there. We're liable for \$12.5 million...the first payment on \$12.5 million of it. The payment in FY13 is just over \$800,000. Of that, we're probably responsible for about \$260,000 right off the tax revenue. The remaining amounts go on the individual tax rate.

Councilor Hackett: The \$831,000 that's in your budget is on the infrastructure bond?

Mr. Wilson: That's on the infrastructure bond; correct.

Councilor Hackett: that's not the parkway bond?

Mr. Wilson: That is correct.

Councilor Hackett: So where do you show the parkway payment?

Mr. Wilson: the parkway payment is not in that. It is in available revenues; that's a free cash calculation.

Councilor Hackett: It's deducted out of your free cash calculation? So you're \$1 million good right now in the current year, but in that \$1 million, deduct out the parkway bond. It comes off the top of that free cash. So you're not going to see the parkway bond in the revenue; you're going to see it hit against the free cash at the end of the year. So you don't

budget for it; it hits free cash.

Auditor Swanson: Going back to the previous slide; the total revenue budgeted for FY13 is \$2,724,000, yet for FY12 we received over \$3 million, so there's a significant drop off in FY13. What accounts for that?

Mr. Wilson: Building permits. Again, that's what's in the IA, IB discussion. In FY12, we were going like gangbusters; passing out permits all day long. But under the re-use plan, we're capped. And all of it was residential. We cannot go beyond the 500 residences without 150,000 sq. ft. of commercial. They're tied together and because they're tied together you can't keep handing out permits on the residential side, and especially when this budget was created, there is none on the commercial side, that brings your revenue stream down. You can only plan on the commercial side coming forward. In fact I'll tell you how close I was on this- the building permit fee for 148,101 sq. ft. is \$584,000. Pretty close and that's with the building currently, so if we get that and that actually issues, then you're allowed to go on to Phase IB, which is more residential and more commercial. But I'm capped.

Auditor Swanson: Thank you for that clarification.

Mr. Wilson: Again, program-based budgeting. We have fifteen departments and it's set up essentially as it's set up here. We have a board of directors who have salaries, and annual audits. We have executive officers; the administration, if you will. We have a reserve fund.

Councilor Mathews: What is your annual audit? What are you paying for an annual audit?

Mr. Wilson: Which one? We have three that are required.

Councilor Mathews: You broke it down; it just says annual audit. I'm trying to disseminate.

Mr. Wilson: We have \$17,000 for what you would consider your audit.

Councilor Mathews: Annual external audit? Like we have with Melanson, Heath & Co.

Mr. Wilson: Single audit. Then we have an audit for the new state revenues. We haven't gotten the bill for that yet but it's probably somewhere around \$20,000. Remember, someone has to go out and check all the individual contractors- much more labor intensive.

Councilor Mathews: So what is the annual salary for the directors?

Mr. Wilson: The directors are not quite half of that- \$30,250.

Councilor Hackett: \$34,516

Mr. Wilson: The third audit, which will be an FY12 matter is that we have to pay the indenture for the special assessment and we don't have any idea of what that looks like. I'll

know better within the next month or so. So there are three audits. We have a single audit; we have the audit for the parkway bond and the audit for the infrastructure bond. All different facts are taken. Our CEO has a 2-member staff. All the insurance and consultants come out of that. Our reserve fund, again, about 2% of our total budget.

Councilor Hackett: Would the consultants be under the expense line?

Mr. Wilson: Yes.

Councilor Hackett: Councilor Mathews asked about it earlier. It appears that for FY11 it was \$230,000 budgeted, and for FY13 this is the expense line item, it is down to \$141,200. What else comes out of that expense line other than consultants?

Mr. Wilson: Out of the insurance...?

Councilor Hackett: I'm talking about 44.

Mr. Wilson: the consultants that essentially play a role... we've budgeted here for a consultant on the special assessment, what we actually have to do- we do a parcel by parcel analysis and then turn over the analysis to the Municipality to do the parcel by parcel then it is certified, then moved on to us. That will be new next year. We have all our interfaces with both the federal government and state under consultants there; I'm thinking specifically of someone like Ned Corcoran, on the parkway bond. He's the person who...one of the elements in the parkway bond was that we had to apply for the grant from the feds. He actually is someone who does that sort of thing. He gets paid a separate fee for that-not a lot of money-\$2500 but it's found in there anyway.

Councilor Smart: The two full-time employees; is that you and Kevin?

Mr. Wilson: The executive line- that is Kevin and one full-time secretary.

Councilor Smart: Is that the town clerk?

Mr. Wilson: Yes; chief cook and bottle washer.

Councilor Smart: does the clerk's position actually take a salary or is that in name only?

Mr. Wilson: well, she has a salary, but are you talking a stipend?

Councilor Smart: or is it; you're the clerk?

Mr. Wilson: yes; that's it exactly. You're designated, in addition to your other duties, you're now in charge of doing this.

Vice President O'Connor: Just on a technical note, residents know to register to vote they need to go to Weymouth Town Hall, right?

Mr. Wilson: Yes. That goes to the whole issue of...

Councilor Smart: As you indicated, there's only 20-30 people up there.

Mr. Wilson: 600.

Councilor Smart: It's going to get confusing when they see that "Town Hall" sign out there and I won't ask you if you endorsed that or not. I don't think it was the best idea' another town hall sign when they as Pat said come here for some of their services, but it's misleading and it's confusing to the residents who are up there and I can only see more confusion down the line.

Mr. Wilson: What's happening, name aside, they- everyone- needs to know that there is only one place to go for information. What is happening and we had it as recent as two days ago; there was someone who decided to trek on down to a town office and proceed to tell people what to do. This town office, and they were invited to go back to where we are to actually get the information they needed to proceed forward. There needs to be a clear, even to the point...let's look at a true town clerk. A town clerk is the keeper of the records. Who is the keeper of the records at Tri-Town? It's the town clerk there; you are not authorized-matter of fact it's barred. Every organization must have its own record keeper so we have to have our own clerk. Now when you look at the issue of voting, they actually should come to us and we should have a packet-here is your packet; you need to fill out this, that and the other thing. We should have an agreement with the town of Weymouth to transmit, say six new voters to our clerk here. You come to that office and you pay your tax bill- here's your tax bill; you pay it here- we'll give you the receipt for it. Come for a permit-here-at the office, and proceed through it. There should be only one point of contact, not several, especially as we get further down the line. Why? You're going to create chaos.

