

NEW BEDFORD, MASSACHUSETTS

MEETING: COMMITTEE ON FINANCE
DATE: NOVEMBER 30, 2020
TIME: 7:01 P.M.
PLACE: HELD REMOTELY IN ACCORDANCE WITH THE GOVERNOR
OF MASSACHUSETTS' MARCH 12, 2020 ORDER SUSPENDING
CERTAIN PROVISIONS OF THE OPEN MEETING LAW G. L.
C. 30A, SECTION 20 AND THE CITY COUNCIL'S VOTE TO
WAIVE RULE 21A

PRESENT: COUNCILLORS LINDA MORAD, CHAIRPERSON; IAN ABREU,
VICE CHAIRMAN; DEREK BAPTISTE; NAOMI CARNEY;
DEBORA COELHO; HUGH DUNN; MARIA GIESTA; BRIAN
GOMES; SCOTT LIMA; JOSEPH LOPES; WILLIAM BRAD
MARKEY

ABSENT: NO ONE

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Councillor Morad called the Finance Committee Meeting to order and took attendance; no one was absent.

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Councillor Lopes made a motion to take items 2, 2a and 3, 3a out of order, which was seconded by Councillor Baptiste. This motion passed on a Roll Call Vote of Yeas 11, Nays 0.

Notice, City Clerk of reference of a COMMUNICATION, Mayor Mitchell, to City Council, submitting AN ORDER for the TRANSFER of \$1,686,699, from WATER FREE CASH, to the FISCAL YEAR 2021 WATER ENTERPRISE FUND BUDGET, and that the portion raised by Water Receipts is hereby reduced by the same amount (Ref'd 11/24/2020) was received and placed on file by Councillor Lopes and seconded by Councillor Carney. This motion passed on a Roll Call Vote of Yeas 11, Nays 0. (2, 2a)

Notice, City Clerk of reference of a COMMUNICATION, Mayor Mitchell, to City Council, submitting AN ORDER for the TRANSFER of \$1,300,000, from the SPECIAL PROJECTS FUND, to the FISCAL YEAR 2021 WASTEWATER ENTERPRISE FUND BUDGET, and that the portion raised by Wastewater Receipts is hereby reduced by the same amount (Ref'd 11/24/2020) was received and placed on file by Councillor Lopes and seconded by Councillor Carney. This motion passed on a Roll Call Vote of Yeas 11, Nays 0. (3, 3a)

CFO Ari Sky and Rebecca Gomes from DPI were present to address the Committee on these matters. They explained that the request for these transfers were a correct estimate of fund reserve and a safe way to compensate covering the water enterprise fund budget so that it would not have to impact the City's tax levy. They were able to certify free cash last year under the State's emergency law and carry the funds over to FY21.

CFO Sky also explained that wastewater is not an enterprise fund, that the DPI projections for both water and wastewater have remained neutral.

Councillor Lopes asked for a report to show the historical collection rates for business and residential for both water and wastewater and he was told that DPI would forward that information to the Committee.

Councillor Lima asked if the intention of the transfer was to make the fund whole and he was told it was, so it does not go to the tax levy and increase tax rates. This is to protect the funds, the funds come from free cash, but if the departments raise enough revenue to cover the projected funds they would not need to use the money transferred and the funds can be transferred back to free cash.

Councillor Markey asked if this allowed the city to meet the State's expectations and he was told it was.

Councillor Morad asked if revenues are down and she was told yes. Water and wastewater combined by about \$2,000,000 past due. They believe it is COVID related. The city is not doing water shut offs this year. She asked if the city is delaying projects and was told yes.

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 \$1,686,699, from WATER FREE CASH, to the FISCAL YEAR 2021 WATER ENTERPRISE FUND BUDGET, and that the portion raised by Water Receipts is hereby reduced by the same amount. This motion passed on a Roll Call Vote of Yeas 11, Nays 0.

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 \$1,300,000, from the SPECIAL PROJECTS FUND, to the FISCAL YEAR 2021 WASTEWATER ENTERPRISE FUND BUDGET, and that the portion raised by Wastewater Receipts is hereby reduced by the same amount. This motion passed on a Roll Call Vote of Yeas 11, Nays 0.

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Notice, City Clerk of reference of a COMMUNICATION, Mayor Mitchell, to City Council, submitting AN ORDER for the TRANSFER of \$489,174, from DOWNTOWN FREE CASH, to the FISCAL YEAR 2021 DOWNTOWN ENTERPRISE FUND BUDGET, and that the portion raised by Enterprise Fund Receipts is hereby reduced by the same amount (Ref'd 11/24/2020) was received and placed on file by Councillor Abreu and seconded by Councillor Giesta. This motion passed on a Roll Call Vote of Yeas 11, Nays 0. (1, 1a)

CFO Ari Sky and Laurie Alfonso from the Traffic Commission were present to address the Committee and explain the need for the transfer. They told the Committee that the Downtown revenues are down by approximately 50% and in order to buy some time they are asking to take a portion of free cash and apply it to the fund. This will reduce the need for the current year budget. If the revenues do not grow over the summer the city will need to again adjust the 2022 budget.

