

NEW BEDFORD, MASSACHUSETTS

MEETING: COMMITTEE ON AUDIT
DATE: APRIL 15, 2021
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 SCOTT LIMA, CHAIRMAN (REMOTELY); WILLIAM BRAD MARKEY, VICE CHAIRMAN (REMOTELY); HUGH DUNN (REMOTELY); JOSEPH LOPES (REMOTELY)

ABSENT: COUNCILLOR LINDA MORAD

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Councillor Lima called the Audit Committee Meeting to order and took attendance. The Clerk read a Communication from Councillor Morad stating her reason for her absence from this meeting. This Communication was received and placed on file on a motion by Councillor Lopes and seconded by Councillor Markey. This motion passed on a Roll Call Vote of Yeas 4, Nays 0, with Councillors Dunn, yes; Lima, yes; Lopes, yes; Markey, yes.

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Notice, City Clerk of reference of a WRITTEN MOTION, Councillor Lima and Council President Lopes, requesting, that the FY20 Comprehensive Annual Financial Report (CAFR) be referred to the Committee on Audit; and further, that CFO Ari Sky and City Auditor Robert Ekstrom be invited to a Committee meeting to present and discuss the CAFR findings (To be Referred to the Committee on Audit.) (Ref'd 04/08/2021) and a COMMUNICATION, Councillor Lima, submitting the FY20 Comprehensive Annual Financial Report (To be Referred to the Committee on Audit.) (Ref'd 04/08/2021) were received and placed on file by Councillor Lopes and seconded by Councillor Markey. This motion passed on a Roll Call Vote of Yeas 4, Nays 0, with Councillors Dunn, yes; Lima, yes; Lopes, yes; Markey, yes. (1, 1a)

Notice, City Clerk of reference of a WRITTEN MOTION, Councillor Lima and Council President Lopes, requesting, that the June 30, 2020 Actuarial Valuation Report of Other Post-Employment Benefits (OPEB) prepared by Sherman Actuarial Services, LLC, be referred to the Committee on Audit; and further, that CFO Ari Sky and City Auditor Robert Ekstrom be invited to a Committee meeting to discuss the OPEB Actuarial Valuation Report findings (To be Referred to the Committee on Audit.) (Ref'd 04/08/2021) and a COMMUNICATION, Councillor Lima, submitting the June 30, 2020 Actuarial Valuation Report of Other Post-Employment Benefits (To be Referred to the Committee on Audit.) (Ref'd 04/08/2021) were received and placed on file by Councillor Lopes and seconded by Councillor Markey. This motion passed on a Roll Call Vote of Yeas 4, Nays 0, with Councillors Dunn, yes; Lima, yes; Lopes, yes; Markey, yes. (2, 2a)

CFO Ari Sky and City Auditor Robert Ekstrom presented the Committee with a power point presentation. Mr. Ekstrom explained the Comprehensive Annual Financial Report (CAFR). It was explained that it was a decent year despite how FY20 was affected by the pandemic. The City ended the fiscal year with a positive cash flow which was a win for the City. The financial review done by Hague and Sahady, the accounting firm retained by the City, confirmed the financials of the City in the positive, which has an adverse effect as it relates to financial rating determined and issued by firms such as Moody's and Standard and Poor. It was explained that the overall goal is building up funds and revenues and it is hopeful that there will be some form of revenue relief when the Federal Government releases pandemic funding.

The second review presented was on the Actuarial Valuation Report of Other Post Employment Benefits, known as OPEB. It was explained that the fund is very much underfunded but State Law requires the full funding of OPEB by a designated time in the future. It was revealed that the original funding from FY21 that was put aside to meet the City's plan of contributing 10% yearly to it. The City will also be able to meet this requirement for FY 22. The yearly amount is \$390,000.

They were asked what step need to be taken to help fully fund OPEB. Benefit management was the answer. Keeping and negotiating healthcare requirements would have a positive effect.

