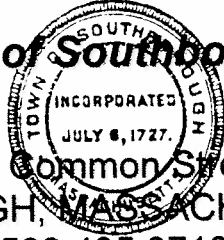


Town of Southborough



17 Common Street
SOUTHBOROUGH, MASSACHUSETTS 01772
508.485.0710

FY10 PAYMENT IN LIEU OF TAXES (PILOT) COMMITTEE

FINAL REPORT

June 29, 2010



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EXHIBITS: 1-5

I. Introduction/Background

The following factors are causing significant increased pressure on municipalities throughout the Commonwealth of Massachusetts:

- Escalating municipal budget costs,
- Reduced levels of funding/aid from the Federal and State government,
- Proposition 2.5 restrictions,
- The deterioration of the U.S economy and its negative impact on employment levels,
- The impact of the bursting of the real estate bubble and its negative effect on housing sales, mortgage defaults and home values, and
- The loss of tax revenues when tax-exempt institutions purchase taxable property.

Although the municipalities have faced some of these situations in the past, the current situation is unprecedented in recent history.

The dilemma faced by municipalities from the financial issues outlined above is that expenses and maintenance of municipal services have outpaced the revenue required to fund those services. This has resulted in the need for many municipalities to request Proposition 2.5 overrides or significant reductions to operating budgets and services, with resulting work force reductions, instituting/increasing local fees for certain services (e.g. school sports, busing) or some combination of the above.

Although the Town of Southborough may not be in as dire a situation as other cities and towns in the Commonwealth (such as Lawrence), it is certainly facing many of the same financial issues.

Given the climate described above, some municipalities, including Southborough, have been reaching out to tax-exempt institutions to either institute or increase Payments In Lieu of Taxes (PILOT's) to mitigate the impact of tax increases or reduced service levels to the residents and tax-paying business within the municipalities.

Responding to concerns and questions raised by residents of the Town regarding the level of payments/contributions made by tax-exempt institutions, the Southborough Board of Selectmen has again appointed a PILOT Committee, in September 2009, to research and address these concerns and questions and report back to the Board with the Committee's findings and recommendations.

II. Prior PILOT Research and Reports by the Town of Southborough

The Southborough Board of Selectman previously appointed two PILOT Committees, in 2003 and 2006. The primary objectives of those working groups were to:

- a) Assess the estimated costs associated with the types of services (Educational, Police Dept., Fire Dept. and Recreational Services) the Town provides to tax-exempt institutions;
- b) Quantify the amount of PILOT contributions the Town receives from the various tax exempts; and
- c) Report to the Board of Selectmen on the Committee's findings.

The Committees undertook and completed those objectives. In addition, as part of the 2006 PILOT committee study, information was also solicited from the tax-exempt institutions in the Town as to the benefits and estimated value of those benefits that those entities provide to the Town. The feedback received from the tax-exempt institutions was attached to the final PILOT Committee report issued on November 20, 2007.

III. FY10 Southborough PILOT Committee Members

Paul Levenson* – Chairman (Town resident)
Jim Kane* - Vice Chairman (Town resident)
Bonnie Phaneuf – Selectwoman
Paul Cibelli – Principal Assessor
Brian Ballantine – Town Treasurer/Collector/Finance Director

* Paul Levenson and Jim Kane volunteered to participate on the FY10 Southborough PILOT Committee and were appointed by the Board of Selectman in September 2009. Paul and Jim were nominated, seconded and unanimously voted to be Chairman and Vice Chairman of the PILOT Committee by the members during the first committee meeting.

IV. FY10 Southborough PILOT Committee Meetings

The PILOT Committee held six formal meetings between September 8, 2009 and June 29, 2010. A public notice was posted prior to each meeting containing the date, time and location for each of the following meetings:

September 8, 2009 – Kickoff meeting
October 8, 2009
December 4, 2009
April 27, 2010
May 3, 2010
June 29, 2010

During the kickoff meeting, the prior working group's report was reviewed and discussed. The problem statement and goals of the current PILOT Committee were documented and the roles and responsibilities of the Committee members were discussed and agreed upon. In addition, Paul Levenson and Jim Kane were nominated and unanimously voted to be the Chairman and Vice Chairman of the Committee respectively.

The subsequent four meetings focused on the status of the following goals of the Committee:

1. Input Received From Town of Southborough Department Heads
2. PILOT information received from a sample of other municipalities in Massachusetts.

The Committee meeting held on June 29, 2010 focused on a review and discussion of the Draft Final Report of the Committee.

Minutes of each of the PILOT Committee meetings were documented and posted on the Town of Southborough website.

V. Problem Statement

The problem facing the Town of Southborough is how to encourage the larger private tax-exempt institutions in the Town to increase their voluntary PILOT contributions to the Town to help alleviate the revenue shortfall resulting from escalating budget costs and reduced sources of revenues as described in Section 1.

The tax-exempts are also adding pressure to the Town's budget shortfall via:

1. Their increased utilization of the Town's services,
2. Reducing the taxable property base when they purchase property and
3. Sporadic construction of residential units on their existing properties

Note: The Committee realizes that, under current Massachusetts State Laws, State-recognized private tax-exempt institutions in the Commonwealth are exempt from Real Estate taxes and any PILOT contributions made by such institutions are strictly voluntary. Although there has been Legislation filed with the Massachusetts Legislature to address the issue of PILOTs by tax-exempt institutions, to date no action has been taken on that legislation and is therefore beyond the scope of this Committee.

VI. Goals of the PILOT Committee

The PILOT Committee established the following three goals during its initial meeting:

1. Contact the following town department heads to obtain input regarding specific areas of need and concern that could be positively impacted via increased financial PILOT contributions from tax-exempt institutions in the Town:

Police Dept.	Fire Dept.	School Dept.
Building Dept.	Library	Public Works Dept.
Recreation	Youth & Family Services	

2. Contact a sample of Municipalities in the Commonwealth to obtain input regarding PILOT programs and/or strategies, with emphasis on municipalities with demographics similar to the Town of Southborough (i.e. "small" communities with "large" tax-exempt Institutions) and determine the level of success of their approaches.

3. Based on the Committee's findings, prepare a report including conclusions and recommendations for the Town of Southborough and submit the report to the Board of Selectman for review and approval.

