

FINANCE COMMITTEE MINUTES

The Standing Committee on Finance met on *Monday August 19th, at 7:00 PM* in the *Council Chambers, Brockton City Hall, 45 School Street*, to consider the following with President Sullivan Presiding and all Councilors present.

1. Ordered: Acceptance and expenditure of total grant funds in the amount of \$312,615.40
From: Executive Office of Energy and Environmental Affairs-Municipal Vulnerability Preparedness Program (MVP) Action Grant
To: Mayor's Office-Municipal Vulnerability Preparedness Program (MVP) Action Grant Fund.
Invited: Honorable Mayor Moises Rodrigues
Mary Monahan, Associate/Director of Business Development- Fuss & O'Neill
Julianne Busa, PhD Environmental Scientist – Fuss & O'Neill
Troy Clarkson, CFO

Comments by Troy Clarkson:

(Substantial grant; does include a city match. Grant is part of the Governor's MVP program and is designed to provide some hydrologic modeling and to equip the city to better deal with potential flooding and extreme weather events.)

Comments by Councilor Cruise:

(This is a match?)

Comments by Troy Clarkson:

(Yes, \$102,608.40)

Comments by Councilor Beauregard:

(Communities that acquire such grants does this make it a better opportunity for economic development in the future if they are more prepared for situations?)

Comments by Julianne Busa:

(The planning process that the city has already completed, the city has become an MVP certified community. Which makes Brockton eligible for different state funding opportunities. This funding is geared at climate resiliency and designed to further both the goals of reducing flooding risk in the city and also thinking about economic development.)

Having considered the same, Motion by Councilor Cruise to report FAVORABLE, 2nd by Councilor Monahan. Motion carried by a hand vote.

2. Ordered: Acceptance and expenditure of the total grant funds in the amount of up to \$20,000
From: Plymouth County District Attorney's Office- FFY2017 Violent Gang and Gun Crime Reduction Program Grant (Project Safe Neighborhoods)
To: Brockton Police Department-FFY17 Violent FY2017 Violent Gang and Gun Crime Reduction Program (Project Safe Neighborhoods) Grant Fund.
Invited: John Crowley, Chief of Police
Troy Clarkson, CFO

Comments by President Sullivan:

(Chief Crowley indicated that he is not able to join the meeting tonight as well as the City Planner, Mr. May, he had a pre-scheduled commitment.)

Comments by Councilor Cruise:

(Point of information; the Chief did send a Captain tonight so we do have police representation.)

Having considered the same, Motion by Councilor Monahan to report FAVORABLE, 2nd by Councilor Lally. Motion carried by a hand vote.

3. Ordered: Acceptance and expenditure of the total grant in the amount of \$46,971
From: Executive Office of Health and Human Services/Department of Mental Health
FY2020 Massachusetts Jail/Arrest Diversion Program
To: City of Brockton Police Department-.of Mental Health FY2020 Massachusetts
Jail/Arrest Diversion Program Fund.
Invited: John Crowley, Chief of Police
Troy Clarkson, CFO

Comments by Troy Clarkson:

(No required match.)

Having considered the same, Motion by Councilor Cruise to report FAVORABLE, 2nd by Councilor Monahan. Motion carried by a hand vote.

4. Ordered: That the City Council authorize the approval of the proposed Housing Development Incentive Program (HDIP) Tax Increment Exemption Agreement (TIE), for 93 Centre St., between the City and 93 Centre Street, LLC.
Invited: Troy Clarkson, CFO
John O'Donnell, Chairman of Assessors
Rob May, Director of Planning and Economic Development
Ted Carmen, Concord Square Planning & Economic Development

Comments by Troy Clarkson:

(Talks about the next three TIE (Tax Increment Exemption) agreements; important economic development tool. Terms for each property vary based on meetings and negotiations with each of the developers.)

Comments by Councilor McGarry:

(From 2019 until when do we really start to see any kind of increase in the taxes out of that building?)

