TOWN COUNCIL
Budget Management Committee
January 6, 2005

Present:	Ken DiFazio, Chairperson, Sue Kay, Paul Leary, Colin McPherson
Also Present:	David Madden, Mayor James Wilson, Chief Financial Officer James Thomas, Police Chief Jane Hackett, Chief of Staff Robert O'Connor, Director of Public Works Michael Smart-Vice President-Town Council
Recording Secretary:	Janet Murray

Chairperson DiFazio called the meeting to order at 6pm.

<u>Review of Chief Financial Officer's Analysis of Naval Air Station</u>

Mr. Wilson requested that the Councilors tear up the current analysis dated December 30, 2004. He handed out an updated analysis dated January 6, 2005. The reason for the updated version is that the non-recurring income had been listed as recurring through out the entire spreadsheet. This has been corrected. Mr. Wilson also handed out a power point outline of his presentation.

Mr. Wilson stated that the methodology he used does not include any numbers from the conceptual plan. He noted that he did ask Lennar for residential and commercial numbers. Lennar's Chief Financial Officer provided these numbers. There are various types of developable units (DU): apartments, condominiums, town homes, garden homes, and golf homes. These units are broken down into three phases. There will be 300 apartments with approximately 900 square feet in Phase one. The cost for that unit would be $160 per square foot. In multiplying $160 x 900 square feet, the per-unit cost would be $144,000. Then, in multiplying $144,000 x 300, the total revenue would be $43.2 million. This amount was presented to Mr. Wilson as the basis for the appraisal for an apartment utilizing the above criteria. The same type of analysis was used for the other types of developable units.

At the end of Phase I, Lennar has represented that 1010 developable units with an appraised value of just under $308 million. The same is true for Phase II, with 1145 developable units with an appraised value of $404 million. Finally in Phase III there would be 700 developable units with an appraised value of $319 million. By the end of the three phases there would be a total of 2,855 units with a valuation of just over $1 billion for these residential units.

Mr. Wilson also asked for the commercial units. The analysis is somewhat different. It is broken out by phases. However, they said that they would develop 100,000 square feet of retail space at $152 per square foot for a total valuation of $58.2 million. The commercial and/or biotech, 330,000 square feet at $140 per square foot for a total valuation $46.2 million.

The office space would be 25,000 square feet at $132.63 per square feet with a total valuation of $3.3 million. So that at the end of Phase I, there would be 455,000 square feet of commercial space valued at $64.7 million. At the end of Phase II, there would be an additional 480,000 square feet of commercial space with its valuation being $92 million. Finally in Phase III, there would be 365,000 square feet with a total valuation of just under $51 million. Total at the end of the three phases would be 1.3 million square feet of commercial space for a total valuation of just under $208 million.

For his purposes, Mr. Wilson stated that he took two different approaches. Under the conceptual plan, they used fiscal year (FY) 2004 as a baseline standard. Mr. Wilson also used the same FY 2004 criteria. Since we are in FY 2005, he utilized FY 2005 criteria for the appraised value and the requirements of the Department of Revenue (DOR). This is where the analysis begins.

Upon receiving the number, he overlaid them with two very distinct issues. One, under the legislation, the Board of Directors of the South Shore Tri-Town Development Corporation (Tri-Town) must adhere to DOR's rules and regulations. In fact, since Tri-Town began their existence in 1998, they do in fact submit to the DOR each year, as the town does, a recapitulation (recap) sheet, which verifies their revenues and expenses, as well as appraised values. Currently, Tri-Town is working, in accordance with the regulation, with the DOR to outline what process and procedures they would have to have in place that go beyond the scope of the guidelines set down by DOR. Mr. Rogers stated the other night that we have to have blended rate on the base. Mr. Wilson noted that there is no such thing as a blended rate in a municipality. So this needs to be put into a separate written document.

In addition, the legislation and the DDA also have certain financial components associated with them. In his analysis, Mr. Wilson made sure that he took those elements that applied to revenues and expenses and overlaid them onto his analysis. The conceptual plan only takes into account revenue from residential real estate tax revenue. This does not follow any of the guidelines set down by DOR. You must have revenue from residential and commercial. You must show all other sources of revenue and the expenses associated with them.

