



CITY OF NEW BEDFORD, MASSACHUSETTS

MEETING: COMMITTEE ON FINANCE
DATE: NOVEMBER 20, 2024
TIME: 7:00 PM
PLACE: CITY COUNCIL CHAMBER, ROOM 214

PRESENT: COUNCILLORS LINDA MORAD, CHAIR; IAN ABREU;
DEREK BAPTISTE (7:07); SHANE BURGO; NAOMI
CARNEY (7:10); LEO CHOQUETTE; MARIA GIESTA;
JOSEPH LOPES; SHAWN OLIVER AND RYAN PEREIRA

ABSENT: BRIAN GOMES

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Councillor Morad called the Finance Committee meeting to order, read the Remote Meeting Statement into the record and explained that the meeting was being recorded and live-streamed. She recognized the guests present and took attendance. The Clerk read a Communication into the record from Councillor Gomes explaining his absence. The Communication was received and placed on file by Councillor Oliver and seconded by Councillor Lopes on a roll call vote of Yeas 8, Nays 0 with Councillors Abreu – yes; Burgo – yes; Choquette – yes; Giesta – yes; Lopes – yes; Morad – yes; Oliver – yes; and Pereira – yes. (Councillors Baptiste and Carney not present for vote.)

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The following items were taken up together without objection.

COMMUNICATION (Matter ID #1732) and AN ORDER (Matter ID #1733) submitted by Mayor Mitchell, for the APPROPRIATION of \$8,816.00 in the ARTS, CULTURE AND TOURISM FUND, Purchase of Services account for the fiscal year beginning July 1, 2024 and ending June 30, 2025. (Referred – October 24, 2024.)

COMMUNICATION (Matter ID #1750) and AN ORDER (Matter ID #1751) submitted by Mayor Mitchell, for the APPROPRIATION of \$20,500.00, from ORDINARY REVENUE and MUNICIPAL RECEIPTS to RESILIENCE AND ENVIRONMENTAL STEWARDSHIP PURCHASE OF SERVICES. (Referred – October 24, 2024.)

COMMUNICATION (Matter ID #1730) and AN ORDER (Matter ID #1731) submitted by Mayor Mitchell, for the APPROPRIATION of \$30,064.00 in the AIRPORT, Purchase of Services account for the fiscal year beginning July 1, 2024 and ending June 30, 2025. (Referred – October 24, 2024.)

COMMUNICATION (Matter ID #1748) and AN ORDER (Matter ID #1749) submitted by Mayor Mitchell, for the APPROPRIATION of \$40,017.00, from ORDINARY REVENUE and MUNICIPAL RECEIPTS to ZOO PURCHASE OF SERVICES in the amount of \$22,627.00 and ZOO SUPPLIES in the amount of \$17,390.00. (Referred – October 24, 2024.)

COMMUNICATION (Matter ID #1742) and AN ORDER (Matter ID #1743) submitted by Mayor Mitchell, for the APPROPRIATION of \$100,000.00 from ORDINARY REVENUE and MUNICIPAL RECEIPTS to EMS PERSONAL SERVICES. (Referred – October 24, 2024.)

COMMUNICATION (Matter ID #1738) and AN ORDER (Matter ID #1739) submitted by Mayor Mitchell, for the APPROPRIATION of \$485,000.00 from ORDINARY REVENUE and MUNICIPAL RECEIPTS to SOLICITOR PERSONAL SERVICES in the amount of \$85,000.00 and SOLICITOR PURCHASE OF SERVICES in the amount of \$400,000.00. (Referred – October 24, 2024.)

COMMUNICATION (Matter ID #1746) and AN ORDER (Matter ID #1747) submitted by Mayor Mitchell, for the APPROPRIATION of \$50,000.00 from ORDINARY REVENUE and MUNICIPAL RECEIPTS to ASSESSORS PURCHASE OF SERVICES. (Referred – October 24, 2024.)

COMMUNICATION (Matter ID #1740) and AN ORDER (Matter ID #1741) submitted by Mayor Mitchell, for the APPROPRIATION of \$142,307.00 from ORDINARY REVENUE and MUNICIPAL RECEIPTS to AUDITOR PERSONAL SERVICES in the amount of \$64,872.00 and AUDITOR PURCHASE OF SERVICES in the amount of \$77,435.00. (Referred – October 24, 2024.)

COMMUNICATION (Matter ID #1744) and AN ORDER (Matter ID #1745) submitted by Mayor Mitchell, for the APPROPRIATION of \$76,989.00 from ORDINARY REVENUE and MUNICIPAL RECEIPTS to LABOR RELATIONS PERSONAL SERVICES in the amount of \$66,314.00 and LABOR RELATIONS PURCHASE OF SERVICES in the amount of \$10,675.00. (Referred – October 24, 2024.)

COMMUNICATION (Matter ID #1736) and AN ORDER (Matter ID #1737) submitted by Mayor Mitchell, for the APPROPRIATION of \$495,000.00 from ORDINARY REVENUE and MUNICIPAL RECEIPTS to FACILITIES AND FLEET PURCHASE OF SERVICES in the amount of \$495,000.00. (Referred – October 24, 2024.)

