

# MINUTES OF THE MEETING OF THE MONTACHUSETT REGIONAL PLANNING COMMISSION (MRPC)

Doyle Center  
464 Abbott Avenue  
Leominster, MA 01453

THURSDAY, JUNE 28, 2018  
7:00 PM

## 1. Open Meeting, Introductions and Announcements

J. Telepciak called the meeting to order at 7:00 p.m.

## 2. Subordination Request: 184 Stone Realty Trust

G. Eaton indicated that the MRPC has an outstanding loan to Kevin Gervais, Trustee of 184 Stone Street Realty Trust for \$350,000; as of this date \$106,158.60 has been to the MRPC in principal and interest over the last two-and-one-half years. With this amount of money in the MRPC's EPA Revolving Loan Fund account, this agency now has the ability to conduct new environmental site assessments (ESAs) and/or new loans for remediation and draw upon 10% of the balance of the funds for administrative costs.

Originally, the loan was made to the Trust for site remediation (cleanup) activities at the site in Clinton. The loan was made in 2006 (August 3<sup>rd</sup>). Funds for the loan and related administrative costs were provided to the MRPC by the Federal Environmental Protection Agency (EPA) via a grant prepared by Mr. Eaton.

The EPA and the Town of Clinton were very satisfied that a long-defunct and former "brownfield" property. The primary purpose of the EPA grant-to-loan program was to clean contaminated properties, return them to active reuse and promote the creation of jobs in the region; all three objectives have been accomplished; 50 jobs were estimated to have been created while 80 jobs are on-site as of this date and this property has been producing property tax payments to the Town of Clinton since 2006 (after a 20 year hiatus).

At the outset of the term of the loan, the borrower has struggled to repay the debt; the Great Recession (2008-2009) impeded progress renting out the former plastics factory converted into industrial condos. During the first few years of the loan term the MRPC did not invoice the borrower for repayments. Since this practice was instituted about 30 months ago, Mr. Gervais has been faithfully paying monthly loan payments. Recently, Mr. Gervais indicated that over the last few years these invoices have been issued sporadically (every three months) to him. All invoicing came to a halt in January 2018 when the last payment was received by the MRPC. The property owner was invoiced this date for the months of February through June 2018; the property owner brought this loan current today.

The purpose of the loan is to lock in all non-EPA/MRPC funds into a fixed rate. The borrower's current loan will change from a fixed to a variable rate next month with his current bank; Citizens Bank, N.A. is the new bank. If that takes place then the borrower will incur an additional \$1,000+/- in monthly debt payments to the primary lienholder; this may impede his cash flow and ability to pay the MRPC's monthly loan payments and disrupt the positive 30+/- of loan payment history, new faith and trust that the borrower has been sharing with the MRPC.

There is insufficient cash flow or value in the site for the borrower to pay off the remaining principal balance with the MRPC.

The MRPC's Executive Director recommends that this agency subordinate its current debt to Citizens Bank, N.A. The agency's current "second position" will remain unchanged.

Much discussion followed regarding what is actually owed, how many jobs were on the site, the appraised value of the property, the history of loans on the property, the amount of refinance loan, and MRPC's position on the refinance.

P. Duffy moved that the Montachusett Regional Planning Commission authorizes its Chairman John Telepciak and Executive Director, Glenn P. Eaton to execute any and all paperwork that may be related to the borrowers proposed refinancing with said institution; and, for themselves, their successors and assigns, does hereby covenant and agree that the mortgage held by them dated 8/3/2006 and recorded 8/4/2006 in the amount of \$350,000.00 in the Worcester County Land Evidence Records in the State of MA as B:39522 P: 182 Inst# 200600117177 shall be subject to and subordinate to the lien of the real estate mortgage to be executed and delivered by Kevin Francis Gervais Sr. as Trustee of 184 Stone Street realty Trust, under a Declaration of Trust dated 09/18/03 and Lighthouse Environmental Management LLC to secure a promissory note not to exceed the sum of \$690,000.00 with the same force and effect as if the said real estate mortgage in favor of Citizens Bank, N.A. had been executed, delivered and recorded prior to the execution, delivery and recording of the mortgage to Montachusett Regional Planning Commission (MRPC). The motion was seconded and passed unanimously subject to review of wording by MRPC's attorney.

### 3. **FY19 Budget Adjustment and Fiscal Administration**

G. Eaton distributed a draft FY19 Budget to the members. He indicated that at the meeting of the Commissioners held on June 7, 2018 he overestimated total revenue, for FY19. He has made corrections to the FY19 Budget. A summary of the budget follows.

