

## **MUNICIPAL FINANCE OVERSIGHT BOARD**

**February 12, 2025**

**10:00AM**

**(conducted by conference call)**

### **MINUTES**

**Board Members Present:** Dr. Ben Tafoya, Chair (Designee for State Auditor Diana DiZoglio), Deborah Wagner (Department of Revenue), Margaret Hurley (Office of the Attorney General), Minot Powers (Office of the State Treasurer)

**Board Members Absent:** None

**Quorum:** Yes

**Non-Board Members Present:** Jeffrey Szymaniak (Superintendent, Whitman-Hanson Regional School District), Stephen Marshall (Director of Business & Finance, Whitman-Hanson Regional School District), George M. Ferro Jr. (Assistant Superintendent of Operations, Whitman-Hanson Regional School District), Marilyn Thompson (District Treasurer, Whitman-Hanson Regional School District), John Stanbrook (Former Director of Business & Finance, Whitman-Hanson Regional School District), Beth Stafford (School Committee and Building Committee Chair, Whitman-Hanson Regional School District), Jennifer Cook (Signing Director, State and Local Government, Clifton Larson Allen LLP), Mary Beth Carter (Town Administrator, Town of Whitman), Kathy Keefe (Assistant Town Administrator, Town of Whitman), Sharon LoPiccolo (Temporary Treasurer-Collector, Town of Whitman), Wendy Cavicchi (Town Accountant, Town of Whitman), John Adams (Consultant to Accountant's Office, Town of Whitman), Lynne Foster-Welsh (UniBank), Katherine Mullen (Office of Representative Alyson M. Sullivan-Almeida), Bill Arrigal (Department of Revenue), Jana DiNatale (Office of the State Auditor), Sabiel Rodriguez (Office of the State Auditor), Sonia Kwon (Office of the State Auditor, Executive Assistant to the Board)

### **Proceedings:**

Meeting called to order at 10:00AM by Chair, Dr. Ben Tafoya.

Dr. Tafoya made introductory remarks and read a statement noting that, in accordance with Chapter 20 of the Acts of 2021, as extended by Chapters 22 and 107 of the Acts of 2022, and further extended by Chapter 2 of the Acts of 2023, and the Massachusetts Office of the Attorney General's guidance updated as of June 28, 2023, 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 reading that statement, Dr. Tafoya announced that the meeting was being recorded.

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

### **Approval of Minutes – January 8, 2025:**

Dr. Tafoya asked for any comments from the Board on the meeting minutes of January 8, 2025. Ms. Hurley noted that she would be abstaining as she was not present at the meeting.

MOTION by Ms. Wagner to approve the meeting minutes of January 8, 2025. Seconded by Mr. Powers. A call of the roll was made as follows:

Dr. Tafoya: YES

Ms. Wagner: YES

Ms. Hurley: ABSTAINED

Mr. Powers: YES

Motion carried; meeting minutes of January 8, 2025, approved.

**Whitman-Hanson Regional School District: Chapter 44A request for \$76,125,000 in state qualified bonds**

Dr. Tafoya requested Superintendent Szymaniak and Town Administrator Carter introduce the officials in attendance and invited them to provide comment on the request before the Board.

Superintendent Szymaniak stated that the district went to MSBA in 2019 for a new Whitman middle school and in November 2023 the town passed a debt exclusion. In July 2022, the district's financial data was infiltrated and encrypted. On advice, they did not move forward with the ransom. They are in paper files from 2022 on and rebuilding, so fiscal 2022 and 2023 audits have not yet been approved/completed, leaving them without a bond rating to borrow.

Administrator Carter noted that she is also on the building committee and confirmed that the project and debt exclusion passed at town meeting and the town is hopeful the project can move forward.

Dr. Tafoya opened the meeting to questions from the Board.

Dr. Tafoya asked Ms. Wagner to explain the financial flow. Ms. Wagner explained that the district will issue the debt and assessment for the debt service will be made directly to Whitman in their annual capital assessment. Whitman will place that debt assessment on Form DE1 which will allow the town the additional levy capacity to tax specifically for that debt service, so it is a dedicated revenue stream. The district will assess the town and that money will reimburse the district for the revenue that will be held by the Commonwealth from the district's local aid payments.

Ms. Hurley asked how the inability to present a bond market rating affects the application and makes it different from the standard applications presented to the Board. Ms. Foster-Welsh explained from a market standpoint, the bonds will take on the 'AA+' rating assigned by S&P to the Commonwealth. There will be full disclosure in the official statement as to why there is no current underlying rating presented by S&P which will satisfy the market; she doesn't envision any market access problems.

Ms. Wagner asked the district to reiterate the status update provided to DOR regarding reconstruction of the district's financial data. Mr. Stanbrook responded that fiscal 2022 is complete and will be presented at the next school committee meeting. For fiscal 2023, the reconstructed files have been sent to the auditors for review, and they are in the process of responding to questions and document requests. He estimates completion by March/April. For fiscal 2024, everything is in the new system and the district should have its balance sheet and other documents to DOR after the upcoming school committee vote on end of year transfers. Ms. Wagner noted that DOR performed the fiscal 2023 excess and deficiency certification using the paper submission and was comfortable with the calculation and certification. Based on the condition of fiscal 2024 financials in the system, the fiscal 2024 excess and

deficiency certification will be performed timely and the audit firm should be able to act once the fiscal 2023 audit is done.

In response to Ms. Hurley's summarization of the request, Ms. Foster-Welsh confirmed that it is typical for there to be an underlying rating. In this case, once the audits are complete, it is the intention to go back to S&P and have them reinstate a rating. Prior to the rating withdrawal, the district was rated 'AA'.

Mr. Powers requested information regarding the new school's enrollment and capacity. Superintendent Szymaniak indicated that the school is being built for 675, enrollment is trending back up, and they will probably be at capacity at 650.

Dr. Tafoya asked for any additional questions or comments from the Board. There were none.

MOTION by Ms. Wagner that, in accordance with the provisions of Chapter 44A of the General Laws, after due investigation, Whitman-Hanson Regional School District be entitled to issue qualified bonds and/or notes from time to time, in the amount of \$76,125,000, to design, equip, and construct a new Whitman middle school. Seconded by Ms. Hurley.

A call of the roll was made as follows:

Dr. Tafoya: YES

Ms. Wagner: YES

Ms. Hurley: YES

Mr. Powers: YES

Motion carried; state qualified bond authorization application of Whitman-Hanson Regional School District approved.

Officials from Whitman-Hanson Regional School District and the Town of Whitman exited the meeting.

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

Ms. Wagner noted that the Division of Local Services completed tax rate season.

#### **Board Processes:**

Board EA Kwon acknowledged receipt of comments and noted that a revised draft of proposed bylaws is in process.

#### **Agenda Items for Next Meeting:**

Board EA Kwon indicated that there had not yet been notice of applicants for March but confirmed the availability of the Board members.

#### **Adjournment**

MOTION by Ms. Wagner to adjourn the meeting. Seconded by Mr. Powers. A call of the roll was made as follows:

Dr. Tafoya: YES

Ms. Wagner: YES

Ms. Hurley: YES

Mr. Powers: YES

Meeting adjourned at 10:28AM.

Respectfully submitted by,

Sonia Kwon, Executive Assistant to the Board