COMMUNICATION (Matter ID #1734) and AN ORDER (Matter ID #1735) submitted by Mayor Mitchell, for the APPROPRIATION of \$3,000,000.00 from ORDINARY REVENUE and MUNICIPAL RECEIPTS to HEALTH INSURANCE PURCHASE OF SERVICES in the amount of \$3,000,000.00. (Referred – October 24, 2024.)

The Chair stated she would recognize Councillors to ask questions on any of the items now before them. She went on to explain that the items are requests to replace funding that was removed during the Council's Budget Cut session. She also stated that where these cuts were part of the initial budget discussions, she did not feel it was prudent to include the department heads as a part of this meeting. However, she stated if there is a question that cannot be answered by the invited guests this evening, CFO Ekstrom has agreed to take the question back to the specific department head and would report back to the Council with an appropriate answer.

Councillor Lopes asked for clarification on the \$495,000 request for the Department of Facilities and Fleet Management (DFFM), applicable to the Zeiterion Theatre. Neil Mello, Chief of Staff for the Mayor's Office, was recognized and explained that this amount is based on the payment agreement between the City and the Zeiterion. It will allow the City to fulfill its obligation and implement the management contract for the building between both parties, as was approved by the City Council. Christina Connelly, Chief Operating Officer for the Mayor's Office, was recognized and added that this funding was for the first year of the contract.

Councillor Lopes expressed concern that during his tenure, he has never been asked to approve appropriation requests prior to the Tax Classification hearing, and that normally it is done at the midpoint of the fiscal year. He asked when it is estimated that The Zeiterion will run out of revenue for the improvement of the building.

CFO Robert Ekstrom was recognized and stated that the City has done supplemental budget requests in the past and that by definition, a supplemental request is any supplement to the budget before the tax rates are set. He added that after the tax rates are set, there is no turning back. This is the last chance the City has to get a supplemental budget; after that, the City can only request transfers.

Councillor Lopes asked what the City's cost/spend is year-to-date, for each department. Mr. Ekstrom replied that he would have to run a report on that but mentioned he received a similar request from the Audit Committee, and that he is currently in the process of putting the information together. He stated that right now the City is tracking in the direction of ending up with a budget deficit and that the only way to correct this projected shortage would be for the Council to approve the supplemental budget being requested. He believes the City will more than likely run into a \$600,000 deficit at the end of the year, even with inter-departmental transfers happening.

Councillor Pereira was recognized and pointed out that although the conversation has been about the \$495,000 line item for The Zeiterion within the DFFM budget, the Council cannot cut specific line items, they can only make cuts to accounts, and he added that the \$495,000 cut by the Council was from the 200 account. He also shared that he has reviewed the City's year-to-date budget, as of November 19, 2024, and based on his review, he believes the City is approximately 42% of the way through the fiscal year. He proceeded to give an overview of what he believes are the funds spent to date for DFFM.

In response, Mr. Ekstrom explained that 42% would bring the departments to the end of November, and that they would not receive all of the anticipated invoices until the end of December; he believes what the Councillor is referencing now only extends through the first three months of the fiscal year. He stated that there may be potential savings that can be applied to the budget shortfall, but that has yet to be determined.

Councillor Pereira stated, based on his review of the DFFM budget, they will end up with \$600,000 in savings; Mr. Ekstrom did not want to comment on the status of their budget without the input of the department head. Mr. Mello echoed the CFO's comments and suggested that the department head be present to address the Councillor's questions.

Councillor Pereira commented that the Administration's reply to the Council's budget cuts was described as "No way to run a railroad." The Councillor believed that "the railroad" should be run smaller. Mr. Mello replied that the Administration believes a conversation in scaling down government services could be a very healthy discussion in the future; however, the items before the Committee this evening are requests for funding to address contractual obligations the City currently has. Mr. Mello went on to say that while we all share the collective goal of addressing taxpayer burden, the immediate issue is whether or not the City is going to be able to meet contractual obligations. He cautioned the Council that if the City did not meet these financial obligations, the consequences could create additional taxpayer burden. He added that if these bills were not paid, there would be a direct effect to the City's tax levy in December.

Councillor Oliver asked Mr. Ekstrom to expand on his comment regarding discussions with department heads to pull back on spending. Mr. Ekstrom replied that after the initial cuts, they reached out to each department head and asked them to come up with a plan if the cuts held firm. Each department is trying to make it work; there will be some vacancy savings along with a 5% cut across the board in supplies and 7% in purchases and services. The departments that could not make the cuts work were the requests before the Committee tonight. He added that this year's cuts were drastic, and he believes the City will end up with only two million dollars in free cash. He believes the budget will be short at the end of the fiscal year if the cuts are not restored tonight.

Councillor Morad expressed her belief that the Administration was missing the underlying message, which is that the Council does not want to spend this money. This means that the Administration has to figure out a way to meet their financial obligations with what they have been given by way of the budget.

