

# Minutes for Hull CPC Meeting: 4/5/21

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## Call to Order

A Hull Community Preservation Committee meeting was held remotely on Monday, April 5, 2021. It was called to order at 6:30 p.m. by CPC Chair Tammy Best.

*(This meeting is being held remotely via GoToMeeting as an alternate means of public access pursuant to an order issued by the Governor of Massachusetts dated March 12, 2020 suspending Certain Provisions of the Open Meeting Law. You are hereby advised that this meeting and all communications during this meeting may be recorded by the Town of Hull in accordance with the Open Meeting Law.)*

## Committee Attendees

Tammy Best, CPC Chair  
Grey Grey  
Jim Ianiri  
Nathan Peyton  
Fulvia Quilici Matteucci, Treasurer  
Jim Richman, Vice Chair  
Carol Costello, CPC Administrator

## Agenda

- CPA Bonding 101 – Stuart Saginor, Executive Director CP Coalition
- Approval of minutes from meetings held on 03.01.21
- Review and approve any outstanding invoices
- Updates on prior CPA grants
- Adjourn

## Callers that attended the meeting:

David Clinton, Jen Constable, Pat Cormier, Nancy Curtis, Patrick Finn, Phil Lemnios, R. Mcarney, Jason McCann, Jay Polito, Chad Wolfe, 2 callers without names

Chair Best introduces Executive Director Stuart Saginor for the Community Preservation Coalition. Stuart reviewed a presentation on Bonding 101 with the Community Preservation Act

## Summary of “Bonding 101 with the Community Preservation Act” presentation

- **It is up to CPC if they wish to make a recommendation to bond a project and for how long.** It is in the best interest of the town that CPC work with the Treasurer/TM to see what would make sense; how much and for how long, 10, 20, 30 years. Get different debt schedules to look at. CPC controls the CPA budget and making recommendations on these funds.
- **Borrowing permitted under CPA**
  - Most popular projects: acquiring land, historic rehabilitation, creation of recreational assets
  - Can only bond against local surcharge, not state match (Hull’s local surcharge 1.5%)
  - Two-thirds vote needed to pass bonded projects at Legislative Body (Hull – Annual Town Meeting)
- **Determining Your Bonding Capacity**
  - Work with municipal officials to determine what amount you can afford to bond
  - Consider a “CPA Bonding Capacity” spreadsheet to guide your future planning
    - Spreadsheet will be useful to determine how much money the town would be able to bond, including the town applying for state grants and any private revenue would assist in total project.

CPC meeting minutes present only a summary of what was discussed.  
There is also an audio recording of this meeting.

- **Bond Term (in years)**
  - Length of bond term follows state guidelines on bonding (up to 30 years in some cases)
  - CPC recommendation should include bond term (within the Warrant article)
- **Town Warrant Article/City Council Order**
  - Should mention “under authority of Ch. 44b”
  - Include any extra funds needed, such as closing cost, depending on the level of bond, there may be a cost on issuance of the bond (ie \$30K, etc), legal review, etc.
  - Include bond term
  - Can fund with multiple funding sources (existing funds + bond for the balance)
  - No subsequent ballot election required
- **After Bond is Authorized...**
  - CPA and non-CPA projects can be combined in one bond issue
  - CPC recommends annual debt service payment each year (include in your CPA budget)
  - Legislative body can decide to fund an annual payment from another source other than CPA
  - It DOES NOT work in reverse! You cannot use CPA funds to pay a bond authorized under another funding source
- **Annual Debt Service**
  - If payment on a project bond is more than 10% of your annual CPA revenue, bond payment counts as your 10% requirement for that category.
- **What Happens if CPA is revoked?\***
  - All existing funds encumbered to pay off debt. If that is not enough...
  - Keep CPA surcharge on tax bills at full 1.5%, put everything toward bond.
  - Reduce CPA surcharge to whatever percentage will fund annual debt service (with DOR approval)

\*Note: Above has never happened

## Summary of Q&A

- **Q:** Does it prevent voters from revoking CPA until the bond(s) are paid off?
- **Q:** What happens when you bond, can they revoke CPA, you need to pay back bond?
  - **A:** If CPA is revoked, #1 all existing would be incumbered to pay of dept. if not enough, you can keep it going 1.5% put 1.5% towards the bond you pay off much sooner, collect until it is paid off. You can ask DOR to reduce the surcharge if you are almost at the end of the payments.
- **Q:** (Nathan) Referring to 10% reserve, if payment on a project bond is more than 10% of your annual CPA revenue, does bond payment count as your 10% requirement for that category?
  - **A:** (Stuart) If you bond entire project with CPA, say historic project, then it will count for 10% requirement for the respective category for that year, until it is paid off.
- **Q:** (Greg) So CPA decides what get bonded, but they need permission from the land/building owner, correct?
  - **A:** (Stuart) You would take that consideration on every project; get permission.
- **Q:** (Jim R) Will bonding cripple CPA funds for other projects?

