



Committee on Finance

February 28, 2017 – 7:02 PM – **Minutes**
Chambers of the City Council, Room 214

MEETING: COMMITTEE ON FINANCE
DATE: FEBRUARY 28, 2017
TIME: 7:02 P.M.
PLACE: CITY COUNCIL CHAMBER, ROOM 214, MUNICIPAL BUILDING

PRESENT: COUNCILLORS LINDA MORAD, CHAIRPERSON; JAMES OLIVEIRA, VICE CHAIRMAN; IAN ABREU; NAOMI CARNEY; DEBORA COELHO; JOSEPH LOPES; STEVEN MARTINS; DANA REBEIRO; KERRY WINTERSON

ABSENT: COUNCILLOR BRIAN GOMES

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Councillor Morad called the Finance Committee Meeting to order and took attendance. The Clerk read a Communication from Councillor Gomes stating he may be late attending this meeting. This Communication was received and placed on file by Councillor Martins and seconded by Councillor Abreu.

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The Chair asked that item number three (3) be taken out of order, so without objection item number three (3) was taken out of order.

Notice, City Clerk of reference of a Communication, Mayor Mitchell, to City Council, submitting AN ORDER, **amending** the order adopted by the City Council on June 23, 2016, and signed by the Mayor on June 30, 2016, which in accordance with Massachusetts General Law Chapter 44, Section 53E ½, authorized the revolving fund under the control of the Inspectional Services Department known as the **VACANT BUILDING REVOLVING FUND** whose purpose is to provide for the repair and maintenance of vacant buildings, survey expenses, tipping fees, demolition contractors, purchase materials and reimburse labor costs for emergency board-up of vacant buildings, salary expense for two (2) full-time building inspectors, one (1) full-time Administrative Coordinator, one (1) full-time clerk (35 hours) and **one part-time Associate Solicitor** and office supplies, whose revenues collected and amount limited at **\$458,280.00** is hereby authorized at **\$493,690.00** for **FISCAL YEAR 2017**. (Ref'd 8/18/16) (3, 3a)

On motion by Councillor Coelho and seconded by Councillor Winteron, 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 ORDERS for the TRANSFER from FREE CASH to OPEB TRUST FUND in the amount of \$270,000.00; SCHOOL DEPARTMENT, OTHER FINANCING USES in the amount \$900,000.00; POLICE DEPARTMENT, CAPITAL OUTLAY in the amount of \$200,000.00; PUBLIC INFRASTRUCTURE, CAPITAL OUTLAY in the amount of \$200,000.00; TOURISM, CHARGES & SERVICES in the amount of \$40,000.00 and STABILIZATION FUND in the amount of \$500,000.00 (Ref'd 1/26/17) was received and placed on file by Councillor Martins and seconded by Councillor Lopes. (1, 1a, 1b, 1c, 1d)

Dagny Ashley, Director of Marketing and Tourism and Justin LeCroix, Manager at Zeiterion Theatre were present to answer questions from the Committee.

Ms. Ashley told the Committee that the \$40,000 is to assist the Zeiterion Theatre with the purchase of a state of the art camera. The cost of the camera is \$68,000. This camera will allow the Zeiterion to attract venues such as concerts film features movie premiers, along with the ability to vie for national conferences. It will be a benefit to the city and

other non-profit organizations, such as AHA with free movie nights. The cost to maintain the camera once purchased will fall the Zeiterion. The camera to be purchased has a life span of approximately 10 years. The average repair costs at a minimum would be around \$1,000. The Zeiterion already has the money to match the money to be allocated and it would allow for immediate purchase of the camera. This is a cost effective purchase for the average rental of such projector is around \$20,000. The question on the return of the investment (ROI) with such a purchase was asked. The Committee was told it has not yet been calculated but that it would increase ticket attracting ticketed events to come to the Zeiterion which would contribute to the local tourism numbers. They believe it is a small purchase for the benefits it will provide.

Zeb Arruda, DPI Commission was present to answer questions from the Committee. He gave an overview on how the funds would be spent. He informed the Committee that this money would be used to upgrade parks that are in need of repairs. This included Pine Hill Park with the resurfacing of the basketball courts. Hazelwood Park was the entrance which would be redone along with the reshaping of the existing parking lot and adding lighting to the pedestrian walkway.

The Committee asked if there was a breakdown of how the costs are being allocated for each project. CFO Sky explained that monies had been put aside and designated for each ward, from the easement money received from the EPA, for example the Pine Hill Project is approximately \$202,000, but because of the easement money received only a portion of the request before the Committee would be allocated to pay for the project in full. \$10,000 is to be allocated for the placing of flag poles at the Tom Lopes Park in Ward 4. Councillor Rebeiro said she was appreciative of the flagpoles, but would like to see funding used for projects like resurfacing nearby basketball courts.

Buttonwood Park would receive some of the funding to improve and resurface and net the tennis courts. Councillor Morad asked if the ward allocations cannot be spent unless approved by the Council. Mr. Sky stated that the Council could word it so, if that is what they desired.