VII. PILOT Contributions Received From Tax-Exempt Institutions in the Town of Southborough.

There are currently 17 tax-exempt institutions in the Town of Southborough and one located in Marlborough that has tax-exempt property in Southborough. These are classified in the following three categories:

Educational:

- Fay School
- St Mark's School
- New England Center for Children
- Harvard Research Center/Book Repository

Religious Affiliated:

- St Anne's Church
- First Congregational Church
- Chinese Gospel Church
- St Mathew's Church
- Pilgrim Church
- St Mark's Episcopal Church
- L'Abri Fellowship

Other:

- Colonial Gardens (senior housing)
- Southborough Housing Authority (two multi family's)
- Community House
- Southborough Open Land Foundation

- Sudbury Valley Trustees
- Department of Conservation and Recreation
- Fairfield Green of Marlborough

Exhibit 1 contains a summary of the PILOT contributions received from the tax-exempt institutions in the Town of Southborough for the last five fiscal years, including agreements by the four largest private tax-exempts to make annual contributions for a period of three to ten years towards the purchase of a new fire truck in the Town.

Of the tax-exempts in Exhibit 1, the Department of Conservation and Recreation (DCR) is a public tax-exempt that is required by State Law to make PILOT contributions to the Town. In addition, Fairfield Green of Marlborough and the New England Center for Children have legally binding agreements with the Town to make PILOT payments on some or all of their property. The mandated and legally binding payments from these three entities accounted for over 75% of the PILOT revenue received by the Town in FY 2010 (including contributions towards the new Fire Truck), leaving less than 25% of the total as voluntary PILOT contributions.

Note: The New England Center for Children has a legally binding agreement with the Town to make PILOT contributions equal to the real estate taxes that were being paid by the former owners of the property it originally acquired. However it has voluntarily increased its payment to the Town for each new property it has acquired since the original agreement.

In addition to the PILOT contributions the Town has received as summarized in Exhibit 1, Fay School has committed to make additional PILOT payments of \$10,000 per year for 10 years at a time in the future if the Town approves funding for a new Police Station or Public Safety Building.

VIII. Input Received From Town of Southborough Department Heads

Of the eight Town Departments identified in Section VI of this Report, seven of the Department Heads chose to participate and were personally interviewed by a member of the Committee with the following results:

1. All of the Departments interacted with one or more of the tax-exempt institutions on a regular basis.
2. All of the Department Heads interviewed indicated their interactions were "favorable and/or cooperative".
3. All of the Department Heads interviewed expressed "interest" in the tax-exempt institutions providing PILOT contributions towards various projects or capital items, the most significant of which are included in the following letters to the

Committee from four of the Department Heads, which are included in the Exhibits Section of this Final Report:

- 12/29/09 - John D. Mauro, Jr. - Chief, Fire Dept.
- 1/12/10 - Laurie Sugarman-Whittier, Director - Youth & Family Services
- 1/12/10 - Jane Moran - Chief, Police Dept.
- 1/29/10 - Karen Galligan – DPW Superintendent

It is important to note that the majority of the items included in the letters from and discussions with these and other Department Heads would provide benefit, either directly or indirectly, to all members of the Town of Southborough, including the tax-exempt institutions in the Town.

The Committee would like to express their sincere gratitude to each of the Department Heads who chose to participate and take the time to provide their input to the Committee.

IX. PILOT Information Received From a Sample of Municipalities in Massachusetts

The objectives of this goal were as follows:

1. Survey a sample of municipalities in Massachusetts to obtain information regarding the types of PILOT programs that have been instituted or proposed and the results of those programs.
2. Identify any programs that may be potentially applicable to the Town of Southborough and its tax-exempt institutions to increase the level of voluntary PILOT contributions.

The following municipalities were contacted as part of this activity; ranging in size from relatively small towns such as Groton and Deerfield to large cities such as Boston and Brookline. A number of the municipalities selected had at least one private boarding school, either elementary or high school, similar to Southborough.

Amesbury	Andover	Ashburnham
Belmont	Boston	Braintree
Brookline	Cambridge	Canton
Concord	Dedham	Deerfield
Groton	Marion	Marlborough
Natick	Northborough	Shrewsbury
Watertown	Westborough	Weston

Exhibit 3 contains the details of the information obtained. In most cases the contact was the Assessors office and the Committee found the people contacted to be very open and candid.

The Survey yielded a range of PILOT Programs and resulting participation by and voluntary PILOT contributions from tax-exempt institutions in various municipalities that can be categorized as following into the following three categories:

1. Virtually no or minimal voluntary PILOT contributions from tax exempts in some Towns (e.g. Marion, Northborough, Westborough and Weston). In most cases these towns have not been successful in the past in soliciting or receiving PILOT contributions from the tax-exempt institutions. Some of the communities indicated that the tax-exempts were not of sufficient size or in financial condition to provide such contributions.
2. Municipalities that have made an active effort to solicit PILOT contributions from some of their larger tax-exempt institutions via annual or less frequent communications or meetings on the subject. The Town of Southborough falls into this category.

Southborough has had some success over the years in achieving PILOT contributions from the four largest, private tax-exempt institutions and occasionally from several other tax-exempt institutions, as summarized in Section VII of this Report and detailed in Exhibit 1.

The Committee notes however that the level of voluntary PILOT contributions in Southborough falls far short of the success achieved by such towns as Andover, Deerfield and Groton. These communities have been able to achieve significant PILOT contributions totaling over \$100,000 annually from one or more of their tax-exempt private schools, all of which share similar demographics to the Town of Southborough.

3. Municipalities that have developed formal PILOT programs/policies designed to increase the level of participation and voluntary PILOT contributions from some or all of the tax-exempt institutions in the municipality. These programs and/or policies were initiated by some of the major cities in the Commonwealth, such as Boston, Brookline, Cambridge and Watertown, with varying levels of success. Some towns, such as Belmont and Concord have recently adopted a similar strategy.

The PILOT programs/policies instituted by these municipalities contain a calculated “fair value PILOT contribution amount” for some or all tax-exempt institutions.

- The formulas generally contain a certain factor (% of the real estate tax rate or dollar amount) that is applied to the estimated property values or land areas owned by the tax-exempts.

