

**TOWN COUNCIL MINUTES
BUDGET/MANAGEMENT COMMITTEE
Town Hall Council Chambers
October 11, 2011 - Monday**

Present: Kenneth DiFazio, Chairman
Arthur Mathews, Councilor
Michael Molisse, Councilor
Michael Smart, Councilor

Not Present: Patrick O'Connor, Vice Chairman

Also Present: William McKinney, Chief Financial Officer
Richard Swanson, Town Auditor
James Clarke, Director of Planning & Development

Recording Secretary: Mary Barker

Chairman Kenneth DiFazio called the Budget/Management Committee Meeting to order at 7:00 PM.

A MOTION was made by Councilor Smart to take item 11 120 out of order and was seconded by Councilor Molisse. UNANIMOUSLY VOTED.

11 120-CPC-Emery Estate Marketing Study

James Clarke was invited to the table. He provided a memo with the measure to the committee outlining the Request for Proposal. The CPC, at its September meeting, voted the authorization for a marketing study and to hire a firm with a background in marketing analysis and land use planning to perform a study. The firm will take a look at the house and buildings on the site to recommend a direction the town take with the potential reuse of the house. They will look at other communities with similar buildings and properties to determine their reuse and management. The report will include an evaluation of the costs for the reuse of the house, and will look at both public and public/private use of funding the costs, and provide a roadmap of steps the town should take. In a more general way, the report will look at the entire site and make sure the general direction of their recommendation fits with the full 24 acres of property and within the context of the neighborhood in which it is situated and proximity to Town Hall, Legion Memorial Field, the Abigail Adams House, First Church, etc. Three proposals that have been received are under review. Since the property was acquired in June, many people have expressed interest in being involved and have provided their ideas. The mayor is reviewing the information and a committee will be formed to work with the firm chosen from the RFP's to move forward.

In May and June when the town and CPC was initially looking at purchasing the property, Goody & Clancy were hired to assist the CPC and they recommended the marketing analysis. The purpose is to find a plan that the town will back and be able to

financially support. Most of the RFP's received expressed an initial plan to winnow out options that are not feasible and take the three preferred uses and make a detailed analysis. The proposal should be started in November with a goal of completion and movement to the next phase in spring.

There was a brief discussion of the vote by CPC, which was not unanimous. The nay votes were not with concern over the marketing study but more in the account source for the funding.

Chairman DiFazio commented that although he would like to see the house preserved, he would like to know what that entails, and notes it might not be the most cost effective use. Mr. Clarke responded that that seems to be the sense of the community also, but that the report will take the cost of preservation into consideration. The marketing study will provide a general estimated cost of preservation. Councilor Mathews requested that the costs be provided per structure. Councilor Smart asked if the proposal will include those items addressed at the public hearing such as mold, asbestos, etc. He asked if the mayor plans to include council members or the public on the committee. Mr. Clarke responded that it will be a committee of the community. Auditor Swanson reported that he has reviewed the MUNIS account, and there are sufficient funds to support the \$35,000 request for the study. Councilor Mathews recommended that other recent purchases by the CPC be reviewed so that their usage can be determined as well. Councilor Smart asked the CFO when funds will be replenished, as this measure will bring the fund low. Mr. McKinney responded that it will occur the beginning of the next fiscal year.

A MOTION was made by Councilor Mathews to forward item 11 120 to the full Town Council with a recommendation for favorable action and was seconded by Councilor Smart. The public hearing is scheduled for the October 17, 2011 Town Council meeting. UNANIMOUSLY VOTED.

11 116-General Government Supplemental Fiscal Year 2012 Appropriation

This item was referred to the committee on September 19, 2011 and the committee met on September 26, 2011. The public hearing took place on October 3, 2011.