The Committee expressed concern of the costs presented for resurfacing parking lots. They would like to see breakdowns by material and labor and consulting fees if charged.

Police Chief Cordeiro gave an overview of how the money was to be spent. He told the Committee the \$200,000 would be used to purchase four (4) cruisers which would be replacing four (4) units with well over 100,000 miles on them and that each vehicle puts approximately 36,000 miles in use on them. The four vehicles would be SUV's as they find that this better suits their needs. The Chief was asked about a Fleet Replacement Program and he explained that the New Bedford Police Department very much needs such a program and they are working with the administration to put one in place. This will allow them to rotate the vehicles.

Dr. Pia Durkin, Superintendent New Bedford Public Schools, Andrew O'Leary, Business Manager, Bernadette Coelho, Headmaster NBHS and Rob Tetreault, MIS Manager NBPS all spoke on the request to allocate \$900,000 under the School Department, other Financing Uses. School Committee Member Bruce Oliveira was also present at this meeting.

The Committee was told that the \$900,000 would be the city's contribution to match a grant given to the School Department by Dr. Irwin Jacobs, founder QUALCOMM, and former New Bedford resident. He has given the School Department \$900,000 towards the purchase of tablets for students. The School Department will also match the grant by an additional \$900,000 as well. The program consisted of students taking home tablets as an educational tool and had a pilot program last year in which 220 students participated in it. This program helps students with math and the goal is to add an additional 450 units to students. Those students who have the tablets have been outperforming their peers on benchmark testing results. The entire project to ensure each high school student has a tablet is estimated to be \$2.7 million to fully implement the project from pilot to a full roll out. Dr. Jacob's investment thus far has been \$1.3 million and the School Department will match this investment with \$900,000 and the Mayor's Office is seeking an isolated contribution from the city for an additional \$900,000. The School Department has totally outfitted and fully automated the foundation infrastructure that accommodates this program. This could quite possibly lead to the doing away with hard text books for software textbooks, where you would just pay for the license of the book instead of the hardcopy.

The School Department will include the figure to maintain the tablets in their fiscal year budget. To date only 12 units were damaged and approximately 10 of them were covered under manufacturer's warranties. They are looking to move from the Surface Tablet to a more sturdy one manufactured by Dell. They believe this type of technology is

impacting retention rates at the high school and the goal is to one day introduce tablets to the middle schools as well. Currently 450 freshmen have tablets and sophomores who had the tablets during the pilot program have brought their tablets over into the 10th grade with them. The Department is evaluating new technology and trends as they come up to keep the tablets current. They are hoping for a five-year technological cycle. The city's contribution will be a result in a positive asset for its students.

Ari Sky, CFO, was present to answer questions regarding the transfer of \$270,000 from free cash to OPEB Trust Fund. He explained that this is a positive contribution to the OPEB though it is never enough. They are transferring over 10% of the free cash, which accomplished the contribution. It was agreed by Mr. Sky and the Committee that this contribution will help in the long term and that we did what we could with what we had financially. This left approximately \$500,000 in the stabilization fund, ready for crippling needs for important city circumstances. The AFSCME furlough payment will come into play and while the city is negotiating the payment, it will end up being in the vicinity of \$1.8 million, maybe a little less. This will come to the Council for approval.

The Committee voted separately on each transfer as follows:

On motion by Councillor Lopes and seconded by Councillor Abreu, the Committee VOTED: To recommend to the City Council Adoption of the ORDER for the transfer of \$270,000, from Free Cash to OPEB Trust Fund. This motion passed on a Roll Call Vote of Yeas 9, Nays 0. (1a)

On motion by Councillor Lopes and seconded by Councillor Oliveira, the Committee VOTED: To recommend to the City Council Adoption of the ORDER for the transfer of \$900,000 from Free Cash to School Department, Other Financing Uses. This motion passed on a Roll Call Vote of Yeas 8, Nays 1, with Councillor Carney opposed. (1b)

On motion by Councillor Lopes and seconded by Councillor Winterson, the Committee VOTED: To recommend to the City Council Adoption of the ORDER of the transfer of \$200,000 from Free Cash to Police Department, Capital Outlay. This motion passed on a Roll Call Vote of Yeas 9, Nays 0. (1c)

On motion by Councillor Lopes and seconded by Councillor Carney, the Committee VOTED: To recommend to the City Council Adoption of the ORDER of the transfer of \$200,000 from Free Cash to Public Infrastructure, Capital Outlay. This motion passed on a Roll Call Vote of Yeas 7, Nays 2, with Councillors Martins and Morad opposed. (1c)

On motion by Councillor Lopes and seconded by Councillor Oliveira, the Committee VOTED: To recommend to the City Council Adoption of the ORDER of the transfer of \$40,000 from Free Cash to Tourism, Charges and Services. This motion passed on a Roll Call Vote of Yeas 9, Nays 0. (1c)

On motion by Councillor Lopes and seconded by Councillor Winterson, the Committee VOTED: To recommend to the City Council Adoption of the ORDER of the transfer of \$500,000 from Free Cash to Stabilization Fund. This motion passed on a Roll Call Vote of Yeas 9, Nays 0. (1d)

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Councillor Morad called for a five (5) minute recess at 8:23 p.m. The Committee was called back to order at 8:28 p.m.

