

**MINUTES OF MEETING
COMMUNITY PRESERVATION COMMITTEE
October 7, 2019
Location: Weston Town Hall**

The Community Preservation Committee (the “CPC” or the “Committee”) convened a regular meeting, duly noticed, on Monday, October 7, 2019 at 7:00 p.m. in the Lower Level Conference Room at Weston Town Hall. CPC members present were Stephen Ober, Chair; Barry Tubman; Ken Newberg; Nina Danforth; and Marcy Dorna. CPC members Sue Zacharias, Nathalie Thompson, and Steve Wagner were absent. Finance Committee (“FinCom”) Chair Lisa Reitano was present. Weston Media Center Senior Producer Alanna Muldoon and CPC Administrator Tracey Lembo were also present.

Steve Ober welcomed the CPC’s new member, Marcy Dorna, who was replacing Chris Houston and who was appointed to the CPC by unanimous vote of the Recreation Commission, and indicated that the meeting was being videotaped. Mr. Ober reviewed the composition of the CPC and introduced CPC members in attendance.

Public Comment

None.

CPA Fund Financial Information:

- **Projections**

Mr. Ober indicated that the CPC had received only 2 project proposals for Special Town Meeting: the rail trail and the Josiah Smith Tavern (“JST”), both of which had been presented to the CPC at their September 16th meeting. Mr. Ober reported that the CPC’s September 23rd meeting had been canceled and that the CPC’s public hearing had been moved from October 21st to October 28th to allow time for the JST filed sub bids to come in before the CPC voted on the project. Mr. Ober reminded the Committee that since general contractor bids can only be held for 30 days, the CPC would have to vote on the project without that information in hand. Mr. Ober also reminded the Committee that cost estimates for the Weston Art and Innovation Center (“WAIC”) had increased significantly after filed sub bids were received.

Mr. Ober explained that the CPC would review 2 sets of projections which were identical except for the length of time that a portion of the JST project costs would be bonded (i.e., over 5 years or over a more typical 20 years). Mr. Ober recalled that the CPC had originally intended to cash fund the entire project, which would require only a majority vote at Town Meeting, but indicated that project costs were currently estimated at \$12.7 million, exceeding the CPA Fund (the “Fund”) balance and negating the CPC’s ability to recommend 100% cash funding. Mr. Ober indicated that the 2 scenarios currently being contemplated called for an \$8.9 or \$9 million up front cash investment and a \$3.7 or \$3.8 million bond.

Mr. Ober explained that the CPC typically reviewed projections twice annually in advance of its public hearing. Mr. Ober reviewed the components of projected revenue including a 3% property tax surcharge, a state match, which had recently fallen to under 20% but which was expected to increase because of recent legislative changes, and investment income. Mr. Ober next explained that projections included both identified projects in the near term and a generic placeholder for unidentified projects, based on the magnitude of historical requests, which

currently begins at \$1.2 million in FY2025. Mr. Ober noted that the time horizon for the start of the generic placeholder was pushed back every year. Mr. Ober reported that projections included debt service on projects already approved at Town Meeting including the tail end of the last Brook School Apartments expansion, the purchase of Case Estates, and the Old Library renovation along with future anticipated debt service for the JST, the 500 Wellesley St. purchase (which the Town has approved but not yet bonded), and the to be considered Brook School Apartments' expansion. Ken Newberg noted that projections did not include an expected request from Weston Affordable Housing Foundation, Inc. ("WAHFI") to renovate 2 homes; Tracey Lembo indicated that she had reached out to WAHFI several times about the project without getting a response.

Mr. Ober referenced documents explaining changes from the last time the CPC had reviewed projections, indicated his willingness to discuss projections in as much detail as CPC members wished, signaled his desire to focus the conversation on the JST issue, and called the Committee's attention to a handout reconciling the Fund balance under the 5-year and 20-year JST debt scenarios. Mr. Ober noted that in absolute dollars (i.e., ignoring the time value of money), the Fund balance would be \$1,068,719 greater at the end of FY40 if the JST were bonded over 5 years instead of 20 years. Mr. Ober reviewed the components of the difference in fund balance including a smaller up-front cash investment, lower debt service payments, and less investment income. Mr. Ober reiterated that in absolute dollars, the Fund would save \$1,068,719 over 20 years under the 5-year JST debt scenario as compared to the 20-year JST debt scenario.

