

MUNICIPAL FINANCE OVERSIGHT BOARD

April 10, 2024

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: Jana DiNatale (Office of the State Auditor), Carina DeBarcelos (Office of the State Auditor), Bill Arrigal (Department of Revenue), The Honorable Domenic J. Sarno (Mayor, City of Springfield), Cathy Buono (Chief Administrative & Financial Officer, City of Springfield), Stephen Lonergan (Treasurer/Collector, City of Springfield), Patrick S. Burns (Comptroller, City of Springfield), Lindsay Hackett (Deputy Chief Administrative & Financial Officer, City of Springfield), Erin Hand (Senior Budget Analyst, City of Springfield), The Honorable Neil Perry (Mayor, City of Methuen), Maggie Duprey (Chief Administrative & Financial Officer, City of Methuen), Jennifer Finnigan (Treasurer/Collector, City of Methuen), The Honorable Jared Nicholson (Mayor, City of Lynn), Michael Bertino (Chief Financial Officer, City of Lynn), Elyse Fannon (Treasurer/Collector, City of Lynn), Stephen Spencer (Comptroller, City of Lynn), Representative Daniel Cahill (10th Essex District, City of Lynn), Cinder McNerney (Hilltop Securities), Abby Jeffers (Hilltop Securities), Megan Hyland (Hilltop Securities), Lisa Driscoll (Hilltop Securities), Sonia Kwon (Executive Assistant to the Board, Office of the State Auditor)

Proceedings:

Meeting called to order at 10:01AM by Chair, Dr. Ben Tafoya.

Dr. Tafoya 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 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 – February 14, 2024:

Dr. Tafoya asked for any comments from the Board on the meeting minutes of February 14, 2024. There were none.

MOTION by Ms. Wagner to approve the draft meeting minutes of February 14, 2024, without changes. Seconded by Ms. Hurley. A call of the roll was made as follows:

Dr. Tafoya: YES, on behalf of the Auditor, noting that he was present at the meeting as Executive Assistant to the Board

Ms. Wagner: YES

Ms. Hurley: YES

Mr. Powers: YES

Motion carried unanimously, meeting minutes of February 14, 2024, approved.

City of Springfield: Chapter 44A request for \$24,609,336 in state qualified bonds

Dr. Tafoya invited The Honorable Domenic J. Sarno, Mayor of the City of Springfield, to introduce the Springfield team and provide comment on the financial condition of the City and the request before the Board.

Mayor Sarno noted the historic swearing in of the City's first African-American Police Superintendent as well as recognizing Cathy Buono as the City's first female Chief Administrative & Financial Officer. Ms. Buono, with additional comment from Mayor Sarno, noted the stable financial condition of the City, balancing the budget for the past 9 years without using reserves, and the City's best credit rating in history, and summarized the various capital improvement projects included in the request before the Board, noting coverage of some of the costs via grants and MSBA reimbursement in addition to the proposed bonds.

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

Ms. Wagner provided supportive comment on Springfield's planned projects.

Dr. Tafoya noted for the record the removal of the line item for Fire Apparatus resulting in a reduced request by Springfield of \$24,609,366, as reflected in the motion, and raised the issue of the possible sale of MGM Springfield and whether there were any concerns of the financial ramifications. Mayor Sarno emphasized that there is a host community agreement in place and any incoming party would have to honor the agreement.

MOTION by Ms. Wagner to approve, in accordance with the provisions of Chapter 44A of the General Laws, after due investigation, the City of Springfield's application to issue qualified bonds in the amount of \$24,609,336, for the purposes specified 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 unanimously, state qualified bond authorization application of the City of Springfield approved.

Officials from the City of Springfield exited the meeting.

City of Methuen: Chapter 44A request for \$14,566,143 in state qualified bonds

Noting for the record a request from the City of Lynn to appear last, and with no objection from the Board, Dr. Tafoya invited The Honorable Neil Perry, Mayor of the City of Methuen, to introduce the Methuen team and provide comment on the financial condition of the City and the request before the Board.

