

Board of Directors Meeting
April 25, 2011 @ 9:00AM
Conference Room, Corporate Office

Directors Present: Jeffrey Wall, Chairman
Gerard Eramo, Vice Chairman
James W. Lavin, Clerk
John Ward
Joseph Connolly

Also Present: Kevin R. Donovan, CEO
James A. Wilson, CFO
Jim Young, Project Manager
Beth Mitchell, Legal Counsel
Ed Hershfield, Robin Daniels and Bill Ryan, LNR Team
Peter Mahoney, John M. Corcoran & Co.

The Chairman called the Directors Meeting and the Applicable Subdivision Board Meeting to order at 9:00am.

Cable Licensing Authority

The CFO reviewed the procedure to begin the process to petition the Department of Telecommunications and Energy to be recognized as a licensing authority for cable TV. Mr. Wilson noted that a (empty) cable/internet pipe was already in place within the SouthField horizontal infrastructure.

Board Measure 11-025 Cable Licensing

VOTED: Motion of Gerard Eramo, seconded by Joseph Connolly, that the Board of Directors formally initiate the process by which it will become a 'License Authority' in accord with General Laws Chapter 166A and its enabling legislation and the regulations promulgated by the Massachusetts Cable Television Division of the Department of Telecommunications and Energy
Unanimous vote

General Financial Update

The Board reviewed the Corporation's master list of annual Fees - implemented in 2007. The CFO noted the entire fee system would soon be upgraded into an accounting package. Mr. Ward was informed that the copy fee of \$.50 complied with state regulations which recommended \$1.00 per page.

Board Measure 11-026 Adoption of Fees

VOTED: Motion of Gerard Eramo, seconded by Joseph Connolly, that in accord with Article 10.4 of the Administrative Rules and Regulations for NAS South Weymouth the attached Master List of SSTDTC Fees is hereby adopted for FY12. Furthermore, that all fees or other revenue collected by any SSTDTC department or office shall be paid into the Treasury of the SSTDTC and accrue to the benefit of the SSTDTC except in those instances where the General Laws of the Commonwealth require otherwise. Any fee or fine established pursuant to MGL Chapter 450 section 22G shall be kept on file with the Chief Executive Officer.

Discussion ensued on the interest payment for FY11 and FY12 held by Wells Fargo in accord with the Indenture authorized in June, 2010. The CFO noted the Board should approve any and all expenditures

including the Bond payments, to comply with the DOR Tax Plan. Mr. Lavin was informed that authorizing FY12 payments at this time would keep the record straight and would satisfy the Dept. of Revenue.

Board Measure 11-027 Debt Service Payments

VOTED: Motion of John Ward, seconded by Gerard Eramo, that the Board of Directors hereby authorize the payment of the following debt service payments for the so-called infrastructure bond authorized in June, 2010 and 'let' on August 10, 2010:

February 1, 2011 = \$324,034.03; August 1, 2011 = \$345,125.00, and February 1, 2012 = \$345,125.00

The Source of funding said payments is the Trust Fund established for the benefit of the SSTTDC and held by Wells Fargo in accord with the Indenture signed by the SSTTDC

Unanimous vote

FY12 Budget Items were reviewed. DOR noted the FY12 Budget for Sewer Enterprise and Water Enterprise Funds needed to contain administrative and allocated costs associated with a stand-alone operation, with a certified operator to run the system, given that we have begun the installation of meters.

Mr. Lavin was informed that it was highly unlikely that one individual would have both water and sewer certifications; and that the Corporation would consider consultants/engineers on a part-time or on-call basis during FY12 work.

Board Measure 11-016 FY12 Sewer Enterprise Fund

VOTED: Motion of Joseph Connolly, seconded by James Lavin, that the South Shore Tri-Town Development Corporation raise and appropriate the sum of \$227,500 to provide for all the expenses for the maintenance and operation of the Sewer Enterprise Fund for the fiscal year 2012 and that the several sums herein set forth are hereby approved for the several purposes and are subject to the conditions specified, and the sources of funding for said expenditures are as outlined in the Revenue Projections and incorporated herein

Unanimous vote

Board Measure 11-017 FY 12 Water Enterprise Fund

VOTED: Motion of Gerard Eramo, seconded by James Lavin, that the South Shore Tri-Town Development Corporation raise and appropriate the sum of \$138,900 to provide for all the expenses for the maintenance and operation of the Water Enterprise Fund for the fiscal year 2012 and that the several sums herein set forth are hereby approved for the several purposes and are subject to the conditions specified, and the sources of funding for said expenditures are as outlined in the Revenue Projections and incorporated herein