Councilor Mathews: I would agree with that to some extent, but where do you think the state will lie with regard to vital records? Do you think the state is going to let Tri-Town give out birth certificates, death certificates...?

Mr. Wilson: Do I think that eventually? I do. The statute, remember, is very clear on vital statistics. Every town hall is merely a transmitter of information. The true vital statistics are kept by the state and they are kept in vital statistics in Boston. They are the official repository. You can get copies here and the clerk can certify that they're true and accurate, but the real vital records, the ones that hold the weight of law are at the state or in Boston at Columbia Point- I think that's where they reside. That's the law; that's the state of the law. We're going thing to need to...that's part of the whole service agreement thing...how do we make this work? We in government should be looking at how do we solve these problems for people. We don't want them running all over the countryside. I don't.

Councilor Mathews: I agree with you. Michael brought up another good point; do you think the federal government is going to allow Tri-Town to conduct their own census?

Mr. Wilson: Not let us; we've been mandated to; we're actually a reporting authority with regard to every building that goes on down there. We've already begun that process. It's not letting us; we're told, thou shall do.

Councilor Mathews: Will records be forwarded to each municipality?

Mr. Wilson: For what purpose? We're required to keep our own records with regard to building. How many permits have you issued; to what extent, and what revenues did it generate?

Councilor Mathews: What about the census where it relates to voting?

Mr. Wilson: That goes to the Secretary of State; it doesn't go here.

Councilor Hackett: I think we're discussing a lot of details that fall under a philosophy that are coming forth from Tri-Town in that they seem to be establishing themselves as a municipality and not a redevelopment authority. I think these are specific examples of things that can potentially go more than one way, philosophically either as a municipal entity or as a redevelopment authority, and I think it's a fairer discussion to have with the policymakers on the board of directors than it is with the Chief Financial Officer at this point. I do think it has financial ramifications going forth as to what Tri-Town's expenses are, what type of services they have to pay for versus what they can provide in-house, but I think it goes to many issues and I think it's a fundamental baseline of direction that we need to understand from the policymakers who represent us and the community; not that Mr. Wilson doesn't-he does as the Chief Financial Officer, but I would suggest that when Tri-Town comes in we're very clear on some of our concerns regarding confusion regarding on a new town hall, confusion on a new town clerk.

Councilor Mathews: I would agree with that, Jane. I just want to make sure...the way I look at this: at the end of the day, maybe none of us will be on this council, but eventually, this is going to be reverted back to the three municipalities.

Councilor Hackett: I would differ that that is the track of what is being established to accomplish.

Councilor Mathews: the enabling legislation says it will be reverted back to the three municipalities at an eventual timetable. I like having this discussion now because this could set an historic precedent as we go down the road. Say, for example that you set up a town clerk's office down there, and the enabling legislation expires; are you going to put up a closed sign and tell the couple thousand people who live there to now come to Weymouth Town Hall for your transactions?

Councilor Hackett: That's my point.

Councilor Mathews: I know Jane's point is that it's a discussion for another day, but...

Mr. Wilson: The point is well taken but we don't operate in a vacuum, and I'll give you a very clear example. Under my specific jurisdiction is the assessor's maps. With that very point in mind, we're required to map out, by parcel, block and lot the confines of Southfield. At some point, that map could be broken into or reverted back to the three specific towns. My maps, and we're in the process of doing it now, are going to be numbered in such a way that you just do a search on a particular character and it falls to the various three towns, so that the GIS portion of our program will be easily transferred out. That's one instance where, with foresight, and with planning you can actually see and in the event...probably none of us will be around.

Councilor Hackett: Pat will.

Mr. Wilson: You come to a point where you have to have that in the back of your head. You have to have your baseline, your structure- and now's the time to do it. To create an assessor's map ten years from now after it's 90% developed is not the time to create an assessor's map that will be easily transferred to the other three communities.

Councilor Mathews: I'm glad you're taking that approach. I'm just saying that's the approach that I have in my mind. My approach is the way the enabling legislation's written is that someday this is going to go back to the municipalities and cognizant that excess revenues someday down the road go back to the municipalities.

Mr. Wilson: And you have to set your whole infrastructure up with that in mind. I know that's how I've created the chart of accounts; we can do it by segment. My piece of the world will be able to be easily dissected into three parts. That should be true for all of the functions that we propose over time.

Auditor Swanson: Each quarter the Mayor's office here invoices Tri-Town for services provided by various departments like DPW, Fire and IT and so forth. Where in the FY13 budget are these monies and how much is in there?

Mr. Wilson: You won't find them in any specific, and when we get to those points, perhaps I'll be better able to show them to you. It's a program-based budget, so police services will be in police, fire will be in fire, DPW would be in DPW and Planning is in Planning. You have them in each of the programs that are associated, and the numbers will fluctuate from year to year until we establish a rhythm. Think about the level of activity that we didn't have in 2011, now all this activity is happening in 2012 and we didn't know when this budget was created what would happen in 2013. Until you get a pattern, budgeting is dicey.

Finance is as it is in town. Overlay for abatements- because I have no idea what the values are going to be, I have no history for the abatements. DOR and Bureau of Local Assessments and Board of Assessors thought this was a good number and only time will tell as to whether it is or is not an essentially it's if someone objects to the valuation. 2013 will actually be the first year we use a unique model that the DOR has developed and the cost is in here under finance. DOR mandated as contingent on approval of our FY12 tax rate to

change the model to a more theoretical model- it's a bell curve approach to values on the base. That's going to take quite a bit of time because again, it's a parcel by parcel analysis unlike here which is trends. What do the sales look like? We can't use any of that data. We have to be unique to ourselves.

Legal budget is substantially reduced from FY12 and even less again than FY11. IT services are for your typical things; internet service, software, virtual office, professional services.

Councilor Smart: The 2.6 full-time employees in the finance department; that is obviously yourself, and 1.5 other people. Of the \$353,000 is that all salaries?

Mr. Wilson: No.

Councilor Smart: What is the breakdown?

Mr. Wilson: The breakdown is about 2/3.

Councilor Smart: 2/3 of it is salaries?

Councilor Hackett: \$260,400

Mr. Wilson: Planning – there is one FTE there. Most of this budget environmental as it relates to our consultants in conservation, environmental and engineering.

Councilor Hackett: The expense line here is significant, and that's the consultants you were discussion. It's about a 50/50 split there?

Mr. Wilson: Yes.

Councilor Hackett: it's \$81,000 for salary and \$80,300 for expenses?

