

NEW BEDFORD, MASSACHUSETTS

MEETING: COMMITTEE ON FINANCE
DATE: APRIL 17, 2019
TIME: 7:32 P.M.
PLACE: CITY COUNCIL CHAMBER, ROOM 214, MUNICIPAL BUILDING

PRESENT: COUNCILLORS JOSEPH LOPES, CHAIRMAN; IAN ABREU, VICE CHAIRMAN; HUGH DUNN; MARIA GIESTA; SCOTT LIMA; WILLIAM BRAD MARKEY; LINDA MORAD; DANA REBEIRO

ABSENT: COUNCILLORS NAOMI CARNEY; DEBORA COELHO; BRIAN GOMES

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Councillor Lopes called the Finance Committee Meeting to order and took attendance. The Clerk read Communications from Councillors Carney, Coelho and Gomes explaining their absences from this meeting. These Communications were received and placed on file by Councillor Dunn and seconded by Councillor Giesta.

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Councillor Dunn made a motion to take item number five (5) out of order and table to the Finance Committee Meeting on May 15, 2019, this motion was seconded by Councillor Giesta. It is as follows:

Notice, City Clerk of reference of a WRITTEN MOTION, Councillors Dunn, Giesta, Abreu, Lopes, Council President Morad, Councillors Gomes, Lima and Carney, requesting, that the City Council vote to accept the provisions of Chapter 33, Section 59 of the Massachusetts General Laws, that provides benefits to City employees who are temporarily absent from work due to service in the Armed Forces of the Commonwealth or a reserve component of the Armed Forces of the United States. (CHARTER RULED by Council President Morad - March 14, 2019.) (Ref'd 3/28/19) (5)

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Notice, City Clerk of reference of a COMMUNICATION, Mayor Mitchell, to City Council, submitting AN ORDER for the TRANSFER of \$160,000.00 from DOWNTOWN ENTERPRISE FUND, FREE CASH, to DOWNTOWN ENTERPRISE FUND, CHARGES & SERVICES in the amount of \$60,000.00 and DOWNTOWN ENTERPRISE FUND, CAPITAL OUTLAY in the amount of \$100,000.00 (Ref'd 2/14/19) was received and placed on file by Councillor Morad and seconded by Councillor Dunn. (1)

Ari Sky, CFO, was present and gave an overview of the proposed transfer and breakdown. The funds will be part free cash and parking funds. \$100,000 will be used towards downtown sidewalk repairs and improvements and \$60,000 will be used toward a lighting study.

Councillor Morad asked CFO Sky to provide the Committee with a list of the work that is to be done, to include any roadwork and signage.

On motion by Councillor Morad and seconded by Councillor Abreu, the Committee VOTED: To recommend to the City Council ADOPTION of the ORDER for the TRANSFER of \$160,000 from DOWNTOWN ENTERPRISE FUND, FREE CASH, to DOWNTOWN ENTERPRISE FUND, CHARGES & SERVICES in the amount of \$60,000.00 and DOWNTOWN ENTERPRISE FUND, CAPITAL OUTLAY in the amount of \$100,000.00. This motion passed on a voice vote.

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Notice, City Clerk of reference of a COMMUNICATION, Councillor Lopes and Council President Morad, submitting the 2018 New Bedford Economic Development Council Tax Increment Financing Program Annual Report (Ref'd 2/14/19) (3/11/19-tabled) was removed from the table by Councillor Morad and seconded by Councillor Abreu. (2)

Derek Santos, Executive Director of Economic Development was present and answered questions from the Committee. He was asked if those receiving TIF's are meeting their requirements and he reported that there are very few that have yet to meet their goals. That if there is an issue, that they are being late or behind on requirements, they are notified by both the City and State. A few of the projects are too new to tell if they are complying; he cited the new hotel in the city and the Plumber's Supply building as examples. To date, no one is out of compliance.

On motion by Councillor Morad and seconded by Councillor Dunn, the Committee VOTED: To recommend to the City Council to take "No Further Action" on the COMMUNICATION, Councillor Lopes and Council President Morad, submitting the 2018 New Bedford Economic Development Council Tax Increment Financing Program Annual Report. This motion passed on a voice vote.

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Notice, City Clerk of reference of a WRITTEN MOTION, Councillors Lima, Abreu, Lopes and Dunn, requesting that the Administration review fees as they relate to solar energy projects (Ref'd 3/14/19) was received and placed on file by Councillor Lima and seconded by Councillor Abreu. (3)

Councillor Lima asked Commissioner Romanowicz if the City's fee is competitive and he was told he did not know. He does not know what the other communities are charging. The city's fee on solar projects is currently 3% of the panels, materials and labor. Councillor Lima asked if the fees should be lowered, he was told no, it depends on what market it is; if you want solar you will get solar.

Councillor Dunn stated he knew that other communities charge a flat rate of \$100.00 and others charge a flat rate per panel.

Commissioner Romanowicz explained that the fees were put in place before he became the Commissioner. He said 3% was the commercial rate and it carried over to

the residential rate. The city only asks for contracts over 3%. Most proposals come in over \$10,000 which is over the 3% threshold.

