



# Committee on Finance

July 22, 2015 – 7:35 PM - **Minutes**  
Chambers of the City Council, Room 214

**MEETING: COMMITTEE ON FINANCE**  
**DATE: JULY 22, 2015**  
**TIME: 7:35 P.M.**  
**PLACE: CITY COUNCIL CHAMBER, ROOM 214, MUNICIPAL BUILDING**

**PRESENT: COUNCILLORS JOSEPH LOPES, CHAIRMAN; JAMES OLIVEIRA, VICE-CHAIRMAN; DAVID ALVES; HENRY BOUSQUET; NAOMI CARNEY; DEBORA COELHO; STEVEN MARTINS; LINDA MORAD; DANA REBEIRO; KERRY WINTERSON**

**ABSENT: COUNCILLOR BRIAN GOMES**

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Councillor Lopes called the Finance Committee Meeting to order and took attendance, with Councillor Gomes being the only one absent.

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Notice, City Clerk of reference of a Communication, Mayor Mitchell to City Council, submitting AN ORDER, that in accordance with M.G.L. Chapter 44, Section 53E ½, the revolving fund under the control of the Department of Facilities and Fleet Management, known as the ***QUEST CENTER REVOLVING FUND*** whose purpose is to provide a focus on entrepreneurial training and location for business start-up activities focusing on marine/maritime technologies, life sciences and software development is hereby authorized at ***\$129,000*** for ***FISCAL YEAR 2016*** (Ref'd 6/25/15) was received and placed on file by Councillor Alves and seconded by Councillor Martins. (1, 1a)

Ken Blanchard, DFFM Director was present to answer questions from the Committee. Councillor Morad asked for an overview and Mr. Blanchard explained that there is projected increased revenue anticipated from the Quest Center for FY16. The Economic Development Council is actively recruiting new businesses. The recently received a \$158,000 Grant that is allowing for a build out to take place within the facility.

Councillor Morad asked what the FY14 revenue was and she was told \$101,082. She asked about FY15 revenue and was told \$114,000. Mr. Blanchard did not have the projected FY16 expense total. He did explain that there will be an increase in the revenue because the Work Force Investment Board is returning to the building and they will be paying rent and utilities.

A discussion took place on the commercial rate per square feet being charged by the city. They are charging \$7.00 where the commercial norm is anywhere between \$10 and \$12 per square feet.

Councillor Rebeiro asked how much empty space was left in the building and she was told approximately 3,000 square feet.

Councillor Lopes asked CFO Ari Sky when the last management contract was executed for the building. He was told two years ago, for a charge of \$41,600.

Councillor Lopes asked Mr. Blanchard about the rumor that once the Department of Marine and Fisheries completed work at their building, would the city lose CMAST which is currently in the Quest Center and is the city taking steps to fill that possible vacancy. He was told that they had not looked to fill the vacancy and that Mr. Blanchard does not believe their move is eminent.

On motion by Councillor Morad and seconded by Councillor Winterson, the Committee VOTED: To recommend to the City Council ADOPTION of the ORDER, that in accordance with M.G.L. Chapter 44, Section 53E ½, the revolving fund under the control of the Department of Facilities and Fleet Management, known as the **QUEST CENTER REVOLVING FUND** whose purpose is to provide a focus on entrepreneurial training and location for business start-up activities focusing on marine/maritime technologies, life sciences and software development is hereby authorized at **\$129,000** for **FISCAL YEAR 2016**. This motion PASSED on a Roll Call Vote of Yeas 7, Nays 1, with Councillor Morad opposed and Councillors Alves and Oliveira not present for the vote.

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Notice, City Clerk of reference of a Communication, Mayor Mitchell to City Council, submitting AN ORDER, that in accordance with M.G.L. Chapter 44, Section 53E ½, the revolving fund under the control of the School Department known as the **FACILITIES REVOLVING FUND** whose purpose is to pay for maintenance of school facilities utilizing rental and custodial fees whose revenue and amount limited to be spent is restricted to revenue deposited into the fund, is hereby authorized for **FISCAL YEAR 2016** (Ref'd 6/25/15) was received and placed on file by Councillor Morad and seconded by Councillor Winterson. (2, 2a)

Dr. Barry Rabinovitch, Business Manager for the New Bedford Public Schools was present to answer questions from the Committee.

Councillor Morad asked Dr. Rabinovitch about the expenses. He explained he calculated the expenses to be approximately \$58,000. She asked him if he would be okay with this and he replied that he would. Councillor Morad then asked who the funds would be controlled by and he explained they would be controlled by his office.

On motion by Councillor Morad and seconded by Councillor Oliveira, the Committee VOTED: To recommend to the City Council, ADOPTION AS AMENDED, of the ORDER, that in accordance with N.G.L., Chapter 44 Section 53E ½, the revolving fund under the control of the School Department known as the **FACILITIES REVOLVING FUND** whose purpose is to pay for maintenance of school facilities utilizing rental land custodial fees whose revenue and amount limited to be spent is restricted to revenue deposited into the fund, is hereby authorized at **\$58,000** for **FISCAL YEAR 2016**. This motion PASSED on a Roll Call Vote of Yeas 9, Nays 0, with Councillor Alves not present for the vote.

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Notice, City Clerk of reference of a Communication, Mayor Mitchell to City Council, submitting AN ORDER, authorizing the Mayor and the Chairman appointed by the Airport Commission to execute a Lease with Claremont Aviation LLC for construction of a hangar at the New Bedford Regional Airport (Ref'd 6/25/15) was received and placed on file by Councillor Oliveira and seconded by Councillor Carney. (3, 3a)

Erick D'Leon, Airport Manager, was present to answer questions from the Committee.

Councillor Morad expressed her concern that the lease proposal was a fifty (50) year lease. She was also concerned that the first twenty (20) years of the lease is at a fixed rate and that her first time on the Council they were working to execute shorter leases; but this one is not the case. She was told by Mr. D'Leon that the negotiation for this particular lease took place before his taking on the position. Councillor Morad explained that the terms should have been reviewed and perhaps updated then. She was concerned that the negotiation on this lease has been ongoing since 2013.

Councillor Bousquet asked Mr. D'Leon what the going rate is per square feet to lease at the airport. He was told 20 – 30 cents; that is the municipal average for airports.

Councillor Lopes expressed his concern of the length of the lease and the fact that the first twenty (20) years were fixed, that it should actually be reset every five (5) years, that financially the city would not recoup its expenses. He asked Mr. D'Leon what the residual benefits are to the city and Mr. D'Leon told him there are some, including new equipment, etc.

On motion by Councillor Oliveira and seconded by Councillor Bousquet, the Committee VOTED: To recommend to the City Council ADOPTION of the ORDER, authorizing the mayor and the Chairman appointed by the Airport Commission to execute a Lease with Claremont Aviation LLC for construction of a hangar at the New Bedford Regional Airport. This motion PASSED on a Roll Call Vote of Yeas 9, Nays 1, with Councillor Morad opposed.

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On motion by Councillor Bousquet and seconded by Councillor Martins, the Committee VOTED: To waive the reading and follow the Chair's recommendation and take "No Further Action" on items four (4) and five (5) at this time. This motion passed on a voice vote.

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

This meeting adjourned @ 7:59 p.m.

ATTEST:

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Clerk of Committees