Mr. Wilson: Yes, and the environmental piece is going to be for essentially for the second half of the parkway we talked about that's coming online? That's in all environmentally sensitive areas, and we want to make sure we're doing what we're supposed to be doing, so you'll probably see that specific expense go up.

Councilor Smart: As part of what -the consultant for the environmental portion?

Mr. Wilson: Yes.

Councilor Smart: Isn't the East West Parkway carved out around the Emerald Green dragonfly and box turtle habitat. They literally carved it in and that's why it's not a straight shot and I think it's the right approach. Don't we already have that mandated? Is here an environmental consultant or company required?

Mr. Wilson: It is, and I'll give you an example on the very issue you just raised. For the

turtle it cost \$20,000 in consultants to Rockland to review that issue because the Rockland Conservation Commission hired its own consultant to review our consultants and Barletta's consultants on that part of the parkway. It isn't necessarily someone who we say has to review the work; it may be mandated by the other communities.

Councilor Smart: But wouldn't Heritage dictate where that would go?

Mr. Wilson: It may, but Rockland's expended \$20,000 in consultants to come to that conclusion.

Councilor Smart: That's my point; National Heritage would tell you you can't put it here. I think they've already done that.

Mr. Wilson: And I'm telling you that Rockland Conservation has jurisdiction and they would not pass on the jurisdiction until they received the \$20,000 consultant fees.

Councilor Smart: A waste of money.

Mr. Wilson: That may be, but it couldn't proceed without it.

Pensions, benefits and insurances- Like the town, that segment is the costs for the various pieces of the pie, both employer taxes and the various insurances.

Councilor Mathews: what's your GATSBY45?

Mr. Wilson: One good thing about Tri-Town-we're not required to have it. We're not required to have OPEB contributions.

Councilor Smart: It's more money to come back to Weymouth, then.

Vice Chairman O'Connor: Until we have to pay it.

Councilor Smart: why would those employees come back to Weymouth; they're not town of Weymouth employees.

Mr. Wilson: We're in a totally separate group that's funded from insurance policies. If you look at the detail, it's kind of an interesting way of approaching it.

Vice Chairman O'Connor: What about health insurance; are you self-insured?

Mr. Wilson: No; we use Mayflower which is an association of a lot of the South Shore and Southeaster MA towns who have combined to group purchase various health insurance policies, so you have some of the same choices as you would say, in GIC.

Building utilities are self-explanatory and they come under administrative services. Inspectional Services; here's our consultants fees for the various departments: permitting,

police and fire protection- \$100,000 each; again it's our guess.

Vice Chairman O'Connor: Just for curiosity; do you have any specific timeline for having police and fire protection.

Mr. Wilson: I do.

Vice Chairman O'Connor: Care to share that timeline with us?

Mr. Wilson: I don't.

Chairman DiFazio: What's the \$100,000 for- who does it go to?

Mr. Wilson: I won't tell you. It might be best...this might be a good time to talk a little bit about the flavor of the negotiations. I was on the job for less than a month and I began the discussions and there is still not one as of today and I've been on the job for fifteen months.

Councilor Mathews: so the discussions have been ensuing for fifteen months?

Mr. Wilson: Yes.

Vice Chairman O'Connor: And there's no signed contracts with any of the communities?

Mr. Wilson: That is correct. We could hide behind retrocession. Under the federal law, retrocession preempts our agreement, so now that land has transferred our exposure is absolutely clear and our insurance company is eventually going to dictate that if you don't find it soon, go elsewhere.

Vice Chairman O'Connor: Well, it's getting real there; you have a real need for these services now.

Mr. Wilson: And rightfully, you should have it. When we get into the free cash calculation, and some of the free cash expenditures, one of the areas that we're sort of working diligently on is fire protection, not so much because a house that's being built may burn, but we have all sorts of 1940's timber buildings which may burn down. We've been fortunate in not having any of these go up in flames...

Vice Chairman O'Connor: I do respect the separation of SSTTDC and the town of Weymouth, but at the end of the day when you look at the people who are going to be protected who are living there with fire and police, they're going to be voting for every member of this board. We obviously want to make sure they're protected. They are our constituents, although they may fall under your entity. That's my concern with this; that's something I've been pushing for since before there was a resident there. I thought there should have been something put in place and clearly you've been active in your negotiations for fifteen months in trying to get that done. I can understand that negotiations break down; there are certain elements that are involved in it.

Mr. Wilson: There are a lot of elements.

Vice Chairman O'Connor: while I fully respect that, I'm coming to the point that if there are sixty units up there in Corcoran and with a good construction season you're looking at twelve months from full build-out. I don't know how Eventide is with getting their 75% construction and you say you have a waiting list, but things are moving and we need to get police and fire there as quickly as possible.

Mr. Wilson: I don't disagree.

Chairman DiFazio: From the day of the transfer of the land, who's been doing the fire and police?

Mr. Wilson: Weymouth.

Chairman DiFazio: And how are you paying them? If there's no service agreement, how are you paying them?

Councilor Smart: Per diem.

Mr. Wilson: We're not.

Vice Chairman O'Connor: Well, it's on a per run basis.

Chairman DiFazio: Are you being charged for it?

Mr. Wilson: We are not.

Chairman DiFazio: Is that pursuant to an agreement?

Mr. Wilson: There is no agreement.

Chairman DiFazio: So, there're services being provided, which the town of Weymouth is just providing with no agreement.

Mr. Wilson: That's correct.

Councilor Smart: Prior to fifteen months ago...

Chairman DiFazio: Well; that was the federal government.

Councilor Smart: No, you're talking about something else. Prior to fifteen months ago when services were rendered by municipal finance and other departments, we would bill them for those services.

Mr. Wilson: I forget who raised it, but certainly I know when I spent time there they were billed, and when Jim Clarke spent time there they were billed, etc. That agreement is still in place. Those types of services were envisioned and I think were a 2006 or 2007 agreement. That's still in place.

Auditor Swanson: I did an analysis of this a few months ago and provided it to the council- the quarterly billings that the mayor gives to Tri-Town and it didn't include any amounts for the fire, or very little for fire and nothing for police. Mainly it was DPW services, and a little for IT, Planning, Health, but nothing significant there. DPW was the biggest. Police and fire were pretty much zero.

Mr. Wilson: Police and Fire are basically for inspectional services; not for runs.

Councilor Smart: To get the Certificate of Occupancy.

Mr. Wilson: It's one element of it, yes.