Mr. Wilson noted that he is following DOR's regulations that say you must show all sources of revenue as well as all the expenses that may be attributable to the 3,855 developable units and 1.3 million square feet of commercial space. He stated that he will go through the analysis as if he was developing a recap sheet, setting a tax rate. This is how he began his analysis. Starting with FY 2004, he took the first two lines of Lennar's presentation. He stated that this is where the commonality ends.

He then looked at the Town of Weymouth's appraisals of similar size units. These appraisals have been certified by DOR. In FY 2004, we were able to use Avalon Ledges with apartments of 900 square feet. The valuation for those apartments was $65.37 per square foot. He multiplied out the numbers to reach the amount of $58,833 per unit of assessed value. With 300 apartments, this would amount to $17.6 million in assessed value. He used the same number for

Phase II and got the same number. There are no apartments in Phase III. He continued and looked at condominiums of 1200 square feet. There are 55 condominium complexes in town. 215 Winter Street is the average for assessed value. These condos have between 1100 and 1300 square feet. He took the $204.15 of assessed value per unit multiplied by 1200 square feet and got the assessed value per unit of $244,000 for a total assessed value of $41.6 million. For Townhomes, there are several complexes that are classified this way. Pine Brook and Pine Brook East fit this description. They too, appraised at $204.15 per unit of assessed value. This totaled $304,000 per unit for a total valuation of $150 million. Garden homes are similar to Weathervane. 5 Par Street in Weathervane was used as the basis of the analysis. Using FY 2004 certified values, the 100 garden homes, at approximately 2250 square feet, were assessed at $48.9 million. 20 Par Street is a golf home and its valuation was $194 a square foot at 3000 square feet. Mr. Wilson stated that he believes the value for the golf homes is low, but this is the certified value from DOR.

The total assessed value in Phase I is $258 million. Mr. Wilson then made the following assumption. Looking at the plan, it would appear that 2/3 of the housing units are in Weymouth and 1/3 are in Rockland. Also, it would appear that most of the Phase I development takes place in Weymouth.

Under the legislation, we must use Weymouth's tax rate for residential units located in Weymouth. $12.69 per thousand valuation times the total assessed value, gives a revenue stream of about $3.2 million. He did the same analysis for Phase II. However, in this phase it would appear that for every two houses built in Weymouth, one house would be built in Rockland. The tax rate looks at the tax rate of Rockland and Weymouth at a two to one ration that came out to $12.88 per thousand. The revenue stream for Phase II would be $4.4 million. At the end of Phase III and again using a two to one ration, the revenue stream would be $3.6 million. The total revenue stream with all the 2855 developable units in place at the end of Phase III would be $11.3 million.

Mr. Wilson noted that this page deals with revenue stream based upon assessed values in Weymouth, the tax rate for Weymouth and Rockland based upon the legislation, and the revenue stream that would be developed as a result of it.

Councilor Leary asked for clarification of how Mr. Wilson came to the two to one ratio. Mr. Wilson stated that he looked at the map. He stated that this was his best guess. He also noted that the residential tax rates in Weymouth and Rockland are similar, so these numbers would not be skewered. However, the commercial tax rate will be skewered.

Councilor DiFazio asked what Lennar's amount for the end of Phase III was. Mr. Wilson stated that there tax base is 14.044 for residential.

Councilor Kay asked about the approval by DOR. Mr. Wilson stated that the numbers he used in his analysis are based upon valuations of similar properties in Weymouth that are certified by

DOR. He noted that Tri-Town has submitted a tax plan to DOR. They are in the process of discussing this plan. He stated that Mr. Rogers indicated that there were problems with the blended rate. DOR has a difficulty with the blended rate. The enabling legislation is different from the regular legislation. This is causing consternation because there is no consistency. Councilor Kay asked if Lennar has done something similar with DOR. Mr. Wilson stated that he did not know. Mr. Wilson is doing his analysis based upon Weymouth's numbers as directed by DOR. Councilor Kay asked if Mr. Wilson's analysis numbers are in line with Tri-Town's number. Mr. Wilson stated that Tri-Town has only submitted a tax plan, not numbers. This is in line with the tax plan.

Councilor McPherson asked for clarification of how the property is initially assessed once it is completed. Mr. Wilson stated that all new growth (new property coming "on-line") is physically inspected by the Town's appraisal firm and the value is set by their appraisal standard.

Councilor DiFazio asked for clarification of the two to one ratio for Phases II and III. Mr. Wilson stated that this is not what he has referred to as a blended rate.

