



Committee on Finance

June 24, 2015 – 7:31 PM - **Minutes**
Chambers of the City Council, Room 214

MEETING: COMMITTEE ON FINANCE
DATE: JUNE 24, 2015
TIME: 7:31 P.M.
PLACE: CITY COUNCIL CHAMBER, ROOM 214, MUNICIPAL BUILDING

PRESENT: COUNCILLORS JOSEPH LOPES, CHAIRMAN; JAMES OLIVEIRA, VICE-CHAIRMAN; HENRY BOUSQUET (8:30); NAOMI CARNEY; DEBORA COELHO; STEVEN MARTINS; LINDA MORAD; DANA REBEIRO (7:45); KERRY WINTERSON

ABSENT: COUNCILLORS DAVID ALVES; BRIAN GOMES

* * *

Councillor Lopes called the Finance Committee Meeting to order and took attendance. A communication stating that Councillor Alves would not be in attendance due to a prior commitment was read into the record and a communication from Councillor Bousquet stating he would be late in attending this meeting. These communications were received and placed on file by Councillor Winterston and seconded by Councillor Coelho.

* * *

Councillor Morad made a motion to take item number eight (8) out of order and it was seconded by Councillor Coelho.

Notice, City Clerk of reference of a Communication, City Clerk/Clerk of the City Council submitting a request from Joseph Grivers, Vice-President of MassDevelopment, that the Mayor and City Council request the Agency (MassDevelopment) to assume the role of authority in financing a project for Finicky Pet Foods, Inc. located at 68 Blackmer Street, since the City does not have an active Industrial Development Finance Authority that would be available to undertake the financing of the Project (Ref'd 5/28/15) was received and placed on file by Councillor Morad and seconded by Councillor Martins. (8)

Mr. Larry Cameron of MassDevelopment was recognized to give an overview of the request. He explained that where New Bedford does not have an Industrial Financing Authority that the City Council along with the Mayor would need to provide MassDevelopment with the authority to approve the financing for the business in question. Once the Council approves it they need to send it to the Mayor for approval as well.

Councillor Morad asked how the city is involved. She was told that the city would be involved as far as any permitting issues or any other issues as they relate to the city; but that the city would not be responsible for overseeing the financing end of the proposal. The financing

does not take place on the city level but rather at the state level. He was asked about terms and rates as it applied to the financing. He did not have an answer to this question. All of the information would be decided by the vendor who is loaning the money and that would be Webster Bank

On motion by Councillor Morad and seconded by Councillor Oliveira, the Committee VOTED to recommend to the City Council APPROVAL and recommend the Mayor's APPROVAL, requesting the Agency (MassDevelopment) to assume the role of authority in financing a project for Finicky Pet Foods, Inc. located at 68 Blackmer Street, since the City does not have an active Industrial Development Finance Authority that would be available to undertake the financing of the Project. This motion PASSED on a Roll Call Vote of Yeas 7, Nays 0. (Councillors Bousquet and Rebeiro were not present for the vote.)

* * *

Notice, City Clerk of reference of a COMMUNICATION, Mayor Mitchell to City Council, submitting AN ORDER, for the TRANSFER of \$598,000.00 from FACILITIES AND FLEET MANAGEMENT, SALARIES AND WAGES in the amount of \$170,000; HEALTH, SALARIES AND WAGES, in the amount of \$75,000.00; RECREATION AND PARKS, SALARIES AND WAGES, in the amount of \$11,000.00; TOURISM/MARKETING, SALARIES AND WAGES, in the amount of \$6,000.00; POLICE, SALARIES AND WAGES, in the amount of \$186,000.00; INSPECTIOINAL SERVICES, SALARIES AND WAGES, in the amount of \$29,000.00; FACILITIES AND FLEET, CHARGES AND SERVICES, in the amount of \$115,000.00 and POLICE, SUPPLIES AND MATERIALS, in the amount of \$6,000.00, to GENERAL GOVERNMENT UNCLASSIFIED, CHARGES AND SERVICES (Ref'd 5/28/15) was received and placed on file by Councillor Morad and seconded by Councillor Martins. (1, 1a)

Councillor Morad made a motion to amend the Order from \$618,000.00 to \$598,000, by changing Recreation and Parks, Salaries & Wages from \$31,000 to \$11,000, this motion was seconded by Councillor Martins. This motion passed on a voice vote.

Ari Sky, CFO City of New Bedford, was recognized to address questions the Committee may have.

