



Committee on Finance

March 18, 2015 – 7:30 PM - **Minutes**
Chambers of the City Council, Room 214

NEW BEDFORD, MASSACHUSETTS

MEETING: COMMITTEE ON FINANCE
DATE: MARCH 18, 2015
TIME: 7:34 P.M.
PLACE: CITY COUNCIL CHAMBER, ROOM 214, MUNICIPAL BUILDING

PRESENT: COUNCILLORS JOSEPH LOPES, CHAIRMAN; JAMES OLIVEIRA, VICE-CHAIRMAN; NAOMI CARNEY; DEBORA COELHO; BRIAN GOMES; STEVEN MARTINS; LINDA MORAD (7:39); DANA REBEIRO; KERRY WINTERSON

ABSENT: COUNCILLORS DAVID ALVES; HENRY BOUSQUET

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Councillor Lopes called the Finance Committee Meeting to order and took attendance. He read communications from Councillors Alves and Bousquet explaining the reasons for their absences. These communications were received and placed on file by Councillor Gomes and seconded by Councillor Winteron. He announced that he received a phone call from Councillor Morad stating that she would be a few minutes late in attending tonight's meeting.

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A motion was made to take item four (4) and four a (4a) out of order by Councillor Oliveira and seconded by Councillor Coelho.

Notice, City Clerk of reference of a Communication, Derek Santos, Executive Director, New Bedford Economic Development Council, to Council President Gomes and Members of the City Council, submitting TIF application and Resolution approved by the Tax Increment Financing Board for a five (5) year STA Agreement for **HTP, Inc. & 272 Duchaine Blvd, LLC**, 272 Duchaine Boulevard, New Bedford, MA, 02745 (Ref'd 3/12/15) and a Resolution, Approving Certified Project Application and Special Tax Assessment Agreement with **HTP, Inc. & 272 Duchaine Blvd, LLC**. (Ref'd 3/12/15) were received and placed on file by Councillor Gomes and seconded by Councillor Martins. (4, 4a)

The Chair recognized Derek Santos, Executive Director of the New Bedford Economic Development Council to give an overview of the TIF before the Committee this evening. He explained that it was a five-year agreement approved by the Tax Increment Financing Board between the City and HTP, Inc. & 272 Duchaine Blvd. LLC. The agreement would allow for the creation of 44 jobs if not more in the future, and would pay an average wage of \$33.00 per hour.

Councillor Oliveira asked Mr. Santos what year would the taxed equal a full annual payment. He was told at the completion of the fifth year, the company would be paying a total of \$80,000 in taxes. He also explained that the company would work with the local Career Center toward staffing the operation.

On motion by Councillor Gomes and seconded by Councillor Coelho, the Committee VOTED: To recommend to the City Council APPROVAL of the TIF Application and Resolution Approved by the Tax Increment Financing Board for a five (5) year STA Agreement for *HTP, INC. & 272 Duchaine Blvd., LLC*, 272 Duchaine Boulevard, New Bedford, MA 02745. 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 AN ORDER for the establishment of an AIRPORT STABILIZATION FUND (Ref'd 01/22/15) was received and placed on file by Councillor Morad and seconded by Councillor Carney. (1, 1a)

Ari Sky, CFO was recognized to speak on behalf of the motion. He gave overview of the need to create the Stabilization Fund.

Councillor Morad asked where the Airport was as far as its current fiscal year.

Eric D'Leon, Airport Manager, was recognized to answer the question. He responded that the Airport was on target with its expenditures for fiscal year 2015.

Councillor Morad asked where the airport was in relation to the snow removal budget for this year.

CFO Sky explained that they did not have a full figure to date as far as the snow removal at the airport is concerned but believed that they would need to appropriate additional funds.

On motion by Councillor Morad and seconded by Councillor Carney, the Committee VOTED: To recommend to the City Council ADOPTION of the ORDER for the establishment of an AIRPORT STABILIZATION FUND. This motion passed on a voice vote.

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Notice, City Clerk of reference of a Written Motion, Councillor Lopes, requesting that CFO Sky and DPI Commissioner Labelle update the Committee on Finance on the cost and types of lights that were used by the City of New Bedford as part of the streetlight retrofit program (Ref'd 2/26/15) was received and placed on file by Councillor Morad and seconded by Councillor Winterson. (2)

Ari Sky, CFO, was recognized to give an overview of the retrofit. He explained that the City was about 90% completed and the streetlight program was continuing as planned and lights were being certified and installed.

Councillor Gomes asked Scott Durkee, New Bedford Energy Consultant, why there were still problems as it relates to bright lights in the neighborhoods that need them. He began to give a verbal list of lights that needed to be addressed. He expressed his concern that the lights were not increased in wattage as he had originally discussed at past meetings. Mr. Durkee told Councillor Gomes that he would get a list from him and address the issues.

Mr. Dan Smith, 585 Turnpike Street, Easton, MA, of Siemens, the company hired by the city to oversee the light installation program was recognized. Mr. Smith gave the rationale for the lights they are using. He explained they presented multiple options to the city.