Comments by Troy Clarkson:

(It is 2022 when we start to see increased income to both the city and the developer based on the completion of the building. Based on our estimates, we do anticipate that within a couple of years the project will be complete and taxed at that full amount.)

Comments by Councilor McGarry

(Wants everyone to know that while we want growth in Brockton, wants people to understand that we're not going to see the full effect of this growth in these buildings for 20 years. During this time our Police, Fire and Schools are going to have to absorb it the impacts of these buildings at much lower discounted rate.)

Comments by John O'Donnell

(It is still going to be more than what the building is paying now. First two years of all the projects under construction they just pay the base value. First year completed they will pay 40% of the tax.)

Comments by Councilor Cruise:

(Does the TIE go with the building or the project? If the developer wants to sell?)

Comments by John O'Donnell

(Tie stays with the building.)

Comments by President Sullivan

(To Mr. Clarkson-If we could go through you and through the Mayor to get something before a final vote from the solicitor's office if it runs with the land or is specific to the owner.)

Comments by Councilor Farwell:

(If a homeowner comes into the city and buys a home for half a million dollars in Brockton we do nothing for them, all we do is send them a quarterly tax bill, water, sewer and refuse. Finds it ironic. Regarding the legal status of this building; pending in Plymouth Superior Court or land court there is a dispute about the eminent domain taking and in fact there was a motion to dismiss that but that hasn't been ruled on by the judge. Aren't we in a holding pattern here as to what could happen. Is the legal action between the owner of the building and the BRA?)

Comments by Troy Clarkson:

(Mr. Carmen, the developer is here and could speak to this.)

Comments by Councilor Farwell:

(The legal action is between the owner and the BRA, not against Mr. Carmen. More concerned about what the judge has to say.) (Did some comparison and other cities are not going with 20 years; some are going with 6-10 years. Thinking we should go with 7-8 years. Go with what is fair to the developer and the tax payer the resident of Brockton.)

Comments by Councilor Nicastro:

(Looked at TIE agreements in Pittsfield, Lowell, Fall River and Worcester on the internet; the state program provides for a maximum of 20 years, none of the communities that I looked at who have TIE agreements or are negotiating with them went as long as 20 years. The longest I saw was 15 years, most were 7-10. Concerned about the term, should we go as long as 20 years. Did some research on the eminent domain proceeding against the BRA. Uncomfortable going forward on this financing without the case being resolved.)

Comments by Councilor Lally:

(This isn't money that we are leaving; this is money we wouldn't be getting at all this is not something that is optional because we want to hand it out. This kind of program is in place to allow these developments to move forward and to allow

people to invest. When this project proceeds with this kind of city support it allows other projects to precede and builds and those projects don't necessarily have to have a TIE agreement.)

Having considered the same, Motion by Councilor Farwell to report to POSTPONE until Second Finance Committee Meeting in October, 2nd by Councilor Derenoncourt. Motion carried by a hand vote.

see below- Motion has been reconsidered

5. Ordered: That the City Council authorize the approval of the proposed Housing Development Incentive Program (HDIP) Tax Increment Exemption Agreement (TIE), for 127 Centre St., between the City and 127 Center Corner, LLC.

Invited: Troy Clarkson, CFO

John O'Donnell, Chairman of Assessors

Rob May, Director of Planning and Economic Development

Attorney James Burke

Comments by President Sullivan:

(Important to see how long these developers hold properties; do they keep it as a portfolio or do they have a history to sell it?)

Comments by Councilor Farwell:

(Offer an amendment to the duration and the exemption percentage for this particular property. (*hand out was given to each Councilor with proposed amended exemption percentage*) Exemption percentage is not a hundred percent for the first five years it goes from 60 down to 10 percent over a ten year period. Consistent with what other communities have done with the same size and scope of the project. More than generous; fair blend between the city and the developer. Motion is to amend if it receives a second.)

Comments by Councilor Cruise:

(If we could hold off on the motion as I have some questions before the motion?)

Comments by President Sullivan

(Motion has been withdrawn Councilor?)

Comments by Councilor Farwell:

(Yes.)

Comments by Councilor Cruise:

(Could these units turn into low income units?)