On motion by Councillor Lopes and seconded by Councillor Dunn, the Committee Voted to recommend to the City Council to take "No Further Action" on the WRITTEN MOTION, Councillor Lima and Council President Lopes, requesting, that the FY20 Comprehensive Annual Financial Report (CAFR) be referred to the Committee on Audit; and further, that CFO Ari Sky and City Auditor Robert Ekstrom be invited to a Committee meeting to present and discuss the CAFR findings and the COMMUNICATION, Councillor Lima, submitting the FY20 Comprehensive Annual Financial Report. This motion passed on a Roll Call Vote of Yeas 4, Nays 0, with Councillors Dunn, yes; Lima, yes; Lopes, yes; Markey, yes.

On motion by Councillor Lopes and seconded by Councillor Dunn, the Committee Voted: To recommend to the City Council to take "No Further Action" on the WRITTEN MOTION, Councillor Lima and Council President Lopes, requesting, that the June 30, 2020 Actuarial Valuation Report of Other Post-Employment Benefits (OPEB) prepared by Sherman Actuarial Services, LLC, be referred to the Committee on Audit; and further, that CFO Ari Sky and City Auditor Robert Ekstrom be invited to a Committee meeting to discuss the OPEB Actuarial Valuation Report findings and on a COMMUNICATION, Councillor Lima, submitting the June 30, 2020 Actuarial Valuation Report of Other Post-Employment Benefits. This motion passed on a Roll Call Vote of Yeas 4, Nays 0, with Councillors Dunn, yes; Lima, yes; Lopes, yes; Markey, yes.

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Notice, City Clerk of reference of a WRITTEN MOTION, Councillor Lima and Council President Lopes, requesting, that when the City receives Federal stimulus funds via The American Rescue Plan Act of 2021 (ARP), that the Administration provide the members of the New Bedford City Council with a detailed list of operating expenditures that will be eligible under the ARP (To be Referred to the Committee on Audit.) (Ref'd 04/08/2021) was received and placed on file by Councillor Lopes and seconded by

Councillor Dunn. This motion passed on a Roll Call Vote of Yeas 4, Nays 0, with Councillors Dunn, yes; Lima, yes; Lopes, yes; Markey, yes. (3)

CFO Sky provided the Committee with a status as it relates to the Federal stimulus funds via the American Rescue Plan Act of 2021 (ARP). He explained that it was too early to tell how the money that is projected to be received will be allocated or how it can be used. The City does not know what amount it will be receiving; it is rumored to \$68.8 million. It is also understood there is an additional \$18.5 million that will be turned over to Bristol County, but this money is earmarked for the City. The Administration is concerned that this \$18.5 million might not reach the City and is working towards a clarification on how that funding would be allocated.

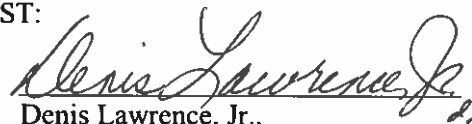
To date, communities have not received a lot of guidance on uses. The City hopes that it will be able to apply some of the funding to Revenue Allocation, which they have heard they will be able to. This would help to cover shortfalls in the City. All in all, the City is in a holding pattern. CFO Sky did hope that the guidelines on how to allocate the funding will be received within the next 30 to 45 days, by the end of May 2021.

On motion by Councillor Lopes and seconded by Councillor Dunn, the Committee Voted: To table this matter for forty-five (45) days. This motion passed on a Roll Call Vote of Yeas 4, Nays 0, with Councillors Dunn, yes; Lima, yes; Lopes, yes; Markey, yes.

Councillor Lopes made a motion to adjourn, which was seconded by Councillor Dunn. This motion passed on a Roll Call Vote of Yeas 4, Nays 0, with Councillors Dunn, yes; Lima, yes; Lopes, yes; Markey, yes.

This meeting adjourned @ 8:13 p.m.

ATTEST:


Denis Lawrence, Jr.,
Clerk of Committees