Mr. Ober then highlighted the significantly lower Fund balance under the 5-year JST debt scenario in the early years of the projection period, peaking at a nearly \$2.7 million difference in FY25, and then wondered whether CPC members were comfortable with this. Mr. Newberg suggested discussing borrowing capability; Mr. Ober suggested discussing both bonding capacity and buckets. Mr. Ober drew the CPC's attention to the bonding analysis and reminded Committee members that for bonding purposes, only surcharge revenue could be counted. Mr. Ober explained that the negative numbers on the bottom of the schedule suggested that, without state match or investment income, the Fund could not fully fund everything included in current projections but noted that the most important aspect of the analysis showed that projected debt service could be covered. Mr. Ober then indicated that if projections were accurate, all of the projects that had been identified could be funded and, starting in FY2025, projects totaling \$1.2 million annually which had not yet been identified could be funded.

Mr. Newberg compared bonding up to legal limits to maxing out a credit card and wondered why the CPC, by bonding over a short term, would unnecessarily limit its options. Noting that recreation was the least represented CPA funding category, Mr. Newberg reminded the Committee that a new Recreation Master Plan was imminent. Ms. Dorna noted that a major pool renovation would be needed within the next 5 years. Mr. Ober remembered that the last time a Field Master Plan had been completed, a number of CPA funded projects had been generated over a 10-year period.

Mr. Ober noted that it was not just a matter of bonding the JST over 5 or 10 years; the up-front cash investment was also debatable. Barry Tubman highlighted the short term/long term differences in the 2 scenarios, noting that over the near term, the Fund had more constraints but that over the long term, the Fund would end up with an extra \$1 million. Mr. Tubman also noted that some would say that the JST was one of the reasons the Town had adopted CPA and

that it should be prioritized over other projects, at least in the near term. Mr. Newberg suggested that bonding a portion of the JST over a 5- or 20-year period would not change whether the project was supported and built, but it would hamstring the Fund in the near term. Mr. Tubman returned to the near term/long term difference, again indicating that under the 5-year bonding scenario, the Fund would have more constraints in the short term but more flexibility over the long term. Lisa Reitano suggested that if CPA funds were insufficient, CPA eligible projects could be funded with general funds. Mr. Ober stated that a \$9 million up front cash investment in the JST was built into the projections and wondered whether a different number (e.g., \$7 million) should be considered. In response to Mr. Newberg's question, Ms. Lembo explained that the cash figures in both scenarios represented the maximum amount that could be invested in the JST while funding anticipated projects, staying within legal bonding limits, and funding required bucket allocations. Nina Danforth noted that FinCom's John Sallay was in favor of maximizing the Fund's cash investment in the JST. Mr. Tubman suggested that FinCom was concerned about the Town's overall debt service.

Mr. Ober indicated that the CPC did not have to decide on a bonding term at this meeting but suggested that at its public hearing the CPC vote an absolute cash investment in the JST and an "up to" bonding amount based on available cost information at that time. Ms. Dorna asked for clarification as to how the cash investment in the JST would be determined. Mr. Ober explained that the CPC's guidelines called for projects under \$1 million to be cash funded, projects over \$2 million to be bonded, and projects between \$1 million and \$2 million to be decided on a case by case basis. Mr. Ober reported that the JST was different in that it was 1 of a few projects that the Town had had in mind when it voted to adopt CPA. Mr. Ober reiterated that, despite its own bonding guidelines, the CPC had originally expected to cash fund the entire JST project, since that would require only a majority vote at Town Meeting, but indicated that increased costs had negated that possibility. Mr. Ober framed the issue before the CPC as, "Given everything else we know [about anticipated projects], what's the best way to fund the JST?" Mr. Ober reminded the Committee that 10% of revenue had to be allocated to each CPA category annually, noted that the community housing bucket was growing (i.e., 10% of revenue was not being spent annually and, therefore, funds for community housing had to be reserved), and indicated that reserving funds for community housing constrained the amount of cash that the Fund could invest in the JST.

