



# *Committee on Finance*

April 10, 2013 – 7:00 PM - **Minutes**  
Chambers of the City Council, Room 214

**\*\*View Agenda\*\***

**MEETING: COMMITTEE ON FINANCE**

**DATE: APRIL 10, 2013**

**TIME: 7:10 P.M.**

**PLACE: CITY COUNCIL CHAMBER, ROOM 214, MUNICIPAL BUILDING**

**PRESENT: COUNCILLORS JANE GONSALVES, CHAIRPERSON; DAVID ALVES; HENRY BOUSQUET; DEBORA COELHO (7:30); BRUCE DUARTE, JR.; BRIAN GOMES; JOSEPH LOPES; STEVEN MARTINS; JAMES OLIVEIRA**

**ABSENT: COUNCILLORS JOHN SAUNDERS, VICE-CHAIRMAN; DENIS LAWRENCE, JR.**

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Councillor Gonsalves called the Finance Committee Meeting to order and took attendance. The Clerk read a MEMO from Councillor Lawrence stating he would not be in attendance due to a prior commitment. This communication was received and placed on file by Councillor Martins and seconded by Councillor Alves.

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Notice, City Clerk of reference of a Review of all Departmental Budgets with CFO Ari Sky to determine which have projected deficits or surpluses was received and placed on file by Councillor Martins and seconded by Councillor Alves. (1)

Ari Sky, CFO handed out documents to the Committee, which were received and placed on file by Councillor Martins and seconded by Councillor Lopes.

Mr. Sky stated that the snow removal budget would be over budget by approximately \$175,000. However, he stated they are confident this will be made up for by transferring from other departments that have surpluses. Also, EMS overtime will be over budget by approximately \$125,000, but other than the school department budget, those are the only two budgets where there are expected deficits for the remainder of the fiscal year; furthermore, he added that EMS' revenues look good.

Councillor Bousquet asked about the school department deficit and Mr. Sky responded that the \$2,000,000 from Free Cash being asked for tonight is a down payment on the true number, which is approximately \$3,000,000.

Superintendent Michael Shea introduced Barry Haskell, one of two interim Business Managers brought in by the School Department to evaluate the systems and processes of the department. They are both formerly with the Plymouth School District.

Mr. Haskell provided the Council with his background as a former Superintendent in Plymouth Public Schools and was particularly direct in explaining that the accounting practices of former business managers, etc in New Bedford are not what he would have implemented at all. For example, discrepancies in line items not

adding up to the total bottom line of the budget are, this year, going to result in a \$600,000 shortfall in retirements.

Councillor Bousquet asked if systems are being put in place to prevent such mistakes from happening again. Mr. Haskell emphatically said “yes” and explained several policies and systems that are now being implemented. He stated that they will have proper practices in place for the next business manager and/or superintendent. One of these practices is the implementation of a zero-based budget process, where budgets are built from nothing and all expenses are looked at thoroughly. He also talked about the importance of the school department now changing over to the MUNIS accounting software, which is a centralized system as opposed to using three different programs. Additionally, outside companies are coming in to evaluate their business and human resource practices and policies.

Councillor Alves asked if Mr. Haskell felt that New Bedford has too many administrative personnel, like Assistant Superintendents, etc. Mr. Haskell said “no”, for a district this size, he feels the number of personnel in those capacities is correct.

On motion by Councillor Martins and seconded by Councillor Duarte, the Committee VOTED: To take “No Further Action” at this time on this matter. This motion passed on a voice vote.

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Notice, City Clerk of reference of a COMMUNICATION, Mayor Mitchell, to City Council, submitting the TRANSFER of \$2,000,000.00 from FREE CASH, to SCHOOL, SALARIES & WAGES (Ref’d 3/27/13) was received and placed on file by Councillor Martins and seconded by Councillor Lopes. (2, 2a)

Councillor Lopes asked Ari Sky what would happen to the budget if the Committee chose to table this item until a finalized number can be brought forward.

Mr. Sky stated that it would be problematic. He stated that without these funds, the budget would be depleted.