#### *Table A*

Total Projected Expenses in FY19	\$1,393,300
Total projected revenue from all sources	\$1,662,660
Total Potential Surplus assuming all projected revenues realized in FY19	\$229,360

#### *Table B*

Total projected revenue from all sources	\$1,662,660
Less all pending planning funding not yet under contract:	
District Local Technical Assistance, Program Year #12 (\$100,917)	
Department of Energy Resources "META" Grant (\$19,000)	
Federal Economic Development Administration (EDA), Future Industrial Lands (FIL) Analysis (\$100,000)	
Balance	\$1,402,743
Total Projected Expenses in FY19	\$1,393,300
Total Projected Surplus/(Deficit) in FY19	\$9,443

#### *Table C*

Total projected revenue from all sources	\$1,662,660
Less all pending planning funding not yet under contract:	
District Local Technical Assistance, Program Year #12 (\$100,917)	
Department of Energy Resources "META" Grant (\$19,000)	
Federal Economic Development Administration (EDA), Future Industrial Lands (FIL) Analysis (\$100,000)	
Surplus from sale of 32 Whitney Drive, Ashburnham (\$30,000)	
Surplus from sale of 207 Adams Drive, Athol (\$50,000)	
Surplus from sale of 10 Monroe Drive, Ashburnham (\$30,000)	
Surplus from sale of 30 Powers Mill Road, Phillipston (\$5,000)	
Balance	\$1,327,743

Total Projected Expenses in FY19	\$1,393,300
Total Projected Surplus/(Deficit) in FY19	(\$65,557)

G. Eaton then explained in detail the errors he made on the previous draft of the budget.

P. Duffy mentioned that he heard that District Local Technical Assistance (DLTA) funding is not included in the State budget this year.

G. Eaton replied that happens every year, however, over the last ten years DLTA has ultimately been funded.

P. Duffy asked about the status of the Economic Development Administration (EDA) grant.

G. Eaton replied MRPC submitted the grant. EDA responded indicating that MRPC would have to re-apply under a different pot of funds, as the funding had been depleted for that category. Staff is in the process of resubmitting.

P. Duffy asked about MEC and whether or not it was making money.

G. Eaton replied MEC is losing money. With the sale of these houses, we hope to have a surplus and pay back as much as possible to MRPC.

G. Corbosiero moved that the Montachusett Regional Planning Commission adopt the FY19 budget as presented by the Executive Director. The motion was seconded and passed unanimously.

Discussion then occurred about the layoff of employees.

Discussion took place about the replacement of the Fiscal Director. G. Eaton indicated he has contacted an accounting firm and will meet with them about the cost of undertaking fiscal duties. MRPC advertised the position and interviewed two excellent people. If a consultant doesn't work, we can look at hiring.

Discussion occurred about the Community Development Block Grants (CDBG). G. Eaton indicated that MRPC is currently managing one block grant for Shirley. Winchendon decided to move on to another company for management effective July 1, 2018. Breezeway Consulting has taken over Winchendon. There is no CDBG funding included in the FY 19 budget.

#### **4. Revised Business Plan and Serve Area of Montachusett Enterprise Center, Inc., (MEC)**

G. Eaton stated that the Montachusett Enterprise Center, Inc. (MEC) will shift away from completing real estate projects (i.e. 40B single family home construction and receivership projects) and concentrate on delivering training service and similar programs. Future real estate projects may be considered in the future by the MEC Board of Directors.

Programs, in the housing arena, will be in the areas of providing home buyer assistance, credit and foreclosure counseling. Providing these sessions will provide a well-informed groups of potential home buyers and existing homeowners that might not have access to this information. In addition, MEC will provide training programs to support the local economy. MEC will work in close cooperation with other partners (such as the region's four, area chambers of commerce and other groups such as the North Quabbin Community Coalition) and provide these training programs. An example of a curriculum that will be developed includes how to start a business that will include, but not be limited to topics such as, preparing a business plan, legal matters (i.e. type of business and intellectual properties law) obtaining financing, bringing a product to market, marketing and other related topics. Providing services with housing and economic development is in synch with the MEC's Bylaws.

Funding for the above will be pursued from private and public-sector foundations and grant-providing entities such as the Worcester Community Foundation and the Community Foundation of North Central Massachusetts. Grant dollars will be used to pay for Montachusett Regional Planning Commission (MRPC) staff time to deliver the training sessions through MEC. Funding may also be available to be shared with partners identified above. A programmatic agreement between MEC and the MRPC will be executed in order that MRPC staff may provide staff support to MEC to help it achieve training programming objectives.

MEC will identify and assist where and when possible to support other, special projects such as LaunchSpace, Inc.'s development of the former Pleasant Street School in Athol as a makerspace. LaunchSpace needs funding to retrofit and equip this facility soon to be under lease with the Town of Athol for commercial kitchen, teaching and other makerspace activities. MRPC's stable of grant writers and administrators have the capacity to assist LaunchSpace with this type of initiative such as the pursuit of state and federal grant programs to address the aforementioned building improvements.

