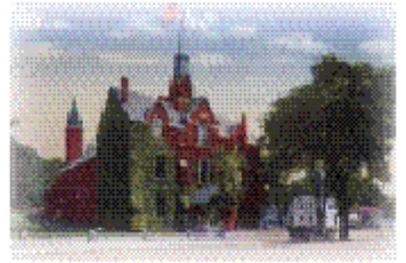


Town of Ayer

Finance Committee

Ayer Massachusetts, 01432



Location: Ayer Town Hall, Meeting Room
Finance Committee Minutes

Wednesday November 9, 2011

Present: Brian Muldoon; Chairman, Scott Houde; Vice Chairman, John Kilcommins; Clerk, Michael Pattenden; member

Absent: Jesse Reich; member

In attendance: James Keefe, President and Founder of Trinity Financial

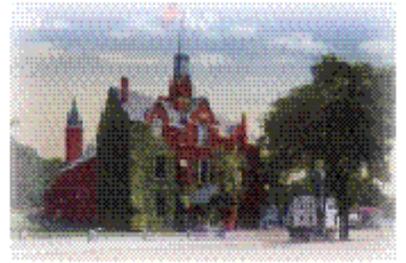
Called to order at 7:00 pm by Brian Muldoon

- Town Issued Business Certificate/Business License
 - BM-Met with town administrator and is scheduling time with the economic development manager. The town administrator and economic development manager will continue to drive this issue.
- Delinquent Taxes
 - BM Shared a memo dated 11/1 directed to the town clerk.
 - SH-There should be a minimum value (of outstanding taxes) before posting any names. The risk is that we would post anything outstanding.
 - MP-We (the Fincom) should run through the list to see how it could be pared down.
 - BM-Will ask the town clerk to run the report by us first.
 - JK-Is the report drawn from Munis? Can it be dragged to excel to be cleaned up?
 - BM-Haven't been able to do it.
 - MP-Would like us to have a complete report.
- FY2012 Fincom Meeting Schedule.
 - A copy of the schedule was distributed by BM.
- Vicksburg Square
 - BM-We've read the Consultecon and DEAT reports
 - Keefe-Provided a summary of Trinity's history. Trinity is drawn to Devens due to the attractive buildings and their historic preservation despite the very complicated permitting process amongst the three towns.
 - Keefe-Summarized the proposed 246 unit residential development.
 - Keefe-The benefits the project will bring include 150 construction jobs per phase, 10-12 permanent jobs on site, and 6-8 million in disposable income from the residents.
 - Keefe-Surprised by the DEAT report scenario of Harvard absorbing all of Vicksburg Square. Trinity will run these numbers. There are a number of questionable assumptions in the DEAT report in his opinion. The town and county lines complicate things.
 - SH-How do the boundaries affect the split of housing?
 - Keefe-The elderly housing units are all in Ayer (historical boundaries) and an estimated 51 units are in Harvard.
 - BM-How is this an economic plus for Ayer?
 - Keefe-Noticed a number of businesses downtown have closed recently and all small businesses are month to month. Devens was a generator when it was a base. There will be a 6-8 million increase in disposable income and Ayer businesses will receive some of this. Devens Museum will generate tourists. The project will provide construction jobs that in turn will need local supplies, meals, etc. Vacant buildings are the kiss of death for curb appeal. This is an opportunity to restore beautiful historic buildings.
 - BM-How long have you been looking at Vicksburg?
 - Keefe-Several years. In January 08 or 09 Mass Development sent out aerial photos which promoted him to look.
 - BM-There had been a report prepared prior to this, have you seen it?