Comments by Troy Clarkson:

(Based on the agreement that is possible. This is the template that has been used for previous agreements here in the city.)

Comments by John O'Donnell:

(This is the agreement the state provides that you have to utilize.)

Comments by Councilor Cruise:

(That will have to stay in?)

Comments by John O'Donnell

(Yes)

Comments by Councilor Cruise:

(Are we voting to change to put this into the proposal or ask our team to go back and negotiate with the idea that we know the ten years is what the Council is looking to do?)

Comments by President Sullivan:

(Would pause to make any amendments at this time without having our own attorney here; Attorney Resnick.)

Comments by Councilor Farwell:

(Formally withdraw any mention of the amendment and move to postpone until second fin comm in October to allow for legislative council and the administrative team to be able to meet with the appropriate people and come back to us with an amended proposal.)

Having considered the same, Motion by Councilor Farwell to report to POSTPONE until Second Finance Committee Meeting in October, 2nd by Councilor Asack. Motion carried by a hand vote.

see below- Motion has been reconsidered

6. Ordered: That the City Council authorize the approval of the proposed Housing Development Incentive Program (HDIP) Tax Increment Exemption Agreement (TIE), for 19-31 Main St., between the City and Brockton Development Company, LLC.

Invited: Troy Clarkson, CFO

John O'Donnell, Chairman of Assessors

Rob May, Director of Planning and Economic Development

Catherine Norcott

Comments by Councilor Eaniri:

(The decision is the Mayor's.)

Comments by Troy Clarkson:

(Yes he negotiates the agreement, but its final approval is by the legislative body.)

Comments by Councilor Eaniri:

(Not disagreeing with you. Have developers here that want to be in the city of Brockton and to move the city forward. Don't want to see us doing nothing and then going back and forth with negotiations and have the developer go elsewhere. That's a problem.)

Comments by Troy Clarkson:

(In this package of agreements we have developers willing to invest tens of millions of dollars in downtown. That sort of development is contagious and word gets around.)

Comments by Councilor Eaniri:

(I see differently because it's a new development. We have got to stay on track and want these people to stay here to do what they need to do to continue to move Brockton forward.)

Comments by Councilor Farwell:

(Agree that we should be developer friendly. Need to find the blend on what's fair to the developer and what is fair to the residents. Move to postpone to the second Finn comm in October. Will still offer an amendment to reduce the length and the percentages that are in the agreement.)

Comments by President Sullivan:

(Not seconded yet. Councilors any objections to hear Ms. Norcott?)

Council agrees to hear

Comments by Catherine Norcott:

(Here with Mike two colleagues; Mike Ahern and Kevin McCarthy. Talks about the numbers on the building and need the help of the City Council.)

Comments by Councilor Farwell:

(Are you getting assistance from the State?)

Comments by Mike Ahern:

(No. We are borrowing money from Mass Development, a private entity. Not help; it is a market rate loan. No grants or tax credits only what you can do for us. We haven't purchased the building yet, all based on this meeting. If we can't make the numbers work, then I can't buy the building.)

Comments by Councilor Monahan:

(Need to be business friendly. Have faith in the people doing the negotiations. We don't want to scare people away. Not going to see the development downtown. By developing the building we are going to develop downtown.)

Comments by Councilor Lally:

(Agree with Councilor Monahan. We are stopping everything we are starting.)

Comments by Councilor Derenoncourt:

(Will vote in favor of this. Just need more information.)

Comments by Councilor Beauregard:

(Supports postponing until October Finn Comm to make a more informative decision. Concerned what will happen with these buildings and can they be flipped to low-income housing.)

Comments by Councilor Asack:

(Excited to see someone do something beautiful; excited to see plans. A lot of the residents in the area went through the same process; Station Lofts, Geoffrey's project, 50 Center Street. If we plan to postpone how does that effect your project?)

Comments by Mike Ahern:

(It pushes us back.)

Comments by Councilor Farwell:

(Nothing in the document about a 200 seat restaurant.)

