

**MUNICIPAL FINANCE OVERSIGHT BOARD Meeting  
November 8, 2023**

**(conducted by conference call)**

**MINUTES**

**Board Members Present:** State Auditor Diana DiZoglio, Deborah Wagner (Department of Revenue), Margaret Hurley (Office of the Attorney General), Minot Powers (Office of the State Treasurer)

**Non-Board Members Present:** Jana DiNatale (Office of the State Auditor), Ben Tafoya (Office of the State Auditor), Hilary Hershman (Office of the State Auditor), Carina DeBarcelos (Office of the State Auditor), George Chichirau (Office of the State Auditor), Jeffrey Moyer (Office of the State Auditor), Monica Mulcahy (Hilltop Securities), Lisa Driscoll (Hilltop Securities), Abby Jeffers (Hilltop Securities), Peter Frazier (Hilltop Securities), Megan Hyland (Hilltop Securities), Taylor Erickson (Hilltop Securities), Bill Arrigal (Department of Revenue), Melissa Toland (Hilltop Securities), Heidi Riccio (Superintendent, Essex North Shore Agricultural & Technical School District), Paul Coogan (Mayor, City of Fall River), Bridget Almon (CFO, City of Fall River), Ian Schachne (Treasurer-Collector, City of Fall River), Seth Aitken (City Administrator, City of Fall River).

The meeting was called to order at 10:00 a.m.

Auditor DiZoglio made introductory remarks and read a statement noting that, in accordance with July 16, 2022 Massachusetts law, An Act Relative to Extending Certain State of Emergency Accommodations, as extended by Chapter 2 of the Acts of 2023, adopted March 29, 2023, and the Massachusetts Attorney General's Office February 18, 2022 guidance, this meeting of the Municipal Finance Oversight Board was being held via conference call. The public meeting notice for this meeting provided a public call-in number to facilitate public access during a relaxation of Open Meeting Law requirements. After the statement was read, Auditor DiZoglio announced that the meeting was being recorded.

Board Member roll call: All members indicated orally that they were present.

**Minutes from August 9, 2023**

Ms. Hurley noted that she would not vote because she was not present at the meeting. Dr. Tafoya noted that because he represented the Auditor at that meeting, he recommended that the Auditor vote YES to approve the minutes. Ms. Wagner then made a motion to approve the minutes from the last meeting, which was seconded by Mr. Powers. On the question of approval of the minutes from the meeting on August 9, 2023, the members voted as follows to approve the draft minutes without any changes:

Auditor DiZoglio: YES

Ms. Wagner: YES

Ms. Hurley: Abstained, as she was not present at the meeting.

Mr. Powers: YES

### **Essex North Shore Agricultural & Technical School District**

Auditor DiZoglio welcomed Ms. Riccio and asked her for an overview of the district and the request before the Board. Ms. Riccio explained that the Essex North Shore Agricultural & Technical School District consists of 17 member communities. The district is seeking approval to expand their animal sciences program, one of seven agricultural programs in the district. The animal sciences program is the largest in the district, with over 160 students enrolled. The district received over \$500,000 in grant funding toward this project two years ago. According to Ms. Riccio, the district is in good financial shape and, as of October 2023, has over \$900,000 in excess and deficiency funds certified by the Department of Revenue. The district also takes out-of-district tuition from approximately 344 students.

Ms. Riccio then elaborated on the veterinary programs building project request. She indicated that the school building is ten years old and was built in collaboration with state and legislative officials. Because the district provides both vocational and agricultural programs, there is a legal requirement that the district serve at least 300 agricultural students. The proposed facility will be a two-story building that will contain two classrooms, a training lab for students, and an animal clinic. Students studying veterinary science are currently taught in a lab on the opposite side of campus, separate from other animal sciences programs. The district plans to have two new classrooms and add 25 seats to the program each year over four years, with the potential to accommodate up to 100 new students.

The Auditor thanked Ms. Riccio for her overview and opened to the Board for questions. Ms. Hurley asked about a letter from May 2023 that detailed the District's vote to approve the veterinary building project and if all member communities were notified about the debt. Ms. Riccio replied that all communities received notification. The towns of Topsfield and Middleton had asked Ms. Riccio if she could present the project to their town councils in September and October 2023.