Chairman DiFazio: Isn't this dangerous territory here? We're providing you something, and you may not even know what it is, but it's not under contract, it might not meet the minimal standards. If there's a fire out there, they're going to look to Weymouth and say why weren't you out there? There's too many what ifs with nothing in writing. Nobody cares about something like this until something goes wrong.

Mr. Wilson: We care. If you let me get into some of the free cash issues I can begin showing you how we're addressing that.

Councilor Smart: Should police and fire just be broken out. It's obviously something we should be dealing with right now. It's a priority. If it's down here on the list it should be brought up to here and yes, it's important that we get money. It's not my primary concern, but it's the services to protect the residents down there and the property that's there.

Councilor Hackett: A little bit different perspective- yes, I care about the safety, but we're also in a very difficult budget cycle right now as a municipality, and as soon as we get these service agreements signed, the sooner we can book projected revenue from these agreements into our projected FY13 budget proposal. Say the mayor signed a service agreement next week for \$200,000 for FY13 for the Naval Air Station, she could book that as potential revenue in the budget that she's going to present to us next week.

Chairman DiFazio: I totally agree with that.

Councilor Smart: My point exactly.

Chairman DiFazio: I can't believe we not made this a priority or let this much time go by, quite frankly. The last word we had from our mayor is that she has no service agreements on her desk to review.

Councilor Smart: Not one.

Chairman DiFazio: That was her last, and she said she would let us know when she does. That's the status of what we're looking at. It is Weymouth that's doing police and fire right now.

Mr. Wilson: Yes.

Chairman DiFazio: Why are you so quiet on this issue, Mr. Wilson?

Mr. Wilson: It sounds like internal politics to me and since I'm no longer a factor in that, silence is a more judicious approach. If I were sitting here in a different capacity, I probably would be much more verbal.

Public Works- these are the typical types of things that you budget for: facilities manager, snow removal, gasoline and grounds maintenance. Since we don't have crews, we have contractors who do this type of work for us; things specifically like mowing the lawns, sweeping the streets, etc., and our debt services there.

Councilor Smart: Who is doing the catch basin clean outs? When a new development goes in, there is a condition to maintain the catch basins...

Councilor Mathews: Storm water management person...

Councilor Smart: Yes; I know it's early on.

Mr. Wilson: No, they did it last year; I don't know if they did it prior to that point. It's an annual event, if you will and the catch basins are cleaned.

Councilor Smart: Signed off by DEP?

Mr. Wilson: I don't know who it's signed off by. I think you have to show where you've done it and have to identify it by the time you've done it.

Chairman DiFazio: Trash removal- do you have a private firm?

Mr. Wilson: Yes. Trash removal at this stage is all picked up by the associations on the base. We have our own trash removal for our own building, but that's it. It's relatively small.

Councilor Smart: If agreements are signed for services, will a lot of this or some of this go away?

Mr. Wilson: No, because it just goes to a different source.

Councilor Smart: So we'd be plowing the street, or whoever is awarded the contract; I see.

Mr. Wilson: we have two permits from DEP; one is a public water supply and one is a sewer permit. We are a consecutive system under the sewer and a consecutive system under the water. The permit that we currently have on the sewer is limited to 73,800 gallons per day. That needs to be renewed. It's a five-year permit. We're in the process of renewing it for the next five years. Back in 2007, it was LNR that was the proponent of that permit; SSTTDC will now be the proponent of the permit and it will become a municipal function as such.

Councilor Smart: Of that 73,800 capacity, where are we at?

Mr. Wilson: 20,000; current daily flow is roughly 21 or 22,000.

Councilor Mathews: there were discussions at the recent board meeting in the minutes regarding the sewer permit there; specifically quotes from Joe Connolly regarding the DEP permits; was that discussion about this?

Mr. Wilson: That was this permit exactly. 73,800 is IA, then you go to IB. Only IA has been permitted for the sewer permit.

Councilor Mathews: Has anyone from Tri-Town gone to DEP yet for IB?

Mr. Wilson: That's what this renewal is. It isn't due until September.

Councilor Mathews: You're saying the renew would extend it- it would let it go from 73,000 to what?

Mr. Wilson: To 187,00

Councilor Mathews: That's water; sewer is not 187,000

Mr. Wilson: You're right; it's 123,000, I think.

Councilor Mathews: Under the agreement with Mayor Kay- the current expired agreement, I believe, but that's contract service agreement, so we don't want to get into that. I want to talk specifically about the permitting with DEP. So the board has essentially voted on sending something to DEP? Where are they at with it?

Mr. Wilson: They don't need to vote on it; it's administrative. That's like getting a permit here. It's an administrative process.

Councilor Mathews: I'm asking this because from reading the last meeting minutes, we're getting close to the point where we're heading to IB. Before we should consider giving out building permits in IB, we should have the proper permits from DEP. Do you follow?

Mr. Wilson: I do. I think the board is cognizant. They're working towards it. You mentioned Director Connolly's comments. I think he was echoing the sentiment of certainly several other members.

Councilor Mathews: Just from reviewing the minutes, it seems the board is on the same page as me; at least from Joe Connolly's comments about getting the DEP permit for sewer first, but it seemed like the developer wanted to go to IB. I wasn't there and the minutes are only excerpts of it, but from what I interpret from it...I just want to make sure because we're going to have to deal with it on our end. We'll ask Mr. Tower in here another night with Mr. Bina to talk more specifically to it on our end, with the capacity of the main coming out of the base and the trunk line heading down to Old Swamp River. It's a conversation for another day.

Mr. Wilson: Since that meeting, LNR have agreed that they need to work through the permit and they've joined us in that application process.

Councilor Smart: The water rates are set by the agreement or set by the board of directors for the residents of Southfield?

Mr. Wilson: Board of directors.

Councilor Smart: Governed by anything?

Mr. Wilson: Governed by a lot of things. It's a three step...actually, this is one area that we're not in compliance under DOR regulations. Essentially it goes like this, and I'll use the analogy of MWRA in Weymouth. MWRA says here's the charge to provide your sewer. That forms the basis for your budget. There is one number you know needs to go out. Then you add to it the cost of operations and maintenance and you then divide that over the number of gallons and that becomes your rate. Not dissimilar to the same process, town of Weymouth is required to report its rate studies, and its revenues and expenses. You have to give reasonable basis for it to DOR. We do too and the rate is calculated in much the same way. The town of Weymouth stands in the shoes of the MWRA; they charge us for water. Up to FY12, we've only added on a tiny bit of the operations and maintenance. DOR said no; you now have to go to full allocation, so in FY13 that's going to change, and especially where we have White Water in and White Water testing. Those types of requirements- when you have a permit, there are certain things you must do to maintain your system on site. They'll be performing that function, so that you then have to have a budget that meets not only the charge for the water and sewer but also your operations and maintenance. Then you take that and divided it out among the residents.

