

TOWN COUNCIL MINUTES
BUDGET/MANAGEMENT COMMITTEE
Town Hall Council Chambers
May 28, 2009- Thursday

Present: Kenneth DiFazio, Chairperson
Ed Harrington
Arthur Mathews
Michael Molisse
Patrick O'Connor

Also Present: James Wilson, Chief Financial Officer
James Clarke, Director of Planning and Development
Walter Flynn, Chair, Community Preservation Committee

Recording Secretary: Mary Briggs

Chairman Kenneth DiFazio called the Budget/Management Committee meeting to order at 6:45 PM, to review the Capital Improvement Plan for 2010-2014. This item was continued from the meeting of April 30, 2009.

A Motion was made by Councilor O'Connor to take item 09 084 out of order and was seconded by Councilor Molisse. Unanimously voted.

09 084- Community Preservation Committee –Tammy Brook Apartments

This measure was reviewed by the Community Preservation Committee at its meeting on May 7, 2009 and recommended for forwarding to the Town Council with a recommendation for favorable action. The committee seeks to allocate \$150,000 for the purpose of a long-term loan for Beacon Communities, LLC for the purchase of the Tammy Brook Apartments. \$87,742 of the funding will be allocated from the CPC FY09 Community Housing reserve line item and \$62,258 from the Community Housing prior years fund balance of the CPC budget and both are restricted to community housing uses.

Mr. Wilson noted for the record that he is not the liaison for the Community Preservation Committee, but that it is under the direction of the Planning Department by mayoral directive. Since the Director of the Planning Department is currently in another meeting, Mr. Wilson introduced Mark Epker, Senior Vice President, Acquisitions, of Beacon Communities to present the request to the committee.

Mr. Epker provided some background on Beacon Communities, LLC. The company, based in Boston, owns and manages affordable housing; currently with 9,000 apartments, and works with the communities they serve to acquire, preserve and keep affordable

housing units.

They have bid on the Tammy Brook apartments, built in 1968, in a suburban neighborhood, which is a 90-unit mix of apartments, townhouses and a single family home located on King Ave that is currently up for sale. It is well-managed and well-maintained and consists mainly of 2-3 bedroom apartments, housing approximately 250 residents.

Beacon is the successful bidder for the property. There are currently affordable restrictions in place, which expire on June 1st. Beacon intends to renew the current affordability restrictions and extend them for another forty years.

As part of the acquisition, Beacon plans \$2.3 million in immediate capital repairs, including updating HVAC and life safety systems, re-roofing, resurfacing of parking lots, and interior work. The current laundry and maintenance space will be converted to management space.

The current owner has renewed the Section 8 contract for 24 of the units for one year. Beacon's goal upon acquisition will be to extend it for a twenty-year term. The federal government will subsidize the majority of the rent. Beacon will also request funding from the state, under the Capital Improvement and Preservation Fund, to restrict another 41 units for households earning below 80% area median income, and the remaining 25 units will be unrestricted. Mr. Epker noted that in most communities which are serviced by Beacon, the most successful are those with mixed income; not exclusively subsidized. Changes in tenant household incomes can be accommodated in mixed housing. He reviewed median income housing costs for the area.

The benefit includes maintaining the Tammy Brook Apartments in the inventory for the town's 40B Affordable Housing. No current tenants will be displaced with the acquisition. 70% of the units will be offered for local preference. In addition to the immediate capital improvements, additional capital will be reserved in order to continue to maintain the property and make improvements over the next forty years.

Councilor DiFazio asked for some clarification. The sale of the property to the Beacon affiliate set up for the purchase, was at a cost of \$11.95 million and will allow for the property to be maintained within the 40B housing inventory. Further investment from equity provided to Beacon, which is from state funding. Beacon has requested and been approved for an additional \$11.2 million bond issued by Mass Development. They have requested state assistance in the form of tax credits and the Capital Improvement Preservation Fund, a funding source which requires local contribution. \$2.3 million is earmarked for the immediate capital improvement budget.