CFO McKinney reported that the committee was informed by memo of additional funds received from LNR in the amount of \$21,000. This does not affect the supplemental budget. Councilor Smart noted Auditor's Swanson recommendation that the mayor provide a letter to the council indicating her intent to return these funds once free cash is certified, so they can be used for the specific capital items in the mitigation agreement. CFO McKinney noted this was already provided to the council dated September 23, 2011 in the Request for Information on Host Community Agreement Funding in paragraph three. This was agreeable to the committee and the auditor. Councilor Mathews noted that the revenue side of the budget going forward is a concern of Councilor Lacey's; he could not be at the meeting. He suggested that the council send a letter to the mayor requesting a stabilization account be set up specifically targeted to receive the funds from the base, and maybe it should be done before a vote is taken on the supplemental. The stabilization account was also an option presented by the mayor. The mayor presented

three options; the first is not viable to the committee; it is to continue to track the funds as it is currently being done. Second option is to put the funds in the 002 Account and show as an additional line item. The administration would write the language in such a way that the \$1.7M would go into the account, but no funds expended from it without a public hearing. A stabilization fund would require a 2/3 vote of the council to deposit and expend the funds. Councilor Mathews asked the CFO if expenditures from the 002 account require a vote of council. CFO McKinney responded that it would because the administration intends to write it that way. Councilor Mathews noted that in 2005, when the initial payments were received, the prior administration used those funds for Legion Field without the authorization of the council. The funds were in either a 5200 or 002 account. Councilor Mathews does not want that to be able to occur again. The committee now needs to review the accounts to determine where the mitigation funds have been spent. Councilor Mathews recommended not going back but with the funds. Councilor Smart noted that the consensus appears to be that the committee wants to see a vote required for expending funds, but does it need to be a 2/3 vote. Chairman DiFazio agrees with a public hearing process, but is not sure a 2/3 vote is necessary. Councilor Mathews does not agree with the second option because the funds can still fall to free cash. With a stabilization fund, it would be segregated and protected from attachment by arbiter. CFO McKinney noted that an arbiter would look at what is certified free cash, not what was done with it. It also benefits the town to have the \$800,000 captured in this year's budget, so it does not fall to free cash. Anything received after a supplemental budget will go to free cash. The committee noted it would be beneficial to receive the payments certain times of the year, but it can't be controlled. Additional supplemental budgets can't be filed once the tax rate has been set.

Auditor Swanson agreed that the third option is a more protected method for the council to track and expend the funds. CFO McKinney preferred the second option written to require a public hearing and vote of council. It provides protection with a lesser threshold. Funds can be tracked the same way with the second and third options. Councilor Mathews recommended not voting until Councilor Lacey can provide the additional information after his discussion with DOR.

There was a brief discussion of the Planning Department supplemental request and the effect of the larger than anticipated cut in CDBG funding on the hiring of an Economic Development Planner. The shortfall in the Conservation Commissioner salary was also discussed. Councilor Mathews noted he had cautioned against tying salaries to permitting back when the budget was deliberated. Permits are down, and the department is requesting funding from the supplemental to cover the shortfall.

A MOTION was made by Councilor Mathews to forward item 11 116 to the full Town Council with a recommendation for favorable action and was seconded by Councilor Molisse. UNANIMOUSLY VOTED.

Accounting for Southfield Mitigation Funds

Chairman DiFazio requested the spreadsheet Tri-Town Mitigation Payments for General Fund Capital Projects be entered into the record as an exhibit. It was reviewed by the committee and the CFO along with the three spreadsheet pages of capital items targeted with HCA mitigation funds, also entered as an exhibit. The initial discussion reviewed the revenue received from Tritown. CFO McKinney reported on the receipt of funds in FY11 and FY12, and the amount targeted to be spent on Legion Field. The mayor intends to earmark \$1.7M less the \$81,000. Councilor Mathews approved of a spreadsheet format to continue to track receipt of funds. Chairman DiFazio asked the Auditor to keep a separate accounting of receipts and expenditures for the council separately.