- With the exception of Concord, the formulas that municipalities utilize generally contain that portion of the tax rate associated with public safety services (Fire Dept, Police Dept. and certain other municipal services) and exclude public education costs. Concord included the full tax rate in its formula.

The cities focused their efforts on the largest tax-exempt institutions in those municipalities such as colleges and universities, hospitals and certain other, large tax-exempt institutions and generally excluded private secondary schools and small tax-exempt institutions. The two towns included all tax-exempt institutions.

As described in Exhibit 3, the City of Boston has had a PILOT Program in effect since 1978 and has achieved significant success in the level of PILOT contributions. In 2009, Boston initiated another PILOT Committee effort to try to further increase participation and contributions.

It is interesting to note that Boston's successful PILOT Committee and program has included members of some major tax-exempt institutions that are actively engaged in the process and report to the Mayor.

On the other end of the spectrum is the strategy employed by Concord in 2009 that estimated the "fair value" PILOT contribution using the full tax rate. Also, the Town had no communications with any tax-exempts until letters were sent to each entity containing the Town's estimated "fair PILOT contribution" request.

The response from the tax-exempts has been extremely negative, which Town officials have indicated they believe is related to the lack of communication with the tax-exempts on the Program. Concord plans to work with the tax-exempts to discuss and address this issue in the future.

X. Committee Conclusions and Recommendations

CONCLUSIONS

Based on the information received and reviewed by the Committee as described in the preceding sections of this Report the Committee concludes that:

- PILOT programs are dramatically increasing in popularity and intensity throughout the Commonwealth.
- There is a general public consensus that the financial burden of ever-increasing municipal budgets should be shared in a more equitable manner

by both taxable and tax-exempt institutions, since both benefit from the many services provided by the municipalities.

- Southborough has achieved some level of success in engaging its four largest private tax-exempt institutions in participating and making voluntary PILOT Contributions towards various public safety projects/capital items. However, other towns in Massachusetts with similar demographics appear to be more pro-active and more successful in their PILOT efforts.
- Southborough's PILOT Program should have a much higher priority than presently exists.

RECOMMENDATIONS

The Committee believes that the following recommendations could potentially result in increased PILOT contributions to the Town and should be immediately adopted by the Board of Selectmen:

1. The Town should establish a working group to promptly prepare a formal, long-term ongoing PILOT strategy and program for the Town. The Committee believes that such a strategy and plan should incorporate some or all of the following attributes:
 - The strategy/program should cover a minimum of 5 years.
 - The strategy should be monitored annually and updated as necessary to reflect changing conditions.
 - The program should consider reaching individual 5 year agreements with each of the four major private tax-exempt institutions.
 - The program should focus on public safety needs and projects and PILOT contribution requests should likely continue to be "project based" rather than general purpose funding requests.
2. In-depth discussions with other municipalities in Massachusetts would be productive and highly desirable, especially if conducted at the "peer-to-peer" level with the other municipalities.
3. A professionally prepared, town funded, "marketing presentation" to the largest, private tax-exempt institutions should be considered as the first step of an ongoing dialogue that may lead to negotiation of "long-term" commitments as some other cities and towns have been able to achieve.

EXHIBITS

- EXHIBIT 1 Summary of PILOT Contributions Received From Southborough Tax-Exempts
- EXHIBIT 2 Input Received From John D. Mauro, Jr. - Chief, Fire Dept. (12/29/09)
- EXHIBIT 3 Input Received From Jane Moran - Chief, Police Dept. (1/12/10)
- EXHIBIT 4 Input Received From Laurie Sugarman-Whittier, Director - Youth & Family Services (1/12/10)
- EXHIBIT 5 PILOT Information Received From a Sample of Municipalities in Massachusetts

EXHIBIT 1

Summary of PILOT Contributions Received From Southborough Tax-Exempts

	Fire Truck Funds					
	<u>FY 2010</u>	<u>FY 2010</u>	<u>FY 2009</u>	<u>FY 2008</u>	<u>FY 2007</u>	<u>FY 2006</u>
Mandated or Legally Binding PILOTS						
Division of Conservation & Recreation	0	241,544	241,544	218,411	218,411	214,592
Fairfield Green Marlborough	0	15,530	15,329	13,094	1,102	0
New England Center For Children	0	61,168	61,168	61,168	61,168	61,168
Sub-Total	0	318,242	318,041	292,673	280,681	275,760
Voluntary PILOTS						
Fay School	10,000	0	5,000	5,000	5,000	5,000
Harvard Research Center/Book Repository	16,667	18,000	18,000	18,000	18,000	18,000
Southborough Housing Authority	0	1,605	1,606	1,594	1,275	1,274
New England Center For Children	12,000	19,500	19,500	15,826	15,826	15,826
L'Abri Fellowship	500	500	500	500	500	500
St. Marks School	10,000	20,000	20,000	20,000	20,000	35,000
Sub-Total	48,667	59,105	64,606	60,920	60,601	75,600
Total	48,667	377,847	382,647	353,593	341,283	351,360

Notes:

1. The Division of Conservation and Recreation is a public tax-exempt institution that is required by State Law to make PILOT contributions to Southborough.

2. The PILOTS being made towards the new Fire Truck are annual contributions spread over the next 3-10 years.

3. The New England Center for Children's PILOT contributions reflect the fact it has a legally binding agreement with the town to make PILOT contributions equal to the real estate taxes paid by the former owners of the property it originally acquired, and those are shown under the mandated PILOTS. It has voluntarily agreed to do the same for additional properties it has purchased since, and those are shown under the Voluntary PILOTS.