Mr. Haskell stated that, at the very latest, the money is needed by the last week of June in order to make the summer payroll. However, he does not see any issues prior to that.

Councillor Oliveira asked Mr. Sky how much money is currently in Free Cash. Mr. Sky replied that there is just under \$7,600,000 now, which equals approximately 3% of the city’s budget. In the “rainy day” fund, there is currently \$5,770,000.

On motion by Councillor Bousquet and seconded by Councillor Coelho, the Committee VOTED: To recommend to the City Council ADOPTION of the ORDER for the TRANSFER of \$2,000,000.00 from FREE CASH, to SCHOOL, SALARIES & WAGES. This motion PASSED on a Roll Call Vote of Yeas 9, Nays 0.

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Notice, City Clerk of reference of a COMMUNICATION, Mayor Mitchell, to City Council, submitting the ORDER for the TRANSFER of \$700,000.00 from FREE CASH, to POLICE, CAPITAL OUTLAY (Ref’d 3/27/13) was received and placed on file by Councillor Alves and seconded by Councillor Coelho. (3, 3a)

Councillor Alves made a motion to receive and place on file the Communication from Police Chief Provencher, which was seconded by Councillor Coelho.

Councillor Gomes stated that the money for new vehicles is a necessity for the Police Department. The vehicles that will be purchased are considered “frontline” cruisers as well as for use by K-9 officers. The vehicles can be purchased, according to Chief Provencher, for \$700,536. With this transfer being adopted, the vehicles could arrive and be on the street by June or July, Gomes said.

Councillor Lopes made a motion to amend the Order to the amount of \$700,536.00, which is the amount needed according to the Chief’s communication, this motion was seconded by Councillor Bousquet.

When asked by Councillor Gonsalves, Mr. Sky stated that he is working on a long term capital improvement plan for the city that would also include things like adding to the Fire Department’s fleet of vehicles year by year as well.

On motion by Councillor Bousquet and seconded by Councillor Gomes, the Committee VOTED: To recommend to the City Council ADOPTION of the ORDER (AS AMENDED) for the TRANSFER of \$700,536.00 from FREE CASH to POLICE, CAPITAL OUTLAY. This motion PASSED on a Roll Call Vote of Yeas 9, Nays 0.

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Notice, City Clerk of reference of a COMMUNICATION, Mayor Mitchell, to City Council, submitting the TRANSFER of \$250,000.00 from FREE CASH, to PUBLIC FACILITIES, CAPITAL OUTLAY (Ref’d 3/27/13) was received and placed on file by Councillor Alves and seconded by Councillor Bousquet. (4, 4a)

Councillor Martins asked Mr. Sky to explain what the funds will be used for; Mr. Sky replied that the city lost a number of plows in the past winter and a lot of the money will be used to replace them.

On motion by Councillor Lopes and seconded by Councillor Duarte, the Committee VOTED: To recommend to the City Council ADOPTION of the ORDER, for the TRANSFER of \$250,000.00 from FREE CASH, to PUBLIC FACILITIES, CAPITAL OUTLAY. This motion PASSED on a Roll Call Vote of Yeas 9, Nays 0.

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Notice, City Clerk of reference of a COMMUNICATION, Mayor Mitchell, to City Council, submitting the TRANSFER of \$175,000.00 from FREE CASH, to EMS, CAPITAL OUTLAY (3/27/13) was received and placed on file by Councillor Alves and Councillor Bousquet. (5, 5a)

Councillor Martins asked Mr. Sky what the funds would be used for; Mr. Sky responded that they will be replacing an ambulance that was totaled in a recent collision while on a call.

On motion by Councillor Alves and seconded by Councillor Bousquet, Committee VOTED: To recommend to the City Council ADOPTION of the ORDER, for the TRANSFER of \$175,000.00 from FREE CASH, to EMS, CAPITAL OUTLAY. This motion PASSED on a Roll Call Voted of Yeas 9, Nays 0.