Councilor O'Connor asked if the vote at CPC level was unanimous. Mr. Wilson responded that it was. Councilor O'Connor asked who the current owner of the property is. Mr. Epker noted it is owned by the Cartman families, as a single entity, and is not a nonprofit company. Councilor O'Connor also asked for the current tax structure. Mr.

Wilson responded that he would provide the information for the committee. Councilor O'Connor asked if there were any changes expected in Section 8 housing; Mr. Epker noted that there will be no change to the current, but with the regulatory restrictions due to be removed, those residents not in project-based Section 8 will be eligible for "enhanced vouchers", which they can use at Tammy Brook or take the subsidy with them.

Councilor Molisse asked about the 25 unrestricted units- Mr. Epker noted they are priced at market rates. The current number of Weymouth Housing authority voucher holders in Tammy Brook is expected to be 50-60 when the restrictions are removed. Councilor Molisse asked which units Beacon is planning to renovate. Mr. Epker said that all units will be renovated and completed within 6-9 months.

Councilor O'Connor asked if the state funds have been committed. Mr. Epker has not received commitment letters; but has verbal approval.

Chairman DiFazio verified with Mr. Wilson that the public hearing is scheduled for June 15; originally to be held earlier but was rescheduled due to a glitch in publication of the notice. Without a vote prior, funding will exhaust on June 30th, therefore any vote must be taken by then. Town Council has no meeting scheduled after the June 15th.

A motion was made by Councilor O'Connor to forward item 09 084, Community Preservation Committee request for funding for Tammy Brook Apartments, to the full Town Council with a recommendation for favorable action subject to the Public Hearing, and was seconded by Councilor Mathews. Vote passed 2/1 (Councilor Molisse- no).

A motion was made by Councilor O'Connor to take item 09 083 out of order and was seconded by Councilor Molisse. Unanimously voted.

09 083-Community Preservation Committee –Reed Cemetery Restoration

Mr. Wilson presented a request on behalf of the Community Preservation Committee for \$80,325 from the Unreserved Fund Balance of the CPC for the restoration of headstones at Reed Cemetery.

Deborah Sullivan and Liz Cicchese presented the request on behalf of the Cemetery Commission. Ms. Cicchese reported that the commission has come before the CPC three times to request funds for the restoration of Reed Cemetery. It was approved by the CPC by a vote of 7/2. The commission went through the RFP process, interviewed candidates, hired a conservator, and had a needs assessment study conducted for Reed Cemetery. The completed assessment book is on file at the DPW. There is a log of each grave, with a picture, and cost for repair of each.

Ms. Cicchese gave a brief history of the cemetery. On Front Street, it houses the remains of 12 Revolutionary War, 2 Civil War and 2 Spanish American War soldiers. The oldest stone is that of Ephram Pratt, dated 1769, in row 12. The commission has photocopies of the lot plans, the single grave book, handwritten notes from the 1932 cemetery map and

photocopies of handwritten notes from 1937 burials. They also have photocopies of information from various articles in the Weymouth Gazette regarding the cemetery, published in 1880.

The commission recommends that the Civil War and Spanish American war military markers be treated with a two-component water-based treatment, which is very expensive. Their suggestion is that the DPW purchase the product in order to obtain a tax break. The commission has a list of conservators to invite to bid on the project. One of the two issues with the repairs is the short window of time to accomplish the work given the nature of New England weather. The second issue is that some of the conservators they have interviewed are willing to remove gravestones so the restoration work can be done indoors and offsite.

Government issued Civil War monuments are rapidly deteriorating due to poor condition of the marble, weather and acid rain. It is recommended that they all be dug up and cleaned. Of special concern is the north side of the cemetery, which slopes down. Several stones are being slid downhill. On the east side, which is the back of the cemetery, there is an abrupt hill. It might be beneficial to take care of the stones in these areas first.