Councilor Leary asked if the over 55 restriction of Weathervane would have any bearing on the valuation. Mr. Wilson stated that New England Appraisal Associates did not look at deed restrictions when performing the appraisals. They focused on area, amenities, and structural aspects of the unit.

Councilor McPherson asked for clarification on the impact of 700 income-restricted units. Mr. Wilson did not see any indication of an impact in Lennar's original numbers. Councilor McPherson noted that these units could potentially "lose" 20% of their value due to this income-restriction. Mr. Wilson stated that he is not entirely sure of that.

Councilor Kay asked if the income-restricted units would land in the apartment area, exclusively. Councilor McPherson noted that if the unit is restricted and they can't charge market rent, it would have an impact on what it is worth.

Mr. Wilson stated that apartment valuations are at $65 a square foot and the condos are at $204. There is an impact there on valuation.

Councilor McPherson commented that if we are assessing an apartment building, wouldn't we get a P and L from them and they would capitalize. He then asked how we assess the apartments. Mr. Wilson stated that the rules are that we assess by what the structure looks like, and the amenities inside. He noted that if they want to challenge it, using a different method, they have the right to challenge. Mr. Wilson then gave the following example. Weymouth Woods could come in and say that their income is X. We didn't value it that way. We valued it as a class A facility. We consider what other class A facilities are like in terms of per square foot costs. That is what went on the books.

Councilor McPherson asked what is class A. Is it based on the sale of comparable properties because the sales price is driven by the cash flows, which are driven by the rents. Mr. Wilson stated that this isn't how the appraisal is done. They may do it on comps, but they may also do it on the building permit and the cost of the actual structure. Which is what they did at Weymouth Woods, which was valued at $14.2 million.

Councilor DiFazio asked for clarification in that this calculation does not take into consideration that there might be 20% low-income apartments and/or condominiums. Mr. Wilson stated that in Lennar's numbers there was no variable for that type of restriction. As a result, he did not make such a calculation. In the conceptual plan there is no such calculation. Councilor DiFazio asked if the revenue numbers would go down if this were calculated into the numbers. Mr. Wilson stated that this could be possible.

Councilor DiFazio then questioned that if the numbers were to go down, the town would get the money back from 40R. Mr. Wilson stated that 40R is very different in that it is affordable housing.

Councilor Kay asked if 40R were to be applied, would be a part of these units. Mr. Wilson stated that it would. Mr. Wilson noted that in attempting to do a comparable analysis with Lennar's numbers, he only used 40R as a revenue stream.

The same approach for commercial valuation was used. However, commercial valuation is a much more difficult area. Weymouth has retail, commercial, office, and hotel space. Because the values are different, Mr. Wilson did a survey of all these spaces. The average for retail space in Weymouth is 1055 Main Street. It is valued at $104.07 per square foot. This is a 2004 number. For commercial space, he took the average of three because there were disparate valuation methods. He took 394 Libbey, the Fisher Pierce Building in Libbey Industrial Park, and Electroswitch. These are very different spaces. The average was $87.68. Office space used was 47-63 Winter Street, Weymouth Woods with a $106.72 per square foot. The hotel space used was the Super 8 Motel on Washington Street, which is the only hotel in Weymouth. The assessed value is $3.2 million. The per-room value was $36,944 and there are a total of 300 rooms.

Councilor DiFazio noted that these values are so much different than Lennar's. He asked Mr. Wilson if he was comfortable with that. Mr. Wilson stated that he is comfortable with his numbers as they are based on numbers certified by DOR. These numbers are irrespective of what the sale prices are. This is assessed value. Using the same methodology, the total valuation per phase, under the legislation, you must use a blended rate based upon land. It is the commercial rate times the percentage for each of the communities and you take the average. The revenue stream in Phase I would be $700,000, Phase II would be $800,000, and Phase III would be $500,000. The commercial, industrial, retail space total would be about $2 million.

Mr. Wilson noted that hotel assessed value would be about $1 million higher. Councilor DiFazio asked about the commercial biotech and if this type of use could potentially have a substantially higher value. Mr. Wilson noted that Fisher Pierce is a good example of an average commercial usage.

Councilor Kay asked if this was in line with the Tri-Town tax plan. Mr. Wilson stated that it was.

