

MUNICIPAL FINANCE OVERSIGHT BOARD

May 8, 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 Melinda E. Barrett (Mayor, City of Haverhill), Angel A. Perkins (City Auditor, City of Haverhill), Yenise Rozon (Treasurer/Collector, City of Haverhill), The Honorable Patrick M. Keefe Jr. (Mayor, City of Revere), Richard Viscay (Director of Finance, Auditor, Budget Director, City of Revere), Cathy D. Bowden (Treasurer/Collector, City of Revere), Sasha Severino (Office of Representative Andy Vargas, 3rd Essex District, City of Haverhill), Cinder McNerney (Hilltop Securities), Abby Jeffers (Hilltop Securities), Monica Mulcahy (Hilltop Securities), Sonia Kwon (Executive Assistant to the Board, Office of the State Auditor)

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 – April 10, 2024:

Dr. Tafoya asked for any comments from the Board on the meeting minutes of April 10, 2024. There were none.

MOTION by Ms. Wagner to approve the draft meeting minutes of April 10, 2024. 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, meeting minutes of April 10, 2024, approved.

City of Haverhill: Chapter 44A request for \$67,012,656 in state qualified bonds

Dr. Tafoya invited The Honorable Melinda E. Barrett, Mayor of the City of Haverhill, to introduce the Haverhill team and provide comment on the financial condition of the City and the request before the Board.

On behalf of Haverhill, Ms. Perkins noted that Haverhill expects to have a balanced FY 25 \$274M budget before the City Council for adoption next month, the City has not expended any of its \$6.8M certified free cash yet this year, the snow and ice deficit will be fully covered, \$7M is set aside in stabilization, the City has a low debt ratio and reserves at about 6% of annual operating revenue, and further noted that Haverhill has obtained MSBA approval for the Consentino School and will be receiving about 50% reimbursement of the \$160M project, and a few smaller borrowings for other projects have been authorized.

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

The Board members requested additional information regarding MSBA reimbursement for the Silver Hill and Moody Schools, the modular classrooms, housing development, submission of the MBTA district compliance application, and downtown development.

Mayor Barrett noted the increasing student population and the hope that the school projects will be able to handle the growth, the modular classrooms will be owned by the City, over 1700 units have been approved over the past 4 years, the ease of the MBTA communities process, and the bright outlook for Haverhill due to the \$180M Merrimack Street redevelopment project and potential \$200M Historic New England investment in dormant downtown areas.

MOTION by Ms. Wagner that, in accordance with the provisions of Chapter 44A of the General Laws, after due investigation, the City of Haverhill be entitled to issue qualified bonds and/or notes from time to time, in the aggregate amount of \$67,012,656, to finance the several projects listed in their 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 Haverhill approved.

Officials from the City of Haverhill exited the meeting.

City of Revere: Chapter 44A request for \$21,500,000 in state qualified bonds

Dr. Tafoya invited The Honorable Patrick M. Keefe Jr., Mayor of the City of Revere, to introduce the Revere team and provide comment on the financial condition of the City and the request before the Board.

On behalf of Revere, Mr. Viscay noted the first budget under the Mayor will be a balanced \$295M budget set to be presented to the City Council, the MSBA scope and funding agreement has been received for the \$493M high school project, anticipating \$238M will be a grant, the City is undergoing expansive development at the beach and former Suffolk Downs site, they have \$9.1M in stabilization, \$3.6M in free cash, no deficits, no snow and ice issues this year, anticipating closing 2024 with revenues over estimates. They continue to comply with the consent decree, over \$100M of sewer repairs have been made, 90% of the City has been piped, now trying to address drainage and water infrastructure. One of the only general fund borrowings is for the new fire station anticipated to open in the fall, which will bring them up to their budgeted amount.

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

The Board members requested additional information regarding the status of Revere's high school project and site selection, the upcoming due date of short term BANs, and MBTA district compliance zone locations.

Mayor Keefe provided some history of the high school project and Wonderland site selection and informed the Board of the \$493M bond going before the City Council later in the month, and noted the excitement of the City and its students. Mr. Viscay noted that many of the projects before the Board are those BANs that they are looking to permanently bond. Mayor Keefe noted that most of the zones are in the areas where there is demand for growth without density issues.

MOTION by Ms. Wagner that, in accordance with the provisions of Chapter 44A of the General Laws, after due investigation, the City of Revere be entitled to issue qualified bonds and/or notes from time to time, in the aggregate amount of \$21,500,000, to finance the several projects listed in their 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 Revere approved.

Officials from the City of Revere exited the meeting.

Long-Range Municipal Fiscal Stability:

Ms. Wagner noted this year's fellowship program beginning June 3 with a class of 26 fellows from community colleges across the Commonwealth who will spend 4 weeks learning about municipal finance and have placements in July and August, as well as the success of last year's program with 7 fellows ending up with full time placements, 3 of whom will be speaking to this year's fellows.

In addition, Ms. Wagner referenced online resources on the DLS site – visualizations and financial assessment tools – that the Board may find helpful in understanding the financial position of applicant communities and offered to walk the Board through the tools at the next meeting. The Board expressed interest in adding this to the next meeting's agenda.

Agenda Items for Next Meeting:

Ms. McNerney noted that Peabody, Holyoke and Fitchburg may submit applications at the June meeting.

Board EA Kwon noted that Spencer-East Brookfield Regional School District may submit an application at the June meeting and that Ludlow may submit an application at the July meeting, and requested confirmation that a quorum of the Board will be present at both meetings in light of the potential applicants, noting that Ms. Wagner and her designee are unable to attend the June meeting.

In addition, EA Kwon noted that the qualified bond application contains outdated information regarding the timing of local aid payments and notified the Board that updated language would be forthcoming.

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 10:39AM.

Respectfully submitted by,

Sonia Kwon, Executive Assistant to the Board