



Committee on Finance

October 24, 2016 – 7:31 PM – **Minutes**
Chambers of the City Council, Room 214

MEETING: COMMITTEE ON FINANCE
DATE: OCTOBER 24, 2016
TIME: 7:31 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; BRIAN GOMES (7:36); STEVEN MARTINS; LINDA MORAD (7:40); DANA REBEIRO; KERRY WINTERSON

ABSENT: NO ONE

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Councillor Lopes called the Finance Committee meeting to order and took attendance. He informed the Committee that Councillor Morad communicated that she would be late in attending this meeting as she is attending the Licensing Board Meeting. The verbal communication was received and placed on file by Councillor Bousquet and seconded by Councillor Winterson.

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Notice, City Clerk of reference of a Related Motion, Councillor Carney, requesting that Mr. Barry Rabinovitch, School Business Manager or his designee, frequently appear before the Committee on Finance to update the Committee Members on the repairs being made at Carney Academy, Hayden McFadden Elementary School, Casimir Pulaski Elementary School and Alfred J. Gomes Elementary School; and further, that the first update be made 30 days after repairs have started (To be Referred to the Committee on Finance) (Ref'd 3/22/16) was received and place on file by Councillor Morad and seconded by Councillor Winterson. (1)

Dr. Barry Rabinovitch, School Department, was present and provided the Committee with an overview and update of repairs being done. The following items were addressed:

The Accelerated Repair Projects were continuing in a timely manner and were on schedule.

The boiler room at Pulaski School has been renovated and new boilers have been put in place as well as temporary windows which are slated to be replaced with new ones. The toilet area has been remodeled as well.

The Hayden McFadden boiler room has been renovated and boilers replaced. The same with the temporary windows that are installed waiting on new windows to arrive to be installed.

The exterior of the building has been washed and the handicap access toilets have been renovated.

Carney Academy boiler room has been renovated and new boilers added. The temporary windows are in place and will be replaced once the new windows arrive.

The Alfred J. Gomes School has had its exterior wash completed and the handicap access toilets have been renovated. The window jambs have been repaired as well.

The project is not yet finished because the lead time allowed for having new windows delivered was much longer than originally expected (35 weeks.) The windows are due for Gomes and Pulaski schools on 12/07/16 and for Carney and Hayden-McFadden on 2/07/17.

Some existing conditions that will need to be resolved are steel plate replacements at existing window openings at the Gomes School due to the insufficient masonry at the jambs for anchoring the new windows. Removal of asbestos containing components on the incinerator removed at Pulaski and reinforcing work for the temporary walls that will be occurring over the next month.

Councillor Gomes asked where the work is being done on second shift, and if there were additional costs being incurred, because he was told there weren't any additional costs for the contract was negotiated to do work on second shift so not to affect the normal school day operations.

On motion by Councillor Carney and seconded by Councillor Bousquet the Committee VOTED: To take "No Further Action" on 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 the City of New Bedford establish a minimum wage for employees of all Applicants/Businesses that receive a TIF or STA from the City; and further, that said minimum wage will be set for 10% above the State's requirements (To be Referred to the Mayor, Economic Development Council and the Committee on Finance) (Ref'd 7/21/16) (8/15/16-tabled 30 days) (8/29/16-returned unsigned by the Mayor) was removed from the table by Councillor Bousquet and seconded by Councillor Winterson. (2)

The Clerk read the Communication from Attorney Blair Bailey, the city's Tax Title Attorney, regarding if the above request could be enacted, which he said that it could.

Derek Santos, Executive Director of Economic Development Council was present and answered questions from the Committee. Councillor Rebeiro asked what the current minimum wage was and if there is a rate that is negotiated. She was told the current rate is \$10.00 per hour; however, most of the TIFs that have been granted had starting wages of \$15.00 per hour, which is well above minimum wage.

Councillor Martins asked Mr. Santos if adopting this request would be an issue for the Economic Development Council, would it deter companies from coming into the city. Mr. Santos stated that currently most businesses are paying more than 110% above the minimum wage and that if adopted there would be professions in which exceptions would need to be taken, such as the restaurant industry, which pay their employees less because they are tipped.

Attorney Bailey explained that the provision allows for the Board to make these exceptions as needed, but they are rare in the number of times it happens.

On motion by Councillor Abreu and seconded by Councillor Oliveira, the Committee VOTED: To recommend to the City Council to accept the Amendment to the City of New Bedford Tax Increment Financing Program Policies and Guidance, Section III (C) (a), amended as follows: "3. Job retention and/or creation shall be used as a measure to determined [sic] the value of savings to be offered using the following minimum guidelines: a. the equivalent of five new jobs for every \$1.00 through \$50,000.00 in assessed value of TIF relief. **Each new job created under a proposed project shall pay a minimum of 110% of the Commonwealth Minimum wage as of the date the project is submitted for approval**"; and further, that the City Council forward the amendment to the TIF Board for their consideration. This motion passed on a voice vote.

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Notice, City Clerk of reference of a Written Motion, Councillors Abreu, Winterson, Bousquet and Oliveira, requesting, that the New Bedford City Council require Beacon Compassion Center, Inc. and the appropriate representatives of the City of New Bedford to enter into negotiation and execution of a Host Agreement prior to the opening of the dispensary; and further that if after ninety (90) days the parties are unable to reach a mutually satisfactory agreement this matter shall be returned to the City Council for review and additional actions if deemed necessary (Ref'd 8/18/16) was received and placed on file by Councillor Bousquet and seconded by Councillor Winterson. (3)

The Clerk read a Communication from Attorney Joseph Michaud representing Beacon Compassion Center, which dealt with the importance of Beacons Program and that the Administration has decided not to negotiate with them.