Notice, City Clerk of reference of a COMMUNICATION, Mayor Mitchell, to City Council, submitting a LOAN ORDER appropriating \$4,483,000.00 for the purpose of making critically needed repairs to City-owned building including, but not limited to, projects for repairs and renovations of public safety facilities, recreational facilities, general office space, and roads and infrastructure and all costs incidental and related thereto (Ref'd 1/26/17) was received and placed on file by Councillor Oliveira and seconded by Councillor Martins. (2, 2a)

Ari Sky, CFO was present and gave an overview of the CIP as it has been previously approved by the Council and recapped how the funds have been allocated to date. A PowerPoint presentation was shown to the Committee. Mr. Sky then gave an overview of the proposed CIP for 2017-2021. The figures are lower which will result in bringing the city's debt level down.

Each Department Head that had a stake in the proposed funding was recognized by the Chairperson and a conversation ensued between the Committee and these individuals, the following explanations took place:

Funding appropriated for the repair to the roof of the Fire Museum drew concern from the Committee, the cost seemed extensive and they were asked how often the Museum was open and utilized and if the property could be moved

elsewhere. The Committee was told they could not, and that there is a significant amount of water entering the building now; a building that contains historical artifacts. The city wants to replace the roof to protect the building so it does not create another structural disaster like the old Civil Defense Building.

The funding appropriated for the repair to the New Bedford High School auditorium would include the replacement of lighting and sound, which is nonexistent. The Committee asked if this could not fall under the School Department Budget. They were told it could not, if paid for under the CIP it would be a one-time purchase and the work would get done much more quickly. It is better off if handled under the CIP/

Keith Lovett, Director of the Zoo, stated the funding from the CIP for the Park would result in the creation of an educational area, down near where the farm is located.

They talked about the repairing of the lighting at Buttonwood Park Athletic Fields. The money currently being sought out will only pay to replace the wiring and the utility box in the baseball field/football practice area on the great lawn area. The Committee voiced their concern that they were allocating money to put in wiring and a utility box, without repairing or upgrading the much needed lighting. The Committee asked what the entire cost would be and was told \$250,000. The Committee suggested that the entire amount be considered and submitted broken down by materials and labor.

The restoration costs as it related to the public tomb at Pine Grove Cemetery was discussed. The building is historically significant and is falling down. This repair will be contracted out, as it is beyond DPI's expertise. The Committee asked if this funding could be provided under the CPA initiative, they were told it could be. The Committee thought it best that the project be presented to the CPA Committee to see if it could be funded through them. They asked the CFO to reach out to the CPA.

The replacement of the Lawler Library HVAC Unit was discussed; the Unit is way beyond its life expectancy and is in need of replacement.

The roof at the Brooklawn Senior Center's replacement need was discussed. The Committee again expressed their concern on the estimates provided. They do not understand why it costs so much to repair a roof. They were told consulting fees are involved with the project, to which the Committee asked if we should not have an Engineer on retainer or as an employee with the city that specialized in roofing; that way the cost associated with consulting would be reduced or salaried. The Committee was told that the State guidelines on public building dictate the participation of roofing consultants when a roofing project is being contemplated. The Committee requested a breakdown on this estimate.

The alternative elevator design was discussed and all were in agreement that something has to be done with the existing elevator; though historically significant the replacement parts have to be fabricated due to the age of the unit. There was also discussion on the updated construction to be done at the Sixth Street entrance to City Hall.

The Hillman Street Renovation Project was discussed as the funding approved would go towards the restoration of Building 9. This would include interior renovation of the building which is currently occupied by the Council on Aging and the School Department.

The Quest Center Funding for the replacement of the roof was discussed. Once again, the costs associated with the repair concerned the Committee.

The need for a Truck Shed for DPI was discussed. It was explained that by storing heavy equipment in a closed environment contributed to the life expectancy of each unit. Currently the equipment is stored out in the open, resulting in rusting and other maintenance issues for equipment such as backhoes.

The costs associated with the new fueling station were discussed, and it was explained the State had mandated that the city replace the current fueling station by December 2017.

On motion by Councillor Lopes and seconded by Councillor Carney, the Committee VOTED: To table this matter at this time, so that each Department in which concerns were discussed can go back and secure the breakdown of

costs presented to them by materials, labor and consulting fees, as well as seeing if the CPA would fund the repair of the Public Tomb. The motion passed on a voice vote.

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

This meeting adjourned @ 9:50 p.m.

ATTEST:

Denis Lawrence, Jr.,
Clerk of Committees