

**Executive Session Minutes
Of
The Foxboro Water and Sewer Commissioners
May 25, 2010**

Members in Attendance: Chairman P. Henderson, Vice Chairman M. Stanton, Clerk W. Euerle, Water and Sewer Superintendent L. Potter, Board of Selectmen Members: Linda Walsh, Lorraine Brue, Larry Harrington, Paul Mortenson, James DeVellis, Finance Director Randy Scollins, AECOM Bob Bell, Town Manager Andy Gala, Town Counsel Paul DeRensis

The meeting was called to order at 5:30 in the Selectmen's meeting room at the Foxboro Town Hall.

A motion to enter into Executive Session to discuss the purchase, exchange or lease of real property was approved by role call vote, W. Euerle – yes, M. Stanton – yes, P. Henderson – yes.

The Board of Selectmen members also voted to go into executive session.

P. Henderson distributed the PowerPoint presentation that was given to the Patriots with the intention of collecting them at the conclusion of the meeting since there are values and numbers in it pertinent to the negotiations. This presentation was put together by P. Henderson, L. Harrington and R. Scollins and contains the history and milestones of the town's partnership with the Patriot's as well as the history of past negotiations. They also included future partnerships, the proposed MBTA station, Biotech industries and the regional plant. Other items include the objectives of the Water and Sewer negotiations and the total cost at full build out. It is estimated to cost \$30 million including the \$8,000 connection fees that were decided on by the Board previously.

A range of values were put together for the Patriots including the value of the sewer treatment plant commitment, ad revenues and the leaching field easement, for a total estimated value of \$24.1 - \$45.3 million. The Patriot's have issues with 50% of the ad revenue; they feel the town is trying to count it twice.

The group discussed the ad revenue for the tanks, there are no other reuse tanks with rental space in the area, the Patriot's are thinking of lowering the asking price of the ads to see if they can generate some interest.

P. Henderson noted that there are also additional values without dollar amounts included such as the value of the signage, the impact of expanding the sewer plant, the elimination of parking areas for the leaching fields and liquor license support. R. Scollins stated that it was discussed at the last session the using of the liquor licenses if necessary to get to the \$30 million value the town is looking for.

This information was presented to the Patriots at the first meeting, they responded at the second meeting that for any value a probability needs to be assigned to it, they didn't think that the town would ever exercise the option of building the plant and wanted to assign a lower value to it. They also stated that the encumbrance of the leaching and easements they would make no commitments on. They had a third meeting with still no firm responses from the Pats, a few informal meetings and then a fourth meeting last week.

L. Harrington spoke about this latest meeting. The Patriots want to do something, they are trying to get to the \$30 million value, but they cannot see anywhere near that value in the information the town has presented. Town Counsel tried to point out the social responsibility the Patriots have toward the town as the largest taxpayer. Ultimately, the meeting ended in a stalemate. At a follow up informal meeting, the

Patriots have agreed that there is a social responsibility and will recommend to the Kraft's a cash payment and are not expecting an argument.

The estimated cost of the plant is \$360,000 a year times 30 years. Originally it was for \$450,000, but prices are down due to the economy. Bob Bell has stated that he could help in determining the real cost of the plant.

One of the ideas from the Patriots was to buy the two billboards (or even all four) from the town. This would result in a spike in the water rates as the revenue is keeping the cost down. The Pats would also like a fixed amount for the cost of security per game (police, fire, etc). Another item proposed was a portion of ticket sales fund improvements to the stadium. Patriots place has not been the success they thought it would be so far, they are not getting the rents and leases they expected. The bottom line is the Patriots are not at the \$30 million mark yet but would like to continue negotiations.

P. Henderson thought a lot of these discussions were beyond the scope of the Water and Sewer Board. He would prefer to just stay focused on the sewer issues.

The group discussed working with Town Counsel toward a MOU for the \$30 million to keep from going backwards. If the social contract is agreed upon, nail that down and continue. Other items such as the billboards, liquor licenses can be continued to be discussed in negotiations. The group does not want to include stadium security.

R. Scollins is looking at the cash flow numbers, capital plus interest over 30 years.

L. Harrington wants a commitment from the Kraft's themselves, not just the VP's of operations.

L. Brue is concerned if the social obligation is carved out of the rest of the negotiations, they are tied into other things such as sign revenue and the 30B issues.

M. Stanton has no problem with the original MOU; he would like to stay focused on the social responsibility piece.

The options as they stand right now are:

1. Build the plant and continue to get half the sign revenue
2. Don't build the plant and take back the other half of the sign revenue
3. Don't build the plant and come to an agreement on the 12 liquor licenses, the sign revenue and the treatment plant and trade it for cash value while keeping the 50/50 sign revenue deal to offset costs
4. Sell all the signs to the Patriots for cash

The Patriots contend the value of \$200,000 for each sign, they say there will be times when they are vacant and that the town has adjusted for inflation, they feel deflation is an issue. The cost of the plant is higher than the ad revenue coming in. There is a value to the Patriots in being able to control all the advertizing.

Everyone present agreed that the plant will not be built so option 1 is off the table. The group discussed options 2-4.

J. DeVellis wanted to know the value of the regional plant; it will take \$9.4 million just to buy into the regional concept.

There is a need for a viable sewer program; other options could be water treatment programs. The Patriots may have some interest in getting into the regional plant in the future.

P. Henderson thinks that the Patriots do not want to get to the \$1 million per year amount.

J. DeVellis suggested that the group work toward the MOU and on options 2-4. L. Brue stated that in regards to the 30B RFP value, the value of the plant would make it uneconomical for anyone else to be able to bid on it.

Town Counsel will work on all four options; the values need to be updated. P. Henderson and L. Harrington will get the numbers back from the Patriots and find out what the Kraft's decision is.

P. Henderson collected the handouts back.

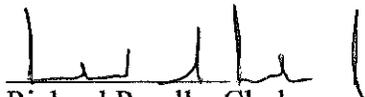
The Executive Session was adjourned at 6:55.

The meeting was adjourned at 6:56.

Respectfully Submitted,

Diana Gray

These minutes of May 25, 2010 were approved as amended on October 18, 2011.


Richard Pacella, Clerk