Councilor Smart: Would you foresee an increase-if you're saying it's changing- obviously we've been contacted by a number of them up there (I know there's only 28 or 22)- the majority of them. The water rates are out of this world. Clearly they're paying more than we are and being on the council for a while, I didn't think you're...and don't take this the wrong way, because you just got there 15 months ago...you're gouging them, or the appearance of gouging them for water. That's why I asked if it's governed by an agreement that is here, or where is the baseline for here? It starts with the agreement for the cost of the service or the cost of the water. We've heard by a number of the residents that it's ten and ten; they're putting ten and five on there. When I say "they" I mean you.

Mr. Wilson: Weymouth charges us approximately \$20 a unit. We then charge \$21.34- 5% for operations and maintenance. That could easily go to \$30 a unit under the DOR requirements.

Councilor Smart: Tier one.

Mr. Wilson: Right; so that's where we are. Those are the numbers.

Councilor Smart: Are there discussions to revise that?

Mr. Wilson: Yes.

Councilor Smart: I just don't think that they should be getting gouged up there, and I use that term only because that's what they feel like. They're relaying to me that they're being gouged.

Mr. Wilson: Actually, when I saw one resident's bill at \$1000 for a month, I would agree with that analogy.

Councilor Smart: For water; not sewer, figure that out.

Mr. Wilson: \$980 and something dollars; I almost fell off my chair- because I get the receivables.

Councilor Mathews: I disagree with Michael to some extent, because I say to them, it's our asset; it's there for us as a municipality. It's one of the few assets that we do have. In the original plan, they were going to go to the MWRA. Could you imagine if they paid that \$25 million upfront payment just to sit at the table with the MWRA- what they would be paying? They would have \$4000 monthly bills. So I think we're technically giving them a deal. If you look at the back of a water and sewer bill, anyone that lives in Hingham that gets Weymouth water is paying a 25% premium on Tier 1.

Councilor Smart: Those are Weymouth residents moving in there, regardless of the boundaries; call it Southfield, call it South Weymouth; whatever you call it...we weren't going to rake them over the barrel. I say we collectively, through the administration to Tri-Town.

Councilor Mathews: Right; but this also might get back into a further conversation of how much of that infrastructure junk bond is going to water and sewer.

Mr. Wilson: Zero.

Councilor Mathews: Is there any bond payments on the horizon?

Mr. Wilson: Zero. I can't afford it. I would have per unit rates probably at \$40. I can't cover

operations or maintenance.

Councilor Mathews: I understand, but I'm trying to figure out...

Chairman DiFazio: One thing you said earlier; you're negotiating with the mayor to change the MOA that we're currently operating under?

Mr. Wilson: Yes, and for the issue that Mr. Smart had raised.

Councilor Mathews: At the end of the day, I would remind my colleagues about the debt service we have on our end for the brand new water treatment plant- tens of millions of dollars for infrastructure we've done to be compliant with the Consent Orders. We have another before us in council right now that's for \$3 million. Additionally, there will be more work that needs to be done on the Weymouth end of that trunk line when they get up to Phase IB.

Councilor Smart: Not paid by us? No; we're sitting on \$5 million in the enterprise fund for sewer. I think I've made my point; I think we're gouging them and I think discussions need to be had to make it a little more equitable, a little fairer for the residents that are up there; that's all.

Councilor Mathews: I think what Tri-Town is going to say to you is: we've already given you mitigation payments of \$1.2 million and \$970,000 on the sewerage. You've got to do the work yourself with that money. I'm just reminding my colleagues that they'll be a future discussion about this somewhere on the horizon.

Councilor Smart: This is digressing but those aren't mitigation payments per se like we anticipate for development going forward.

Chairman DiFazio: Apples and oranges, I think.

Councilor Mathews: I would strongly disagree. A developer comes in-they have the choice to either make the payment and Dave Tower can come up here and explain it...Alexan and Arbor Hill are a perfect example. They had the opportunity to pay the payment on the sewer side, an estimate of what water and sewer would be. Instead they did the infrastructure improvement and replaced that sewer main, which, by the way, was a lot more than the actual payment for mitigation had they just paid it out. The sewer main was a lot more money than the infrastructure payment would have been.

Councilor Smart: I'm just saying that if they go beyond 125,000 into the sewer system per day, they need to increase the pipe size too, which is a cost that comes out of the project and that's the way it always was. If the way the legislation reads is true, it should say...

Councilor Mathews: it's an either, or and we could have Mr. Tower clarify it for us.

Chairman DiFazio: I want to make sure I've got it in perspective. I realize that it's difficult

to start the development on this you have out there and we all recognize that. At the same time, Tri-Town and LNR, whoever made the decision, chose to do it the way they are, and which is causing the water problem you may have now. They made the decision to ask for Weymouth's water; they don't follow the infrastructure improvements, which aren't required but highly recommended in the re-use plan- they were supposed to go out and do some other things, and they haven't done a heck of a lot. As much as I feel for the Weymouth residents who feel they're being gouged out there, it's almost like you're coming back and asking for us to bail you out again.

Mr. Wilson: I'm not asking for anything.

Chairman DiFazio: Obviously, somebody is.

Mr. Wilson: Clearly, there is noise out there. I am a pass through. I am required to follow the regulations, which I will do.

Chairman DiFazio: There are a few sides to it. I understand your side and I feel for our Weymouth residents out there. At the same time, you're going to have a slew of residents this spring, especially with no snow we're already down 5" on our water level, I read the other day. Once people start seeing our resource going away, they're not going to feel good about giving them a break.

Mr. Wilson: It sounds like an internal discussion to me.

Moving on. We actually just talked about this. This is the water and sewer mitigation fees. It backs into what Mr. Mathews was saying. We still have the connection fee and under our requirements, we have reviewed the FY11 connections and permits. We do owe the town \$15,773. 10. That money was appropriated out of free cash and in accordance with all the regulations as we're required to do and that money will be coming over shortly. We'll do the same calculation at the end of FY12. It'll be substantially higher than that amount because there've been substantially more building permits issued.