Mayor Perry noted the City's significant financial progress, multiple increases in the City's bond rating, its free cash level, and sound financial structures established for day-to-day operations and long-term planning. Ms. Duprey followed, noting the \$18.3M free cash was the highest level for the City, the state loan was paid off 6 years early ending state oversight in 2023, the FY23 audit came back with a clean opinion, the City was changing its perspective on capital improvements from reactive to prospective, and had a goal of increasing its debt ratio to 5% over the next several years. Of the capital improvement projects in the request, Ms. Duprey referenced street repaving and vehicle replacement as priorities.

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

Ms. Wagner noted for the Board's information and the record the requirement for an approved DEP plan before borrowing for the police station oil tank removal and, after consulting with bond counsel, that the Board is on good footing for approving the debt and bond counsel will backstop the issuance of the debt if there is no DEP approval in place.

Ms. Hurley requested comment on the City's progress in complying with MBTA communities zoning and when the City Council might vote on the issue. Mayor Perry anticipated a vote before the June timeframe. Ms. Hurley mentioned the availability of a preadoption review process for feedback and encouraged Methuen to take advantage.

Dr. Tafoya requested comment on the number of items of relatively small dollar amount. Ms. Duprey responded that the present goal is to get the debt ratio up so the City is borrowing for relatively small items; this will change as the City gets closer to its debt ratio goal.

MOTION by Ms. Wagner to approve, in accordance with the provisions of Chapter 44A of the General Laws, after due investigation, the City of Methuen's application to issue qualified bonds in the amount of \$14,566,143, for the purposes specified in its 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 unanimously, state qualified bond authorization application of the City of Methuen approved.

Dr. Tafoya mentioned to the city officials remaining on the call that the early voting cost certification survey for the presidential primary would be issued shortly.

Officials from the City of Methuen exited the meeting.

City of Lynn: Chapter 44A request for \$24,000,000 in state qualified bonds

Dr. Tafoya invited The Honorable Jared Nicholson, Mayor of the City of Lynn, to introduce the Lynn team and provide comment on the financial condition of the City and the request before the Board.

Mayor Nicholson indicated that the City would be back before the Board soon regarding a new middle school and that Lynn continues to grow in school enrollment. Mr. Bertino noted that the refunding is to take advantage of a lower interest rate, the City's finances are stable, and they continue to build reserves and invest in the capital improvement program.

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

Ms. Wagner noted for the Board's information and the record the date of the City's vote to authorize refunding in 2019 and that, pursuant to M.G.L. c. 44, § 21A, the vote covers debt outstanding at the time. As the approximately \$30M bond to be refunded was originally issued in 2014, the bond would be covered under this authorization.

Ms. Hurley requested comment on the City's progress in complying with MBTA communities zoning and when the City Council might vote on the issue. Mayor Nicholson referenced Lynn's housing production plan and the onboarding of consultants to review the City's existing zoning ordinance conditions, anticipating approximately a year before completion of the overall zoning effort, with confidence that Lynn will be in compliance.

MOTION by Ms. Wagner to approve, in accordance with the provisions of Chapter 44A of the General Laws, after due investigation, the City of Lynn's application to issue qualified bonds in the amount of \$24,000,000, for the purposes specified 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 unanimously, state qualified bond authorization application of the City of Lynn approved.

Representative Daniel Cahill's presence at the meeting was recognized.

Officials from the City of Lynn exited the meeting.

Long-Range Municipal Fiscal Stability:

Ms. Wagner noted the City of Brockton's challenges have been reported in the media. If anything else develops, she will inform the Board. No other updates.

Agenda Items for Next Meeting:

Ms. McNerney noted that Haverhill and Revere may submit applications for the May meeting.

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 10:49AM.

Respectfully submitted by,

Sonia Kwon, Executive Assistant to the Board