Councillor Morad asked why so much money was left over in fiscal year 2015 and why they are moving to transfer it all now. Mr. Sky began to explain that there were hiring freezes from March through June; Fleet Management Services had a savings when the electricity went down and Police had a savings in supplies and materials, all this led to the availability of this money. Councillor Morad was concerned that this was over \$600,000 and that included approximately \$1.2 million. She expressed concerns about an email that was being circulated from Mr. Sky's Department regarding the possibility of layoffs because of Council budget cuts and here was the Administration looking to move almost \$1.2 million in free cash to other departments; that did not make sense to her.

On motion by Councillor Morad and seconded by Councillor Martins, the Committee VOTED: To table this matter at this time. This motion PASSED on a Roll Call Vote of Yeas 7, Nays 1, with Councillor Coelho opposed and Councillor Bousquet not present for vote.

* * *

Notice, City Clerk of reference of a COMMUNICATION, Mayor Mitchell to City Council, submitting AN ORDER, for the TRANSFER of \$517,000.00 from PUBLIC INFRASTRUCTURE, SALARIES AND WAGES, in the amount of \$78,000.00; LIBRARY, SALARIES AND WAGES, in the amount of \$129,000.00; INSPECTIONAL SERVICES, SALARIES AND WAGES, in the amount of \$80,000.00; PUBLIC INFRASTRUCTURE, CHARGES AND SERVICES, in the amount of \$74,000.00; HEALTH DEPARTMENT, CHARGES AND SERVICES, in the amount of \$13,000.00; TREASURER, CHARGES AND SERVICES, in the amount of \$95,000.00; DFFM, SUPPLIES AND MATERIALS, in the amount of \$25,000.00; PUBLIC INFRASTRUCTURE, SUPPLIES AND MATERIALS, in the amount of \$5,000.00 and PUBLIC INFRASTRUCTURE, CAPITAL, OUTLAY, in the amount of \$18,000.00 to FIRE, SALARIES AND WAGES (Ref'd 5/28/15) was received and placed on file by Councillor Morad and seconded by Councillor Carney. (2,2a)

Councillor Morad asked Ari Sky, CFO, why there was an additional \$570,000 in excess funds accounts after her review and that they were now looking to do department transfers that this was all in excess of the funds being allocated for fiscal year 2016, that this was money that was left over in fiscal year 2015. She continued to express her concern that all of this money was sitting in city coffers waiting to be transferred at year-end and that they were being chastised for making budget cuts.

Councillor Morad made a motion to adopt the Order for the Transfer of \$517,000.00 to Fire, Salaries and Wages, this motion was seconded by Councillor Carney.

Councillor Morad spoke on the question and expressed her concern that this is a lot of excess money in the budget the remainder of fiscal FY15 and that the Administration is looking to transfer a healthy sum of money at the end of the year.

Councillor Martins spoke and expressed his concern stating that excess funds just don't happen, that he is concerned about the proposed layoffs that are circulating via email and he knows full well that the Administration comes back each year with a surplus of money to be transferred other departments, he finds comments being made by the Mayor to be utter nonsense.

Councillor Rebeiro spoke on this issue as well, she expressed her concern for the lack of transparency spending by the Administration that this is supposed to be a separation and balance to accounting for the use of funds. She is concerned that while the Mayor has such a large staff and still hiring staff members that he is moving to close senior centers. She believes the Mayor needs to be reminded of this.

Councillor Oliveira said he accepts the rule of the body and if a particular department requires additional funding that the Council would be in the position and/or could allocate such funding.

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 TRANSFER of \$517,000.00 from PUBLIC INFRASTRUCTURE, SALARIES AND WAGES, in the amount

of \$78,000.00; LIBRARY, SALARIES AND WAGES, in the amount of \$129,000.00; INSPECTIONAL SERVICES, SALARIES AND WAGES, in the amount of \$80,000.00; PUBLIC INFRASTRUCTURE, CHARGES AND SERVICES, in the amount of \$74,000.00; HEALTH DEPARTMENT, CHARGES AND SERVICES, in the amount of \$13,000.00; TREASURER, CHARGES AND SERVICES, in the amount of \$95,000.00; DFFM, SUPPLIES AND MATERIALS, in the amount of \$25,000.00; PUBLIC INFRASTRUCTURE, SUPPLIES AND MATERIALS, in the amount of \$5,000.00 and PUBLIC INFRASTRUCTURE, CAPITAL, OUTLAY, in the amount of \$18,000.00 to FIRE, SALARIES AND WAGES. This motion PASSED on a Roll Call Vote of Yeas 8, Nays 0, with Councillor Bousquet not present for the vote.

* * *

Councillor Morad made a motion to take item number 1 and 1a from the table, which was seconded by Councillor Coelho.