Unanimous vote

Board Measure 11-014 FY11 Sewer Enterprise Fund

VOTED: Motion of James Lavin, seconded by Gerard Eramo, that the South Shore Tri-Town Development Corporation raise and appropriate the sum of \$192,500 to provide for all the expenses for the maintenance and operation of the Sewer Enterprise Fund for the fiscal year 2011 and that the several sums herein set forth are hereby approved for the several purposes and are subject to the conditions specified, and the sources of funding for said expenditures are as outlined in the Revenue Projections and incorporated herein

Unanimous vote

Board Measure 11-015 FY11 Water Enterprise Fund

VOTED: Motion of Gerard Eramo, seconded by James Lavin, that the South Shore Tri-Town

Development Corporation raise and appropriate the sum of \$120,000 to provide for all the expenses for the maintenance and operation of the Water Enterprise Fund for the fiscal year 2011 and that the several sums herein set forth are hereby approved for the several purposes and are subject to the conditions specified, and the sources of funding for said expenditures are as outlined in the Revenue Projections and incorporated herein

Unanimous vote

Discussion ensued on establishing a rate structure to cover all costs associated with the Water and Sewer Enterprise Funds.

Board Measure 11-019 Enterprise Funds Rate Structure

VOTED: Motion of Gerard Eramo, seconded by James Lavin, that the South Shore Tri-Town Development Corporation set the following rate structure for the Water and Sewer Enterprise Funds: Charges assessed by the Town of Weymouth plus five (5) percent to cover the cost of administration
Unanimous vote

Mr. Connolly was informed that there was no limit on administrative fees and that 5% was fair for now. If needed adjustments would be made prior to setting the FY12 tax rate. Mr. Walls was informed that Town of Weymouth bills were paid through February 2011 and that the Corporation was essentially running 45 days behind the actual billing.

The CFO noted under the terms and conditions of the Bond authorization the Directors were required to annually approve the special assessment roll. The Board reviewed the FY12 roll identifying ownership changes and the special assessment for which the entity is liable. John M. Corcoran & Co. requested, as a condition of closing with LNR, that the Corporation identify the portion their three parcels would be responsible for in special assessments (to be implemented in FY13).

Mr. Lavin was informed that the Board of Assessors had approved the special assessments; the Directors would approve the tax rate; and DOR would approve the form and method of special assessment calculations and the tax rate as a whole.

Board Measure 11-020 Special Assessments Reallocation

VOTED: Motion of Joseph Connolly, seconded by Gerard Eramo, that the Board of Directors approve the FY12 Special Assessment Reallocation of Assessments for FOST 1 and 2 as submitted to the Corporation by MUNICAP in accord with the approved bond authorization of April 27, 2010, Board Measure 10-014

Unanimous vote

The CFO informed the Board that the FY12 Budget included first time operating expenses and first time recommendation to the Board of Assessors on the abatement/ overlay account for FY12, noting that the Assessors would have final say in accordance with the statutes.

The Directors reviewed the Budget categories. Discussion ensued on the Treasurer and CFO positions adopted in the SSTTDC Tax Plan. The Treasurer position would be filled in FY12. Mr. Wilson noted the Advisory Board adopted the FY12 Budget at their April 14th meeting.

Mr. Lavin thanked the members of the Advisory Board for the time and attention they put into the budget process.

Board Measure 11-018 FY12 Budget

VOTED: Motion of John Ward, seconded by Gerard Eramo, that the South Shore Tri-Town Development Corporation raise and appropriate the sum of \$1,525,101.75 to provide for all the expenses for the maintenance and operation of the several departments and activities for the fiscal year 2012 and that the several sums herein set forth are hereby approved for the several purposes

and are subject to the conditions specified, and the sources of funding for said expenditures are as outlined in the Revenue Projections and incorporated herein

Unanimous vote

Applicable Subdivision Board

The Project Manager noted that LNR was proceeding with the sale of Parcels R9, R10 and R11 to John M. Corcoran & Co. (SouthField Commons). As part of the process the Corporation was required to look at the horizontal construction, to see that it's completed in accordance with the Definitive Subdivision Plan, SouthField Phase 1A. If satisfactory, a Partial Certificate of Performance would release those three particular parcels from the Covenant and the Terms and Conditions in the Certificate of Action.

