

Southfield Redevelopment Authority
Board of Directors Meeting
Monday, May 11, 2015 @ 7:00pm
Conference Room, SRA Office

Directors Present: Bill Minahan, Chairman
Pat O'Leary, Vice Chairman
Chris Aiello, Clerk
Ralph Rivkind
Walter Flynn
Bob Rizzi
John Brewer
Lyndsey Kruzer
Kelli O'Brien-McKinnon

Also Present: Scott Bois, Treasurer/Collector
Jim Young, Land Use Administrator
Matt Feher, Legal Counsel

Mr. Flynn called the meeting to order at 7:00pm and announced his resignation as Chairman of the Board.

Reorganization of the Board

Motion of Bob Rizzi, seconded by Lyndsey Kruzer, to nominate Pat O'Leary as Chairman of the Board

Motion of Chris Aiello, seconded by Kelli O'Brien-McKinnon to nominate Bill Minahan as Chairman of the Board

Ms. O'Leary stated she was dedicated to making the project work and would like to accept the position.

Mr. Minahan stated he already demonstrated his ability to run a meeting as the Vice Chairman and would like to accept the position.

Mr. Aiello called for a roll call vote on the Chairman nominations; the Directors submitted written votes to the Recording Secretary, and Bill Minahan was elected Chairman of the Board.

5-0-0 votes for Bill Minahan / 4-0-0 votes for Pat O'Leary

VOTED: Motion of Kelli O'Brien-McKinnon, seconded by Ralph Rivkind, to nominate Pat O'Leary as Vice Chairman

Unanimous 9-0 vote

Chris Aiello agreed to carry on as Clerk of the Corporation

Minutes

VOTED: Motion of Chris Aiello, seconded by Walt Flynn, to approve the April 27, 2015 open session minutes

Unanimous vote to approve

7:07PM - **VOTED: Motion of Ralph Rivkind, seconded by Lyndsey Kruzer to enter into Executive Session to consider the purchase, exchange, lease or value of real property, to reconvene in Open Session**

Rivkind, aye, Minahan, aye, O'Brien-McKinnon, aye, Aiello, aye, Flynn, aye, Kruzer, aye, O'Leary, aye, Rizzi, aye, Brewer, aye

The Chairman stated that a discussion in open session to consider the purchase, exchange, lease or value of real property would have a detrimental effect on the SRA's negotiating position.

The Board convened in Executive Session at 7:10pm and reconvened in Open Session at 8:05pm.

Master Developer Status Update

Mr. Feher noted the DDA was revised in December 2014 (per new Legislation) but was never countersigned by LNR/Starwood; since that time LNR requested a transfer of ownership from LNR/Starwood to LStar Management (as per the DDA). An Agreement was reached between LNR/Starwood & SRA, including the withdrawal of all ATB cases by LNR, the release of all financial claims by SRA, and acknowledgement that there were no defaults under the DDA. The Authority also consented to the transfer of all LNR South Shore LLC interests to LS Southfield LLC. The Chairman noted that a lot of due diligence occurred in the past four weeks, and that further amendments to the DDA would soon commence between SRA and LStar.

Board Measure 15-012

VOTED: Motion of Walter Flynn, seconded by Lyndsey Kruzer, that the Board of Directors hereby approve, and authorize the Chairman to enter into a Letter Agreement (the form of which has been provided at this meeting) pursuant to which a Second Amended & Restated DDA shall be delivered; and further to approve and authorize the Chairman to enter into the revised DDA pursuant to the terms of the Letter Agreement

Unanimous 9-0 vote

The Chairman noted that, based upon the withdrawal of the ATB cases, the SRA Board of Assessors released all Overlay Surplus Accounts (\$375K). The Directors discussed appropriating \$276K of the surplus to cover LNR's outstanding debts. Some Directors were not in favor of waiving LNR's debt.

Board Measure 15-013

VOTED: Motion of Walter Flynn, seconded by Ralph Rivkind, that the Board of Directors hereby approves the terms of that certain Letter Agreement by and between the Southfield Redevelopment Authority and LNR Development Properties LLC as presented at this meeting, and, further authorizes the Chairman to execute such Agreement on behalf of the Authority.

Unanimous 8-1 vote Aiello opposed

Board Measure 15-011

VOTED: Motion of Walter Flynn, seconded by Ralph Rivkind, that the Authority's Board of Directors consent to the transfer of interest in LNR South Shore, LLC ("LNR") to LS Southfield, LLC from LNR Development Properties, LLC pursuant to Section 14.3 of that certain NAS South Weymouth Amended and Restated Disposition and Development Agreement ("DDA") by and between the Authority (as successor to South Shore Tri-Town Development Corporation) and LNR; provided that such consent is conditioned on the delivery of a revised DDA in accordance with the term set forth in the Authority's letter agreement with LStar Management, LLC dated as of today's date

Unanimous vote

FY16 Budget Discussion

Representatives of the SRA Advisory Board presented FY16 Budget recommendations:

- 1) Remove the \$45K Reserve Fund from the Budget because there was ample Free Cash.
- 2) Reallocate the MUNIS expenses from Finance to Information Systems
- 3) Earmark up to \$287K from Free Cash to the FY16 Budget to reduce the Southfield Tax Rate
- 4) Consider reimbursement of personal expenses in lieu of receiving Director Compensation.