Councilor Mathews: Jim, one thing about water and sewer, for the base. In my mind, the more people and the more development that is built up there the easier it's going to be to show some relief to the people there. You're spreading a bill among 25 clients right now.

Councilor Hackett: But only 25 people are using; with 600 people using...

Chairman DiFazio: Then the gallon usage will go up.

Councilor Mathews: Tier II it will stay the same. You aren't going to a higher tier after that?

Mr. Wilson: Our O&M (operations and maintenance) will increase.

Councilor Mathews: A lot, with new infrastructure?

Mr. Wilson: Right now we only own about 200 feet. What happens when we own several thousand?

Chairman DiFazio: But the same rate problem will continue.

Mr. Wilson: It will remain. I agree.

Chairman DiFazio: we had a meeting a few months ago when we found out about the MOA (some people already knew about it) that the mayor entered into and we had the mayor come before us and we got to see the internal workings. We had to have a meeting just to understand the MOA and I remember hearing comments like: it's about time somebody did something to make sure we get paid the right amount of money for all of this. Now we're on the other side saying oh, we're glad the mayor did this but now we're charging too much.

Councilor Smart: I disagree, because I know I made the comments to the mayor to make sure she has the discussions with Tri-Town to make it a little more fair to the residents up there, so I would disagree with your comment that we just sat here saying: great job, mayor.

Chairman DiFazio: You knew they were getting gouged, at that time?

Councilor Smart: you're talking about when the mayor was here a month ago-six weeks ago? Yes, because I mentioned it to her.

Councilor Mathews: If I may with another hypothetical? Let's say the only source of water up there at the development is Weymouth. What happens when construction starts in Rockland and you only have a water agreement with Weymouth and you go back to a Tier I providing a service to residents in Rockland when people who currently reside in Hingham get water from Weymouth because it's impossible to get water...?

Mr. Wilson: I'm not making that distinction. My rates are my rates. I have to be uniform.

Councilor Mathews: This is our discussion.

Mr. Wilson: this is your discussion.

Councilor Mathews: Probably a discussion for another night. I throw the hypothetical out there just to think about as we have this discussion.

Councilor Smart: 95% of the development is in Weymouth. There are six single family homes that lie on the golf course and are in Abington. We're not talking a lot of...

Councilor Mathews: 95% of the development is in Weymouth?

Councilor Smart: 95% of it is.

Councilor Mathews: I thought the re-use plan had a little more of it in Rockland.

Mr. Wilson: You're about right.

Councilor Hackett: Point of order; you said your O&M is going to increase as things go on. I am with Mike on this. There was a renegotiation between the mayor and Tritown and it came down from the base what you're currently being charged. I won't speculate, but say right now you're paying \$100,000 and it comes down to \$75. You're charging \$105 for the 100. If it did go down to 75, your O&M is still going to be at a certain percentage. You may need to increase the surcharge that you apply in order to meet your O&M costs. Is that correct?

Mr. Wilson: That is correct. That's the formula-the statutory configuration.

Councilor Hackett: So when looking at the end cost to the user-I agree with you, Mr. Smart, very much so on what their rates are, it's not just what we charge; it's what they also need to capture from an O&M perspective. You need to pay the provider-whoever gives you the water, and you need to charge O&M on top of it, just like we do here.

Mr. Wilson: Again, think of it more like your sewer enterprise fund. Essentially, that's how it's established. Look at your sewer enterprise fund and insert SSTDC, and the town of Weymouth as the baseline.

Chairman DiFazio: Wouldn't the problem have been solved if we just dropped it to Tier I?

Mr. Wilson: Still sounds like an internal discussion to me.

Chairman DiFazio: We could do that and then he could go out and charge a lot of money for O&M and drive the rates back up again and then we just lost all of that money.

Councilor Smart: The change from \$20 per unit to \$30; the ten dollar increase is not just to cover O&M; that's a substantial increase. The O&M on a brand new system cannot be a third of what your total cost per unit is?

Mr. Wilson: You have to look at the total number of users. Your total budget projected – this year's total budget is \$120,000. 10% or 20% or 30% doesn't cover the cost of White Water and DEP. It's an order of magnitude and I think someone here mentioned it earlier- Artie you did; as you got further down the line, and spread those costs over more ratepayers, you reduce the impact on the baseline and I agree with that.

Chairman DiFazio: So it's safe to say that we're probably looking at a new MOA down the line?

Mr. Wilson: we may, we may not; right now I'm dealing with what I'm dealing with.

One of the things that I'm going to be looking at over the next several months is the capital items associated with the re-use plan and I had indicated to you that Mr. Donovan and I had

a certain philosophy as it relates to not only what we have to provide our citizenry, but other things that we should think about for other communities. I'm going to point to the communications tower. That's actually a public safety requirement and under the public safety requirement there is what they call an interoperability. When there is a public safety issue on the base, whoever is responding, and I'll use fire as an example, because they generally have more people there, they talk to one another and they use a separate channel for it. The base is somewhat of a dead zone in terms of that type of interoperability. It would benefit out citizens in terms of public safety to have a communications tower that allowed for police, fire, public works and other emergency type things inside the base. In our discussions on that we had also learned that there were issues with regard to Weymouth, Abington and Rockland not necessarily on the base but in South Weymouth, Abington, or Rockland surrounding the immediate vicinity of the base. What we want to be able to do and what we're designing a communications tower that not only satisfies our needs but we can say to each of the towns what are your needs and in fact the fire chiefs have already sat down and begun that process. So a tower communications tower will not only serve Southfield's needs as such, but will also accommodate the needs of the three surrounding towns. We're trying to design it in such a way and Weymouth's in a pretty good spot because it's brand new system. It's sort of state of the art. So, we can take that as a baseline, and see what we can do to help out the other communities. That is certainly one of them.

Councilor Smart: The tower that you designed.

Mr. Wilson: designing.

Councilor Smart: Monopoly?

Mr. Wilson: We haven't gotten that far yet. That'd be my preference.

Councilor Smart: yes, so you don't see all those arms coming off it; and future capacity for revenue generating?

Mr. Wilson: It may be. Right now our focus is public safety. As part of the public safety we talked about the guns for water and sewer to capture the meters on the base; we can get daily reads. So we can capture the reads that way. There are a lot of configurations. Our cell tower is part of that consideration, but it isn't the top priority. It isn't a cell tower-it's a communications tower for public safety and we've invited the three communities in. Clearly, the three fire chiefs are very interested in that and they're working through that process.