Mr. Connolly was informed by Ms. Daniels that the SouthField Commons Project would consist of 4-story residential buildings, and that those particular building forms were exempt from the PLA between LNR and the Quincy and South Shore Building & Construction Trades Council of the AFL-CIO (Trades Council). Mr. Mahoney informed the Board that an invitation to bid on the project was sent to the Trades Councils. The Chairman was informed by Ms. Daniels that the PLA between LNR and the Trades Council referred to specific building forms and that the Agreement defined "project" and "non-project" work. The Board requested a copy of the PLA between LNR and the Trades Council.

Mr. Connolly voiced concern that one union bid (associated with IBG's project) was a matched price, but ignored; and he requested clarification on the issue. Ms. Daniels stated the PLA gave the Trades Council the entire commercial, horizontal, institutional and PBC amenity work in exchange for excluding residential –the exception being 5-story or higher buildings, which would be union work. The CEO was informed that a podium building was a platform building built on top of a garage (at grade or below grade).

Mr. Wall and Mr. Connolly voiced frustration that the project was sold to the three Host Communities as union based for the majority of the work, but that was not happening. It had come to their attention that the unions may have been excluded from one of the prior bidding. Mr. Connolly voiced serious concerns with that. Ms. Daniels noted that Mr. Chase explained to the PLA obligations to the residential builders, closely monitored the bid process, and was in direct contact with the union officials. The Chairman thanked Ms. Daniels for that update.

Mr. Connolly asked that the builders give a good faith effort to favor organized labor bids with matched pricing. Mr. Hershfield stated LNR would do everything possible to enforce the PLA, if they are aware that builders were not living up to it. Ms. Daniels noted one IBG single family project was using a subcontractor from Local 17.

The Project Manager informed the Board that the Certificate of Performance for John M. Corcoran parcels was all set – horizontal work was completed to his satisfaction.

Board Measure 11-028 Partial Certificate of Performance Lots R9, R10 and R11

VOTED: Motion of James Lavin, seconded by John Ward that the requirements for the construction of ways and public services specified in the phase 1A Definitive Subdivision Plan dated April 6, 2007, as amended by the Applicable Subdivision Board, have been completed to the satisfaction of the Applicable Subdivision Board to adequately serve Lots R9, \$10 and R11 on the Plan entitled "Definitive Subdivision Plan, SouthField Phase 1A", last revised November 24, 2010, by Kimley-Horn and Associates, Inc., and that the Horizontal Development (as such term is defined in the Amended & Restated Disposition and Development Agreement, as amended), has been completed for Lots R9, \$10 and R11.

And

To Release Lots R9, R10 and R11 from the restrictions as to sale and building specified in the Covenant dated May 24, 2007, as amended and supplemented, by executing a partial Certificate of Performance, and to ratify the execution of the horizontal Development Certificate of Compliance by the Chief Executive Officer for Lots R9, R10 and R11

Unanimous vote

The Partial Certificate of Performance was executed by the Board and the Horizontal Development Certificate of Compliance was signed by the CEO.

Minutes

VOTED: Motion of Joseph Connolly, seconded by John Ward to accept the minutes of the Board of Directors Meeting held on March 28, 2011

4-0-1 vote J. Wall abstained

The Chairman asked for a full discussion on the next Agenda to consider a Responsible Employer Ordinance to address the Board's concerns, to make sure it does not discourage development of the project, and to take a responsible approach to insure people from the South Shore area benefit from the work opportunities here.

Mr. Ryan suggested the Board look at the PLA between LNR and the Trades Council, which took a significant amount of time to negotiate, to understand what was already enforceable; and to be cautious and avoid compromising the strings attached to the state and federal funds made available to the SouthField project. The Chairman assured Mr. Ryan that issue was already on their radar and that they would have a healthy discussion with regards to local and organized labor on this project.

Mr. Connolly indicated he would like some form of project wide confirmation that the workers here were in fact from this area. Mr. Lavin suggested sending a letter of request to the builder/contractor rather than taking a formal vote on the issue.

VOTED: Motion of John Ward, seconded by James Lavin to adjourn the meeting

Unanimous vote

The meeting ended 10:10am

Mary Cordeiro, Recording Secretary

Jeffrey Wall, Chairman

Documents reviewed during the meeting:

Several Board Measures

Legal Opinion on Cable TV Licensing

Master List of Fees

Draft Partial Certificate of Performance