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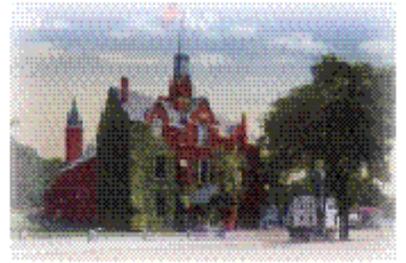


- Keefe-There are not enough people there to support retail development. Some of Ayer is empty now so why build more retail space? Want people to live there (Vicksburg) and shop in downtown Ayer.
- BM-How is the parking allocated? Is there enough?
- Keefe-This was an issue at the Harvard meeting too. The original quad will be restored to a park like setting. This has triggered parking concerns. Mass Dev's inventory shows that the parking can still handle weekend soccer and other tournaments.
- JK-Where will the parking be if the quad is gone?
- Keefe-There will be a new street grid with parking and ancillary parking lots.
- MP-(Submitted a copy of a recent letter to the editor of the Public Spirit addressing Vicksburg Square). How do you feel about this?
- Keefe-This comparison is for retail housing, we are proposing rental housing.
- MP-There is a glut of housing in town now with plenty more authorized to be built. How will Vicksburg not slow or negatively impact this? Will need to convince town meeting of this.
- Keefe-Trinity does not want to compete with retail; demand is for rental housing for working people. Confident of demand, we will rent these out.
- SH-I don't see a huge demand for rental. There are empty units in town now and more will empty out in favor of Vicksburg.
- Keefe-Can see why an apartment owner would be concerned. The Vicksburg units will be hard to compete with unless the existing apartments are improved.
- BM-How long will it take to complete this?
- Keefe-Hate to put a firm date on it, could be over 10 years. You don't drop 246 units at once.
- JK-How was the 6-8 million disposable income figure calculated?
- Keefe-Trinity will provide Fincom with that info.
- BM-How much of the disposable income will actually get spent? And how much will be spent in Ayer?
- Keefe-The affordable units are limited to a maximum rent of 30% of income. The market rate units will be kept in the same range so rents will be on the low side. The use of tax credits will allow Trinity to raise equity with less borrowing.
- SH-The DEAT report has real estate taxes at 210K annually.
- Keefe-Yes, that is our figure.
- SH-How much growth do you see? The DEAT figures are static for 40 years.
- Keefe-Over time incomes will rise and Trinity will charge more rent. The real estate taxes flowing to the towns are not static, they will grow with incomes.
- SH-80% of the housing is now listed as low income. If the other 20% doesn't rent can it be converted to low income?
- Keefe-No it is capped at 80%.
- SH-Have you built out other 600+ person projects?
- Keefe-Yes Maverick in East Boston and developments in Mattapan. These are single family units.
- SM-Do you still manage these? You mentioned a 15 year time frame.
- Keefe-Yes, as the general partner we are still involved.
- MP-Has observed that commuters don't shop in downtown Ayer as a general rule. The new residents wont all be working in Ayer, find it difficult to believe any appreciable amount of purchases will be coming into downtown Ayer.
- Keefe-They may be buying on Saturday and Sunday. This is their town and they will be buying groceries and such locally. Can't say what % of disposable income will stay in Ayer.
- MP-What's in this for you and Trinity?
- Keefe-We are in the development business. Trinity will get a development fee and bring in limited partners who will pay as well. They (the limited partners) need to stay involved for 15 years minimum in order to take the tax credits.
- JK-The bottom line on the Consultecon report shows Ayer at a -109K deficit.
- Keefe-If the development is broken up (to historical boundaries) Ayer inherits the school children and deficit but this does not include the commercial real estate tax that Ayer would receive.
- BM-I have an issue with basic services. Is there infrastructure to support this?
- Keefe-Yes, there is a surplus for water and sewer.

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- SH-Where does the water come from?
- Keefe-Will get that information.
- Keefe-Keep in mind that Trinity is plowing and maintaining the roads.
- BM-What about fire, police, etc.?
- Keefe-Are there capacity issues?
- BM-I would think so.
- SH-Especially with the elderly units. Harvard has no direct access so our emergency services would need to address any emergencies.
- Keefe-We manage 3,000 units. There may have been 5 fires over the years.
- SH-It's the medical calls.
- BM-Adding 600 people to the 7,400 we have now is an 8% increase. Doesn't that increase our fire, police, etc 8%?
- Keefe-Not necessarily. To be fair housing doesn't pay for itself.
- SH-My concern is the density of the project and its impact on services. Were bare bones now, is this the tipping point?
- BM-How do people in Devens feel about this?
- Keefe-Would characterize them as old guard. They feel strongly something needs to happen. Those with kids contracted to Harvard schools are concerned that this may jeopardize the contract.
- BM-Devens is too small to be a town and the land may revert. Mass Dev's contact will eventually be up and concerned with a reversion's financial impact on Ayer.
- Keefe-The Consultecon report contemplates this scenario. Keep in mind that Ayer will also get commercial real estate tax in the event of a reversion.
- MP-What are the next steps?
- Keefe-Trinity asks Mass Dev for a special town meeting in February.