Councillor Gomes asked how the city chose the lights that they are currently using. Mr. Smith explained the decision was made by the Administration after consulting with Siemens.

Mr. Roland Butzke, 33 Fort Hill Road, Oxford, MA, Senior Account Executive for Siemens, was recognized to speak on behalf of the installation as well.

Councillor Winterson explained that Brownell Avenue was dark as well as Rockdale Avenue. He asked how much the city has saved to date with the installation of the new lights.

Ari Sky explained that the program itself cost \$5.4 million. To date they have been reimbursed \$1,160,000 from NSTAR, and are saving approximately \$35,000 a month. That equates to \$450,000 - \$500,000 a year in savings.

Councillor Carney asked Mr. Butzke why their concern as it relates to increasing the wattage in certain neighborhoods has not been addressed. He replied, once they receive a list they will be able to address that situation but increasing the wattage as being requested would reduce the amount of savings as originally projected for the city.

Councillor Lopes asked once again, who chose the lights that we are currently using granted it saved the city \$500,000 but he would like to know where that additional \$500,000 is now that it is not being spent. Mr. Smith said that it was during the audit process that they proposed multiple options to the city. It was now down to two light systems in mid-July. A Beta and Acumen System were presented, and the decision was made together to use the current light system in place.

Councillor Lopes asked where the \$500,000 that is being saved is. Ari Sky explained that the money was still on hold and was not being used until the completion of the project was done that the city bonded for \$4.2 million which included rebates, but he is still waiting to see the final figures. Once he finds these out he will reach out with an actual breakdown of what was paid toward the program.

On motion by Councillor Gomes and seconded by Councillor Rebeiro, the Committee VOTED: To table this matter at this time. This motion passed on a voice vote.

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Notice, City Clerk of reference of a Written Motion, Councillor Lopes, requesting that Mayor Mitchell's Assistant Chief of Staff, Christina Connelly, provide the Committee on Finance with an update on the progress of the Fishermen's Memorial (Ref'd 2/26/15) was received and placed on file by Councillor Morad and seconded by Councillor Martins. (3)

Christina Connelly, Mayor's Assistant Chief of Staff, was recognized and provided an update. The Fishermen's Memorial is fully designed. They are currently waiting on the Chapter 91 Permit process; the application has been submitted with the State and is currently under review.

Councillor Lopes asked Ms. Connelly if the City was paying for the monument. He is not happy with the design of the memorial nor does he like the location of it because it blocks the ocean view. He was told there was an estimate of \$750,000 to build the Fishermen's Memorial.

Christina Connelly explained that the estimate was based on the use of certain materials but that is no long in play. The labor cost would be absorbed by the Department of Public Infrastructure; they would do it as an in-house project as they do on a lot of projects. The material costs are down, they are using re-purposed granite now and the price for the memorial is down to about \$200 to \$250,000.

Councillor Lopes asked what the in-house labor cost would be.

Ari Sky, CFO, explained that he did not know what those costs would be and that to date no city dollars has been dedicated towards the building of the memorial.

Ms. Connelly explained the Administration had hoped that the deadline for the construction of the program would take place this year they explored the possibility of a Park Grant from the State or CDBG funds. The two forms of funding that the Administration thought they might be able to use were not and now due to the difficult fiscal constraints the city is going through they are not sure when the project will move forward.

Councillor Lopes voiced his concerns on using CDBG funding for a monument platform when other agencies are hurting. He went on to explain that many of the memorials that are put up in the City of New Bedford are done so by organizations that raise private funding.

Councillor Morad voiced her concern as well and finds it deplorable to even think that Community Block Grant money should be used for such a project like this; that all funds were raised privately for Memorials such as the Camara Memorial and the Women's Veterans Memorial.

On motion by Councillor Rebeiro and seconded by Councillor Carney, the Committee VOTED: To table this matter for forty-five (45) days until such time input would be received from DPI Commissioner Ron Labelle as to what the labor costs would be and they also suggested that the Memorials & Dedications Committee hold a public meeting to discuss the Fishermen's Memorial. This motion passed on a voice vote.

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Notice, City Clerk of reference of a Written Motion, Councillors Alves, Bousquet, Gomes, Council President Lopes, Councillors Martins, Morad and Winterson, requesting that Superintendent Durkin and School Committee Vice-Chairperson Jack Livramento appear before the Committee on Finance to discuss what staffing issues in the Central Office contributed to having classrooms across our City Schools without a full-time permanent educator hired for the start of the school year; and further, to discuss the School Administration's priorities in filling open positions within the School Department that are directly related to the education of the children of the City of New Bedford vs. the image of the "new" New Bedford School Department. (Ref'd 9/11/14) (5)

On motion by Councillor Martins and seconded by Councillor Carney, the Committee VOTED: To follow the Chairman's recommendation and take "No Further Action on this matter at this time.

Councillor Martins made a motion to adjourn, which was seconded by Councillor Winterson.

This meeting adjourned @ 8:54 p.m.

ATTEST:

Clerk of Committees