With the revenue on the residential and commercial, we have the makings of a budget. This takes the format of a recap sheet. This sheet shows revenue and expenses. Looking back at the residential piece, these numbers flow directly from the prior two pages. The residential piece of Phase I is $3.2 million, commercial at $697,000, and this is where the 40R revenue comes into play. Mr. Wilson put the 40R revenue over the entire scope of the project. At $3000 per unit, 40R revenue is given in the year in which is occurs. The number of developable units per year, divided by the number of years in the phase is how the number was arrived at. All of the 40R money was not counted in at the end of each phase. Essentially it is an average per year. Phase I would be a snapshot of FY 2011. Mr. Wilson stated that he made no assumptions regarding how many units per year would be developed. Councilor DiFazio asked for clarification on the 40R line. Mr. Wilson stated that it would be $757,500, which would be $3000 times the number of units (1010) divided by the number of years in the phase. This is with the assumption that all units qualify for 40R. If it is not the case that all units qualify for 40R, both Lennar’s and Mr. Wilson’s numbers would go down.

Mr. Wilson then spoke to other revenue such as motor vehicle excise tax, which is paid at a rate of $104 per vehicle. With the assumption of two vehicles per unit, the total revenue would be $210,282 in Phase I. Lennar did not do total revenue which includes motor vehicle excise, personal property, and local receipts as is considered generally acceptable by DOR. For personal property tax in 2004 was about 15.5% of the total tax levy. 15.5% of the tax levy in Phase I is $108,155. This comes directly from Weymouth’s recap sheet for 2004. The state average is a little less than this but for consistency, he used the town’s number. Local receipts are also a percentage of the total revenue stream of the town. The DDA speaks to local receipts. Local receipts refer to fees for services, excluding water and sewer such as marriage licenses, dog license, building permits, and copying fees. The percentage for this is 9%. This would amount to approximately $268,381.

The total revenue picture is that these are the minimum requirements of DOR. You are required to show residential taxes, commercial taxes, local receipts, motor vehicle excise tax, and personal property taxes. The total at the end of Phase I would be $5.3 million and this amount would carry over to Phase II. However, the 40R revenue is non-recurring. So, reducing the total amount by the 40R revenue would give an amount of $4.6 million carry-over to Phase II and an amount of $10.9 million carry-over to Phase III. At the end of Phase II, you have more units, more commercial space, more motor vehicles, more personal property, and more local receipts.

The percentages don't change. The total of at the end of Phase I would be $5 million, Phase II would be $12 million, and Phase III would be $17 million.

Councilor McPherson asked for clarification regarding impact on local aid. If Weymouth starts to receive more revenue, does DOR consider the town to be wealthier and provide us with less local aid? Mr. Wilson noted that the tax plan holds the Naval Air Station re-development as a separate entity and as a result it would have no impact on Chapter 70 monies. The valuation would not be considered part of Weymouth. Would the money received from Tri-Town be considered local receipts? Mr. Wilson stated that it would be considered local receipts, however, this does not affect valuation. It would not have anything to do with the relative wealth of the community. Relative wealth is valuation. In 2018, it is possible that over $2 billion in property would then become part of Weymouth's relative wealth, if Tri-Town were to dissolve and remove all boundary lines. Each town's relative wealth would be increased by the amount of property within their borders. Mr. Wilson noted that they are a number of variables. Councilor McPherson stated that the town is not going to get a whole lot of revenue for much of the lifetime of Tri-Town and then when it unwinds, are we going to lose that revenue to the state as a tax.

With revenues, you have certain expenses such as education. Mr. Wilson used $7000 per pupil times the projected number of students in the phase using Lennar's numbers. This would have an impact of $1.5 million. The next three areas, police, fire, and public works were a challenge. Mr. Wilson stated that he surveyed the 351 towns in the state. He looked at each community and looked at the number of residential units. There are three communities in the area that come close. They are Provincetown, Norfolk, and Whitman. They are relatively the same size relative to residential units, commercial space, and budget/revenue stream. He took the numbers from Norfolk. He made the assumption that in the second phase, the project would be about half way done and took half the cost. Mr. Wilson acknowledged that this is a weakness. There are certain minimum standards for each department. He stated that it is important to include education, police, fire, and public works, as it is a requirement of DOR. He did not include any numbers regarding snow removal or debt service except in Phase III. According to documents submitted to DOR by Tri-Town, $172,000 is what they show at the end of Phase III as a means of comparison. Cultural and recreation are included in the plan such as open space, and walking trails. These will need to be manned. Using the town of Norfolk as an example, this would amount to $405,000 for the Park and Recreation Department.