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- **A:** (Stuart) The Town can only bond 75% of local revenue, the Town will still have the state match and 10% reserve; the surcharge goes up every year.
- **Q:** (Chair Best) In order to bond, would CPC need to understand the scope of the entire project? Do you recommend bonding in phases or bonding entire project?
  - **A:** (Stuart) We had one town that were smart about bonding, they received a Mass Cultural grant to assist with doing their City Hall over, the CPC assisted with next steps; how much on local surcharge they could assist with the project, say 50%. The entire project was approximately \$7MM; they bonded \$3MM to completed first phase, windows, siding, structural work, CPC controlled the process. Great project and completed a complete rehabilitation on the City Hall with bonding project.
- **Q:** (Nathan) Any lessons learned from failed bonding attempts in other communities?
  - **A:** (Stuart) There was a project with Southborough, they did not realize that it was important to include the bond term in the warrant article. They worked with officials on a debt service 20- year bond, but they didn't put it in the recommendations. Under GA44, if a term or number of years of the bond isn't specified, the town treasurer can determine the number of years, 30 K expense come out of CPA. Be careful in wording on the Warrant Article.
- **Q:** (Jim I) When CPC votes, should they have terms and look at the schedule of payments.
  - **A:** (Stuart) Make sure you have enough adequate time to look at projects 3-4 months prior to making recommendations. Estimates of closing cost, legal cost and other bonding expenses need to be understood by CPC.
- **Q:** (Nancy Curtis - 78 G Street) Can you explain who you are, I missed the introduction at the beginning.
  - **A:** (Stuart) I am the Executive Director for the Community Preservation Coalition; we are a private organization that lobbies for towns/cities with the State that are part of the Community Preservation Act.
- **Q:** (Pat Cormier - 14 Cushing Street – member of Advisory Board) Is there a rule of thumb on how much should be outstanding in bonds? How much is too much leverage?
  - **A:** (Stuart) 96 towns/city have bonded out of the 146 that have adopted CPA. There is one town west of Boston that they will always bond any land purchase, even if they had the cash to purchase the land. Why would they do that and pay interest? Land is forever, we feel that the full burden should be on existing taxpayers, future generations to pay for the land instead of just the current taxpayers. Each town is different; my town buys all open space. We bond for it; we have 3-4 projects out there that we have bonded.
- **Q:** (Patrick Finn - Telegraph Hill) Interest rates are low right now, would you recommend bonding for a large historic preservation project, say \$1.5MM?
  - **A:** (Stuart) I don't know about rates, your town treasurer would know more. I am a huge fan for what CPA does for the community. I see bonding a tremendous vehicle to get things done; it increases quality of life.
- **Q:** (Patrick Finn) We have a citizen petition, to the Town Officials, it requests that the BOS/town owners under their authority move forward on the Fort Revere Tower. We are asking the sponsor to seek bond to renovate Fort Revere Tower, the petition is to issue a bond to this project.
  - **A:** (Stuart) Citizens cannot put forward an application, CPC are the only ones that can make recommendation at ATM. It would need to go to CPC, the law does not allow any other group to recommend a project for CPA funds; all discretion goes through CPC.
  - **A:** (Phil Lemnios) This is a local issue, I suggest we work with this on a local level. CPC also needs the time to vet applications and additional cost, etc.

7:58 pm Stuart left the meeting

### Review/Approve Meeting Minutes

Meeting minutes from 3/1 - some discussion and a few suggested changes once made.

**VOTE:** Jim R. made the motion to accept March 1<sup>st</sup> meeting notes, 2<sup>nd</sup> by Jim I. approved after changes - (Fulvia, Jim R, Nat, Jim I, Greg, Tammy). Tammy will complete edits and will request that they be placed on CPC website.

### Review/Approve Outstanding Invoices

**VOTE:** Invoice for Carol Costello's services; Invoice FY2021-11, dated April 5<sup>th</sup>.

Jim R. motioned to approve, and Greg seconded the motion - approved. The motion passed and Fulvia will process the invoice with Mike Buckley. (Fulvia, Jim R. Nat, Jim I, Greg, Tammy)

### Updates on Prior CPA Grants

**Greg:** Kenberma playground, scheduled to be completed 2<sup>nd</sup> week of May. The Lifesaving Boathouse, it will be a while before the lease is executed. We can address this again before the new round of funding applications start coming in. Gunrock playground, there is a drainage issue they are working on this now.

### Open Discussion

**Chair Best** announced the Rachel Gilmore was approved/appointed by the BOS to CPC, she completed her conflict-of-interest training, just waiting to see when she will be sworn in.

**Greg:** The CPC article will be included in the spring ATM; the Town is trying to have a fall ATM with bigger decisions, hoping that more people will be in attendance. Because of COVID we are trying to have a 2<sup>nd</sup> ATM.

**Next CPC Meeting –** May 3, 2021

### Adjournment

**VOTE:** Jim R moved that the meeting be adjourned at 8:23 pm, 2<sup>nd</sup> by Greg and approved unanimously.

**Respectfully submitted by:** Carol Costello with edits by Tammy Best