

MUNICIPAL FINANCE OVERSIGHT BOARD

Meeting April 12, 2023

(conducted by conference call)

MINUTES

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

Non-Board Members Present: 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), Phil DeCologero (Office of the State Auditor), Bill Arrigal (Department of Revenue), Cinder McNerney (Hilltop Securities), Lisa Driscoll (Hilltop Securities), Taylor Erickson (Hilltop Securities), Domenic Sarno (Mayor, City of Springfield), TJ Plante (Chief Administrative and Financial Officer - Springfield), Erin Hand (Senior Budget Analyst - Springfield), Lindsay Hackett (Deputy CAFO - Springfield), Stephen Lonergan (Treasurer/Collector - Springfield), and Patrick Burns (Comptroller - Springfield).

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 was being held by 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 the statement, Auditor DiZoglio announced that the meeting was being recorded and that Hilary Hershman was acting as Executive Assistant.

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

Minutes from March 8, 2023 Meeting

Auditor DiZoglio asked if any of the Board Members had any comments on the minutes from the March 8, 2023 meeting. There was none. Mr. Powers therefore made a motion to approve the minutes from the last meeting, which Ms. Hurley seconded. On the question of approval of the minutes from the meeting on March 8, 2023, the members voted as follows to approve the draft minutes without any changes:

Auditor DiZoglio voted YES on the advice of Dr. Tafoya, who was present.

Ms. Hurley: YES

Mr. Powers YES

City of Springfield

Mayor Sarno and his team introduced themselves before the Board: Chief Administrative and Financial Officer is TJ Plante, the Senior Budget Analyst is Erin Hand, the Deputy CAFO is Lindsay Hackett, Treasurer/Collector is Stephen Lonergan, and the Comptroller is Patrick Burns.

Mayor Sarno addressed the Board, highlighting the achievements of the City's finance team. He mentioned that the team has been able to achieve the highest bond ratings in the City's history. He also

mentioned that the team has been creative in investing in Treasury notes and T-bills, which have generated millions of dollars on a quick turnaround to provide tax relief.

The Mayor then discussed the City's bond requests, which totaled around \$36 million and covered various sectors including public safety, where the items include improving the 911 system to help call response as well as new police vehicles, which suffer from constant wear and tear responding to the needs of Springfield as an urban center. Requests also included funding physical plant, including the envelope of buildings, especially school buildings. He expressed his satisfaction that the City has been able to invest around \$750m from MSBA in building and rehabilitating school buildings, which includes windows, roofs, and boilers.

The Mayor then spoke about youth development, which is an area that is close to his heart from his South End Community Center days. He discussed the Greenleaf Park project and the state-of-the-art Coach Ted Plumb field, which would help meet demand on the central field due to the constant wear and tear. He added that it would be beneficial for youth, families, high schools, and the community at large.

The Mayor concluded his presentation by thanking the Board for their continued consideration and the support of Auditor DiZoglio and other members of the Board. He also invited any questions, which he would direct to the CAFO, Mr. Plante.

Auditor DiZoglio asked if any Board Members had questions.

Ms. Hurley asked the Mayor regarding the proposed solutions to the pension and OPEB liabilities that were mentioned in the credit report and that were affecting the City's negative credit outlook. Mayor Sarno stated that they have dedicated funds every year towards this issue, and they have been able to knock down the unfunded figure while maintaining a balanced budget without using any reserves or impacting key quality of life issues and basic services in the City. He then asked Mr. Plante to expand on their efforts. Mr. Plante explained that the City has an aggressive funding schedule that grows by 9.2% every year to address the unfunded liability. They have also created a stabilization fund for pensions, with \$16.5 million invested in Treasury notes. In addition, the City is putting \$1.3 million additional funds every year into the stabilization reserve to ensure that funds are available, should the pension payment stretch their budget.

Mr. Powers asked about the sources of funding for the projects that have partial funding from the qualified bond debt proposal. Mr. Plante responded that the City is using unexpended bond proceeds from other projects as the City's match. For other projects have federal or state grants included in the funding source, the Qualified Bond Act proceeds will be covering the City's portion of the overall project costs.

Ms. Hurley then moved to approve the application of the City of Springfield. Mr. Powers seconded the motion. A call of the roll was made as follows:

Auditor DiZoglio: YES

Ms. Hurley: YES

Mr. Powers: YES

Long-Range Municipal Fiscal Stability

Dr. Tafoya advised that he did not believe that any of the Board Members wished to provide an update of municipal finances.

Updates and Topics for Next Meeting

Auditor DiZoglio asked if there are any communities planning to come before the Board. Ms. Hershman advised that Ms. McNerney was not aware of any when they spoke that morning, although Hilltop would advise Ms. Hershman as soon as they heard anything.

Adjournment

Mr. Power made a motion to adjourn, which Ms. Hurley seconded. A call of the roll was made as follows:

Auditor DiZoglio: YES

Ms. Hurley: YES

Mr. Powers: YES

The meeting adjourned at 10:15 a.m.