Notice, City Clerk of reference of a COMMUNICATION, Mayor Mitchell to City Council, submitting AN ORDER, for the TRANSFER of \$598,000.00 from FACILITIES AND FLEET MANAGEMENT, SALARIES AND WAGES in the amount of \$170,000; HEALTH, SALARIES AND WAGES, in the amount of \$75,000.00; RECREATION AND PARKS, SALARIES AND WAGES, in the amount of \$11,000.00; TOURISM/MARKETING, SALARIES AND WAGES, in the amount of \$6,000.00; POLICE, SALARIES AND WAGES, in the amount of \$186,000.00; INSPECTIONAL SERVICES, SALARIES AND WAGES, in the amount of \$29,000.00; FACILITIES AND FLEET, CHARGES AND SERVICES, in the amount of \$115,000.00 and POLICE, SUPPLIES AND MATERIALS, in the amount of \$6,000.00, to GENERAL GOVERNMENT UNCLASSIFIED, CHARGES AND SERVICES (Ref'd 5/28/15) was received and placed on file by Councillor Morad and seconded by Councillor Martins, was tabled earlier in the meeting, was removed from the table by Councillor Morad and seconded by Councillor Coelho. (1, 1a)

On motion by Councillor Morad and seconded by Councillor Coelho, the Committee VOTED: To recommend to the City Council ADOPTION AS AMENDED of the ORDER, for the TRANSFER of \$598,000.00 from FACILITIES AND FLEET MANAGEMENT, SALARIES AND WAGES in the amount of \$170,000; HEALTH, SALARIES AND WAGES, in the amount of \$75,000.00; RECREATION AND PARKS, SALARIES AND WAGES, in the amount of \$11,000.00; TOURISM/MARKETING, SALARIES AND WAGES, in the amount of \$6,000.00; POLICE, SALARIES AND WAGES, in the amount of \$186,000.00; INSPECTIONAL SERVICES, SALARIES AND WAGES, in the amount of \$29,000.00; FACILITIES AND FLEET, CHARGES AND SERVICES, in the amount of \$115,000.00 and POLICE, SUPPLIES AND MATERIALS, in the amount of \$6,000.00, to GENERAL GOVERNMENT UNCLASSIFIED, CHARGES AND SERVICES. This motion PASSED on a Roll Call Vote of Yeas 8, Nays 0, with Councillor Bousquet not present for vote.

* * *

Notice, City Clerk of reference of a COMMUNICATION, Mayor Mitchell to City Council, submitting AN ORDER, for the TRANSFER of \$13,500.00 from LABOR RELATIONS, SALARIES AND WAGES, to GENERAL GOVERNMENT UNCLASSIFIED,

CHARGES AND SERVICES (Ref'd 5/28/15) was received and placed on file by Councillor Morad and seconded by Councillor Oliveira. (3, 3a)

On motion by Councillor Morad and seconded by Councillor Oliveira, the Committee VOTED: To recommend to the City Council ADOPTION of the ORDER, for the TRANSFER of \$13,500.00 from LABOR RELATIONS, SALARIES AND WAGES, to GENERAL GOVERNMENT UNCLASSIFIED, CHARGES AND SERVICES. This motion PASSED on a Roll Call Vote of Yeas 8, Nays 0, with Councillor Bousquet not present for the vote.

* * *

Notice, City Clerk of reference of a Related Motion, Councillor Morad, requesting that the Economic Development Council Director Derek Santos, provide the Committee on Finance a listing of the City's current TIF and/or STA Agreements to include information detailing when the agreement was approved; when said agreements will expire, the number of jobs originally projected for each said agreement; the number of jobs which have been created and the date each TIF and/or STA Agreements were audited by the Economic Development Council (Ref'd 12/18/14, 04/15/15) was received and placed on file by Councillor Morad and seconded by Councillor Carney. (4, 4a)

Mr. Derek Santos, New Bedford Economic Development Council Director, was recognized to speak on the issue by the Chair.

Councillor Morad passed a series of questions as related to the revised accounts. They were addressed by Mr. Santos.

Councillor Winterson appreciated the effort in providing a new report.

Councillor Lopes expressed that he liked the new changes.