We are also required to have general government such as municipal finance, a health department, and a building department. Mr. Wilson stated that he again used the numbers from the Town of Norfolk, which was $1.2 million. By the end of Phase II you will still need to be up and running with government services, so he included another $1 million for this. Another item is an overlay for abatement, which is 2% of the revenues, for when someone believes their assessment is too high or for someone who receives an exemption. Additionally there is a reserve fund and stabilization fund. Mr. Wilson used 1% of total revenue. Total expenses, using this methodology, would be $4.2 million. The amount projected to be available to the communities at the end of each phase would be; $1 million at the end of Phase I, $5.1 million at the end of Phase II, and $6.9 million at the end of Phase III.

Councilor Kay stated that the reserve fund for the first three years is a conservative number. Mr. Wilson noted that there is specific language in the legislation and the DDA regarding the granting of a TIF. There is 100 acres which have been mapped by Weymouth's GIS as commercial in nature. This commercial tax levy could go to zero for the first year. If that is the case, then the personal property tax will also go away, in his opinion. There are calculations in the legislation. This would affect the revenue stream by approximately $800,000.

In the conceptual plan on page 25, it is stated that Weymouth's revenue would be approximately $5.1 million. Mr. Wilson noted that this money would be available to all three communities, not just Weymouth. 46% of this amount would be available to Weymouth, 44% to Rockland, and 10% to Abington.

Councilor Smart asked if these numbers account for all of the overhead for Tri-Town such as the cost of the golf course, bond payments, etc. Lennar is giving Tri-Town $1 million per year for 5 years. Mr. Wilson stated that this does not include debt service. As for the golf course, it will be an enterprise fund owned and operated by the Board of Directors. If that is the case, this is a business like activity and is separate. Water and sewer are not included. Any revenue generated by the golf course, would not show here. DOR does not mandate that you show revenue from an enterprise fund. They actually tell you that you cannot show this revenue.

Councilor McPherson asked if the town had looked at the impact of this plan on the town's manpower needs in relation to police and fire personnel. Mr. Wilson stated that this money would come from the $1.3 million amount in phase III.

Mr. Wilson stated that he kept his numbers similar to Lennar's except in that he followed DOR regulations and Lennar did not.

Councilor Kay asked for clarification regarding the pupil figures used. Mr. Wilson stated that he used Lennar's numbers.

Councilor Leary asked if this analysis is available to the Tri-Town Board. Mr. Wilson stated that the Mayor has released this form to Lennar and Tri-Town.

Councilor DiFazio asked for clarification of the differences in the numbers presented by Mr. Wilson and those numbers conveyed by Lennar. The differences are a result of lower valuations and the expenses are more complete as they show expenses that are required by DOR. Mr. Wilson's revenues were lower and the expenses included more aspects than Lennar. Lennar indicated that the numbers that they provided for the developable units and the square foot cost are reasonably certain to be close to the sale price.

Councilor Smart asked how Lennar arrived at their figures. Mr. Wilson did not know. He stated that he got his figures from Department of Education (DOE). He noted that the $7000 figure is low when compared to FY 2005.

Councilor McPherson asked if retirement and pensions were included. Mr. Wilson stated that it is his assumption that they are included.

Councilor Smart asked if they used a blended rate for residential would that put more money into the pot as available revenue. Mr. Wilson stated that it would depend on how the rate is blended, but it would result in a significant change.

A resident asked a question regarding commercial specifics in regards to biotech and pharmaceuticals. Mr. Wilson stated that there were no criteria used to do this.

Councilor Kay asked if the average per pupil cost included special education students. Mr. Wilson stated that it does not. It includes a portion of it, but not all of it. He stated that the town would pay for the additional costs, which he believes, would in turn be reimbursed by the Board of Directors.

Councilor DiFazio asked if Mr. Wilson was comfortable with the per-pupil cost calculations used by DOE. Mr. Wilson stated that the Chapter 70 formulas are based on the average per-pupil cost using their calculations. For consistency purposes, he stated he would rather use their numbers.

