

MUNICIPAL FINANCE OVERSIGHT BOARD

Meeting May 9, 2018

MINUTES

Board Members Present: State Auditor Suzanne Bump (Chair), Craig Stepno (Office of the State Treasurer), Margaret Hurley (Office of the Attorney General), Mary Jane Handy (Department of Revenue)

Non-Board Members Present: Sophia Apostola (Office of the State Auditor), William Arrigal (Department of Revenue), Cinder McNerney (Hilltop Securities), Abby Jeffers (Hilltop Securities)

The meeting was called to order 11:03 a.m.

Minute from April 11, 2018

On the question of approval of the minutes from the meeting on April 11, 2018: unanimous approval with discussed revisions.

Brockton

Cinder McNerney provided an overview of Brockton's request. Brockton has \$11 million in outstanding notes that are state qualified, this request is for the remainder of the authorized notes. Brockton is well managed by an experienced chief financial officer who has been with the City since the early 1990s. However, Brockton's CFO is in the process of retiring. For FY 2019, Brockton's biggest challenge will be water and sewer rates, which are subsidized by the general fund. Brockton has not increased its water and sewer rates in several years, but is in the process of increasing its rates. Additionally, Brockton's budget for education is impacted by a new charter school, as well as, the state calculation for low income students, which affected the amount of state education aid that Brockton receives.

Brockton's Standard and Poor's rating is AA- with a stable outlook. The State Qualified Bond Program rating has recently improved.

Cinder McNerney provided the Board with a letter from Brockton's CFO that outlined Brockton's finances.

Mary Jane Handy made a motion to approve the request from Brockton.

Craig Stepno seconded the motion.

The motion was unanimous approved.

Long Range Municipal Fiscal Security

The Board did not have anything to discuss regarding municipal fiscal security.

Potential Agenda Items

The Board asked Cinder McNerney and Abby Jeffers whether they knew of any communities intending to come before the Board.

Abby Jeffers stated that pending the reschedule of Methuen they are not sure of any other communities intending on coming before the Board.

William Arrigal discussed a potential request from Lincoln regarding a delayed school construction project. The school construction project was delayed because Lincoln and the Massachusetts School Building Authority could not come to an agreement as to whether the rehabilitation of a school parking lot was an allowable school construction cost. Lincoln withdrew the project and MSBA removed Lincoln's project from the list. Lincoln is having a special town meeting in the fall to vote on the revised school project and Lincoln may come before the Board for approval of a debt exclusion.

William Arrigal also stated that he received an inquiry from Ashburnham.

Sophia Apostola asked whether the board members would like to remove the requirement that applicants submit both paper and electronic copies of applications. The board members agreed that electronic copies were sufficient and they no longer needed paper copies.

Sophia Apostola asked whether the board members would like William Arrigal and herself to work on creating applications for other types of requests, such as emergency borrowings and debt exclusions. The board members agreed that the board should develop applications for other types of requests.

The meeting was adjourned at 11:39 a.m.