Ms. Cicchese noted several prominent town names represented in the cemetery including Libby, Reed, Ross, Smith, Tirrell, Richards, Thayer and Pratt.

Councilor Molisse asked if the request is only for the repair of the stones. Ms. Cicchese responded in the affirmative, and that any other work would be performed under the direction of the DPW. She noted that an Eagle Scout candidate worked with a dozen volunteers to clear brush, erect a flagpole and install a bench.

Chairman DiFazio asked if the request represents the total to complete the project and if the commission has any other source of funding available. Ms. Cicchese responded that the request is for the total amount required. Chairman DiFazio asked which of the three requirement categories this project falls within. CPC Chairman Flynn responded that this qualifies under Historic Resources set aside.

Councilor O'Connor asked the approximate cost of the cleaner required; Ms. Cicchese responded that the cost is over \$1,000 for a 5-gallon drum. Councilor O'Connor asked how much of the cleaner is required. Ms. Cicchese responded that the total figure isn't available; costs are estimated per stone.

Councilor Mathews noted that the funds are coming from the unreserved fund balance; and the commission has already met the 10% minimum requirement in the Historic Resources set aside with the Fogg Library renovation.

Mr. Wilson noted within the categories of approved expenditures is for historic preservation. The funding source for this project is the unreserved fund balance.

Chairman DiFazio asked about the commission's three appearances before CPC for funding requests. Ms. Cicchese responded that the commission requested funding for needs assessment studies for Reed and Elmwood Cemeteries. The commission has decided to begin restorations with the Reed Cemetery. Chairman DiFazio asked who prepared the estimate. Ms. Cicchese responded that a professional who is a professor and conservator from Falmouth prepared the estimate. She completed the assessments for both cemeteries and also worked with WETC, the local cable station to present a walking tour of the historic value of Reed Cemetery, which was aired on WETC.

Chairman DiFazio asked if the dissenters in the 7/2 vote in committee stated their reasons for not supporting the project.

Chairman Flynn noted there were no reservations about the project or its worth. The concern was the expenditure of funds close to the end of the fiscal year and not leaving sufficient funds for other pending projects. Chairman DiFazio noted the balance was over \$1 million prior to the request. Councilor Mathews noted that there were other projects under consideration at the time.

Chairman DiFazio asked what the commission's options are without this funding. Ms. Cicchese noted that the work will not be completed. They have exhausted all resources. All work that can be done otherwise is conducted by the DPW (mowing) or volunteers.

A motion was made by Councilor O'Connor to forward item 09 083 –Community Preservation Committee request for funding for restoration of the Reed Cemetery to the full Town Council with a recommendation for favorable action and was seconded by Councilor Molisse. Unanimously voted.

Mr. Wilson noted that the taxes for Tammy Brook are approximately \$75,000 for this year and will come on the tax rolls in the same manner as the Fulton School. The classification is in special 1-12 class. Chairman DiFazio responded that this is a tax break for 90 units and a single family home. Councilor O'Connor suggested the tax classification is broken out so that the tax break isn't afforded to the unrestricted units. Mr. Wilson responded that is what appears to be happening.

09 036-Community Preservation Committee Annual Appropriation

Mr. Flynn presented the budget with assistance from Mr. Wilson. The proposed CPC budget is \$699,814, based upon a 30% contribution from the state. It was estimated the 30% contribution, that the town has been notified by the DOR that the actual contribution will be closer to 29%, which means this budget will need to be reduced by an additional \$6,000 in the fall prior to the tax rate being set.

The manner in which the budget is prepared is statutory in nature. Revenues are based upon 1% of the tax base, less the exemptions. Additionally there is the state match of \$157,000, interest income of approximately \$5000, and about \$1,000 in interest and penalties due to late payments. Funds are utilized quickly and this does not accrue

substantial interest.