Councilor Mathews: When it comes to a communications tower, be cognizant of that Doppler radar that's out there. Do you think there's going to be interference with that? I'm not an engineer by any means, but when it comes to this, I have a feeling you might not ever have a successful communications tower with the Doppler radar, and that isn't going anywhere.

Mr. Wilson: It deals with the sheer forces and Logan. That was my sentiment precisely, but

everyone who has looked at it has said it's not material- every single one of the engineers has said it's not and no one has said it cannot be done.

Councilor Smart: No one said it can't be done?

Mr. Wilson: No one.

Councilor Mathews: And they can point to another area where it's been done and successful?

Mr. Wilson: I've never asked them that question. I've asked, can it be done given the specifications of that tower.

Councilor Mathews: Right.

Councilor Smart: In Taunton, where the other remote is located, they have Doppler there and I know for a fact there are cell and communication towers within and right adjacent to the facility; within a hundred yards of it. Because of the base and the Navy up at the base, you couldn't get communications towers close to that area, even with the Telecommunications Act of 1996 you couldn't do anything in that area, but now that's it's closed, there has been a gap, because we had a cell phone tower put up on Weathervane that most residents there fought and it was denied. They showed the communications band over there. It's kind of confusing how the radio waves go, but it's very needed in that area; not just for cell phones, but for 911.

Mr. Wilson: I agree. All of those issues are trying to be addressed with that tower, and right now our baseline is probably about \$400,000 if we do all of the pieces that we're looking to do.

I know the issue of the whole town offices was a sore spot with you. Maybe for better or for worse, but that building is not long for this world. That building's actually commercial space, and that building will be torn down. We are sited for different offices, as we are a school building, as we are for a public works facility, as we are for a public safety facility. All those things need to be considered as we proceed through our capital improvement plan.

Councilor Mathews: In the re-use plan it cited a middle school to be built on site. Is that still being considered; is it going to be under a contract services agreement with the Mayor? When you say school facility, elaborate.

Mr. Wilson: We haven't gone too far in that process; you're talking a \$40 million expenditure. I still only have a \$2 million budget. A \$40 million expenditure is somewhere down the road.

Councilor Mathews: I understand.

Mr. Wilson: To your point, though, think about this.

Councilor Mathews: I want to know if the decision's being made now. As you're saying, you don't have any money now, but...

Mr. Wilson: Think about the planning- the new high school – the planning for that started in 1997. It opened in 2005. It's a very long process, especially when you deal with the DOE because you have to meet every one of their specifications and their oversight. We're brand new, so we're not even in the already certified group.

Councilor Smart: Does the legislation mandate that it has to be on the site? I don't think it does, and I'm asking if I'm wrong.

Mr. Wilson: The legislation does not. The re-use plan does.

Councilor Smart: I'm looking for Weymouth's interest here. Is there a potential to remodel two of our schools in the area and have Tri-Town pay for the remodel or add-on?

Mr. Wilson: I would go the other way. Why not build a school that meets all the current standards, and have the three towns involved in it? We are actually looking at more than one town. We are looking at three towns.

Councilor Mathews: How, when the enabling legislation says they all go to Weymouth?

Mr. Wilson: It says they all go to Weymouth, but it doesn't say what the school is. The school could be a charter school or it could be a Horace Mann school.

Councilor Smart: You're proposing, then, that the school be located outside the town of Weymouth?

Mr. Wilson: No. The re-use plan says it has to be on the base and there's actually a spot.

Vice Chairman O'Connor: Tit-for-tat for Mr. Wilson here. Just as the enabling legislation was a couple of years ago, it can still be amended; obviously at the state legislative level to include specific language should the town of Weymouth get to a point in time where they have disagreements in the direction of things like education.

Mr. Wilson: And you're one of three towns.

Councilor Smart: Would that follow the same route for an emergency response building?

Mr. Wilson: An emergency response building is easier. For example, on fire, the state Fire Marshall has control of that so it's not legislative. You're not dealing with the bureaucracy that...

Councilor Mathews: Again, this goes back to my argument, my point about long term planning and having things revert back to the municipalities when the enabling legislation

expires. Maybe not a conversation for you, Jim; maybe a conversation for the board of directors who represent Weymouth. It's always been my vision that it's going back to the municipalities and when I hear something like that I scratch my head and say how's that going to happen?

Mr. Wilson: It still has to be part of our capital plan. The amenities are very clear-Schedule B, two pages, single spaced.

Councilor Mathews: You're thinking this in public works as well?

Mr. Wilson: Everything. You go through the amenities section; it's onerous. There has to be \$150 million worth of expenditures.

Councilor Mathews: No, I'm talking about a multi-town thing with this public works facility.

Councilor Smart: Is the wastewater treatment plant part of your responsibility or if there was going to be one, part of the developer's?

Councilor Mathews: You mean part of the re-use plan?

Mr. Wilson: The wastewater treatment plant is a MEPA or EIR; I think it's under MEPA.

Councilor Smart: It's not your responsibility? Or is it your responsibility to pay for it and make sure it gets done?

Mr. Wilson: I would say it's my responsibility to pay for it, because if we're required to...I'm just thinking through it, because I haven't considered it...but if I'm required to have an enterprise fund, and if I'm legislatively required to provide water and sewer services, then it would seem to me that if someone somewhere builds a water treatment plant, or sewer treatment plant, then it would be a part of the enterprise fund unless someone wants to give it to us. That's \$50-60 million right there without doing much about it.

We've had two tax rates, two free cash certifications. At the end of FY11 we had approximately \$380,000 worth of free cash. Half of that, by the indenture, had to go to the state. When I had mentioned \$290,000 was paid to the state prior to this fiscal year, this was \$190,000 of it. On the indenture, 50% of all free cash has to go to the state. The rest of it went to unpaid bills, we had to replace a truck, the Rockland Conservation Commission, which I talked to Mr. Smart about- that was \$20,000. I was appalled at that number quite honestly. We had to do some IT upgrades and my first month there we had a flood and lost power so we had some repairs associated with that. For FY12 we have just over \$1 million worth of free cash. Again, the state gets its fair share and we've reserved out \$472,000 for that. We're doing the communications tower feasibility study and design for about \$175,000. This is the fire training exercise we were talking about. In addition to the three chiefs talking about the communications tower, they've also decided to cooperate with regard to a training exercise. Those contracts have gone out. We've gotten prices from the

three towns. It's a joint exercise to get familiar with what is on the base and what will be on the base, and how to deal with stuff on the base.