P. Duffy asked if MRPC would be advancing MEC for this project or would funding be obtained beforehand.

G. Eaton responded MRPC staff would apply for foundation grants to deliver these services and staff would charge to those grants when awarded.

A. Pease mentioned the expansion of MEC to other communities came up before the MEC Board and as MRPC created MEC, we are looking for MRPC's input. MEC has no financial resources. MEC owes MRPC about \$300,000.

L. Shifrin commented that the communities that MEC wants to expand to, do not pay into MRPC.

G. Eaton responded that is correct, but we can also get money into MRPC under the MEC flag. It opens the door for more revenue to come into MEC for MRPC payroll.

P. Duffy asked does the staff have capacity to do the counseling.

G. Eaton replied no, but staff has capacity to coordinate this training.

A. Pease asked why can't MEC provide this service without expanding its boundaries.

G. Eaton responded it could. There is more opportunity in that region. More competitive grant applications with more communities.

B. Yocum added that she believed that MRPC should focus on its region. This region has needy areas and she expressed her concern about MRPC diluting its efforts when the staff has been reduced.

T. Bratko agreed that MRPC was spreading itself to thin.

A. Pease stated that one of his thoughts is to try this for a test period and then re-evaluate.

B. Yocum suggested that when these programs are undertaken they are done within the MRPC region and others from different regions are invited.

G. Eaton mentioned the possibility of writing a CDBG application for Orange.

B. Yocum reiterated her concerns about adding areas that are outside of the region when MRPC is already scrambling due to lack of staff. She asked as the guiding board, does the Director need permission.

G. Eaton replied, yes, but not at this time.

## 5. New Business

*This time is being reserved for topics that the chair did not reasonably anticipate would be discussed.*

There was no new business for discussion.

## 6. Adjournment

There being no further business the meeting adjourned at 8:55 p.m.

Meeting Attendance					
Name	M/A	Representing	Appointment Date	PRESENT	ABSENT
Johnson, Kyle	A	Ashburnham	7.2015		X
Hoyt, Roger	M	Ashburnham	7.2011	X	

Pease, Alan	M	Ashby	7.2001	X	
Stacy, Wayne	A	Ashby	7.2005		X
Truehart, Duane	M	Athol	7.2016		
Rebecca Bialecki	A	Athol	7.2017		X
Vacant	M	Ayer			X
Vacant	A	Ayer			X
Duffy, Phil	M	Clinton	12.2011	X	
Vacant	A	Clinton			X
Lowitt, Peter	N/V	DREZ	7.2001		X
Caron, Paula	M	Fitchburg	7.2002		X
Vacant	A	Fitchburg			X
Gross, Allen	M	Gardner	2.2005		X
Cruz, Maribel	A	Gardner	8.2017		
Burke, Russ	M	Groton	7.2016		X
Vacant	A	Groton			X
Maiores, Rich	M	Harvard	7.2017		X
Vacant	A	Harvard			X
Bratko, Thomas	M	Hubbardston	7.2016	X	
Stauder, Michael	A	Hubbardston	7.2016		X
Christopher, Thomas	M	Lancaster	7.2016		X
Piazza, Noreen	A	Lancaster	7.2016		X
Vacant	M	Leominster			X
Vacant	A	Leominster			X
Prokowieiw, David	M	Lunenburg	7.2015		X
Jeffreys, Michael Ray	A	Lunenburg	8.2017		X
Vacant	M	Petersham			X
Allen, Nancy	A	Petersham	7.2015		X
Vacant	M	Phillipston			X
Telepciak, John	A	Phillipston	10.201	X	
Natrowicz, Kyle	M	Royalston	7.2015		X
Barclay, James	A	Royalston	7.2017		X

Widing, Sarah	A	Shirley	7.2015		X
Yocum, Barbara	M	Shirley	8.2017	X	
Pineo, Michael	M	Sterling	7.2014	X	
Kilcoyne, John	A	Sterling	7.2014		X
Rich, Dennis	M	Templeton	7.2017		X
Terenzini, Carter	A	Templeton	9.2016		X
Shifrin, Laura	M	Townsend		X	
King, Cindy	A	Townsend	7.2016		X
Weist, Linda	M	Westminster	7.2017		X
Vacant	A	Westminster			X
Corbosiero, Guy	M	Winchendon	7.2011	X	
Cyganiewicz, Austin	A	Winchendon	7.2015		X

Staff Present: Glenn Eaton

**DOCUMENTS DISTRIBUTED AT MEETING:**

June 28, 2018 MRPC Meeting Handout

FY19 MRPC Budget

MEC Revised Business Plan