



Committee on Finance

August 19, 2015 – 7:35 PM - **Minutes**
Chambers of the City Council, Room 214

MEETING: COMMITTEE ON FINANCE
DATE: AUGUST 19, 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; NAOMI CARNEY (7:43); DEBORA COELHO; BRIAN GOMES (7:45); STEVEN MARTINS; LINDA MORAD; DANA REBEIRO; KERRY WINTERSON

ABSENT: COUNCILLOR HENRY BOUSQUET

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Councillor Lopes called the Finance Committee Meeting to order and took attendance; he announced that Councillor Carney notified him that she would be late in attending tonight's meeting.

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Notice, City Clerk of reference of a Communication, R. Renee Fernandes, Treasurer/Collector to Councillor Joseph Lopes, Chairman Committee on Finance, requesting the Finance Committee's approval for the refinancing of the outstanding balance of the City's \$1,760,000 loan dated August 1, 2003 through the United States Department of Housing and Urban Development (HUD) (the Loan), which refinancing is being accomplished by amending the original Loan repayment schedule with HUD, is hereby confirmed. As approved by HUD, interest on the Loan shall continue to be paid February 1 and August 1 of each year until maturity. Principal shall be continued to be payable on August 1 of each year, 2015 to 2022, inclusive. The amount of principal and interest payable on each respective payment date shall be as set forth in Exhibit A to this vote, resulting in a total interest cost savings to the City of \$125,702.80. Also requesting the Finance Committee's approval that the Mayor, the City Clerk and the City Treasurer be and hereby are, authorized to take any and all such actions, and execute and deliver such certifications, receipts or other documents as may be determined by them, or any of them, to be necessary or convenient to carry into effect the provisions of the foregoing vote (Tabled in Finance on 6/11/15) was removed from the table and received and placed on file by Councillor Alves and seconded by Councillor Oliveira. (1)

Renee Fernandes, City Treasurer was recognized to give an overview of the refinancing of the loan. In May HUD allowed for the refinancing of many loans and the city's loans were fortunate to be a part this. This lowers the interest rate of 1% and it will cost the city \$61,000 in interest and at the same time save the city \$125,000 in future interest payments.

Councillor Alves asked if this was a HUD restricted loan and he was told that it was.

A discussion took place between the Councillors and Ms. Fernandes.

On motion by Councillor Morad and seconded by Councillor Winterson, the Committee VOTED: To APPROVE the refinancing of the outstanding balance of the City's \$1,760,000 loan dated 8/1/2003 through HUD, and further, that the Mayor, City Clerk and City Treasurer be and hereby are, authorized to take any and all such actions and execute and deliver such certificates, receipts or other documents as may be determined by them or any of them to be necessary or convenient to carry into effect the provisions of the foregoing vote. This motion passed on a Roll Call vote of Yeas 8, Nays 0, with Councillors Carney and Gomes not present for the vote.

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Notice, City Clerk of reference of a Written Motion, Councillor Lopes, requesting that the City of New Bedford study the potential cost savings associated with the establishment of an Opt-Out Medical Insurance Program for City employees (Ref'd 6/11/15) was received and placed on file by Councillor Alves and seconded by Councillor Morad. (2)

The Chair recognized Mr. Steven Tringale, 18 Tremont Street, Boston, MA, of Tringale Associates to give an overview on the pros and cons of providing an opt out option. He explained if an employee where to utilize the opt-out option the city would still need to put money aside should the employee decide to return to the city's program. You would still have to pay in Blue Cross/Blue Shield.

Councillor Alves asked if there was a period of time to opt-out if adopted. He was told no plan has been submitted by the city, so he has not submitted a model. The Treasurer's Office or Personnel would need to ask for such a model. He went on to explain that 7 out of 50 communities in Massachusetts have opt-out options. It is small because municipal insurance is better than current private commercial insurance. He explained that the older, sicker, worker population would stay with the city. The younger employees may opt-out, but would more than likely return at some point in time. The city's PPO employee contribution is 25%, which is the equivalent of \$6,600.00 into a trust to keep paying the city's health benefits.

