



MEETING MINUTES

May 12th, 2020 @ 8:30am
Video Conference - Zoom Meeting

Present: Christopher Land (C), Susan Moran (VC), Christopher Simmler (Ck), Patti Haney, Michael Galasso, Thomas Feronti

Absent: Paul Burke (T)

8:35* CALL TO ORDER

A quorum was established. The Chair called the meeting to order.

8:35 PUBLIC COMMENT

None

8:35 FINANCE – Lynne Broderick

- Broderick directed the board to refer to the financial statements shown on the video screen. Both Peter Pan and Station Grill has paid rent thru April. Solar Phase 2 project is \$18K in legal fees to date. Net income is a negative \$61K. DiGiano said he expects we will be over budget for these legal fees – closer to \$36K vs. the \$20K budgeted. Citizen's will be reimbursing the EDIC for these expenses once they sign the sub-lease agreement.
- The Warrant amount is \$25,205.47. Large invoices included payments to Arbella Insurance for the commercial policy for the Falmouth Station, and Clipper Landscape for the spring clean-up.
- **MOTION: Haney made a motion to approve the warrant for \$25,205.47. Simmler 2nd. Roll Call: Moran Aye, Galasso Aye, Feronti Aye, Simmer Aye, Land Aye, Haney Aye, Motion Approved.**

8:48 FEDIC ECONOMIC DEVELOPMENT IN RESPONSE TO COVID-19

- Galasso thanked the team of DiGiano, Broderick and Kasparian for all the work done for the Falmouth Recovery Fund Program presentation to the BOS.
- Galasso described the outline of the proposal of the Falmouth Recovery Loan Fund:
 - Using some of the current ground lease and allocating all of the future ground lease payments from Phase 2 Solar to amortize a loan of approximately \$2M to re-loan out to small businesses at a low interest rates and terms that fit their particular business.
 - It is a true loan program, aimed toward small businesses that have historically been successful and if not for the epidemic they would have been operating profitably.
- The program proposal was presented to the BOS and they agreed to allocate the projected ground lease payment from Phase 2 to be used for the Small Business Recovery Loan program.
- Atty. Duffy brought up some legal issues regarding ability of the EDIC to create, administer and loan money. Galasso advised that the EDIC attorney will be reviewing the issues and the original charter that created the EDIC in Falmouth throughout the State.
- Galasso there was a vote by BOS. DiGiano concurred citing that the BOS voted to give Town Atty. permission to set up the Phase 2 Landfill ground lease with the EDIC to remit a nominal amount.
- Galasso advised he is discussing with various Lending Partners the amount to be loaned as well as other loan specific items. The exact amount of funding will not be determined until the legal questions are answered and an agreement with BOS is determined.
- Galasso presented the loan as a revolving loan fund – to exist into perpetuity.
- Moran updated that last evening at the BOS Board Meeting a legal opinion was written by Town Counsel saying that if the program were to go forward an explanation would be required from both the Town and the EDIC. On the EDIC side, to pursue what the legislative requirement

- would be to fit the program within the statutory bounds of the EDIC. On the Town side, they would look at legislative solutions to allowing the Town's participation. There was also some Town Meeting concerns regarding diverting Town funds to small businesses, and taxpayers concerns regarding competing interests for other needs within the community. They are investigating if a Town Meeting vote approval may be required.
- Moran said the BOS is interested in learning if this program could be implemented with funds outside of the Landfill Solar project, so the land lease payments will stay with the Town. The BOS questions if the EDIC could look at its other assets as a source of funding. The BOS also discussed the idea of the program being temporal to just the immediate need due to the COVID-19 epidemic.
- Galasso restated that the revenue that the EDIC receives from the Solar Landfill is paid by the Developer. This is not Town money. It is money the EDIC earned through the development of the landfill project. The Town has nothing invested into the project. It only becomes Town money once the EDIC negotiates an agreement with the Town to split some of this revenue. The EDIC is a separate entity that earns its own money. Galasso also advised that the current agreement for Phase 1 was negotiated with the BOS to not require Town Meeting approval.
- Simmler inquired what if anything could be done to move forward with the loan program with just the Falmouth EDIC's assets. Land responded that if the EDIC used its current limited assets it would be put the EDIC operations at financial risk. DiGiano said the EDIC doesn't have a strong revenue stream or balance sheet for collateral; operating with a deficient and using reserves to compensate.
- Discussion ensued by the Board about the legal authority of the Falmouth EDIC to administer loans to small businesses, as well as the EDIC retaining legal counsel specializing in municipal law to look at the current Chapter 121C, as well as the special legislation that newer EDIC's have been created.
- **MOTION: Moran made a motion to spend up to \$5,000 to retain legal counsel specializing in municipal state law for special legislation if needed for the Recovery Loan Program. Haney 2nd. Roll Call: Moran Aye, Galasso Aye, Simmer Aye, Feronti Aye, Haney Aye, Land Aye. Motion Approved.**
- Land directed that an inquiry be put forth to local lenders to determine what amount of loan funding could be obtained by the EDIC with just the collateral of EDIC assets.

9:55 COMMITTEE REPORTS

- **MOTION: Haney made a motion to table all the committee reports until the next meeting, due to time constraints. Moran 2nd. Roll Call: Moran Aye, Galasso Aye, Feronti Aye, Simmer Aye, Haney Aye, Land Aye. Approved.**

9:56 EDIC ADMINISTRATIVE BUSINESS

- **MOTION: Simmler made a motion to approve the April 14, 2020 Board Meeting Minutes. Moran 2nd. Roll Call: Aye Susan Moran, Aye Michael Galasso, Aye Thomas Feronti, Aye Chris Simmer, Aye Christopher Land. Haney Abstained. Approved.**
- **MOTION: Simmler made a motion to approve the April 14, 2020 Executive Session Board Meeting Minutes and not publish. Feronti 2nd. Roll Call: Aye Michael Galasso, Aye Thomas Feronti, Aye Chris Simmer, Aye Christopher Land. Haney Abstained. Moran Abstained. Approved.**
- **MOTION: Galasso made a motion to approve the March 10, 2020 Executive Session Board Meeting Minutes and not publish. Galasso 2nd. Roll Call: Aye Michael Galasso, Aye Chris Simmer, Aye Thomas Feronti, Aye Patti Haney. Land Abstained. Moran Abstained. Approved.**

10:00 ADJOURNMENT

MOTION: Moran made a motion to adjourn the Open Meeting Session and move into Executive Session to discuss the items noted on the agenda (Citizens Enterprises Corp. proposal as it relates to the content and negotiation of the proposed Lease Agreement, and to discuss the elements of a proposed lease agreement with Plymouth & Brockton St. Railway Co.; as having these discussions in an open meeting session may be detrimental to the Falmouth EDIC's negotiating position. The Executive Session meeting will not return to a Public session meeting. Simmler 2nd. Roll Call: Aye Susan Moran, Aye Michael Galasso, Aye Chris Simmler, Aye Thomas Feronti, Aye Patti Haney, Aye Chris Land. Approved.

NEXT MEETING – June 9th, 2020, 8:30 am, Zoom Video Conference Meeting