On motion by Councillor Morad and seconded by Councillor Winterson, 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 Related Motion, Councillor Morad, that the Economic Development Council update the City Council with any and all active TIF/STA to be updated with an effective date as of 12/31/14 and moving forward all active TIFs are updated on a yearly basis and reported to the City Council. (Ref'd Finance 4/15/15) (5)

On motion by Councillor Morad and seconded by Councillor Winterson, 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 Written Motion, Councillors Lopes, Winterson, Morad and Rebeiro, requesting that the New Bedford Economic Development Council provide the City Council with a breakdown of the number of employees for Fiscal Year 2013, 2014 and 2015; the projected number of employees for Fiscal Year 2016; number of loans and amounts

issued for Fiscal Years 2013, 2014 and 2015; and further requesting copies of the Economic Developments last two financial audits of their loan portfolio (Ref'd 3/26/15) was received and placed on file by Councillor Morad and seconded by Councillor Carney. (6)

Mr. Derek Santos, Director of New Bedford Economic Development Council also spoke on this issue giving an overview of the breakdown submitted to the Committee. Councillor Lopes appreciated the breakdown but was actually looking for the Loan Portfolio for the last three years and not just the test. He asked Mr. Santos if he could get this for the body and Mr. Santos said that he could.

Councillor Morad discussed that even though last year was a banner year for the Commission, that the volume was half of what they did in 2013, that the average equals approximately \$700,000 per year. She asked Mr. Santos what type of funds were available. She was told that lately they have been wiping out funding as it relates to providing loans to businesses.

Councillor Lopes asked Mr. Santos for a list of the companies that are delinquent and are in default, and if they are in default how long they have been. He would like this information to be provided to the Committee. Mr. Santos said he would need to check on this, but should be able to get back to the Committee.

On motion by Councillor Carney and seconded by Councillor Rebeiro, the Committee VOTED: To table the matter for thirty (30) days. This motion passed on a voice vote.

* * *

Notice, City Clerk of reference of a Written Motion, Councillors Lopes, Martins, Winterson, Morad and Rebeiro, requesting that Patrick Sullivan, Director of the Office of Housing and Community Development provide the City Council with the preliminary FY2016 Community Development Block Grant Budget and allocations (Ref'd 03/26/15, 5/20/15 tabled) was removed from the table by Councillor Morad and seconded by Councillor Winterson. (7)

The Chair recognized that Councillor Bousquet arrived at 8:34 p.m.

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

* * *

On motion by Councillor Martins and seconded by Councillor Winterson, the Committee VOTED: To waive the reading and follow the Chairman's recommendation and take "No Further Action" on items 9, 10, 11 and 12. This motion passed on a voice vote. They are as follows:

Notice, City Clerk of reference of a Report, Committee on Finance, reporting this matter out of Committee without a recommendation but to the City Council for action as follows: requesting that School Committee Vice Chairperson Livramento, appear before the Committee on Finance to discuss the City Council's concern over the non-operational alarm system at Keith Middle School, considering that taxpayer monies were expended in the construction of the brand new school building and that taxpayer monies will certainly be required to cover the expense of

repairing the alarm system and for the costs associated with the destruction that was caused at Keith Middle School by the vandals in the recent break-in. (Ref'd 9/23/14) (9)

Notice, City Clerk of reference of a Written Motion, Council President Lopes, Councillors Alves, Bousquet, Carney, Coelho, Gomes, Martins, Morad, Oliveira, Rebeiro and Winterson, requesting that the Superintendent of Schools and the Interim Business Manager provide detailed breakdown of all textbooks that were ordered, as well as textbooks delivered to the New Bedford Public Schools for the 2014/2015 school year with proceeds from the FY2015 School Budget; and further, requesting, that the New Bedford Public Schools provide the New Bedford City Council with a detailed reconciliation of funds allocated versus funds spent for textbook purchases for FY2015. (Ref'd 10/23/14) (10)

Notice, City Clerk of reference of a Written Motion, Council President Lopes and Councillor Morad, requesting that New Bedford School Committee Co-Chairperson Jack Livramento and a member of the School Department Financial Team, appear before the Committee on Finance to discuss why the Fiscal Year 2015 General Expense Budget Report, dated October 16, 2014, reflects 10 of 18 Departmental Budgets and 28 of 28 School Budgets as having spent in excess of 50% of the total budget less than four months into the Fiscal Year. (Ref'd 10/23/14) (11)

Notice, City Clerk of reference of a Written Motion, Councillor Morad, requesting that in consideration of the recent announcement from the Mitchell Administration that the City of New Bedford would impose a hiring freeze effective immediately, that the Acting Personnel Director provide to the Committee on Finance, a listing of all personnel hires from January 1, 2015 to March 31, 2015; said listing to include the hiring Department, employee name, hire date, job position and job grade. It is requested that this information be supplies to the Committee on Finance so that it may be reviewed at the scheduled meeting on April 15, 2015. (Ref'd 4/09/15, Refer to the City Council for their meeting on 4/23/15, in hopes that a response will be received by then) (12)

Councillor Rebeiro made a motion to adjourn, which was seconded by Councillor Carney.

This meeting adjourned @ 8:32 p.m.

ATTEST:

Clerk of Committees