



Committee on Finance

May 22, 2013 – 7:30 PM - **Minutes**
Chambers of the City Council, Room 214

****View Agenda****

MEETING: COMMITTEE ON FINANCE

DATE: MAY 22, 2013

TIME: 7:34 P.M.

PLACE: CITY COUNCIL CHAMBER, ROOM 214, MUNICIPAL BUILDING

PRESENT: COUNCILLORS JANE GONSALVES, CHAIRPERSON; JOHN SAUNDERS, VICE-CHAIRMAN (7:40); DAVID ALVES; HENRY BOUSQUET; DEBORA COELHO (7:50); BRUCE DUARTE, JR. (7:35); BRIAN GOMES (7:40); DENIS LAWRENCE, JR.; JOSEPH LOPES; STEVEN MARTINS (7:50); JAMES OLIVEIRA

ABSENT: NO ONE

* * *

Councillor Gonsalves called the Finance Committee Meeting to order and took attendance. A Memo from Councillor Martins stating he would be late in attending the Finance Committee Meeting was read into the record and received and placed on file by Councillor Lopes and seconded by Councillor Oliveira.

* * *

Notice, City Clerk of reference of a Written Motion, Councillor Duarte, requesting that Department of Public Infrastructure Commissioner Ron Labelle provide the City Council with information relative to the preparation work needed for the HS-8 work site at New Bedford High School, which is the construction of a solar park; and further, that this needed work be done as soon as possible due to the fact that the installation of the solar panels will create local jobs for New Bedford residents (Ref'd 5/9/13) was received and placed on file by Councillor Lopes and seconded by Councillor Oliveira. (1)

Ron Labelle, DPI Commissioner was present to address the Committee and explain what is happening with this issue. Mr. Labelle stated that the HS-8 site is located on the northern portion of the New Bedford High School Property, and it is contaminated. He stated that the site has to be remedied before NSTAR can go in and place the panels there.

Councillor Alves asked about the estimated cost. Mr. Labelle stated that the cost is really unknown at this time due to the fact that it depends upon the level of contamination that is found there. He stated, however, that he is absolutely positive that it can be done for less than the \$1,000,000 that is being requested. He stated that they are asking for that amount in order to take care of unforeseen problems. He also stated that the project will begin once school is out for the summer and will be completed prior to it re-starting in the fall.

Councillor Lawrence asked if dirt will actually be removed from the site. Mr. Labelle explained that TRC is the company that will be overseeing the work, and yes, contaminated soil will be removed and shipped to Michigan. He stated that they will, in some areas, be going down as deep as 3 feet. Mr. Labelle stated that they are optimistic that 90% of the amount actually spent will be reimbursed by MSBA.

Councillor Oliveira asked if the useful life of the NBHS building is 20 years, since that is the length of the contract that the city has with the power company for the property. Mr. Al Oliveira, Director of Facilities for the School Department, stated emphatically that yes, NBHS will in fact be in use 20 years from now.

Councillor Lopes asked what the contingency plan is for this project should cost overruns occur while remedying the site. Mr. Labelle stated that they are already in place with the amount they are asking for, and Mr. Labelle stated that he is very confident that the actual cost of the entire project will be done for less than \$300,000.

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

* * *

Notice, City Clerk of reference of a Communication, Mayor Mitchell, to City Council, submitting a LOAN ORDER appropriating \$1,000,000.00 to pay for the costs of the required environmental remediation and the construction of a solar park in the area known as HS-8 at New Bedford High School, which is the grassed northern portion of the campus between the northeast and northwest parking lots, the proposed project at HS-8 is an innovation solution that allows the City to achieve remedial goals and to promote sustainable energy, the Massachusetts School Building Authority (MSBA) has indicated to the City that it will consider reimbursement for 90% of the total project costs, consistent with the previous project agreements. (Ref’ 5/9/13) (2, 2a)

On motion by Councillor Duarte and seconded by Councillor Alves, the Committee VOTED: To recommend to the City Council ADOPTION of the LOAN ORDER, appropriating \$1,000,000.00 to pay for the costs of the required environmental remediation and the construction of a solar park in the area known as HS-8 at New Bedford High School, which is the grassed northern portion of the campus between the northeast and northwest parking lots, the proposed project at HS-8 is an innovation solution that allows the City to achieve remedial goals and to promote sustainable energy, the Massachusetts School Building Authority (MSBA) has indicated to the City that it will consider reimbursement for 90% of the total project costs, consistent with the previous project agreements. This motion passed on a Roll Call Vote of Yeas 10, Nays 1, with Councillor Gonsalves opposed.

Councillor Gonsalves stated that she would have preferred to modify the amount to \$500,000 or \$600,000 due to the fact that Mr. Labelle stated it would be done for less than \$300,000.

On a related motion by Councillor Lawrence and seconded by Councillor Alves, the Committee VOTED: That Commissioner Ron Labelle provides the City Council with a detailed breakdown of the expenses on the HS-8 project. This motion passed on a voice vote.

On a related motion by Councillor Lopes and seconded by Councillor Alves, the Committee VOTED: That Commissioner Ron Labelle provides the City Council with a complete breakdown of what money was actually spent and what amount is left over once the HS-8 Project is completed. This motion passed on a voice vote.

On a related motion, by Councillor Lawrence and seconded by Councillor Alves, the Committee VOTED: That the Administration asks the MSBA for a written commitment to reimbursing 90% of the cost for the HS-8 Project. This motion passed on a voice vote.

* * *

Notice, City Clerk of reference of a Communication, Mayor Mitchell, to City Council, submitting a LOAN ORDER that in order to reduce interest costs, the Treasurer with the approval of the Mayor, is authorized to issue refunding bonds pursuant to M.G.L. c44, §21A to refund all or any portion of the remaining principal of and redemption premium and interest on any bonds of the City outstanding as the date of adoption of this Order, and for the payment of all costs incidental and related thereto, and that the Mayor and the Treasurer are each authorized to take any and all other action necessary to carry out the purposes of this Order (Ref’d 5/9/13) were received and placed on file by Councillor Alves and seconded by Councillor Duarte. (3, 3a)

Councillor Lopes asked Renee Fernandes-Abbott, Treasurer, how much money she would expect to put out for re-bidding. Ms. Fernandes-Abbott stated that it will be about \$4,800,000 and right now the interest rate is between 4.7% and 5.0%. They are hoping to get a 4.2% once they go out into the market. This would save the city approximately \$247,000 over 20 years.

On motion by Councillor Alves and seconded by Councillor Lopes, the Committee VOTED: To recommend to the City Council ADOPTION of the LOAN ORDER that in order to reduce interest costs, the Treasurer with the approval of the Mayor, is authorized to issue refunding bonds pursuant to M.G.L. c44, §21A to refund all or any portion of the remaining principal of and redemption premium and interest on any bonds of the City outstanding as the date of adoption of this Order, and for the payment of all costs incidental and related thereto, and that the Mayor and the Treasurer are each authorized to take any and all other action necessary to carry out the purposes of this Order. This motion passed on a Roll Call Vote of Yeas 11, Nays 0.

* * *

Notice, City Clerk of reference of a Written Motion, Councillor Gonsalves, requesting, that the Committee on Finance meet in Executive Session with the City Solicitor to get a claims briefing of all open claims, in particular those claims of high dollar exposure. (Ref'd 4/11/13) (4)

On motion by Councillor Bousquet and seconded by Councillor Alves, the Committee VOTED: To Table this matter at this time. This motion passed on a voice vote.

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

This meeting adjourned @ 8:15 p.m.

ATTEST:

Clerk of Committees