Discussion ensued on the Reserve Fund, Free Cash, Southfield Tax Rate, and a Scope of Work from Legal Counsel on legal issues that may occur in FY16. It was recommended to LStar representatives that they provide the first DDA revision for SRA review.

The Board was informed that SRA's Insurance Agent was reviewing the existing policy for the Authority, and the coverage that would be needed beyond July 1, 2015.

Further discussion ensued on the technical reviews and engineering services that would carry on by the Authority, and the technical review and engineering services that would be assumed by the Towns on July 1st.

Board Measure 15-006 - FY16 General Fund Budget

VOTED: Motion of Walter Flynn, seconded by Bob Rizzi, to approve \$94,250.00 for Board of Directors Budget (#111)

Unanimous vote

VOTED: Motion of Ralph Rivkind, seconded by Walter Flynn to approve \$149,100 for Executive Officer Budget (#121)

Unanimous vote

VOTED: Motion of Ralph Rivkind, seconded by Lyndsey Kruzer, to zero fund the Reserve Budget (#132)

Unanimous vote

VOTED: Motion Ralph Rivkind, seconded by Kelli O'Brien-McKinnon to amend Finance Budget (#133) by relocating \$35,000 from Computer Services to Information Systems Budget (#155), and approve a Finance Budget of \$181K.

Unanimous vote

VOTED: Motion of Ralph Rivkind, seconded by Robert Rizzi to approve \$150K for Legal Budget (#151)

Unanimous vote

VOTED: Motion of Chris Aiello, seconded by John Brewer, to add \$35K Computer Services to the Information Systems Budget and to amend and approve a total Budget of \$50K (#155)

Unanimous vote

VOTED: Motion of Ralph Rivkind, seconded by Chris Aiello, to approve \$218,600 Planning Budget (#175)

Unanimous vote

VOTED: Motion of Ralph Rivkind, seconded by Walter Flynn, to approve \$194,865 Pension Benefits and Insurance Budget (#194)

Unanimous vote

VOTED: Motion of Ralph Rivkind, seconded by Kelli O'Brien-McKinnon, to approve \$32,100 Maintenance of Buildings Budget (#199)

Unanimous vote

VOTED: Motion of Ralph Rivkind, seconded by Lyndsey Kruzer, to approve \$12,200 Public Works Budget (#410)

Unanimous vote

VOTED: Motion of Ralph Rivkind, seconded by Kelli O'Brien-McKinnon, to approve \$998,000 Debt Budget (#7)

Unanimous vote

The Chairman thanked the Advisory Board for their recommendations.

A lengthy discussion ensued on earmarking a portion of Free Cash towards the FY16 Budget in order to bring the Southfield Tax Rate down to \$0.50 cents, or taking the vote in the fall when DOR certifications were available. It was agreed that reducing the tax rate would improve Southfield's appearance, and bring more clarity to potential commercial developers, which LStar was actively seeking. The Treasurer suggested \$235K be earmarked.

Board Measure 15-006A Free Cash

VOTED: Motion of Kelli O'Brien-McKinnon, seconded by Lyndsey Kruzer, to earmark \$235,000 from Free Cash to supplement the FY16 Budget

Unanimous vote

The Enterprise Budget was moved to the next Agenda.

Public Comment

Mayor Kay was informed that SRA minutes were available on the Website.

Mr. Galluzzo, Weymouth, noted that LNR never paid outstanding bills and never provided a Master Plan; he asked why the SRA let them off the hook. He was informed that LNR/Starwood agreed to withdraw a potential \$2M liability in Appellate Tax Board cases; and that the SRA agreed to forgive outstanding debt. The savings from the ATB cases exceeded the outstanding charges.

Mr. LeMott, Southfield, heard a rumor that SSTTDC was fiscally irresponsible with excessive spending before SRA took over, and was informed that was not so.

Ms. Hilbert, Weymouth, was informed that a permanent water source was not in place yet.

VOTED: Motion of Robert Rizzi, seconded by Walter Flynn to adjourn the meeting

Unanimous vote

The meeting ended 9:00pm

Mary Cordeiro, Recording Secretary

Bill Minahan, Chairman

Documents reviewed at the meeting:

FY16 Budget

Letter of Agreement between SRA and LNR

Letter of Agreement between SRA and LStar