Councillor Lopes asked if the enterprise fund for the meter and garages current revenue for July through November are staying the average, then there may be a need to adjust the FY22 budget ..as agreed; but stated that revenues are way down compared to last years. They are down so much so that they have collected \$167,000. He asked if the metered parking removed from where restaurants have their seating would remain and he was told there is no plan to stop this policy and that loss of income would be figured in the FY22 budget projection. This year's shortfall will affect the overall budget for the following year. The budget does not seem attainable for TY20 and the shortfall is estimated to fall between \$300,000 and \$400,000.

Councillor Abreu asked if the free parking downtown over the summer because of COVID would have played a role in the budget shortfall. He was told yes.

Councillor Giesta asked if this year's shortfall would affect free parking for the holiday season. She was told that as of to date there will not be any free parking during the holiday season.

Councillor Morad asked if the monthly parking passes are now up in the garage and she was told the revenue dropped when free parking was instituted, but it is not up to normal; the parking passes are down by 30%.

On motion by Councillor Lopes and seconded by Councillor Dunn, the Committee VOTED: To recommend to the City Council ADOPTION of the ORDER for the TRANSFER of \$489,174, from DOWNTOWN FREE CASH, to the FISCAL YEAR 2021 DOWNTOWN ENTERPRISE FUND BUDGET, and that the portion raised by Enterprise Fund Receipts is hereby reduced by the same amount. This motion passed on a Roll Call Vote of Yeas 11, Nays 0.

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Notice, City Clerk of reference of a COMMUNICATION, Mayor Mitchell, to City Council, submitting AN ORDER for the TRANSFER of \$3,893,036, from FREE CASH to FISCAL YEAR 2021 GENERAL FUND BUDGET, and that the portion raised by Ordinary Revenue and Municipal Receipts is hereby reduced by the same amount (Ref'd 11/24/2020) was received and placed on file by Councillor Abreu and seconded by Councillor Lopes. This motion passed on a Roll Call Vote of Yeas 11, Nays 0. (4, 4a)

CFO Sky was present and provided an overview for the need to transfer funds from Free Cash to Fiscal Year 2020 General Fund. This is a move to keep the city's next tax rate down until they hear from the state what funding it is to receive. Transferring the full amount will keep the residential rate down until the state does their final certification.

Councillor Lopes expressed his concern that the transfer did not include the yearly OPEB contribution. CFO Sky explained that the decision was made by the Administration to not make the contribution this year. Councillor Lopes stated that he understood, but that he believes the contribution should still be made because the state has mandated full funding of OPEB and the steps put in place to add to the fund yearly would keep the city on target and not cost the city more in the end.

Councillor Morad stated that she believed that the actual amount needed would be more like \$3,000,000 and not \$3,800,000. She asked CFO Sky to provide the correct figures.

A five-minute recess ensued, and the discussion resumed at 7:51.

CFO Sky explained that if the \$390,000 that would be meant for OPEB is adjusted this would result in a tax bill for the average family home going up anywhere between \$15 - \$17 per year.

Councillor Lopes asked if that was the maximum shift of 175, and he was told yes it was.

Councillor Lima asked if any of the COVID funds received could be used to cover revenue shortfalls, and he was told that they could not.

On motion by Councillor Lopes and seconded by Councillor Lima, the Committee VOTED: To amend the requested amount from \$3,893,026 to \$3,503,036.

Councillor Lopes explained this would allow the city to fund their OPEB requirement.

Councillor Markey asked if this would affect the tax rate, and he was told it would.

This motion passed on a Roll Call Vote of Yeas 11, Nays 0.

On motion by Councillor Gomes and seconded by Councillor Abreu, the Committee VOTED: To recommend to the City Council ADOPTION of the ORDER, AS AMENDED, for the TRANSFER of \$3,503,036, from FREE CASH to FISCAL YEAR 2021 GENERAL FUND BUDGET, and that the portion raised by Ordinary Revenue and Municipal Receipts is reduced by the same amount. This motion passed on a Roll Call Vote of Yeas 11, Nays 0.

Councillor Gomes made a motion to adjourn, which was seconded by Councillor Lopes. This motion passed on a Roll Call Vote of Yeas 11, Nays 0.

This meeting adjourned @ 8:11 p.m.

ATTEST:



Denis Lawrence, Jr.,
Clerk of Committees