Councillor Lopes asked what the long term benefits to the city would be; that the Town of Somerset gives a spouse a \$2,500 payment to allow it to be put to a different insurance policy held by another family member. He was told this is an administrative burden that you would still have to calculate those employees removed from the current insurance should they choose to opt back in. Mr. Tringale stated he would be glad to write up a report that would determine the long term benefits, but that to date, he had not been asked to do so by the Personnel Department.

Councillor Lopes asked if sixty (60) days would be enough time to draft such a response and he was told yes.

On motion by Councillor Coelho and seconded by Councillor Carney, the Committee VOTED: To table this matter for sixty (60) days. This motion passed on a voice vote.

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Notice, City Clerk of reference of a Written Motion, Councillor Bousquet, requesting that the City Council look into establishing a revolving fund for the Department of Parks, Recreation and Beaches, in order to manage the care and maintenance of the proposed Dog Park in the City of New Bedford. (Ref'd 7/16/15) (3)

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

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Items 4, 4a; 5, 5a; 6, 6a; 7, 7a and 8, 8a were summarized and read into the record all together, they were received and placed on file by Councillor Morad and seconded by Councillor Carney.

Councillor Morad asked if the motions before them were related to the Unit C increases taken out of the FY16 budget by the Mayor, assuming that the Council would vote to freeze the increases, but to date they had not. She was told by Ari Sky, CFO, yes. She questioned if the body had the appetite to freeze Unit C increases? She asked that of the 17 people scheduled to receive increases that how difficult is it from a payroll perspective if they pass the freeze to go back to the employees that have already received their increases and take it back? As explained that those who as of July 1 have received their increases are currently getting the higher rate.

Councillor Carney said that she would like to freeze the Unit C increases.

Councillor Alves asked if it was the Mayor's intent to implement the pay raises out of spite. As explained the Mayor wanted to freeze the pay raises back in May, but he did not have the executive authority to do this; they would need to have been done by Ordinance but to date it had not, so he was asking that the money be put in to cover increases.

Councillor Lopes expressed his discontent with the freezes; that the Mayor wants to freeze Unit C increases but that he has just negotiated with the NBPD another contract increase as well as a recent settlement with the Nbfd after a long deliberate fight. As agreed that the Nbfd award was a very rich award.

On motion by Councillor Gomes and seconded by Councillor Coelho, the Committee VOTED: To ADOPT the Orders for 4a, 5a, 6a, 7a and 8a. This motion FAILED on a Roll Call Vote of Yeas 3, Nays 7, with Councillors Alves, Carney, Lopes, Martins, Morad, Oliveira and Rebeiro in opposition.

On motion by Councillor Morad and seconded by Councillor Alves, the Committee VOTED: To table items 4, 4a; 5, 5a; 6, 6a; 7, 7a and 8, 8a. This motion PASSED on a voice vote.

The motions are as follows:

Notice, City Clerk of reference of a Communication, Mayor Mitchell to City Council, submitting AN ORDER appropriating \$14,224.00 from 12 equal monthly increments from Water Receipts of FY16 to WATER, SALARIES & WAGES. (Ref'd 7/16/15) (4, 4a)

Notice, City Clerk of reference of a Communication, Mayor Mitchell to City Council submitting AN ORDER appropriating \$5,626.00 from 12 equal monthly increments, from Wastewater Receipts of FY16 to WASTEWATER, SALARIES & WAGES. (Ref'd 7/16/15) (5, 5a)

Notice, City Clerk of reference of a Communication, Mayor Mitchell to City Council submitting AN ORDER appropriating \$3,502.00 from 12 equal monthly increments, from Airport Receipts of FY16 to AIRPORT, SALARIES & WAGES. (Ref'd 7/16/15) (6, 6a)

