CITY OF NEW BEDFORD, MASSACHUSETTS

MEETING: COMMITTEE ON AUDIT
DATE: OCTOBER 21, 2026
TIME: 7:00 P.M.
PLACE: CITY COUNCIL CHAMBER, ROOM 214

PRESENT: COUNCILLORS SHAWN OLIVER, CHAIR; SHANE BURGO; JOSEPH LOPES; RYAN PEREIRA

ABSENT: COUNCILLORS NAOMI CARNEY; LEO CHOQUETTE

Councillor Oliver called the Audit Committee meeting to order, took attendance, and explained that the meeting was being recorded and live-streamed.

WRITTEN MOTION, Councillors Pereira, Oliver and Morad, requesting, that the Committee on Audit receive monthly reports for expenditures from every department and account. (To be Referred to the Committee on Audit, CFO Robert Ekstrom, the Auditor and the Administration.) (Matter ID #1155) (Referred – June 27, 2024.) (July 15, 2024 – RETURNED UNSIGNED by the Mayor.) (October 17, 2024 – tabled.) (February 25, 2025 – tabled.) (April 10, 2025 – tabled.)

On motion by Councillor Lopes and seconded by Councillor Pereira, the Committee VOTED: To remove the motion from the table.

The Chair recognized Quillan Lowney, City Auditor. Councillor Pereira asked whether, following CFO Ekstrom's retirement, his office would be able to continue generating the requested monthly reports detailing expenditures. The Auditor stated that every effort would be made to continue generating the reports, although the transition would be challenging given the departures of both Mr. Ekstrom and the senior member in the Auditor's office. Councillor Pereira acknowledged the challenges and stressed that maintaining the reports was the priority, even if in a simpler format. He stated that the Committee would accept a basic report, including a MUNIS printout, to ensure the information continued to be provided. He added that a more formal report could be developed at a later date.

Councillor Lopes requested that, when the MUNIS reports are provided, Mr. Lowney highlight any line items where expenditures exceed 75% of the annual budget, as three quarters of the calendar year has elapsed.

On motion by Councillor Pereira and seconded by Councillor Lopes, the Committee VOTED: to table the matter at this time.

WRITTEN MOTION, Councillor Burgo, requesting that the Committee on Audit review the Mayor's new staff hire, including the position, compensation, funding source, and hiring process, and report its findings and recommendations to the full City Council. (Matter ID #1460) (Referred – September 10, 2026.)

The Chair recognized Neil Mello, Chief of Staff, representing the Administration. Councillor Burgo asked Mr. Mello to explain how the new staff hire was secured, including the position and compensation. A lengthy discussion followed regarding how the position was funded despite the City Council's approval of a $225,000 budget cut. Mr. Mello explained that the Mayor's Specialist position had never been formally eliminated but remained vacant during the budget process, and the Mayor chose to fill it this year. It was noted that $225,000 had been spent to date, leaving a balance of $365,000 for the remainder of FY27. Mr. Mello further explained that transfers would be requested from departments with surplus funds to cover outstanding amounts owed and address any shortfalls. Councillor Burgo continued to express concern that the Mayor's Office had not taken the Council's budget cuts seriously.

Councillor Pereira questioned the Mayor's Office's decision to fill a vacant position, noting that the City Council Office had reduced its staffing from five employees to four. He stated that, based on his review of the budget discussion recordings, the Mayor's Office had indicated that the Mayor's Specialist position would remain vacant. He explained that the Mayor's Office could seek to use free cash to cover the shortfall in the 100 account or submit a transfer request. However, if the Council rejected either option, he stated that, consistent with the FY27 budget cuts, the remaining alternative would be for the Mayor to consider restructuring personnel within his office. Councillor Pereira acknowledged that the tax rate recap would be available at the conclusion of the process but expressed his belief that this approach would violate Massachusetts General Law.

Councillor Lopes requested clarification regarding the amount spent by the Mayor's Office on positions to date and was informed that $225,000 had been expended. He expressed concern that the Mayor's Office had already used more than one-quarter of its budgeted expenditures and cautioned that, at this rate, the City could face a shortfall later in the year that would need to be addressed during the recap. He emphasized that this is not an appropriate way to manage municipal finances. Councillor Lopes requested that Auditor Lowney provide the Committee with a breakdown of the Mayor's Office expenditures for the first quarter.

Councillor Oliver asked about the duties of the Mayor's Specialist Assistant. He was informed that the position is responsible for supporting the Mayor, managing schedules and logistics, and attending both public and private events. The Councillor then asked whether the Mayor intended to honor the budget cut made by the Committee. Mr. Mello replied that discussions are ongoing, and while there is a desire to honor the Council's intent in good faith, the office must also continue to operate as required. He noted that the Mayor has publicly expressed opposition to the size of the budget cut to his office.

On motion by Councillor Pereira and seconded by Councillor Lopes, the Committee VOTED: To recommend that the City Council take **"NO FURTHER ACTION"** on the WRITTEN MOTION, Councillor Burgo, requesting that the Committee on Audit review the Mayor's new staff hire, including the position, compensation, funding source, and hiring process, and report its findings and recommendations to the full City Council.

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WRITTEN MOTION, Councillor Pereira, requesting, that the Committee on Audit review the City of New Bedford's Health Insurance brokers' fees, consultant's fees, and any other information surrounding this matter that the Committee deems relevant; and further, that the Committee review all commissions paid out for the last three fiscal years. (Matter ID #1462) (Referred – September 10, 2026.)

The Chair recognized Jose Gouveia, Personnel Director. Councillor Pereira expressed concerns regarding the work performed by Lockton Consultants. Mr. Gouveia addressed many of the Councillor's concerns, explaining the relationship between the City and its consultants. He also discussed the prescription drug services available to the City and the need for comprehensive dental and vision insurance plans for City employees. Mr. Gouveia was asked whether Lockton received a commission on the plans utilized by employees and confirmed that it did not.

Councillor Lopes asked what fee Lockton was charging the City and was informed that it was a flat fee of $40,000.00. Mr. Gouveia was then asked how long the City had been with Blue Cross and Blue Shield and responded that the relationship began in 2018. He further explained that insurance programs are put out to bid, although most are subject to union negotiations.

Councillor Pereira requested that Mr. Gouveia provide the Committee with the following information and documentation regarding the following matters:

1. Lockton Consulting Overview: An executive summary of Lockton's role with the City, including insurance, Blue Cross Blue Shield (BCBS), prescription drug programs, and benefit recommendations.

2. Programs and Fees: A list of all programs Lockton consults on and a breakdown of its fees and commissions, and other compensation.

3. Lockton Contract: A copy of the City's contract with Lockton Consulting, including any amendments or renewals.

4. Decision-Making Process: An explanation of how the City evaluates, recommends, and approves insurance and employee benefit programs.

5. Trustmark and Boston Mutual: Copies of contracts with both companies, including commissions and fees paid, who receives them, and a summary of the past three years detailing this information.

6. Requests for Proposals (RFPs): Copies of the most recent RFPs for City Insurance and benefit programs involving Lockton Consulting, including award documents.

The Councillor asked how much time the Director would need to gather the information and present it to the Committee. He was informed that approximately three weeks would be needed, as the City is currently in the process of employee benefits renewal process.

On motion by Councillor Pereira and seconded by Councillor Lopes, the Committee VOTED: to table the matter at this time.

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Councillor Pereira made a motion to adjourn, which was seconded by Councillor Lopes.

The meeting adjourned @ 8:41 p.m.

ATTEST:

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Denis Lawrence Jr.
Clerk of Committees