

NEW BEDFORD, MASSACHUSETTS

MEETING: COMMITTEE ON FINANCE

DATE: SEPTEMBER 20, 2021

TIME: 7:00 P.M.

PLACE: CITY COUNCIL CHAMBER, ROOM 214, MUNICIPAL BUILDING

PRESENT: COUNCILLORS LINDA MORAD, CHAIRPERSON; JOSEPH LOPES, VICE CHAIRMAN; IAN ABREU; DEREK BAPTISTE; NAOMI CARNEY; DEBORA COELHO; HUGH DUNN; MARIA GIESTA; BRIAN GOMES (7:04); SCOTT LIMA; WILLIAM BRAD MARKEY

ABSENT: NO ONE

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Councillor Morad called the Finance Committee Meeting to order and took attendance; everyone was present.

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Notice, City Clerk of reference of a COMMUNICATION, Mayor Mitchell, to the City Council, submitting AN ORDER pursuant to M.G.L. Chapter 44, Section 53A, the City Council hereby accepts a grant of \$64,729,754 through the Coronavirus Local Fiscal Recovery Fund from the U.S. Department of Treasury pursuant to the American Rescue Plan Act (Ref'd 08/19/2021) was received and placed on file by Councillor Lopes and seconded by Councillor Markey. This motion passed on a voice vote of all ayes. (1, 1a)

David Gerwatowski, Legal Counsel to the City Council, was present and addressed the Committee. Attorney Gerwatowski gave his opinion as to whether the Committee should accept the \$64,729,754 Coronavirus Local Fiscal Recovery Fund from the U.S. Department of Treasury pursuant to the American Rescue Plan Act. He explained that should the Committee move to accept the Grant, based on the opinion presented by the Mayor for KP Law, the Council would give up oversight on how the funding is spent. He went on to explain that Chapter 44, 53A of the General Law, outlines how a grant that comes into a city would be handled. He stated that any officer or department head may accept the grant. This is done currently with all the grants that come into the city. The council is in the position to oversee the expenditure of the money coming in. Attorney Gerwatowski felt if the Council accepts the grant, then it would lose the ability to oversee the spending of the funds. He explained this is like the issue currently going on in the City of Fall River; that Council followed the Administrations lead in accepting the grant and then realized that in doing so, they had no input on how the funds were to be spent. Attorney Gerwatowski was informing the Committee of this so they would not go down the same path unless the Council intended to do so.

Attorney Gerwatowski suggested that the Committee could ask the Mayor to submit some type of budget on how the funding will be spent before the approval of the expenditures. He suggested the Committee should not take a vote until they know what they want to do as it relates to finding out how the funds will be spent.

Councillor Lima asked if the Mayor could accept the funds and he was told yes, but he could not expend the funding without the input of the Council.

Councillor Abreu asked if they could request something like the CIP Program in the city, where the money is going to be spent would be presented before the Council and he was told yes.

Councillor Markey asked if the Committee could accept and control the way the funding is allocated, and he was told no.

Councillor Giesta asked if the Committee could approve a motion asking the Administration how he is going to expend the funding, and she was told yes.

Councillor Morad expressed her frustration that the Administration's Chief of Staff, Neil Mello, who was invited to attend this meeting said he would not and sent the Acting Chief Financial Officer in his place.

It was also explained that the city was in the process of hiring a coordinator to oversee the distribution of the funds. It was revealed that the city has already accepted \$32 million, someone had accepted the grant and the Committee was confused as to why the Administration has presented this request. The Committee was told by the Acting CFO that the Treasurer's Office had accepted the first allocation and the next was due in January.

Councillor Baptiste expressed his concern that the city already has a portion of the money, and conversations between the Administration and his departments have taken place on possible allocations and tonight it seems as though the Administration is throwing the Council a few crumbs. The incident in Fall River is indeed a red flag.

Councillor Morad explained that there is a long-standing lack of trust between the Council and the Administration and the way this has been presented to the Committee is an example of this.