TOWN OF SOUTHBOROUGH
FIRE DEPARTMENT

21 MAIN STREET
SOUTHBOROUGH, MA 01772

(508) 485-3235 (508) 485-3887 (FAX)

John D. Mauro, Jr., Fire Chief/Emergency Management Director
firechief@southboroughma.com

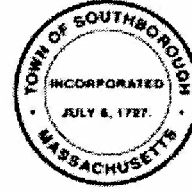


Exhibit 2

December 29, 2009

Paul Cibelli, Assessor
Town of Southborough
17 Common Street
Southborough, MA 01772

Dear Paul,

I am in receipt of your letter dated December 17, 2009 regarding the information requested by the Pilot Committee. Please see the answers to the PILOT Committee's numbered questions and other information below in order of priority:

Thermal Imagers

1. The Department uses thermal imaging equipment in all aspects of firefighting, and investigation of potential fires. Thermal imagers provide a visual view of the contrast between warm and cool objects. During fire conditions, visibility is often zero, and firefighters must rely on their sense of feel when searching for victims of the seat of the fire. Thermal imaging equipment can "see through smoke" and provides visual images of what cannot be seen by the naked eye. They make determining the location of victims and fire faster and safer.
2. The Department currently has two thermal imagers, which are approaching ten years old. We purchased these two units through donations and grants.
3. The Department chose to purchase these items through donations and grants in the past. The awareness of the need of such equipment came after the Worcester Cold Storage warehouse fire in 1999 in which six firefighters were killed searching the building for trapped victims.
4. The Town purchased these units through a donation and a grant.
5. The cost of the equipment which we currently own was minimal for the first five years – mostly for replacement batteries at approximately \$100 every two or so years.
6. The technology in these units is outdated and it is becoming expensive to maintain these units. They should be replaced in the short-term future (one to two years)

Defibrillators

1. The Department has two manual defibrillators, which are used by paramedics to monitor patients' heart rhythms, provide cardiac pacing, as well as manual defibrillation of a patient's heart. These units, which are used on almost a daily

Mr. Paul Cibelli
December 29, 2009
Page 2

basis, were purchased new in 2002 when the Department started its paramedic service as part of the existing emergency medical services.

2. The two defibrillators were purchased using funds from an Ambulance Revolving (53E ½) account, which is no longer in existence. The Ambulance Revolving account was replenished by ambulance transport receipts. All receipts are now deposited in an Ambulance Receipts Reserve Account, and can only be allocated by Town Meeting vote.
3. The Department has not requested replacement in the past; however, they will need replacement in FY12.
4. The Department will explore all funding options when replacement is needed, including donations, grants and appropriations.
5. The estimated maintenance for these items from year one to five is approximately \$2,000 per year, which is a maintenance contract for both units.

Train One EMT

1. The Commonwealth of Massachusetts laws and regulations governing ambulance services currently require two paramedics to be on an ambulance when it transports a patient requiring such care at that level. There are three levels of EMTs: Basic (can administer oxygen, eip-pen, aspirin, and automatic defibrillator), Intermediate (all a Basic can do, plus administer an intravenous line of saline only and intubate a person (airway directly into the lungs), and Paramedic (all of the previous plus administer controlled substances, pace a heart, manually defibrillate a patient, and perform other life saving skills). The Department operates four 42 hour work shifts a week, which cover the 168 hours in a seven-day week. Two shifts have two paramedics assigned, two shifts have three. The Department's optimal number of paramedics is 12 to cover time off, etc. We currently have 10, with a newly-hired paramedic attending the three month firefighting training class.
2. The Department has not requested such training in the past, we have budgeted the training.
3. The cost varies depending on which program the firefighter is enrolled in. Although each program trains to approximately the same number of hours (+/- 1,200), the training schedule length varies by program. The program enrollment costs are between \$5,000 and \$9,000. Additional costs incurred are overtime costs to hire personnel to cover shifts when the firefighter in training attends class while on duty. This traditionally has been in the range of \$7,000 to \$10,000 depending on scheduling.
4. Up until FY10, costs have been paid using a combination of donations, budget line items, and in the distant past, the Ambulance Revolving (53E ½) Account.

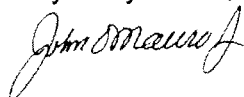
Water Storage Tower

Although this item has an effect on the ability to fight a significant fire in Town, the authority rests with the Department of Public Works.

Should you have any further questions, please feel free to contact me.

Mr. Paul Cibelli
December 29, 2009
Page 3

Very Truly Yours,



John D. Mauro, Jr.,
Fire Chief/Emergency Management Director

JANE T. MORAN
CHIEF OF POLICE



TOWN OF SOUTHBOROUGH
POLICE DEPARTMENT

19 Main Street
Southborough, Massachusetts 01772

Emergency: 9-1-1
All Other: (508) 485-2121
Business: (508) 485-2147
Fax: (508) 485-4634
jmoran@southboroughma.com

TO: Members of the Pilot Committee
FR: Jane Moran
DT: 12 JAN 2010
RE: Response to your note dated December 17, 2009

In response to your request, our needs are many, and I'm not sure exactly how the PILOT Program donations could help, but I will try to answer your questions as best I can.

Police Department – list of needs by priority--

Funding to offset the 3% cut currently being proposed- We have been level funded for the past many years, and have not had the opportunity to correct any deficiencies in our operations. We are badly in need of a new station, and man power. We currently run minimum of two people on a shift, when we should be running 3-4 people per shift. Several years ago the Town, in the middle of the year, took away \$42,000 from our overtime budget, because there was absolutely nowhere else to take money from. It didn't take long before Chief Webber was in front of Advisory requesting the money to be replenished. Only part of it was, and we have not been able to correct the problem to this day. Today I am 69% over on the over time line item, and only 50% through the year.

Funding for a LT's position. This position has already been approved by the Personnel Committee, but has never being funded by the citizens. The national average for police officers is 2.5 per 1,000 people in a given community. The New England average is 1.9 officers per 1,000 people. The last feasibility study recommended that this deficit be corrected. (The Town did correct the manpower shortage in the Fire Department over the years, but has not addressed these needs with the police). The fire department currently satisfies the national average, as they do have 24 full time firefighters. The police department currently has only 15 full time sworn officers, far below the national and New England averages. To bring us up to where we need to be operating (minimally) we should have at least 5 more officers.

Police Facility---The most critical (physical) need we have at the police department, other than low staffing is a drastic need for a new communications center. This would cost over half a million dollars, and would be foolish to try and update this area, due to the plans for a new station, which would incorporate a new communications area.

Protecting Our Community...Together!