In FY 2005, DOR changed its rules regarding assessed valuations. In FY 2005, they indicated that they would allow assessments of certain residential properties at 90% of the sale price. Several communities in the state have been used as test sites for this valuation to see what happens for overlays and abatements. Weymouth now must do valuations every year. Mr. Wilson used this approach here. He took Lennar's numbers in totality, and assumed that they are correct using 2005 FY standards. He noted that in 2005 the residential tax rate in Weymouth decreased substantially. If you take their values of 90% and multiply it by our tax rate of $8.50 per 1000, the result would be approximately $2.4 million revenue stream for Phase I. The same would apply for Phases II and III. The only difference you will find is in the second and third phases where there is the two-thirds/one-third split. Mr. Wilson used the actual tax rates for Weymouth and Rockland. By using Lennar's numbers, and the new DOR assessing practices, he took the revenue from there. The two-third/one-third split is the only difference used.

Councilor McPherson stated that you have an FY 2005 rate with an FY 2004 values. When the tax rate was set, it was his understanding that values had increased by as much as 15%. He noted that he didn't mind being conservative, but it would look like the numbers could be higher. He also stated that our tax rate was set not based on this methodology. We are using our tax rate with a different methodology. Mr. Wilson noted that the methodology used is bound by the legislation.

Councilor DiFazio questioned why the residential revenues went down and the commercial rates went up. Mr. Wilson noted that it was due to the tax shift in Weymouth.

Mr. Wilson stated that he used the same methodology for calculating commercial rates.

Councilor Kay questioned if DOR is having issues with the use of a blended rate. Mr. Wilson stated that Mr. Rogers had made this statement. She also questioned whether the peer reviewers were using the DOR standards. He noted that one of the reviewers had requested a recap sheet.

Councilor McPherson asked for clarification of this new assessment methodology. Mr. Wilson stated that the state seems to heading towards accepting 90% of sale price, compare it to assessed value, then DOR will certify it.

Budget projections use the same type of approach as FY 2004. The revenues go down due to the tax rate. He assumed no tax shift because they set their tax rates based on surrounding towns. Weymouth's tax base is based on what the town believes the proper ratio between the burden of residential and commercial.

Councilor DiFazio asked if it was fair to say that in Mr. Wilson's analysis based on DOR requirements, the tax revenues generated for the Town of Weymouth are significantly lower than what Lennar has presented in their conceptual plan. Mr. Wilson stated that this is a fair statement.

Councilor Leary commended Mr. Wilson for the tremendous amount of work that he has done.

Councilor Kay thanked the Mayor for allowing the CFO to complete this task as there had previously been no apparent base for the projections.

Councilor McPherson stated that the numbers call into question the financial benefit of the plan when you consider that the town would receive 46% of $5 million. The project will bring in more traffic.

Councilor DiFazio noted that there are other benefits to the town from the open space and 40R money. Councilor McPherson noted that the financial benefits would be minimal.

Councilor McPherson asked for clarification on mitigation negotiations. Mayor Madden spoke to the Committee regarding this issue. The negotiations will be an ongoing process depending on what is being mitigated. He noted that there is a benefit to identifying some areas early in order to get mitigation from Tri-Town and Lennar. Many others will be identified through the permitting process such as the MEPA review. The town will require mitigation as well as the permitting agency. He noted that the Mills project was rejected during the permitting process. If/when the town votes to go forward with the plan, the process of permitting will take place.

Mayor Madden noted that the most difficult mitigation will be between Weymouth, Rockland, and Abington, and Tri-town over services such as education, police, fire, and public services. He noted that Weymouth recognizes that we have a weakness in South Weymouth for fire protection. South Weymouth will need greater protection if the project is built. Looking at what we have now and what we would need then, it is fair to say that we would need an engine and a ladder in the area. The costs can be figured quickly. However, this equipment will protect more than just the base area. Why would Rockland and Abington pick up the cost of equipment that will mostly cover South Weymouth? Weymouth will also make the same argument in other areas.

Councilor Leary asked for further clarification on mitigation. Lennar mitigation will not come from the tax levy, as this is a separate cost and will come from Lennar's funds. Mayor Madden stated that you need to be certain that the tax revenue will pay for the operational costs. Upfront capital costs and mitigation will come from Lennar and Tri-Town.

Councilor DiFazio asked if the Mayor had numbers for mitigation. He stated that he wanted to have a sense before the vote is taken.

