

MUNICIPAL FINANCE OVERSIGHT BOARD

May 14, 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: The Honorable Samantha M. Squailia (Mayor, City of Fitchburg), Jacquelyn Cronin (City Auditor/Finance Director, City of Fitchburg), Christopher Paquette (Chief Assessor, City of Fitchburg), Michaela Horn (Treasurer/Collector, City of Fitchburg), The Honorable David P. Beauregard Jr. (Mayor, City of Methuen), Maggie Duprey (Chief Administrative & Financial Officer, City of Methuen), Jennifer Finnigan (Treasurer/Collector, City of Methuen), Cinder McNerney (Hilltop Securities), Monica Mulcahy (Hilltop Securities), Kristy Tofuri (Hilltop Securities), Megan Hyland (Hilltop Securities), Bill Arrigal (Department of Revenue), Courtney Cardello (Department of Revenue), 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 Section 20 of Chapter 20 of the Acts of 2021, as most recently extended by Section 1 of Chapter 2 of the Acts of 2025, and the Massachusetts Office of the Attorney General's guidance updated as of April 8, 2025, 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 – March 12, 2025:

Dr. Tafoya asked for any comments from the Board on the meeting minutes of March 12, 2025. There were none.

MOTION by Ms. Wagner to approve the meeting minutes of March 12, 2025. 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; meeting minutes of March 12, 2025, approved.

Before moving on to the qualified bond applications, Ms. Wagner introduced Courtney Cardello to the Board in recognition of the upcoming retirement of Bill Arrigal.

City of Fitchburg: Chapter 44A request for \$17,975,000 in state qualified bonds

Dr. Tafoya invited the Honorable Samantha M. Squailia, Mayor of the City of Fitchburg, to comment on the financial status of the City and the request before the Board.

Mayor Squailia noted Fitchburg's recent growth, rising property values, downtown revitalization, strategic cost containment measures, and new excise tax revenues. City Auditor Cronin described Fitchburg's approach to financing capital improvements and summarized the projects in the request.

Dr. Tafoya requested clarification regarding mention of the elementary school and library projects not listed in the application and it was explained that those projects had been previously approved.

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

Ms. Hurley recognized Fitchburg's increase in planning board applications and housing production and offered the AGO's assistance.

Dr. Tafoya asked about the impact of the loss of federal funds. Mayor Squailia noted loss of some Elementary & Secondary School Emergency Relief funds (ESSER) and working with the Massachusetts Department of Elementary & Secondary Education (DESE) to continue forward with school air-quality work, loss of some climate-resiliency grants, and that losses in Community Development Block Grants (CDBG) or Title funding for schools would be very concerning.

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, the City of Fitchburg be entitled to issue qualified bonds and/or notes from time to time, in the amount of \$17,975,000, voted for the several projects listed in its application. 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

Motion carried; state qualified bond authorization application of the City of Fitchburg approved.

Officials from the City of Fitchburg exited the meeting.

City of Methuen: Chapter 44A request for \$10,195,000 in state qualified bonds

Dr. Tafoya invited the Honorable David P. Beauregard Jr., Mayor of the City of Methuen, to comment on the financial status of the City and the request before the Board.

Mayor Beauregard highlighted Methuen's turnaround since 2019. CAFO Duprey noted Methuen's current historical financial levels with record free-cash of over \$20 million, favorable results for FY 2024 and similarly on track for FY 2025, actively working on FY 2026 budget, finalized multi-year collective bargaining agreements with all unions, a financial plan aimed at increasing the debt ratio up to 5 percent within the next ten years, and summarized the projects in the request.

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

Ms. Hurley asked about the plan for the Searles Estate. CAFO Duprey noted that Mayor Beauregard formed a community advisory committee to evaluate options, with the current direction being a controlled sale to safeguard the property's heritage.

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, the City of Methuen be entitled to issue qualified bonds and/or notes from time to time, in the amount of \$10,195,000, voted for the several purposes listed in their application. 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 the City of Methuen approved.

Officials from the City of Methuen exited the meeting.

Long-Range Municipal Fiscal Stability:

Ms. Wagner reported that the Division of Local Services is completing a second wave of free-cash certifications ahead of spring town meetings.

Ms. Hurley asked whether DLS has heard concerns from municipalities about the impact of any federal pull-back of grant monies. Ms. Wagner responded that, while the prospect is concerning, no municipality has reached out and they will continue to keep a close eye on developments, acknowledged mention of the rising costs of health insurance, loss of ESSER funds, and seeing a large number of override ballot votes and many of them failing to pass. Dr. Tafoya noted the need to check in with municipalities regarding estimates versus actual costs with rising material costs due to sourcing uncertainty.

Board Processes:

Board EA Kwon noted that proposed legislation to streamline the Chapter 44A process did not advance this session and that work will continue, and introduced Sabiel Rodriguez to the Board.

Agenda Items for Next Meeting:

Board EA Kwon noted the possibility of seven to eight applicants between the June and July meetings and efforts to coordinate based on the urgency of borrowing timelines. To accommodate four applicants in June, the Board agreed to extend the June 11th meeting to 11:20AM if necessary and confirmed availability for the July 9th meeting.

Adjournment

MOTION by Ms. Wagner to adjourn the meeting. 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

Meeting adjourned at 10:45AM.

Respectfully submitted by,

Sonia Kwon, Executive Assistant to the Board