Currently the Municipal Facilities Committee is reviewing the Schematic Design that was prepared by Durland' Architects (DDV Associates). The Town paid \$100,000 for these plans that are still under review. Before the plans were finished the Historical Commission authorized money for its own pre-plan (if you will) for a new police facility, using the existing structure, making it an addition/renovation plan. These two committees collided and were charged by the BOS to come together with one (possibly two) plan (s) that could be presented at the Annual Town Meeting. Since then, I believe, the committees have come to accept the fact that this may not happen at the Annual Town Meeting, but perhaps the Special Town Meeting. I'm grateful to all the members of both committees for working so hard to come up with the most practical, economical plan to present to the citizens, however given the amount of work that still has to be done, I don't expect anything concrete for another year or so.

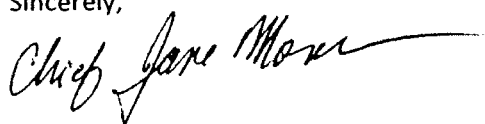
You mention "**Community policing program grant**". Over the past 15 years cities and towns have fared very well from both federal and state grant money. This department alone has received over one (1) million dollars in grant money. The money has strings attached to it and can only be used for the items for which it was requested. Some examples are: DARE program, money for staffing and cost of materials, CLICK IT OR TICKET, money used to pay for officers, equipment related items, Traffic enforcement, (radar guns, boards, traffic counters, etc) and other such community related programs. We are audited yearly and must prove that the money was never used to supplant the existing budget, but only enhance the current budget. Last year alone we received \$70,000 in grant money and spent every cent. This year we have been advised there is no more grant money, none-- Last week we did find one lonely little grant, which we promptly filled out and sent in. If we receive the money it will be used for DUI (driving under the influence) enforcement, and will be only for \$5,000.

New police cruiser. --- Every year we request a minimum of two cruisers from the citizens. Every 4th or 5th year, we have requested and received a third cruiser. Our cruisers, although monitored constantly, are heavily used and take a beating. Yes, we could use a third cruiser to supplement the fleet.

Fundraising-When I first started with the department in 1984, there was no such thing as "grant money" and then, as now, money was always tight. In order to start the DARE program, I was given permission to seek donations from the business's. This was extremely time consuming and often not as successful as I needed it to be. As the years went by I found myself going back to the same contributors, over and over again, and taking valuable time away from the things that I needed to be doing. Today, that would be impossible, as the work load has increased by 100%, yet our man power has only increased by 25%. In addition, having officers go out into the public, wearing a badge and a gun, soliciting funds, could be construed as an Ethical Violation of the State Law.

If I can be of further assistance, please don't hesitate to contact me anytime.

Sincerely,



January 12, 2010

Dear PILOT Committee members:

I will attempt to answer the questions you had about our requests, in the order in which you asked them. Let me start, however, by adding a request to the list. At the time of my conversation with Mr. Levenson, I was unaware that my department is likely to be re-located in the near future. In light of that, I would like to add as my very first prioritized request, office space (at least two, preferably three offices, with reasonable privacy) at one of the private schools—in the event that other appropriate office space cannot be found locally for us.

The other requests I would prioritize in the following order:

1. Continued use of Fay School's 15-passenger van for our Summer Activities Program, assuming we do not have to eliminate that program for budgetary reasons.
2. 4-6 summer camp scholarships (Fay)
3. 4-6 scholarships for the Exploration Summer Program at St. Mark's
4. Funds/staffing for a girls' empowerment group
5. Town swimming pool

Use of 15-passenger van:

1. We need this van for transporting middle school students on field trips twice a week (Tuesdays and Thursdays) for 6 weeks every summer, as part of our Summer Activities Program.
2. Currently and for several years, Fay School has donated use of one of their vans to us. We are requesting that this practice continue.
4. We would not share it with other departments.
5. We asked for this donation from Fay years ago, and they responded positively.
6. N/A
7. N/A
8. The Director of our Summer Activities Program operates the van. We conduct a CORI check before hiring this person.
9. The Assistant Director of Youth and Family Services has been responsible for scheduling with Fay School.

Funds/staffing for girls' empowerment group:

1. This is a group that we have wanted to try to run for many years, but have not had the funds or staffing to do so. It would be a psycho-educational, once-a-week group for 6th and 7th grade girls to give them a chance to talk about the many challenges facing them as they approach adolescence. It would address self-image, body image, relationship

questions, decision making and refusal skills, etc, trying to prepare girls, especially those thought to be “at risk”, to help them make healthy decisions at a vulnerable time in their lives.

2. We don't currently offer the group, so there is currently no cost. I estimate it would cost about \$1,000.00 per school year.

3. It would be held at our offices or in a school during after-school hours.

4. N/A

5. No, we have not requested it in the past.

6. No. Given the financial constraints we are operating within, it has not been at the top of our priority list.

Town Swimming Pool

1. This is more a town need than a department need, although it would be very nice to have the use of a town swimming pool for our Summer Activities Program.

2. Occasionally a parent of a young person in the program offers us the use of their pool. More often, we schedule field trips to beaches, and do without on the days that are not field trip days.

3. No. We have not requested it in the past.

4. It would be up to the Town to decide where the pool would go. I would think Recreation would be actively involved in that decision.

5. No.

6. I have no idea what the maintenance cost would be, but I'm guessing it would be prohibitively expensive.

7. This would all have to be worked out. Again, probably not realistic in the current budget climate.

8. I would think Recreation would be the logical department to schedule its use.

Thank you for your consideration of our requests.

