



Committee on Finance

June 22, 2016 – 7:33 PM – **Minutes**
Chambers of the City Council, Room 214

MEETING: COMMITTEE ON FINANCE

DATE: JUNE 22, 2016

TIME: 7:33 P.M.

PLACE: CITY COUNCIL CHAMBER, ROOM 214, MUNICIPAL BUILDING

PRESENT: COUNCILLORS JOSEPH LOPES, CHAIRMAN; JAMES OLIVEIRA, VICE-CHAIRMAN; IAN ABREU; HENRY BOUSQUET; NAOMI CARNEY; DEBORA COELHO; LINDA MORAD; DANA REBEIRO; KERRY WINTERSON

ABSENT: COUNCILLORS BRIAN GOMES; STEVEN MARTINS

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Councillor Lopes called the Finance Committee Meeting to order and took attendance. Councillor Lopes read a Communication from Councillor Gomes stating he would not be in attendance for tonight's meeting, which was received and placed on file by Councillor Abreu and seconded by Councillor Coelho. The Clerk read a Communication from Councillor Martins explaining his reason for his absence from this meeting, which was received and placed on file by Councillor Morad and seconded by Councillor Carney.

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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 a Finance Committee meeting to request for interim loan financing for Project DWP-15-03. This project, in the amount of \$4,323,792, is for the replacement of 103-year-old valves, blow-offs and air releases along the 36" transmission main that conveys potable water from the High Hill Reservoir to the eastern and central sections of the City. The valves will be replaced with new butterfly valves to improve flow control and isolation, it is estimated that the project will be completed by April 2017. The interim loan, financed by the Massachusetts Clean Water Trust is a 0.13%. A vote of the Finance Committee is required for all transactions was received and placed on file by Councillor Morad and seconded by Councillor Oliveira. (1)

Renee Fernandes, Collector/Treasurer was present to address the Committee. She explained that this money would fund phase two of a project previously funded by the Council. The initial loan was for the city's drinking water project, which included the replacement of piping. This second phase now includes the water transmission devices, to include the replacement of control valves.

Councillor Morad asked if Phase 1 has been permanently funded yet and she was told no, not yet but anticipates it to be by the next fiscal year.

On motion by Councillor Morad and seconded by Councillor Winteron, the Committee VOTED: To approve the interim loan financing project in the amount of \$4,323,792, 0.13 percent dated June 15, 2016 to the Massachusetts Clean Water Trust; and (ii) to approve the Financing Agreement and the execution and delivery thereof by the Treasurer. This motion passed on a Roll Call Vote of Yeas 9, Nays 0.

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Notice, City Clerk of reference of a Written Motion, Councillors Lopes, Abreu, Rebeiro, Winterson, Bousquet, Council President Morad, Councillors Oliveira, Coelho, Carney and Martins, requesting , that Mayor Mitchell consider the establishment of an “Asset Replacement Fund”, said fund would serve as a cash funded capital account, for the sole purpose of planning and financing ongoing maintenance of government owned facilities; and further, the fund would be appropriated as part of the City’s general budget, further requesting, that Mayor Mitchell, amend the existing financial policies of the City of New Bedford to include the addition of an “ Asset Replacement Fund” (Ref’d 5/26/16) was received and placed on file by Councillor Bousquet and seconded by Councillor Winterson. (2)

Ari Sky, CFO gave an overview of the creation of the replacement fund and how it works. He told the Committee that the creation is a good thing for the city’s budgeting and finances in the future. This fund would apply to lower cost problems in the city and would remove them having to be bonded for or be a part of a bond package which would have the city paying interest of lesser projects.

Councillor Morad and Councillor Bousquet expressed how they liked the idea and were in support of the proposal.

On motion by Councillor Bousquet and seconded by Councillor Rebeiro, the Committee VOTED: To refer this matter to the Mayor’s Office for adoption of the program. This motion passed on a voice vote.

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Notice, City Clerk of reference of a Communication, Derek Santos, Executive Director, New Bedford Economic Development Council, to Members of the City Council, submitting a TIF application and Resolution approved by the Tax Increment Financing Board for a five (5) year STA Agreement for SERVPRO of Dartmouth/New Bedford, 1476 Purchase Street, New Bedford, MA 02740 (Copies provided and distributed to all Councillors on 05/17/2016.) (Ref’d 5/26/16) was received and placed on file by Councillor Morad and seconded by Councillor Winterson.

Derek Santos, Economic Development Council Director, gave an overview of the STA. A discussion ensued with the Committee and Mr. Santos, with questions on the operation itself, the number of new employees that would be hired, five (5) all from New Bedford) and the current hourly rate that they would be paid \$14.50.

On motion by Councillor Morad and seconded by Councillor Winterson, 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 (5) year STA Agreement for SERVPRO of Dartmouth/New Bedford, 1476 Purchase Street, New Bedford, MA 02740. This motion passed on a voice vote.

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Notice, City Clerk of reference of a Written Motion, Councillors Martins and Lopes, requesting that the Committee on Finance, investigate why the Mayor’s FY2016 budget shows real estate tax revenue to be \$107,671,789 and the real estate tax revenue figure given to the City Council for Tax Classification was increased to \$109,239,619, a nearly \$2 million increase over what the Mayor budgeted. (Ref’d 11/24/15) (4)

On motion by Councillor Bousquet and seconded by Councillor Abreu, the Committee VOTED: To waive the reading and follow the Chairs recommendation to take “No Further Action” on this matter at this time.

Councillor Oliveira made a motion to adjourn, which was seconded by Councillor Abreu.

This meeting adjourned @ 7:59 p.m.

ATTEST:

Clerk of Committees