On motion by Councillor Gomes and seconded by Councillor Giesta, the Committee VOTED: To table this matter for forty-five (45) days, during which time the Chairperson will solicit what the Committee would like to receive from the Administration as it relates to the spending of the grant money; the Chairperson will compile the list submitted and forward to the Committee Members and in turn the final decision would be forwarded to the Mayor and the Acting CFO. 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 a LOAN ORDER appropriating \$57,000,000.00 to finance the costs of projects outlined in the City's Long Term CSO Control and Integrated Capital Improvements Plan (Ref'd 07/27/2021) was received and placed on file by Councillor Lopes and seconded by Councillor Lima. (2, 2a)

Notice, City Clerk of reference of a LOAN ORDER, appropriating \$71,800,000.00 to finance the costs of Capital Planning and construction of water

distribution and treatment systems improvements including Quittacas Water Treatment Plant upgrades, a lead service abatement program and general system improvements (Passed to a Second Reading - June 24, 2021.) (Ref'd 09/09/2021); a COMMUNICATION, Council President Lopes, submitting a letter dated September 2, 2021, from DPI Commissioner Ponte, regarding the two (2) Loan Orders for water and wastewater system upgrades totaling \$128 million (To be Referred to the Committee on Finance.) (Ref'd 09/09/2021); and a COMMUNICATION, Council President Lopes, submitting a letter dated September 3, 2021, from Counsel Davis, Beveridge & Diamond to City Solicitor McDermott regarding the Loan Orders for water and wastewater system upgrades (To be Referred to the Committee on Finance.) (Ref'd 09/09/2021) was received and placed on file by Councillor Lopes and seconded by Councillor Lima. (3, 3a, 3b)

On motion by Councillor Lopes and seconded by Councillor Lima, the Committee VOTED: To receive and place on file the City of New Bedford Water and Wastewater Appropriations for Fiscal Year 2022. This motion passed on a voice vote of all ayes.

On motion by Councillor Lopes and seconded by Councillor Abreu, the Committee VOTED: To receive and place on file a corrected Letter dated September 2, 2021, from DPI Commissioner Jaime Ponte. This motion passed on a voice vote of all ayes.

Jaime Ponte, DPI Commissioner, was present and gave the Committee a review of the Loan Order request comprised of \$57,000,000 to finance the costs of projects outlined in the City's Long Term CSO Control and Integrated Capital Improvement Plan and \$71,800,000 to finance the costs of Capital Planning and Construction of water distribution and treatment systems improving Quittacas Water Treatment Plant upgrades, a lead service abatement program and general system improvements. He went on to say that if the Committee did not approve the Loan Orders that where the city is under a federal mandate to improve the city's water infrastructure, the federal government could fine the city up to \$56,000 per day, per violation.

Councillor Carney expressed her frustration that the time was wrong in approving these Loan Orders as it would result in an increase in water rates and sewer user fees over the next five (5) years. She stated the Administration should look to allocate more of the COVID relief funding to offset the taxpayer's contribution.

Councillor Giesta expressed concern that where the city is having a hard enough time with collecting outstanding water bills because of COVID, how can we expect the average taxpayer to absorb the increase that would happen if the Loan Orders were approved.

Councillor Abreu explained that the city is at an impasse, they still must get into compliance and avoid getting hit with litigation for not meeting the required compliance.

Councillor Morad asked what the amount of the increase would be if they approved the Loan Orders for both water and wastewater, she was told the average residential single-family home would see an increase of \$444.00 through 2026. She asked the Acting CFO if letters have been sent to the federal government and delegation asking for an extension of the project deadlines. The Acting CFO said his office has not

sent such a communication and did not know about others. She was not pleased with this answer.

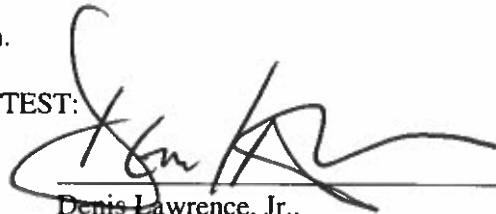
On motion by Councillor Lopes and seconded by Councillor Lima, the Committee VOTED: To recommend to the City Council ADOPTION of the LOAN ORDER appropriating \$57,000,000.00 to finance the costs of projects outlined in the City's Long Term CSO Control and Integrated Capital Improvements Plan. This motion passed on a Roll Call Vote of Yeas 7, Nays 4, with Councillors Carney, Giesta, Gomes and Morad opposed.

On motion by Councillor Lopes and seconded by Councillor Lima, the Committee VOTED: To recommend to the City Council ADOPTION of the LOAN ORDER, appropriating \$71,800,000.00 to finance the costs of Capital Planning and construction of water distribution and treatment systems improvements including Quittacas Water Treatment Plant upgrades, a lead service abatement program and general system improvements. This motion passed on a Roll Call Vote of Yeas 7, Nays 4, with Councillors Carney, Giesta, Gomes and Morad opposed.

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

This meeting adjourned @ 9:21 p.m.

ATTEST:

A handwritten signature in black ink, appearing to read "Denis Lawrence, Jr.", is written over a horizontal line.

Denis Lawrence, Jr.,
Clerk of Committees