Sincerely,

Laurie Sugarman-Whittier
Director

City/Town	Contact(s)/Source of PILOT Information	Date(s) Contacted	E-mail	Details of PILOT Plan	How long in-effect	Contributions from tax-exempt participants	Notes
AMESBURY	Mary Marino (Assessor) and Deb Ventura (Treasurer)	11/18/2009	marinon@amesburyma.gov	The Town of Amesbury does not have a formal PILOT program in place or planned. Neither Mary nor Deb were aware of any prior or planned meetings between any Town representatives and any of the tax exempt entities.	N/A	Mary stated that only one tax-exempt entity makes a PILOT to the Town - the Merrimac Housing Corp. (a HUD housing project). The PILOT is about \$1,800 annually. Neither she nor Deb is aware of any financial contributions to the Town by any of the other tax-exempts.	Deb Ventura stated she believes that the PILOT (about \$1800 annually) is required by Law or Dept of Housing and Urban Development regulations.
ANDOVER	David Billard	11/4/2009	dbillard@andoverma.gov	The Town of Andover signed its first formal, voluntary PILOT Agreement with Phillips Academy in June, 2008, which was for a 5 year period. The 5-year Agreement has been renegotiated twice, with the most current Agreement signed in May 2009 covering the years 2009 - 2013. David Billard provided Jim Kane with a copy of the latest Agreement. Phillips Academy is the largest tax-exempt entity in the Town with significant property holdings. The current Agreement is for \$150,000 per year to the Town (unrestricted use) with an adjustment tied to the change in the average single-family tax bill in the Town. The Town does not have PILOT Agreements with any other tax-exempts.	11 yrs	Phillips Academy currently makes annual PILOT payments of \$150,000. David also believes that the Andover Housing Authority makes payments to the Town based on an amount per bedroom. He thought that may be required by law.	Phillips Academy has also provided financial aid to students from Andover and 3 surrounding cities/towns who attend Phillips. That financial aid totaled almost \$1.5 million in the 2003 - 2004 school year alone. In addition, 175 Andover students attended Phillips in that year, saving the Town an estimated \$1.4 million in education costs.
Ashburnham	Nancy Haines (Town Accountant)	12/3/2009	assessors@ashburnham-ma.gov	The Town receives PILOTs from the Municipal Power & Light Company in the Town. They have also received significant financial contributions from Cushing Academy (private high school) over the years. Nancy is not aware of any PILOTs from other tax exemptions in the Town.		Cushing Academy's most recent significant contribution to the Town was \$2.7 million towards a new Public Service Facility, about \$1.5 million up-front with the remainder on an annual basis towards the PSF debt. The Municipal Power & Light Co. makes PILOTs of about \$40,000 per year.	According to information that the Southboro Fire Chief received from the Ashburnham Fire Chief on 1/12/09, Cushing Academy also made the following significant contributions in the past: 1) new breathing apparatus in the 1970s; 2) purchased the Town's first ladder truck (used) in 1992; and 3) paid 50% of the cost of the Town's last two ladder trucks.
BELMONT	Richard Simmons	10/27/2009, 4/26/2010	rsimmons@belmont-ma.gov	(10/27/09) - Belmont did not have a formal, focused program in the past but rather had approached various tax-exempts and had informal agreements with just a few. Currently only three tax-exempts contribute - all of which are public tax-exempts that must contribute by Law. McLean Hospital, which had been making PILOT payments under a prior PILOT agreement, stopped payments when the agreement ended last fiscal year. Belmont has recently developed a voluntary PILOT program for tax-exempts to contribute towards the portion of town budget associated with police, fire and public works, which accounts for about 20% of the Town Budget. The proposed PILOT payments would equate to about \$4 per square foot of land for each tax-exempt. The Town plans to share the PILOT proposal with all tax-exempts (including religious) starting in November (via mail). (4/26/10)- Followed-up with call on 4/26/2010 regarding status of plan and was unable to reach Richard.	New	Currently only three tax-exempts contribute - all of which are public tax-exempts that must make PILOTs by Law. Total current PILOT payments to the Town are about \$677,000. The Town hopes that the new plan and more focused approach will result in increased participation and contributions from the (37-) private tax-exempt entities in the Town. Richard also stated that the Lions Club has agreed to participate in the new program and one religious non-profit has recently expressed some interest in contributing towards the PILOT program.	Richard indicated that some tax-exempts had expressed concerns of reprisals from the Town (e.g. holding-up or denying applications, etc.) if they choose not to participate. Richard stated that the plan is totally voluntary and that the tax-exempts should not fear reprisals. The Town wants to have this be a positive result.
BEVERLY	John Dunn (Treasurer) Frank Golden (assessor)	11/20/2009 & 11/25/2009	jdunn@beverlyma.gov	Left message with office on 11/20. John returned call and left a VM on 11/25. I returned his call on 11/25 and will await a call back.		Matt Englander provides a document containing PILOT Contributions to the City of Boston for FY 2009. Approximately \$32 million in PILOT contributions were received from 35 tax-exempt institutions (13 Educational Institutions, 9 Medical Institutions and 13 Cultural/Other Institutions). Massport accounted for slightly over 50% of the total PILOT contributions.	
BOSTON	Matt Englander	11/25/2009 & 4/29/2010		Boston has had a formal PILOT program in effect since 1978. In 2009 the Mayor appointed a Task Force to review the PILOT program and make recommendations to create more equitable agreements in the future and strengthen the partnership with the tax-exempts. The PILOT Task Force included 9 members from major tax-exempts in the City. The Task Force recommended some minor changes to the current PILOT program which is based on a formula of (25% of Boston's tax rate, representing the % of the budget associated with Fire Dept, Police Dept and Public Works, less certain quantifiable "community benefits" and any real estate taxes paid) applied to the property value of all "major" tax exemptions - those with assessed property value greater than \$15 million. PILOT contributions are recommended to remain voluntary. The goal is to increase each tax-exempt's PILOT contribution towards the "25% formula calculation". The Task Force recommends that any changes be phased-in over a five year period.	30+ years		
BRAINTREE	Marie George	11/19/2009	mgeorge@townofbraintreegov.org	No formal PILOT program in place. The Mayor's office sent a letter a few years ago to all tax exemptions in the City requesting their participation in a PILOT. With the exception of three tax exemptions, the tax exemptions either did not respond to the letter or responded that they were not required to make such payments and were not willing to volunteer to do so.	N/A	Two agencies currently make voluntary PILOT payments: 1) Alliant Health (20 year payment plan \$19,500/yr (years 1-5), \$22,000 (years 6 - 10), \$26,000 (years 11-15) and \$29,000 (years 16-20) and 2) Harvard Health has been making PILOT payments of \$47,000 for a number of years. In addition, the Braintree Housing Authority makes PILOT payments of about \$2,000 to \$3,000 per year.	Marie stated that she believes that the Braintree Housing Authority PILOT may be a State requirement. Marie also stated that the private schools in the City, including Thayer Academy, and other tax-exempts do not make PILOT/financial contributions to the City. She also stated that it may be beneficial to talk with Dan Clifford who has worked on PILOTs for a number of years (761-849-1284 (W) or 617-787-5534 (cell)).