Comments by Mike Ahern:

(The commercial space is going to be taxed regular tax the whole way through.)

Comments by Councilor Cruise:

(TIE is only on the residential?)

Comments by John O'Donnell:

(Yes.)

Comments by President Sullivan:

(To Mr. Ahern- Do you believe that a TIE runs with property or specific to the developer?)

Comments by Mike Ahern:

(It has to run with the property because it's based on leases. If you have a property that is under a lease program and something happens to the developers and forces a sale, the value will be decreased to nil.)

Comments by President Sullivan:

(Motion on the floor, properly seconded to postpone this agenda item like the two previous ones for the second finm comm. in October.)

Councilor Lally requests a roll call vote under Robert's Rules

Roll Call vote: 6 Nays; vote fails

Comments by Councilor Farwell:

(Move to introduce a reduced duration and percentages for tax exemption; which would be part of this parcel. Would change the exemption percentage and the duration from 20 years and 100% for the first couple of years to a 10 year agreement which would be 60% , 60%, 55%, 50%, 45%, 40%, 35%, 30%, 20%, 10%)

President Sullivan calls for a roll call vote for the amendment stated by Councilor Farwell

Roll Call vote: 9 Nays; vote fails

Comments by President Sullivan:

(Confused; previously stated that our legislative attorney is not here, previously postponed two matters that are exactly the same as this. Need to vet this out through our legislative council.)

Darren DeCostrum asks to speak before the Council; granted by President Sullivan

Comments by Darren DeCostrum:

(From Item # 5 on agenda- 127 Centre Street. The 3 projects are not the same.)

Comments by President Sullivan:

(The TIE is the same.)

Comments by Darren DeCostrum:

(Basing the postponement upon the ruling from the judge in litigation.)

Comments by President Sullivan:

(No, that was one component of it. The other is we want a legal opinion from the city solicitor relative if it runs with land or if it is specific to the developer.)

(We are on this agenda item; what is the will of the counsel?)

Councilor Lally made a favorable recommendation back to the full council

On the Motion-

Comments by Councilor Nicastro:

(Understand what the developers are looking for, we are missing information. Postpone to a Finance Committee Meeting in September.)

Comments by Councilor Derenoncourt:

(In favor of supporting this, think it is important to ask our attorney questions. Agrees with Councilor Nicastro.)

Comments by Councilor Monahan:

(By moving it to the 1st finn comm in September that gives time to talk to our legal counsel, makes sense to move to the 1st meeting in September. Ask colleague to withdraw his motion.)

Comments by Councilor Lally:

(I withdraw my motion.)

No motion on the floor

Comments by Councilor Cruise:

(Make a motion to postpone to the 1st Finance Meeting in September.)

Having considered the same, Motion by Councilor Cruise to report to POSTPONE until 1st Finance Committee Meeting in September, 2nd by Councilor Asack. Motion carried by a hand vote.

Relative to Item agenda # 5

Comments by President Sullivan:

(Councilor made a motion on # 5 to postpone to the second Finn Comm in October, which was lawfully voted on. He is now asking that we reconsider that vote in the form of a motion. There is a second on that. Now before us is a reconsideration of that vote. If voting in favor to reconsider it then the date could be changed.)

All Councilors voted and reconsideration has prevailed

Having considered the same, Motion by Councilor Cruise to report to POSTPONE until 1st Finance Committee Meeting in September, 2nd by Councilor Lally. Motion carried by a hand vote.

Relative to Item agenda # 4

Councilor Cruise to make a motion to reconsider item # 4, with a second.

All Councilors voted and reconsideration has prevailed

On the motion

Comments by Councilor Nicastro:

(Waiting to hear from a court and they may not have a decision regarding eminent domain proceeding.)

Comments by Robert Jenkins:

(Unlikely there will be a decision soon; prudent for City Council to take this up whenever they feel necessary.)

Having considered the same, Motion by Councilor Cruise to report to POSTPONE until 1st Finance Committee Meeting in September, 2nd by Councilor Asack. Motion carried by a hand vote.