Our water and sewer resources that's non-Weymouth associated. Most of that is permitting and exploring other avenues out there. We had unpaid bills again; not as much as last year. This is in decreasing order of expenditure. We have a Notice of Intent that requires a Peer Review. We have Assessor's maps and that goes to that whole configuration we talked about, and then a server upgrade for things we need to do as a municipality as well as an in-house back up system.

Chairman DiFazio: I saw a motion brought at either a board of directors' meeting or when you presented this budget to them not to have any excess funds. Going forward, one thought might be that if you have free cash, you should probably keep some. Some might not think that way, especially from a DOR standpoint, it doesn't work like that. The question I have is when I looked at the definition of excess revenue, and the re-use plan and I look at your free cash, who is the gatekeeper of excess revenue?

Mr. Wilson: The board of directors.

Chairman DiFazio: And so, per their discretion, they're going to have excess revenue...

Mr. Wilson: The long and short of it is, it's in the legislation. First of all, it talks about tax revenues, and I'll talk a bit about the history of this because Jane and I were involved in it back many years ago. In 2006 a citizen had asked the Inspector General to rule on what was excess revenues. The Inspector General said it was a matter of sole discretion to the board of directors. The Inspector General also said that you have to look at all your expenses, all your reserves, all your future expenses- and that's why I use my capital plan- and then, and only then are they permitted to look at the excess revenue. That was a 2006 ruling and the only exception that they carved out- and I bet you can guess- it doesn't apply to state payments. The state gets paid first, and that's what the Inspector General ruled. The state gets paid first, then your debt service, and then if you have any excess revenues; they went on to a discussion of what is tax revenue. You have other items that you need to consider before you can define excess revenue.

Chairman DiFazio: So when I say I consider it the wolf in charge of the chicken coop; we'll never get excess revenues. You'll come back to me and say, oh no- the re-use plan says our objective is to take care of you three towns, and we are going to do that. We are going to get you excess revenue, correct? Wouldn't that be your response?

Councilor Mathews: This isn't for Jim- he's the CFO up there and he's not for the board of directors, but this is eventually where our conversation has to go to- the board of directors and ask them what direction they plan on going as it relates to building a municipality up there? Are they going to build a Town Clerk's office there; are they going to build a DPW? Because if they build this stuff, then we aren't going to see any revenue or excess revenue. That's a work in progress. Tonight is an excellent starting point.

Vice Chairman O'Connor: Thank you, Jim, for coming becoming before us.

Councilor Mathews: I'm very happy he came in. I just want to thank him; I know it's been a long time scheduling it and putting things together. Jim and I had a discussion about this months ago. This is a great forum and we got a lot talked about in three hours and a lot of issues that I feel were addressed, but there are still some outstanding issues like the long-term direction.

Mr. Wilson: We're just getting to understand what that all is, and again, it's the speed at which things are coming at us. I consider myself a fairly reasonable planner, but this speed I would never...when I presented it to you back in 2005, I said to that it would take years to get to a certain point. I've gone back to that presentation. Well, I was wrong. Once it hit the ground, it hit the ground running. The only pause that we've had is the balance between residential and commercial, and if that goes away, we're going to drop very quickly into the second, 1B Phase. Assuming that takes the same kind of life, you're talking twenty-four months, you could be talking 2. Well, that list of amenities are part of our required expenses. Those aren't perhaps- those are required. Go to the re-use plan; that's what we're required to provide and we need to get on that issue pretty quickly.

Councilor Mathews: I've been talking to both Representatives Wall and Connolly about that, and Mr. Ryan from LNR, and as a former member of the CAC and the MEPA process, and when Phase IB gets rolling this one councilor is going to be all over the mitigation that's supposed to begin for traffic in Columbian Square...the traffic improvements in Columbian Square are supposed to be completed by the end of Phase IB; they're supposed to be building parks up there...

Mr. Wilson: No, You're talking about the MEPA Certificate. That has a whole other piece of the pie.

Councilor Mathews: The re-use plan also has things that need to be done.

Mr. Wilson: Two pages of things that are to be done. Absolutely. I did list them all here- I have four pages of things.

Councilor Mathews: Yes; "X" number of fields...

Councilor Smart: You have them listed here. Is that part of your requirement or the developer's requirement?

Mr. Wilson: Some of them of them are ours. If you look at it.

Councilor Smart: Like the PVC stuff?

Mr. Wilson: the only thing that's holding us up on the PVC is the Department of the Interior hasn't transferred the land or allowed us on.

Councilor Smart: It's the entire perimeter around the 1400 acres.

Councilor Hackett: I'd just like to thank Mr. Wilson for coming. I think there are three key points that came out of tonight:

1. If we can get service agreements in place on public safety within the next week we can capture that revenue going into the FY13 budget. I'll certainly contact the mayor; I think we all should to discuss that with her.
2. The larger picture of municipal versus regulatory agency at Tri-Town. It's an issue with the board of directors; for us to have the discussion with on the long-term water and sewer.
3. All of those fold in to what we all share, which is the hope for Weymouth to receive a portion of free cash at some point in the future in accord with the formula that's established.

I think we need to start targeting those three, and we can get to that end result.

Councilor Mathews: Again, Jim, I want to thank you. Hopefully we can do this again as we go into Phase IB. Once the commercial is met in Phase IA, I think you're going to get an explosion in Phase IB at least from the housing aspect of it. I'd love to see us revisit it once we get into Phase IB and Jim, you can come back here and provide another spreadsheet with new projections with permits being issued under IB and then we can talk more specific to the things that are supposed to be done from an amenities standpoint for Tri-Town.

Mr. Wilson: By that point, too, I hope to have...and quite honestly, I'm glad you never took me up in October. If I had been here then, I would not have the level I have today. That's been an ongoing process, only because I've had to go through the regulatory agencies, and now that I understand what they need and they want, I have a clearer picture of what I need to do on my side and what I need to plan for. It's a work in progress; I started by saying government should be looking at problem solving, not creating tension. There are quite a few matters that we need to attend to.

Councilor Mathews: Amen to that.

At 10:00PM, there being no further business, a MOTION was made by Vice Chairman O'Connor to adjourn the Budget/Management Committee meeting and was seconded by Councilor Smart. UNANIMOUSLY VOTED.

Respectfully submitted

Approved by

Mary Barker-Recording Secretary

Kenneth DiFazio-Chair Budget/Management