City/Town	Contact(s)/Source of PILOT information	Date(s) Contacted	E-mail	Details of PILOT Plan	How long in-effect	Contributions from tax-exempt participants	Notes
BROOKLINE	Gary McCabe & Steve Cirillo	5/3/2010	www.brooklinema.gov	Brookline adopted a formal PILOT Policy in December 2007. The structure and goals of that Policy, which is on Brookline's website, are almost identical to Boston's PILOT Program except that Brookline's Policy applies to all tax-exempts and consideration of a "community service adjustment" to the PILOT formula may be granted for only tax-exempts with property value assessments of less than \$5 million.	2+ years	According to Gary McCabe, there are about 100 tax-exempt entities in Brookline, with the largest tax-exempt being Boston University. Many of the tax-exempts do not make PILOT contributions. The PILOT Policy seeks significant increase in the number of tax-exempts participating and the level of PILOT contributions. The City realizes that will take time and they plan to meet with various tax-exempts to discuss.	
CAMBRIDGE	Boston Globe Article dated October 11, 2009		assessors@cambridgema.gov	Cambridge has had a PILOT Program in effect in the City since 1973. Harvard University was the first participant in that program. As with Boston, the PILOT Program in Cambridge focuses on the "major" tax-exempt institutions in the City.	35+ years	Cambridge received total PILOT contributions of \$5 million from 25 tax-exempt institutions in 2008.	John stated that there was uncertainty as to whether the two agencies would qualify as tax exempt, either in part or in total. The Town (Selectmen) and the agencies agreed to the PILOT in lieu of potential litigation and ongoing disputes.
CANTON	John Wleicizki	11/18/2009	wleicizki@town.canton.ma.us	According to John, the Selectmen sent a letter to all of the tax-exempts in the Town requesting PILOT contributions. John is not aware of any positive responses to date. He also indicated that the Town is requesting new tax-exempts to contribute a PILOT equivalent of the fire, police and municipal services portion of the tax rate applied to their property. John said we would need to talk with the Selectmen's office to get more details.	New	According to John, only two agencies are currently making voluntary annual PILOTs to the Town, via signed Agreements - the Hellenic Nursing Home and an Assisted Living Center. The Nursing Home contributes about \$20,000/yr (approx. 1/3 of the tax rate) and the Nursing Home contributes about \$188,500/yr (with 2.5% inflation rate). No other tax-exempts make PILOT payments.	
CONCORD	Tony Logabro & Helen Boudreau (Assessors Office)	11/5/2009 4/26/2010	alogabro@concordma.gov	(11/5/09) - Per Tony, Selectman and Town Manager meet annually with the tax-exempt schools to discuss Town's needs and any unique projects/capital items that the tax-exempts may be willing to support via monetary contributions. A few tax-exempts have been open to such contributions rather than to the Town's general budget. (4/26/10) - Followed-up on 4/26 based on info received from Belmont that Concord may be planning a PILOT program like Belmont's. Talked with Helen Boudreau who stated that Concord created a PILOT Program in late 2009 that would request PILOT contributions from all (34) of the Town's tax-exempt entities equal to the amount of real estate taxes they would have paid if they were not tax-exempt. The Town sent a letter to each tax-exempt outlining the Program and the requested PILOT contribution.	3 - 4 years	Of the four private schools in the Town, only the Middlesex School has expressed a willingness to provide annual support to the Town of \$25,000 - \$50,000 per year towards specific requirements identified by the Town. The school would then purchase and donate agreed-upon items to the Town. Concord Academy and the Fern School have also made financial donations to the Town in the past towards specific municipal projects or requirements. The Hospital in the Town does not make any payments but does contribute free ambulance service to Concord. The response to Concord's PILOT Program has been very negative, only one small tax-exempt entity has expressed any willingness to participate in the Program to date.	Per Tony, the free ambulance service provided by the Hospital to the town are extremely valuable and worth more to the Town than a token monetary contribution from the tax-exempt.
DEDHAM	Adolph Cunha (Joseph Briggs retired)	11/16/2009		No formal PILOT program in-place or planned. Town representatives have met with a number of tax-exempts in the Town over the years. With the exception of MIT and the Hebrew School housing project, none of the (three) private schools or other tax-exempts in the Town have made PILOTs nor do they have any plans to do so. They insist that there offer of the use of services and facilities to the Town is sufficient.	Years	MIT has made annual PILOT payments to the Town since the date they purchased property in the Town. Adolph is not sure how much MIT contributes. The Hebrew Center (housing complex) has agreed to make PILOT payments (amount unknown) to the Town until the issue of how much of the property is taxable versus tax-exempt is resolved.	Adolph stated that the Hebrew Center housing complex (elderly housing and autism center) is new. The Town is trying to determine how much of the property is taxable versus tax exempt. The Center has agreed to make PILOT payments to the Town, if the tax on the taxable property results in an amount greater than the PILOT, the Center will pay the tax, if less, the Center will make the PILOT.
DEERFIELD	Karen (in place of David Rohns)	11/3/2009	assessors@town.deerfield.ma.us	Selectman and Town Manager meet annually with the tax-exempts to discuss prior "gifts" in lieu of taxes. Town needs, estimates of RE taxes if property had been taxable and estimated RE taxes lost when new properties are acquired by tax-exempt in prior year. Goal is to obtain increased annual contributions plus special gifts for unique projects/capital items.	Years	Belmont School, Deerfield Academy, Eaglebrook School, Valley Memorial Assoc., Historic Deerfield Assoc. Last fiscal year contributions totaled about \$190,000, greater than historical annual avg of about \$140,000. \$150,000 due to some contributions arriving later than expected. In April 2009, tax-exempts committed to about \$120,000 for current fiscal year, with \$67,000 from Deerfield Academy, \$26,000 from Eaglebrook, \$8,000 from Belmont and \$15,000 from Historic Deerfield Assoc.	Karen stated that the latest contributions were lower than historic average due to increased financial pressures on the tax exempt entities in the current economy. She also stated that the schools, especially Deerfield Academy, have made individual gifts to the Town over the years for various unique projects, such as new Fire House doors, new Town school, etc. and have also allowed the use of their school buses and facilities by the Town, etc.
GROTON	Rena Swezey	10/28/2009	rswezey@townofgraton.org	Groton does not have a formal PILOT program, per se. A "Gentlemen's Agreement", initiated by a State Rep, was reached (but not signed) a number of years ago between the Town and Lawrence Academy and the Groton School regarding PILOT payments. Rena stated that the selectmen meet annually with the Headmasters of the two private schools to discuss PILOT contributions. She also indicated that she was not aware of any plans to approach any other tax-exempts in the Town (which are either religious organizations or very small entities).	10 years or so	Lawrence Academy, Groton School and MIT Lincoln Labs. Total current PILOT payments to the Town are about \$134,000.	Lawrence Academy currently contributes \$25,000/yr and the Groton School contributes about \$100,000/yr to the Town's general budget. MIT Lincoln Labs also contributes \$9,000/yr for vacant land owned in the Town. The Groton School previously contributed about \$30,000/yr and increased the amount to \$100,000 when they purchased additional property in Town for expansion. Not so with Lawrence Academy. Another small tax-exempt organization in the Town stopped PILOT payments a few years ago.