Funds spent prior to FY11 were reviewed next. The \$600,000 was spent on several capital items on the next spreadsheets, and may include mitigation items. The \$700,000 was spent on recreation items. \$1.38M was transferred to the General Fund under an amended DDA. It was never earmarked for mitigation or recreational items. It does not directly apply to the analysis and should be marked as outside of the purview of this review, and was above and beyond the mitigation. The letter from Greg Morrell in 2005 should be kept forefront in any discussion. Councilor Mathews noted the remaining \$11.7M due since the amended Agreement signed by the mayor is what needs to be tracked going forward. There was some discussion on how the spreadsheet should show the funds so that they can more easily be interpreted by the committee, and ultimately the full council. CFO McKinney noted that the BAN payments for Chapman School boilers should also be kept separate. There are other similar payments and all should be tracked separately from the mitigation projects. Councilor Mathews asked CFO McKinney to provide the total amount paid towards the Chapman Boiler project. The CFO will put together a new spreadsheet for the committee's next meeting, tracked in three different categories as requested.

They then reviewed the payments to the Enterprise Funds. Councilor Mathews noted the original intent from the time of the Citizens Advisory Committee and the MEPA agreement was for the redevelopment to acquire its own water and sewer services. There was a brief discussion of how funds are booked to the Enterprise funds. CFO McKinney will discuss with the Water Superintendent. The water treatment plant cost, outside of the \$20M bond payment has not been banned yet. Councilor Mathews noted that although he does not support sewer and water services provided by the town of Weymouth, he does support keeping funds there as it does not appear the sewer main coming from the development will be adequate. The committee asked that these funds also be tracked separately. Councilor Smart asked if there is a cap on the amount that can go into the Retained Earnings, before the town must either spend or offer rate relief. CFO McKinney responded that he wasn't aware if there is.

Councilor Smart recommended that once free cash is certified, the council send a letter to the mayor with their choice of either the second or third option. Councilor Smart and Chairman DiFazio agreed that the matter should not be allowed to linger without action.

The committee then began a review and a discussion on how to identify those items that should be taken off the mitigation list as completed, and what projects should remain, and

how to decide what amounts to allot to each. There is \$86,000 remaining of the \$1.3M. Councilor Mathews recommended moving the remaining \$86,000 to the stabilization fund to track. Auditor Swanson will do a cursory review of the spreadsheet and allot expenditures to projects to get a rough idea on how the \$1.3M was spent and provide to the committee for the next meeting. The council staff can assist Mr. Swanson in his research. Councilor Smart noted the expenses will be tracked going forward. CFO McKinney noted he would look at the list and assign a cost to complete the project. Chairman DiFazio responded that the council needs to account for the spending for their own knowledge first. Councilor Smart noted the intent of the mitigation was to offset the cost of projects, to supplement. Councilor Mathews noted that some of the funds going forward could be supplemented back, and that there are items on the mitigation list that are no longer needed.

Chairman DiFazio noted the next part of the review will be to go over the mitigation list and determine a status. There are some items on the list that are recurring in need and can remain on the list, and may require the committee document its reasoning to justify to the full council. Then the committee will be in a position to prioritize the projects going forward. There was a brief discussion on the agenda for the next meeting. Councilor Mathews recommended removing the following projects: the intersection of Washington at Middle Streets, possibly the Chapman Boilers, Great Pond Water Treatment Plant Study, and the band uniforms. The chairman recommended the members review the list before the next meeting to offer their input on the individual items. Councilor Mathews recommended the committee prepare so that full council can come to agreement on prioritizing the remaining items, with the assistance of the administration.

ADJOURNMENT

At 8:45 PM, there being no further business, Councilor Mathews made a MOTION to ADJOURN the meeting and was seconded by Councilor Smart. UNANIMOUSLY VOTED.

Respectfully submitted by Mary Barker as Recording Secretary

Approved by Councilor Kenneth DiFazio