7. Ordered: A copy of all legal documents executed between the city and the Brockton 21st Century Corporation related to the transfer of control for these properties to the city, and the outstanding promissory note signed by the corporation, be provided to the City Council. (1) A summary of all outstanding contractual agreements, outstanding invoices for services or goods, or any other liability which was the responsibility of the Brockton 21st Century Corporation and which now may be incurred by the city be provided to the City Council. (2) If payments from public funds have been made for charges formerly required of the corporation, such information shall be provided to the City Council. (3) Documents and information requested shall be provided within fourteen (14) days of the date of this Order.

Invited: Michael Gallerani, Executive Director, Brockton 21st Century Corporation

Dan Evans, President, Brockton 21st Century Corporation

Philip Nessler, City Solicitor

Troy Clarkson, Chief Financial Officer

Mary Lynn Peters-Chu, City Auditor

James Casieri, Building Superintendent

Brent Warren, Attorney, B21

Comments by Councilor Fawell:

(The 2018 audit has not yet been completed.)

Having considered the same, Motion by Councilor Farwell to report to POSTPONE until 2nd Finance Committee Meeting in October, 2nd by Councilor Cruise. Motion carried by a hand vote.

8. Resolved: That Mayor Moises M. Rodrigues be invited to the Finance Committee Meeting of August 19, 2019 to provide an overview of the goals and objectives of the administration and to review his first month in office.

Invited: Honorable Mayor Moises Rodrigues

Comments by Mayor Moises Rodrigues:

(Quick updates- Improving the customer service to tax payers, Improve marketing strategies, Reinforcing dress code and punctuality, Process of obtaining an ATM vendor also a POS so people can pay with credit/debit cards, Revamp Board of Health into a department of health and human services, New website (more appealing, user friendly, more cohesive), Restaurant guide (showcasing great restaurants in the city), Shoe City Festival (showcasing shoe history, block party atmosphere on Oct 5th in the old BAT station, all welcome) Bringing more restaurants in the city, Hosting a Building of Color Tour on Aug. 23rd, Ribbon Cutting Sept 11th at 75 Commercial street (24 Market rate units) made possible through the TIE program, 121 Main Street will be seeing movement with that property, Census 2020 (city has lost millions of dollars, really pushing the Census), Renewed Brewster contract, Reviewing marijuana applicants (14), Meeting with other town administrators for solutions regarding the homelessness issue, Meeting to resolve issues with Aquaria, Meet with Lt. Governor; talked about the 2 way traffic in the downtown area also funding to build 2 soccer

fields, Prova will have African dancers this week, Ganley building has been pushed back (first week in Sept.).

Comments by Councilor Beauregard:

(Wanted to ask about code enforcement.)

Comments by Mayor Moises Rodrigues:

(You will getting something in terms of an ordinance to create a whole new way of enforcing our codes in the city. As more information comes will share with you.)

Comments by Councilor Farwell:

(Issue of being “business friendly” is a complicated one, hope if you choose to do so you will weigh in on any recommendations you may have for the three we moved to September. Might be helpful to have something on our webpage that Brockton uses TIF and TIE, proactive reaching out to the developers.)

Comments by Mayor Moises Rodrigues:

(Agrees. Need to start negotiating things.)

Comments by President Sullivan:

(Thanks the Mayor- partnership with all.)

Having considered the same, Motion by Councilor Beauregard to report FAVORABLE, 2nd by Councilor Lally. Motion carried by a hand vote.

9. Resolve: to invite a representative from National Grid to address the concerns of the community regarding the recent manhole cover explosions.

Invited: Joe Cardinal, Manager National Grid

Comments by Mayor Moises Rodrigues:

(Man holes are vented and work continues as promised. Will make a phone call this week and share that with you.)

Having considered the same, Motion by Councilor Beauregard to report FAVORABLE, 2nd by Councilor Lally. Motion carried by a hand vote.

Comments by Councilor Sullivan

(Will ask Attorney Resnick to come to Finn Comm when agenda items include TIF's or TIE's.)

Meeting Adjourned at 9:20 PM