

Board of Directors Meeting
October 23, 2008 @ 7:00pm
Conference Room, Corporation Office

Directors present: James W. Lavin, Chairman
John Ward
Jeffrey Wall
Joseph Connolly

Director Absent: Gerard Eramo

Also Present: Eric Kfoury, on behalf of SSTTDC
James Young, Project Manager
Mark Abrahams, Jeff Donohoe, Greg D'Agostino,

Consultants

Beth Mitchell, Mary Ryan, Legal Counsel

The Meeting was called to order at 7:05pm.

Municipal Tax Plan

Mr. D'Agostino summarized the deliberative process to update the Enabling Legislation and develop a Tax Plan to assess taxes under the regulatory oversight of DOR. An initial Tax Plan was submitted to DOR, several comments were received and a revised Tax Plan was presented to the Board.

Mr. Abrahams reviewed the components of the FY09 Tax Recapitulation Sheet, including estimated receipts, free cash, other available funds, and real and personal property taxes. Water and sewer enterprise funds were in a separate Recap Schedule. Adjustments were noted in the FY09 Budget including reduced revenue, increased debt service, estimated tax levy, allowances for abatements and exemptions and use of surplus funds.

Mr. Donohoe reviewed the tax rate module with projected new growth, revenues (capped at total development), debt service and municipal services. Ms. Mitchell noted that the Corporation's responsibility to re-invest in No Cost EDC property (for 7 yrs.) ended when land was transferred to LNR. Mr. Donohoe noted that once the project was built-out the Corporation would have no new growth to bring on line, and expenses would increase faster than revenue was legally allowed to grow (Prop 2 ½), resulting in approximately three (3) years of deficit until the debt service was paid off.

Discussion ensued on establishing a rainy day type of fund in the Budget to

prepare to cover the deficit (\$2M), knowing in advance that it would occur. Discussion ensued on Host Payments to the Towns and the need to establish a reserve on an annual basis beginning with the FY09 Budget. Legal Counsel indicated the enabling legislation allowed for operating investments and financial reserves, and that the Board had the authority to create reserves before determining surplus revenues.

Mr. Abrahams continued his review of the Recap Sheet and provisions in the MGLs that needed to be adopted for water and sewer enterprise funds (Chapter 44, s 53F1/2) and to authorize a bond (Chapter 44, s 7 and/or 8).

The Directors were informed that the audited FY08 financial statements reflected the FY08 budget posted in the MUNIS system and that the MUNIS system would grow with the Corporation with programs for purchasing, payroll, tax billing, and with modules for permitting and fixed assets.

Mr. D'Agostino noted meetings were scheduled with DOR to discuss the \$2M deficit, distribution of surplus funds to the Host Communities and Capital Investments. The Board was informed that DOR would receive the draft plan next week, for their review and input.

Bond Trustee Selection

The Board received 4 proposals for Trustee Services for Infrastructure Development Revenue Bonds, for their review.

Wastewater Reclamation Facility (WRF) Alternatives

Mr. Young reviewed the WRF system base design costs, the two alternatives to the design basis flows and construction staging, and the key differences between each alternative to the original design. The Board reviewed process flow diagrams, the two stages of construction for tanks and buildings and the building elevations and floor plans. An estimated timeline and cost ranges were also presented.

Mr. Young compared the cost of the WRF currently under design (60%) for Stage 1 construction with the cost savings measures under the two alternative designs and the costs for total build out of Stage 2 construction. Mr. Young presented Mr. Elkerton's peer review of treatment capacity, assumptions and advantages to both alternatives and his conclusion that Alternative #1 would be the best option. Discussion ensued on State Revolving Funding; electrical capacity, electrical access points into the site, and plans to screen the facility from the surrounding neighborhoods.

Mr. Connolly requested a meeting with representatives from National Grid to discuss their capacity to provide for the project's electrical load at full buildout.

Mr. Donohoe reviewed the financial issues with the WRF alternatives including costs, servicing and payments mapped out over 30 years.

Brownfield Covenant

The Board reviewed the draft Application to Enter into a Brownfields Covenant Not to Sue Agreement prepared by Atty. Mary Ryan to be submitted to the Office of the Attorney General for an extra layer of protection from potential third party liability (21E liability only). Notice would be provided to all Base abutters and would be published in the Environmental Monitor. Ms. Ryan noted that LNR would apply separately to the Office of the Attorney General.

VOTED: Motion of Jeffrey Wall, seconded by John Ward, to enter into Executive Session for the purpose of Development Negotiations and Financial Strategies.

Wall, aye, Ward, aye, Connolly, aye, Lavin, aye

Open session ended 9:15pm

Executive Session ended 10:15pm

VOTED: Motion of John Ward, seconded by Jeffrey Wall, to adjourn the meeting.

Unanimous vote

The meeting ended 10:15pm

Mary Cordeiro, Recording Secretary

James W. Lavin, Chairman