City/Town	Contact(s)/Source of PILOT Information	Date(s) Contacted	E-mail	Details of PILOT Plan	How long in-effect	Contributions from tax-exempt participants	Notes
MARION	Patricia DeCosta	11/16/2009	pdcosta@marionma.gov	The Town of Marion does not have a PILOT program in place or planned. Occasionally a selectman has met with the major tax-exempt in the Town (Tabor Academy) but Tabor has refused to make any cash donations or annual contributions to the Town. The City of Marlborough does not have a formal PILOT program in place nor is Tony aware of any plans for a PILOT program.	N/A	Tabor has occasionally made some non-cash donations to then Town (e.g. emergency equipment for Fire Dept.) but nothing on an annual basis and nothing in cash. Tony stated that there are about 450 tax exempt properties in the City, including non-profits and tax exempt State, Federal and City owned properties. With the exception of State-owned property, which have to make PILOTs to the City by State Law, with payments going directly to the City Treasurer, none of the other tax exemptions make any PILOT contributions to the City nor is he aware of any contributions towards any major capital budget items by any tax exemptions in the past.	
MARLBOROUGH	Anthony Trodella	11/13/2009	atrodella@marlborough-ma.gov		N/A		Jan stated she believes that the formula used to determine the Housing Authority's PILOT is based a State Law requirement.
NATICK	Janice D'Angelo	11/16/2009	assessors@natickma.org	Natick has individual PILOT Agreements with three tax-exempts in the Town. Structured Agreements with a Nursing Home and the Center for Arts in the Town (with payments based on a portion of assessed value) and a formula applied to property owned by the Natick Housing Authority. Jan is not aware of any plans to attempt to expand such PILOT Agreements with any other tax exemptions.		Jan did not have the specific amount of annual PILOTs received from the three tax exempt that currently make such payments.	
NORTHBOROUGH	Diane O'Connor	11/16/2009	dcoconnor@town.northborough.ma.us	No formal PILOT program in-place. Diane believes the Town is planning to approach other tax-exempts in the Town regarding PILOTs but does not believe they have yet done so. She suggested I contact Kim Hood (Assistant Town Administrator - 393-5040) to discuss that.		To the best of her knowledge, only one tax-exempt currently makes any PILOTs or other financial contributions to the Town - a Housing Authority which, according to Diane, must make a PILOT to comply with State Requirement associated with the "705 Award" for affordable housing permit. PILOT made via Cooperative Agreement using a State formula. She was not sure of the amount of the PILOT.	Diane stated that at least one of the churches in the Town, St. Bernadettes (a Catholic church) also owns and operates a private school that recently added significantly to the school. She thought that the Town may approach such tax-exempts regarding PILOTs associated with the school properties/operations.
SHREWSBURY	Christopher Reidy	11/16/2009	mrowell@th.ci.shrewsbury.ma.us	The Town of Shrewsbury does not have a formal PILOT program in place nor is Chris aware of any plans for a PILOT program. He stated that the Town Manager has met with some tax-exempts on occasion, primarily with UMass which owns significant property in the Town.	N/A	Chris stated that of all the non-profits and tax exempt State, Federal and City owned properties in the town, only the State-owned property, which have to make PILOTs to the Town by State Law, have made any financial contributions (PILOTs) to the Town. He is not aware of any of the other tax exemptions having made PILOT contributions or contributions towards any major capital budget items in the past.	Chris stated that UMass has purchased significant property in the Town in the recent past which resulted in a significant reduction in the Town's taxable property. The Town Manager has met on a number of occasions with representatives from UMass regarding PILOT payments or contributions to the Town but to no avail.
WATERTOWN	Boston Globe Article dated October 11, 2009			Watertown has had a PILOT Program in effect since 2002. Watertown does not ask all tax-exempts to make PILOT contributions but instead tries to work out a deal when a piece of property changes hands. Daniel Laughlin, the Town Assessor, stated that a townwide program is something Watertown should consider.		Cambridge currently has PILOT Agreements with nine tax-exempts. PILOT contributions from those tax exempt currently total about \$2 million per year.	
WESTBOROUGH	Linda Swadel	11/20/2009	lswade@town.westborough.ma.us	Linda stated that they previously had a PILOT Committee in the Town but it is no longer active. She believes that the primary focus was on their amount of PILOT monies that the Town was receiving from the State of MA for state-owned property in the Town and the Westborough Housing Authority. She is not aware of any contacts with other tax-exempts in the Town regarding PILOT.	N/A	Linda stated that there are no private schools in Westborough and very little property owned by tax exempts with the exception of the State of MA. She is not aware of any voluntary PILOTs or financial contributions by any tax-exempts to the Town except for the State of MA and the Westborough Housing Authority, both of which are non-voluntary PILOTs.	
WESTON	Eric R. Josephson	11/20/2009	erosephson@westonmass.org	Erik stated that Weston does not have a PILOT program and has never contacted any tax-exempt agencies in the Town regarding making voluntary financial contributions to the Town. He is not aware of any plans by the Board of Selectman to initiate any such contacts or program.	N/A	None	Erik stated that he would contact me should anything changes regarding PILOT in Weston within the next six months.