On motion by Councillor Oliveira and seconded by Councillor Bousquet, the Committee VOTED: To table this matter for thirty (30) days. This motion passed on a Roll Call Vote of Yeas 8, Nays 3, with Councillors Abreu, Rebeiro and Winterson opposed.

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Notice, City Clerk of reference of a Written Motion, Councillor Lopes, requesting, that the Committee on Finance work with the Mitchell Administration on the adoption of the maximum 2% local sale tax option upon the sale or transfer of marijuana or marijuana products by a marijuana retailer operating within the City of New Bedford if Ballot Question 4 is passed. (To be Referred to the Committee on Finance and Mayor Mitchell) (Ref'd 9/22/16) (4)

On motion by Councillor Bousquet 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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Notice, City Clerk of reference of a Communication, Council President Morad, submitting a copy of a memorandum from City Solicitor McDermott, in reference to KP Law's legal representation of the City as Special Counsel regarding the proposed expansion/construction of a so-called liquefied natural gas "LNG" facility and connecting pipeline in Acushnet (Ref'd 8/18/16) was received and placed on file by Councillor Morad and seconded by Councillor Oliveira. (5)

Mikaela McDermott, City Solicitor, told the Committee the city received \$150,000 to cover legal fees from Eversource (utility provider); and that they are keeping tabs on the money spent and would not exceed the \$150,000, so it would not come back to the city to fund additional monies.

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.

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Notice, City Clerk of reference of a Communication, Mayor Mitchell, to City Council, submitting a LOAN ORDER in the amount of \$65,000,000.00 to pay for costs of construction of water distribution and treatment systems improvements including, Quittacas Water Treatment Plant upgrades, High Hill Reservoir upgrades, a lead service abatement program, a water meter replacement and advanced metering infrastructure (AMI) upgrade program and general system improvements (Ref'd 10/13/16) was received and placed on file by Councillor Morad and seconded by Councillor Carney. (6, 6a)

Notice, City Clerk of reference of a Communication, Mayor Mitchell, to City Council, submitting a LOAN ORDER in the amount of \$25,000,000.00 to pay costs of projects outlined in the City's long term CSO Control and Integrated Capital Improvements Plan including supplemental integrated capital planning, wastewater collection system improvements, pumping station improvements, a wastewater collection system investigation program and MS4 permit compliance and reporting and general system improvements (Ref'd 10/13/16) was received and placed on file by Councillor Morad and seconded by Councillor Carney. (7, 7a)

Zeb Arruda, DPI Commissioner gave an overview of the projects and costs involved. The following was revealed and discussed:

Water and Wastewater systems require upgrades to ensure integrity and certainty of service. Rates are in place to support the improvements. Water rates increased and approved by the Water Board. The wastewater rates were approved by the City Council. The average increase is \$22.40 each year, which will step increase over the next three years for water and on average \$31.90 each of the next three years. High Hill project, roof supporting beams needed Quittacas 1974 electrical system needs to be upgraded as well as upgrades needed at substations. Partial or full lead services replacement in city (8,000). Large meter and meter system upgrades. All of the work will be put out in RFPs and will be done by contractors, this will free up DPI to do what they are charged with which is the maintenance of the city's infrastructure. Pumping station upgrades will take place, interceptor and major sewer repairs, collection systems improvements; determine which pipes in the city need to be replaced. The MS4 storm water permit compliance is needed by July 2017.

The Committee was told that time frames for projects would be 3-5 years depending on the project. Lead removal will take place throughout the city in all wards, and the city would remove lead piping from the main right into the homes where the meters are at no cost to the homeowners.

Mr. Arruda confirmed that the funding has already been approved by the Water Board and the City Council.

Ari Sky, CFO was asked about funding and he told the Committee that they would bond out for thirty (30) year loan repayment programs. The amounts submitted tonight are consistent to what is being proposed.

Mr. Arruda also made note that additional projects would be needed but this is a major step in bettering the city's water/wastewater infrastructure.

On motion by Councillor Bousquet and seconded by Councillor Oliveira, the Committee VOTED: To reduce the cost of the Loan Order from \$65,000,000.00 to \$63,000,000.00 to pay for costs of construction of water distribution and treatment systems improvements including, Quittacas Water Treatment Plant upgrades, High Hill Reservoir upgrades, a lead service abatement program, a water meter replacement and advanced metering infrastructure (AMI) upgrade program and general system improvements. This motion passed on a voice vote.

On motion by Councillor Bousquet and seconded by Councillor Winterson, the Committee VOTED: To recommend to the City Council to APPROVE the LOAN ORDER, AS AMENDED, in the amount of \$63,000,000.00 to pay for costs of construction of water distribution and treatment systems improvements including, Quittacas Water Treatment Plant upgrades, High Hill Reservoir upgrades, a lead service abatement program, a water meter replacement and advanced metering infrastructure (AMI) upgrade program and general system improvements. This motion passed on a voice vote.

On motion by Councillor Bousquet and seconded by Councillor Winterson, the Committee VOTED: To recommend to the City Council APPROVAL of the LOAN ORDER in the amount of \$25,000,000.00 to pay costs of projects outlined in the City's long term CSO Control and Integrated Capital Improvements Plan including supplemental integrated capital planning, wastewater collection system improvements, pumping station improvements, a wastewater collection system investigation program and MS4 permit compliance and reporting and general system improvements. This motion passed on a voice vote.

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

This meeting adjourned @ 8:35 p.m.

ATTEST:

Denis Lawrence, Jr.,
Clerk of Committees