Councillor Dunn stated that it appears the city is out of line, above and beyond in its fees on solar compared to other communities. He asked Commissioner Romanowicz to provide the Committee with a breakdown report by customer per project. Commissioner Romanowicz explained that the city's rate goes back to 2012 and was considered fair when established by the Council.

Mr. Carvalho of Beaumont Solar stated the fees charged by the city are ten times more than most other communities. He was asked if his company lost any jobs because of the city's fee structure; he did not indicate either way. He stated he contacted the Mayor's Office and spoke to Christina Connolly who asked that he provide documentation to support this. He said he sent it but has not heard from the Administration.

Mr. Chris Sheldon, 24 Logan Street, New Bedford, of Southern Lights was present to speak to the Committee. He provided the Committee with a handout, which was received and placed on file by Councillor Dunn and seconded by Abreu. He went on to say that locally residential solar rates are double and commercial solar rates are ten times more. 100% of his projects are in the city and 90% commercial and 10% residential.

Councillor Morad asked Commissioner Romanowicz if the policy has changed, as the solar companies have referenced. She was told no, nothing has changed. She stated she would like to see some examples and comparative research on fees charged in similar communities. She asked Mr. Carvalho to provide the Committee with a copy of the research he provided to the Administration.

Councillor Lima asked CFO Sky about the fee structure and he explained the city has charged approximately \$1,300,000 in fees and \$1,600,000 to run the department and that the Administration is looking at the fee structure.

Councillor Rebeiro asked CFO Sky if the fee structures were comparable with other communities, she was told that they are all over the place, and differ from town to town, city to city.

On motion by Councillor Dunn and seconded by Councillor Giesta the Committee VOTED: That the Committee ask Dan Romanowicz, DIS Commissioner to provide the Committee with a breakdown of all solar jobs in the city to include fee charges by the city per project. This motion passed on a voice vote.

On motion by Councillor Lima and seconded by Councillor Abreu, the Committee VOTED: To table this matter for ninety (90) days. This motion passed on a voice vote.

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Notice, City Clerk of reference of a LOAN ORDER, AS AMENDED, in the amount of \$3,500,000.00 for the purpose of making critically-needed repairs to City-owned buildings including, but not limited to, projects for the repair and renovations of public safety facilities, recreational facilities, general office space, roads and

infrastructure (FY 2019-2023 Capital Improvement Program.) (Ref'd 3/14/19) was received and placed on file by Councillor Morad and seconded by Councillor Giesta. (4)

Councillor Morad asked Attorney Gerwatowski to explain what this action calls for and she was told the original \$3,975,000 was for City Hall Deferred Maintenance which included the Council Chambers, this motion would put the money back into the original amount requested of \$100,000. The \$375,000 for the Police Annex was tabled, this motion would put the \$375,000 back into the project. Attorney Gerwatowski explained that the City Council does have the authority to amend money back into a Loan Order. It is appropriate to do this.

Mark Champagne, Director of DFFM, explained the Chamber work would include the replacement of carpet, the placing of USB ports at the Councillor's desks if possible. This will also include repainting the water damaged area of the Chamber.

On motion by Councillor Morad and seconded by Councillor Lima, the Committee VOTED: To amend the Loan Order to \$3,975,000 putting back the \$375,000 for the Police Annex and \$100,000 for City Hall Deferred Maintenance. This motion Passed on a voice vote.

On motion by Councillor Morad and seconded by Councillor Giesta, the Committee VOTED: To recommend to the City Council ADOPTION of the LOAN ORDER, AS AMENDED, in the amount of \$3,975,000.00 for the purpose of making critically-needed repairs to city-owned buildings including, but not limited to, projects for the repair and renovations of public safety facilities, recreational facilities, general office space, roads and infrastructure. This motion passed on a voice vote.

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Notice, City Clerk of reference of a WRITTEN MOTION, Councillor Lopes, requesting that the Committee on Finance meet with the City Treasurer and the Commissioner of the Department of Public Infrastructure to discuss a temporary establishment of an amnesty program for the collection of quarterly Real Estate Tax, Water and Sewer bills for those City residents effected by the Government furlough, said amnesty program would allow for the City residents effected by the furlough to establish a payment plan with the City of New Bedford void of any penalties and interest on the unpaid portion of City billings during the United States Government furlough and for a period of 60 days after the conclusion of the furlough. (Ref'd 1/24/19) (6)

On motion by Councillor Morad and seconded by Councillor Giesta, the Committee VOTED: To recommend to the City Council to take "No Further Action" on the WRITTEN MOTION, Councillor Lopes, requesting that the Committee on Finance meet with the City Treasurer and the Commissioner of the Department of Public Infrastructure to discuss a temporary establishment of an amnesty program for the collection of quarterly Real Estate Tax, Water and Sewer bills for those City residents effected by the Government furlough, said amnesty program would allow for the City residents effected by the furlough to establish a payment plan with the City of New Bedford void of any penalties and interest on the unpaid portion of City billings during the United States Government furlough and for a period of 60 days after the conclusion of the furlough. This motion passed on a voice vote.

Councillor Morad made a motion to adjourn, which was seconded by Councillor Giesta.

This meeting adjourned @ 8:17 p.m.

ATTEST:



Denis Lawrence, Jr.,
Clerk of Committees