Notice, City Clerk of reference of a Communication, Mayor Mitchell to City Council, submitting AN ORDER appropriating \$1,694.00 from 12 equal monthly increments, from Enterprise Fund Receipts of FY16 to DOWNTOWN PARKING, SALARIES & WAGES. (Ref'd 7/16/15) (7, 7a)

Notice, City Clerk of reference of a Communication, Mayor Mitchell to City Council, submitting AN ORDER, appropriating \$120,373.00 from ORDINARY REVENUE AND MUNICIPAL RECEIPTS OF FISCAL YEAR 2016, to ASSESSORS, SALARIES & WAGES in the amount of \$5,173.00; AUDITORS, SALARIES & WAGES in the amount of \$11,277.00; CFO, SALARIES & WAGES in the amount of \$7,743.00; COMMUNITY SERVICES, SALARIES & WAGES in the amount of \$13,900.00; DFFM, SALARIES & WAGES in the amount of \$10,455.00; DPI-HIGHWAY, SALARIES & WAGES in the amount of \$5,895.00; EMS, SALARIES & WAGES in the amount of \$507.00; HEALTH, SALARIES & WAGES in the amount of \$1,456.00; INSPECTIONAL SERVICES, SALARIES & WAGES in the amount of \$1,963.00; LIBRARY, SALARIES & WAGES in the amount of \$4,511.00; MIS, SALARIES & WAGES in the amount of \$19,538.00; PARKS/RECREATIONS, SALARIES & WAGES in the amount of \$3,271.00; PERSONNEL, SALARIES & WAGES in the amount of \$5,084.00; PLANNING/COMMUNITY DEVELOPMENT, SALARIES & WAGES in the amount of \$5,957.00; POLICE, SALARIES & WAGES in the amount of \$2,546.00; SOLICITOR, SALARIES & WAGES in the amount of \$10,991.00; TRAFFIC, SALARIES & WAGES in the amount of \$1,386.00; TREASURERS, SALARIES & WAGES in the amount of \$7,354.00 and ZOO, SALARIES & WAGES in the amount of \$1,420.00. (Ref'd 7/16/15) (8, 8a)

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On motion by Councillor Morad and seconded by Councillor Carney, the Committee VOTED: To waive the readings and follow the Chairs recommendation to receive and place on file items numbers 9 and 10. This motion was passed on a voice vote. They are as follows:

Notice, City Clerk of reference of a Communication, Blair S. Bailey, Tax Title Attorney, to City Council, re: Acquisition of New Tax Possession, advising that the City has acquired the following property as Tax Possession, 217 Hillman Street, Plot 57/Lot 24, Area of 5,600 sq. ft.

(Former Owner: Patricia J. Rosa); Total Amount due on the parcel as of the date of the transfer is \$48,383.98. (Ref'd 7/16/15) (9)

Notice, City Clerk of reference of a Communication, Blair S. Bailey, Tax Title Attorney to City Council, re: Acquisition of New Tax Possession, advising that the City has acquired the following property as Tax Possession, WS Ashley Street, Plot 13/Lot 6, Area of 2,573 sq. ft. (Former Owner: John A. Gomes, Trustee & 49 Ashley Street Trust): Total Amount due on the parcel as of the date of the transfer is \$100,910.84. (Ref'd 7/16/15) (10)

On motion by Councillor Alves and seconded by Councillor Coelho, the Committee VOTED: To waive the reading and follow the Chairs recommendation and take "No Further Action" on item #11. This motion passed on a voice vote. The motion is as follows:

Notice, City Clerk of reference of a Related Motion, Councillor Martins, that the Greater New Bedford Workforce Investment Board provide the New Bedford City Council with a full report of those New Bedford companies who received a TIF and were required to use the Greater New Bedford Career Center; how many hires they received within the last five (5) years (TIF/STA certified projects report provided to the Greater New Bedford Workforce Investment Board for review) (Finance Meeting 4/15/15) (11)

Councillor Martins made a motion to adjourn, which was seconded by Councillor Coelho. This motion passed on a voice vote.

This meeting adjourned @ 8:03 p.m.

ATTEST:

Clerk of Committees