The Auditor then inquired about a budgeted expenditure category entitled "Other Student Body Activities" that had decreased markedly in recent years in the district. Ms. Riccio requested clarification, and Dr. Tafoya elaborated that this information came from the district's summary of budget expenditures from their financial statement between FY 2019 and FY 2023. Ms. Riccio explained that there was a time where agricultural students that were coming from outside the district were paying less than in-district students, which raised a red flag within the district. She worked with Jay Sullivan and Rob O'Donnell at DESE to gain an understanding of the out-of-district funds and what they could be used for. One of these accounts was a rollover account from when the school was first built. As a result, she and other district officials worked with the state to dissolve the accounts or use them for student education and teachers.

Auditor DiZoglio then asked if the district had any difficulties with school transportation contracts. Ms. Riccio replied that the district has its own transportation department and has 40 buses in their fleet traveling to the member communities. The district is currently having difficulties scheduling training for three new employees so they can be licensed to drive.

Auditor DiZoglio asked for a motion on the school district's application. Ms. Wagner then moved to approve the application of the Essex North Shore Agricultural & Technical School District to issue qualified bonds to cover the veterinary programs building project mentioned in its application. Mr. Powers seconded the motion. A call of the roll was made as follows:

Auditor DiZoglio: YES

Ms. Wagner: YES

Mr. Powers: YES

Ms. Hurley: YES

### **City of Fall River**

Auditor DiZoglio welcomed Mayor Coogan and his team to the meeting and asked if they could explain the City's request before the Board and the City's current financial status. Ms. Almon explained that the City of Fall River is in very good shape financially. Over the last few years, the City has seen plenty of development, particularly with the Route 79 project where 12 acres are currently being cleared that will see new tax growth over the next five to six years. There has also been progress with construction of a new building for the Diman Regional Vocational Technical High School. Many old mill buildings are also being converted into market-rate housing that will bring extra revenues. The City has a strong free cash situation and saw \$2.9 million in new growth in FY 2023, with a 5-year average of over \$2 million. The City's \$6.9 million request will help increase the City's bond rating, among other reasons. Mayor Coogan added that the increase in market-rate housing has not only helped with growing property values, but has boosted the local industry by adding construction workers, electricians and plumbers. He also stated that he believed that there was about 19 acres of land on the waterfront.

The Auditor thanked Ms. Almon and Mayor Coogan for their overview and opened to the Board for questions. Mr. Powers asked if they could explain what other sources of funding the City is using to fund their projects listed in the requests. Ms. Almon replied that the City is using funds from a variety of sources available to them (such as Massachusetts Clean Water Trust and Massachusetts School Building Authority monies) to help finance their projects.

Auditor DiZoglio then asked the City how they plan to use the remaining ARPA funds. Ms. Almon replied that the City has \$19 million left in ARPA funds and discussed plans including the use of approximately \$17-18 million for the transfer station as well as rehabilitation of the auditorium and vocational buildings of the old Durfee High School facility.

Auditor DiZoglio asked for a motion on Fall River's application. Ms. Wagner then moved to approve the application of the City of Fall River to issue qualified bonds to cover the matters mentioned in its application. Mr. Powers seconded the motion. A call of the roll was made as follows:

Auditor DiZoglio: YES

Ms. Wagner: YES

Ms. Hurley: YES

Mr. Powers: YES

### **Long-Range Municipal Fiscal Stability**

Ms. Wagner reported to the Board on year-to-date free cash certifications. So far, Ms. Wagner has seen increases in free cash among municipalities, but noted that it is too early to quantify if that trend will continue. She also mentioned that 31 tax rates have been set, but the majority of municipal tax rates will be set after Thanksgiving but before Christmas. DLS received 8 requests for emergency spending in various amounts related to the catastrophic flooding that occurred earlier this year. FEMA is involved in the funding, so municipalities will hopefully receive good financial assistance.

### **Updates and Topics for Next Meeting**

Auditor DiZoglio asked Dr. Tafoya if any municipality is planning to come before the Board in December; he replied he was not aware of any and noted that the Hilltop officials left before providing any insights. Ms. Wagner indicated that there might be a few communities coming before the Board in December, but will let the Board know in the near term.

### **Adjournment**

Ms. Wagner made a motion to adjourn, which was seconded by Mr. Powers. A call of the roll was made with the votes as follows:

Auditor DiZoglio: YES

Ms. Wagner: YES

Ms. Hurley: YES

Mr. Powers: YES

The meeting was ended at 10:31 a.m.