Councilor Kay asked if Weymouth would get more since there is more impact. He agreed with this. He also questioned if there is a more economical way of providing services other than just based on borders. She asked about the mitigation process. Mayor Madden stated that for schools there needs to be identification of space needs. This would be earlier in the process. Traffic would also be an early issue. He noted that if the vote were positive, the permitting process would take between 18 months and two years.

Councilor DiFazio asked if the possibility exists that the financial pot would be depleted when a request is made later on. He stated that this is certainly possible.

Councilor Smart asked if Lennar and/or Tri-Town would agree with these numbers before the vote is taken. Mayor Madden stated that it is more about agreement between Weymouth, Rockland, and Abington as far as the level of services are concerned. The Mayor believes that Tri-Town will look to the three towns for guidance.

Councilor Kay stated that Tri-Town will present a plan to the towns. We are waiting for the peer reviews to be completed to compare the town's analysis. The zoning is looking at a similar timeframe for the reviews, which is expected to be in late January.

Councilor DiFazio asked for Mr. Wilson to appear at the February 7th Council meeting. Mr. Wilson agreed.

04 237 and 04 245 Appropriation request - High School debt service - combined total $153,000.

Councilor DiFazio noted that the combined amount for this is $153,000. A public hearing has been advertised and is scheduled for January 18, 2005.

Ms. Hackett noted that there may be additional information between now and the public hearing date that could reduce the amount. This is the most conservative approach and the largest amount expected to required. She noted that today the Treasurer was instructed to go ahead with the process to initiate the bonding at this amount.

Councilor Kay asked for clarification on the amendment to this motion. It was noted that the Bond Council suggested that two separate motions be made.

Councilor Leary made a MOTION for FAVORABLE action on Item #04 237 and was seconded by Councilor Kay and was UNANIMOUSLY VOTED.

Councilor Kay made a MOTION for FAVORABLE action on Item #04 245 and was seconded by Councilor Leary and was UNANIMOUSLY VOTED.

04 179 Community Preservation Act

Councilor DiFazio stated that Councilors should have a document in the form of a motion regarding the Community Preservation Act in A1, A2, and B1 and B2. This information was obtained from the Town of Randolph. The difference between A1 and A2 and B1 and B2 is that A1 and A2 allow for a low/moderate income exemption and B1 and B2 do not. Councilor DiFazio noted that this document is for informational purposes and the details are open to changes.

Paul Halkiotis of the Planning Board appeared before the Committee. He noted that he had just received the documents tonight so he would need to look over them.

Councilor Kay asked Mr. Halkiotis to give a general overview of the Community Preservation Act. Mr. Halkiotis noted that he is member of the Community Preservation Committee in Marshfield as the Conservation Committee representative. He stated that the Weymouth's Master Plan has a lot of recommendations. However, many may never move forward because the town does not have the resources, people, money or time to complete all of the well-intentioned recommendations in the plan. The Community Preservation Act provides a mechanism to raise additional revenues through the surcharge on the tax base to reach some of the goals listed in the Master Plan. He noted that the there would be controversy around raising additional taxes. Marshfield has had good success with the act. There has not been a lot of land acquisitions because of market conditions. There has been more historic preservation such as the Daniel Webster House.

The Mayor has had several conversations with Councilors. Ms. Hackett noted that Community Preservation monies must also be used for affordable housing, in addition to open space and recreation. She noted that the Mayor has questioned whether this is the year to go forward with this. She also noted that this is within the Town Council jurisdiction. The Mayor has and will continue to cooperate with the Council in order to obtain information and do research in order to come up with a recommendation for action.

Ms. Hackett stated that there have been conversations at the state level regarding possible changes to the act. There is a disparity between wealthy and less wealthy towns. There are questions regarding the matching state money in that towns that do not participate in this are still paying into it. Only those communities that have passed the act benefit from it.

Councilor DiFazio questioned Mr. Halkiotis regarding the three-pronged aspect of the act. He noted that it takes staff time to administer the funds and to implement the programs, whatever they may be.

Councilor Leary asked if the money collected each year must be spent. It does not. It can be held in reserve from year to year. But it must be allocated to a certain use.

Councilor Kay noted that taxpayers are contributing to this overall fund. The money is collected through recording fees at the registry of deeds. Councilor DiFazio noted that these fees have increased dramatically. Communities who have adopted the Community Preservation Act can access these funds. Mr. Halkiotis noted that Marshfield received over $700,000. Councilor Kay noted that Braintree received close to $1 million. Marshfield's surcharge is 3%.