This budget is essentially set up with three mandatory set asides; historic preservation, open space and community housing. The committee determined a fourth category as well for recreation. Three of the four received 10% each of the allocation (\$69,981) and one has \$220,000 appropriated for the Fogg Library with \$269,871 remaining for the discretionary budget.

Mr. Flynn reported that of the \$269,871, \$20,000 is for reimbursement of salary allocations for town employees who assist the committee-a reduction of \$10,000 from prior years. There is a \$2,000 allocation for recording secretary fees (a reduction of \$1,750 from the prior year) and \$12,991 which is the difference of 5% for the miscellaneous expenses. This consists of property appraisals, publication of legal notices, and those other expenses that do not fall under other categories. The general reserve is \$234,880, which can be utilized for any of the four categories with approval of Town Council.

There was a brief discussion of the historic resources fund, the Fogg Library project, and the set aside funds from FY10's budget. At the time the Council approved the project, sufficient funds were not available.

Councilor O'Connor asked if Main Street is off the books now. Mr. Wilson noted it is not but that the funds for the project have been segregated for the project.

Councilor O'Connor asked whether it was feasible to place any of the funds in CD's; Mr. Wilson responded that it would not be feasible as funds must be available within 30 days of approval by Council. Funds are deposited to a high yield account. Councilor O'Connor asked if funds could be held to cover employee salaries in the event the economy worsens. Mr. Wilson responded that the entire administrative budget of the CPC must not exceed 5%. The DOR also requires that employees be identified within the administrative lines.

Councilor Molisse asked if the applications have increased over the course of the last year. Mr. Flynn noted proposals have been fairly consistent year to year. There is definitely interest in the fund. Mr. Mathews noted that some applications received are not eligible. There is great interest in recreation projects, but until the legislature makes a change, the committee's hands are tied when it comes to projects on recreation land that the town already owns. This is the reason why CPA funds cannot be used for restoration of Legion Field. The bill is currently languishing for the second time, nearing the end of the general court session. The project initially approved by Town Council for Reilly Field had to be returned from segregation for this reason.

Councilor O'Connor noted he was initially against the town enacting the CPA; however, having seen the results over the last few years, he commended the committee and noted he will support the Act when it is up for review.

Chairman DiFazio noted that there was uncertainty as to whether the committee would have been allowed to act autonomously, and without pressure from various entities. He asked Mr. Flynn if he felt the committee has been successful in this regard. Mr. Flynn responded, “unequivocally.”

Capital Improvement Plan FY2010-2014

Chairman DiFazio asked if there were any changes from the document of the year before. Mr. Flynn noted projects have been added, but due to the paucity of funds, there were very few changes. The committee’s recommendation to the Mayor was that the worthwhile projects, not of an emergent nature, be deferred to a future year. Projects that did not meet the criteria were recommended for no “funding.”

Chairman DiFazio asked if the list that the Mayor forwarded to the state was based on input from the Capital Improvement Committee. Mr. Flynn noted that they had not. The recommendations were prepared by a working group designated by the Mayor, and were of “shovel ready” nature.

During this discussion, Councilor Harrington arrived.

Councilor Mathews noted very few capital projects have been able to be completed because of a lack of funding over the last few years. He asked if the Planning Board shared the sense of frustration. Councilor Mathews noted that the submittal is usually in March- he asked if the Planning Board was comfortable with that or would prefer changes made in the timing requirements which can be addressed in the upcoming Charter review. Mr. Flynn noted that like any committee, Planning would not prefer to meet every other week. They do not expect any recommendation for change to the current standard will be brought forward to the Charter Review Committee.

A motion was made by Councilor O’Connor to accept the Capital Improvement Plan for FY10-14, and was seconded by Councilor Molisse. Unanimously voted.

At 7:45 PM, there being no further business, a motion was made by Councilor O’Connor to adjourn and was seconded by Councilor Molisse. Unanimously voted.

Respectfully submitted by: Mary Briggs-Recording Secretary

Approved by: Chairman Ken DiFazio