Mr. Ober invited questions. Stating that he was not comfortable with the size of the Fund balance in the initial 5 years, Mr. Newberg asked for a 10-year bonding analysis with a reduction of \$1 million in the Fund's up-front cash investment in the JST. Ms. Danforth also requested a 10-year bonding scenario. Mr. Ober reported that Chris Houston's view was similar to Mr. Newberg's in that he did not want to shortchange the Fund in the near term. Mr. Newberg suggested that everyone agreed that the Fund did not need to hold as much cash. Mr. Tubman asked if there were a minimum threshold Fund balance with which CPC members were comfortable. Ms. Danforth cautioned that the State's needs could change, thereby impacting the level of match. CPC members agreed on a target minimum Fund balance of \$1.5 million. Mr. Ober noted that an up-front cash investment in the JST of \$7.8 million would produce this result given current projections. Ms. Lembo agreed to hold the up-front cash investment in the JST constant at \$7.8 million and to present the CPC with 3 scenarios: a 5, 10, and 20-year JST bonding option.

- **Existing Projects with Balances**

Referring to a spreadsheet detailing the status of existing Fund appropriations and reminding the CPC that this exercise was typically conducted twice per year, Mr. Ober asked if members were troubled by any projects on the list. Ms. Lembo reported that in accordance with Committee instructions, she routinely asked project sponsors with accounts in which there had been no activity in a year or more to return the funds or to provide the CPC with a short-term plan for using them. Ms. Lembo reviewed the status of some of the appropriations falling into the inactive category including Brook School expansion feasibility funds (which would be returned), WAIC and JST appropriations (ongoing projects whose budgets included multiple appropriations), and Case Park. Ms. Danforth reported that the staff member in charge of parks and cemeteries had unexpectedly left over the summer which delayed the Case Park project. Ms. Lembo reported that she had learned at a staff meeting that the Merriam St. walkway project would not be undertaken until the summer of 2020, that funds remaining in the Case Campus Walkway design appropriation should be retained until a contractor dispute was settled, and that the Brook School Envelope project was ongoing. In response to Committee questions, Ms. Lembo reported that existing reverse mortgages recorded against 120 Summer St. were complicating the purchase of the historic preservation restriction and that funds set aside for historic preservation restriction enforcement (i.e., for 699 Boston Post Rd. and 55 Coburn Rd.) would remain in perpetuity if not needed. Mr. Newberg reported that the Trust expected to use Home Ownership Opportunity Funds to assist in the development of 0 Wellesley St.

September 2019 CPC Plan

VOTE: *Mr. Ober entertained a motion to approve the September 2019 CPC Plan. Mr. Tubman made the motion, which was seconded by Ms. Danforth. The motion passed unanimously.*

Approve Minutes of the CPC Meeting on September 16, 2019

VOTE: *Mr. Ober entertained a motion to approve the minutes of the CPC meeting on September 16, 2019. Mr. Newberg made the motion, which was seconded by Mr. Tubman. The motion passed unanimously.*

The meeting adjourned at 8:10 p.m.

Respectfully submitted,

Tracey A. Lembo
CPC Administrator

Appendix A

CPC Meeting October 7, 2019 Document List

- 1) CPA Fund Financial Information:
 - a. Revised 10-1-19 – 5 Yr. JST - Draft FY20 CPC Spreadsheet
 - b. Word document explaining changes from 2-5-19 CPC Spreadsheet
 - c. Revised 10-1-19 – 20 Yr. JST - Draft FY20 CPC Spreadsheet
 - d. Word document explaining changes from 2-5-19 CPC Spreadsheet
 - e. September-20-2019 Existing CPA Fund Project Status Spreadsheet
 - f. Reconciliation of CPA Fund Balance Spreadsheet
- 2) CPC Plan:
 - a. Draft September 2019 CPC Plan (Clean Version)
 - b. Draft September 2019 CPC Plan (Redlined from September 2018)
 - c. Draft September 2019 CPC Plan Appendices 1-7
- 3) Draft Minutes of the September 16, 2019 CPC Meeting