Councilor DiFazio noted that with an average home price of $300,000, and a $100,000 exemption, a surcharge at 1% would result in estimated revenue of $372,000 for the town. In addition, the state would match this amount for a total of $700,000. This would cost the average homeowner $25 per year.

Councilor DiFazio noted that this discussion is in regards to allowing the residents to vote on whether the town should implement this act. He noted that we all pay into this when we pay the fees. If this is put on the ballot, there would need to be a tremendous amount of education for the residents, regarding exactly what the Community Preservation Act entails.

Ms. Hackett noted that there is an information bulletin available regarding restrictions on what can be done on educating the public by elected officials and municipal workers and are subject to the Town Solicitor's review.

Councilor Leary questioned if there is a low-income exemption in Marshfield. Mr. Halkiotis noted that low-income residents would need to present their tax forms to the Town's Assessor.

There was discussion regarding any changes to the motion and the specifics of the language of that motion.

Councilor DiFazio made a MOTION to take FAVORABLE action on the language in document A-2 with the proviso that it is reviewed by the Town Solicitor and was seconded by Councilor Kay, for discussion purposes.

Councilor DiFazio noted that document A-1 has a 1.5% of annual real estate tax levy, with an exemption of the first $100,000 of value of real estate, and a low-income housing, low and moderate income senior housing exemption.

Councilor Kay stated that she would not support the 1.5%. She would substitute a 1% surcharge.

After further discussion, the committee decided to table this item until all five members of the committee are available.

Councilor Kay made a MOTION to TABLE Item #04 179 and was seconded by Councilor Leary and was UNANIMOUSLY VOTED.

04 232 <u>Reserve Fund Transfer - Police Department New Hires</u>

Councilor Kay made a MOTION to TAKE OUT OF ORDER Item #04 232 and was seconded by Councilor Leary and was UNANIMOUSLY VOTED.

James Wilson noted that the Mayor requested a reserve fund transfer for the purpose of hiring six additional police officers. This is not the full cost of the officers. Some of the cost will be taken from a grant. The Police Department has lost a total of seven officers to retirement or transfer. Three officers transferred to the State Police in November 2004. Two officers retired in July of 2004 and two more officers will have retired by the end of January 2005.

Councilor Kay noted that some of the money for these officers are from a grant. She asked for clarification regarding the follow through of the grant into the next fiscal year. Chief Thomas noted that the grant was being used for a particular item. The money will be used to buy bullet proof vests. This is a non-recurring cost.

Mr. Wilson stated that the funding for the six officers salaries is already in place as these positions are to fill vacancies in the Police Department. The requested funds are for physicals, exams and equipment.

Councilor Leary questioned the filling of the vacancy for the seventh officer. Mr. Wilson noted that there is money in the budget for this position. The Department will eventually hire the seventh officer. Chief Thomas noted that two of the officers are taking lateral transfers from other Police Departments and are already Academy trained.

A MOTION was made by Councilor Leary to RECOMMEND favorable action for Item #04 232 and was seconded Sue Kay and UNANIMOUSLY VOTED.

04 234 Appropriation Request - $150,000 - Grading Legion Field

Councilor Kay made a MOTION to TAKE OUT OF ORDER Item #04 234 and was seconded by Councilor Leary and was UNANIMOUSLY VOTED.

Robert O'Connor, Director of Public Works, spoke before the Committee. Mr. O'Connor noted that the dirt for this project is not free. He noted that he is preparing bid documents to go out to public bid some time this month. The funding will cover bringing material in, site control, dust control, and fencing.

Councilor DiFazio noted that on December 29, 2005 Mayor Madden held a meeting and over 100 notices were sent out to abutters. He noted that the residents seemed pleased with the answers received and the ongoing process of completing this project.

Mr. Wilson stated that in the current state budget, $150,000 has been appropriated to help defray some of the cost associated with this project. It is hoped that the town's appropriation and the state funds will cover the cost of the grading at Legion Field.

Councilor Kay made a MOTION to RECOMMEND favorable action Item #04 234 and was seconded by Councilor Leary and UNANIMOUSLY VOTED.

ADJOURNMENT

At 8:30pm there being no further business, Councilor Leary MOTIONED to adjourn and Councilor Kay seconded and was UNANIMOUSLY VOTED.

Approved by: ________________________________

Kenneth DiFazio, Chairperson