- Initial Budget Forecast Meeting
 - BM-Met with the town accountant and administrator 10/27 to discuss initial assumptions. Free cash is not certified yet but projects to be low. It could be as much as 300K less than last year.
 - SH-Less than 100K?
 - BM-The outlook isn't that great.

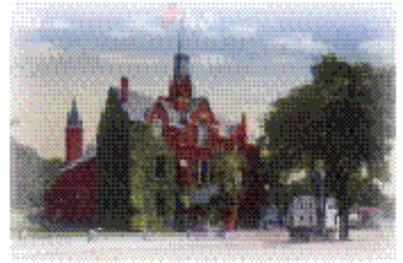
- Storm Damage and RFT's
 - BM-We will be seeing reserve fund transfer requests. The most will be related to the library clean up.
 - SH-We should clarify that the budget needs to be exhausted before reserve fund transfers are made.
 - BM-Will attend the next library meeting to assess what funds they do have now.

- Town Government Study Committee Report
 - BM-There are two points I disagree with in this report. 1.) The reduction of the BOS membership. The proposal would allow two people to be a majority and make decisions for the entire town. The more opinions the better. 2.) The proposal to allow the town moderator to appoint the Fincom. Would like to see a committee to gather candidates to be referred to the town moderator.
 - SH-Would like to see a split of appointees between the BOS and moderator.
 - BM-Would like the Fincom to come up with our own suggestions.
 - MP-Both of these points were in my citizen's petitions in years past. There is too much control within the BOS.
 - SH-Some may think we may feel like we have to follow the BOS.
 - BM-No, never have felt that way.
 - SH-But who is on the (appointment) committees?
 - BM-It just doesn't sit right to have one person appoint the Fincom.

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- Supplemental Budget
 - BM-Ayer can expect an additional 46K back from the state. This is because the state's tax goals have been surpassed.
- FY2013 Budget Schedule
 - BM-I need to come up with a schedule.
- Fincom Round Table-Fincom's Role
 - MP-I've read through the duties of the Fincom book (Finance Committee Primer) and to stick with these duties it would take 3 days a week. As a committee we come to conclusions, it seems that we should be providing more direction to the town.
 - SH-It does partly come out in the budget process. We are not the town's accountants or auditors. We are the voice of the taxpayers. To be more effective as a committee is not to dictate but to have a bigger voice. We are communicators, not micro managers. The issue is communication and participation.
 - BM-The feedback (on the survey) has been negative. People are claiming that they didn't know about the survey. 58 people replied and that is viewed as too low yet 50 or more people make up a quorum for town meeting. There was a lot of time and effort put into the survey and now people want to ignore the results because of the low number of respondents.
 - SH-Due to the low response rate we should do it again next year.
- Rates and Fees
 - BM-I have received just the current fees for the town of Ayer. Had requested surrounding communities as well.
 - BM-I want the departments heads to work on this, we cant right now.
 - BM will set up a spreadsheet to get the contiguous towns included and include space for the department heads to share their input on what the fees should be.
- Fincom Round Table-Feedback on the Trinity Presentation
 - MP-I'm still unsure if this is good for Ayer. There will only be a minimal impact of disposable income on the shops in town.
 - SH-I can't see more than a million being spent.
 - SH-There is a case for the influx of individuals, the new units will raise the standard for existing housing units in order to be competitive. What is the \$ increase in services? What is the overall impact on the town?

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- o Motion to adjourn at 9:17 pm

Motion	SH
Second	JK
B. Muldoon	Aye
J. Reich	Absent
S. Houde	Aye
J. Kilcommins	Aye
M. Pattenden	Aye
Vote	4 – 0

Brian Muldoon, Chairman _____ Date _____

Scott Houde, Vice Chairman _____ Date _____

John Kilcommins, Clerk _____ Date _____

Jesse Reich, member _____ Date _____

Michael Pattenden, member _____ Date _____