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Notice, City Clerk of reference of a COMMUNICATION, Mayor Mitchell, to City Council, submitting the TRANSFER of \$125,000.00 from FREE CASH, to GENERAL GOVERNMENT UNCLASSIFIED, OTHER FINANCING USES (3/27/13) was received and placed on file by Councillor Alves and seconded by Councillor Bousquet. (6, 6a)

Matt Morrissey provided the Committee with an overview and update once again of the off-shore wind project. He stated that this money is essential in the Land Use Planning phase of the project, which will be approximately an 18 month period. He stated again that New Bedford is at the very forefront of this and well-

ahead of all other cities in the nation, and that these funds will help to keep us there by showing investors that the administration and city is committed to making this a reality in New Bedford.

On motion by Councillor Lopes and seconded by Councillor Duarte, the Committee VOTED: To recommend to the City Council ADOPTION of the ORDER, for the TRANSFER of \$125,000.00 from FREE CASH, to GENERAL GOVERNMENT UNCLASSIFIED, OTHER FINANCING USES. This motion PASSED on a Roll Call Vote of Yeas 9, Nays 0.

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Notice, City Clerk of reference of a COMMUNICATION, Mayor Mitchell, to City Council, submitting the TRANSFER of \$90,000.00 from FREE CASH, to GENERAL GOVERNMENT UNCLASSIFIED, JUDGMENTS/CLAIMS (Ref'd 3/27/13) was received and placed on file by Councillor Alves and seconded by Councillor Duarte. (7, 7a)

Councillor Gomes asked City Solicitor John Markey where this money would be going. Solicitor Markey stated that the average amount of claims the city pays out is approximately \$250,000 per year. He stated that the budget this year was for only \$150,000; and therefore they do need the funds to cover the judgments.

Councillor Gonsalves asked what the claims are that the city is paying out. Solicitor Markey stated he would not want to disclose that in a public meeting, but would be willing to go through them with her privately. He is not prepared to do so now, even in Executive Session. He did say that there are between 40 and 50 claims not covered by insurance right now, and approximately half of those are in litigation.

On motion by Councillor Bousquet and seconded by Councillor Coelho, the Committee VOTED: To recommend to the City Council ADOPTION of the ORDER, for the TRANSFER of \$90,000.00 from FREE CASH, to GENERAL GOVERNMENT UNCLASSIFIED, JUDGMENTS/CLAIMS. This motion PASSED on a Roll Call Vote of Yeas 9, Nays 0.

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Notice, City Clerk of reference of a COMMUNICATION, Mayor Mitchell, to City Council, submitting the TRANSFER of \$181,000.00 from FREE CASH, to ZOO, SUPPLIES & MATERIALS (Ref'd 3/27/13) was received and placed on file by Councillor Alves and seconded by Councillor Duarte. (8, 8a)

On motion by Councillor Duarte and seconded by Councillor Lopes, the Committee VOTED: To recommend to the City Council ADOPTION of the ORDER, for the TRANSFER of \$181,000.00 from FREE CASH, to ZOO, SUPPLIES & MATERIALS. This motion PASSED on a Roll Call Vote of Yeas 9, Nays 0.

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Notice, City Clerk of reference of a COMMUNICATION, Mayor Mitchell, to City Council, submitting the TRANSFER of \$69,000.00 from FREE CASH, to ZOO, CHARGES & SERVICES (Ref'd 3/27/13) was received and placed on file by Councillor Alves and seconded by Councillor Gomes. (9, 9a)

On motion by Councillor Gomes and seconded by Councillor Duarte, the Committee VOTED: To recommend to the City Council ADOPTION of the ORDER, for the TRANSFER of \$69,000.00 from FREE CASH, to ZOO, CHARGES & SERVICES. This motion PASSED on a Roll Call Vote of Yeas 8, Nays 0, with Councillor Coelho not present for the vote.

Councillor Alves made a motion to adjourn, which was seconded by Councillor Gomes.

This meeting adjourned @ 9:00 p.m.

ATTEST:

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Clerk of Committees