Councillor Lopes questioned Mr. Ekstrom on the \$142,307 appropriation for Auditors. He understood that \$77,435 is needed to pay the outside auditor for services, but he wanted to know what the other \$64,872 was for. He was told it was to cover salaries within the department.

Councillor Burgo asked for clarification on the City Auditor position, as the person who filled the position came from another department. He was told that was correct. The Councillor then asked if that meant that there was a surplus in the department when the employee's former position was left vacant. He was told the position the employee left was filled in a different capacity, and that this request is to fully fund the position in the Auditor's Office which became vacant when Emily Arpke left.

Councillor Burgo shared that he believes the reason why certain people may be puzzled by the distrust that the Council has for the Administration, which is not for any particular person but for the Administration as a whole, is because the Council is often met with these doom and gloom scenarios. Additionally, he pointed out that the Support Agreement for the Zeiterion Theatre was approved by the Council in September, and the Theatre has yet to receive payment. He believes the funding is purposefully being withheld by the Administration in order to attack the Council, which in his opinion, is something that happens often. However, regarding the current appropriation requests, he feels the Committee simply wants to ensure that funding is being used effectively, and at the end of the year, that tends to not be the case.

Councillor Morad asked José Gouveia, Personnel Director, if he was prepared to provide the Committee with the vacant City positions. Mr. Gouveia replied that he would be able to provide the Committee with a total number by tomorrow. Councillor Morad asked that the vacancies be broken down by department.

On motion by Councillor Pereira and seconded by Councillor Giesta, the Committee VOTED: To recommend that the City Council take **"NO FURTHER ACTION"** on the ORDER, submitted by Mayor Mitchell, for the APPROPRIATION of \$8,816.00 in the ARTS, CULTURE AND TOURISM FUND, Purchase of Services account for the fiscal year beginning July 1, 2024 and ending June 30, 2025. This motion passed by a roll call vote of Yeas 10, Nays 0 with Councillors Abreu – yes; Baptiste – yes; Burgo – yes; Carney – yes; Choquette – yes; Giesta – yes; Lopes – yes; Morad – yes; Oliver – yes; and Pereira – yes.

On motion by Councillor Burgo and seconded by Councillor Giesta, the Committee VOTED: To recommend that the City Council take **"NO FURTHER ACTION"** on the ORDER, submitted by Mayor Mitchell, for the APPROPRIATION of \$20,500.00, from ORDINARY REVENUE and MUNICIPAL RECEIPTS to RESILIENCE AND ENVIRONMENTAL STEWARDSHIP, PURCHASE OF SERVICES. This motion passed by a roll call vote of Yeas 10, Nays 0 with Councillors Abreu – yes; Baptiste – yes; Burgo – yes; Carney – yes; Choquette – yes; Giesta – yes; Lopes – yes; Morad – yes; Oliver – yes; and Pereira – yes.

On motion by Councillor Pereira and seconded by Councillor Burgo, the Committee VOTED: To recommend that the City Council take **“NO FURTHER ACTION”** on the ORDER, submitted by Mayor Mitchell, for the APPROPRIATION of \$30,064.00 in THE AIRPORT, PURCHASE OF SERVICES account for the fiscal year beginning July 1, 2024 and ending June 30, 2025. This motion passed by a roll call vote of Yeas 10, Nays 0 with Councillors Abreu – yes; Baptiste – yes; Burgo – yes; Carney – yes; Choquette – yes; Giesta – yes; Lopes – yes; Morad – yes; Oliver – yes; and Pereira – yes.

On motion by Councillor Pereira and seconded by Councillor Burgo, the Committee VOTED: To recommend that the City Council take **“NO FURTHER ACTION”** on the ORDER, submitted by Mayor Mitchell, for the APPROPRIATION of \$40,017.00, from ORDINARY REVENUE and MUNICIPAL RECEIPTS to ZOO, PURCHASE OF SERVICES in the amount of \$22,627.00 and ZOO, SUPPLIES in the amount of \$17,390.00. This motion passed by a roll call vote of Yeas 8, Nays 2 with Councillors Abreu – no; Baptiste – yes; Burgo – yes; Carney – yes; Choquette – no; Giesta – yes; Lopes – yes; Morad – yes; Oliver – yes; and Pereira – yes.

On motion by Councillor Burgo and seconded by Councillor Giesta, the Committee VOTED: To recommend that the City Council take **“NO FURTHER ACTION”** on the ORDER, submitted by Mayor Mitchell, for the APPROPRIATION of \$100,000.00 from ORDINARY REVENUE and MUNICIPAL RECEIPTS to EMS, PERSONAL SERVICES. This motion passed by a roll call vote of Yeas 8, Nays 2 with Councillors Abreu – yes; Baptiste – yes; Burgo – yes; Carney – yes; Choquette – yes; Giesta – yes; Lopes – no; Morad – yes; Oliver – no; and Pereira – yes.

On motion by Councillor Burgo and seconded by Councillor Giesta, the Committee VOTED: To recommend that the City Council take **“NO FURTHER ACTION”** on the ORDER, submitted by Mayor Mitchell, for the APPROPRIATION of \$485,000.00 from ORDINARY REVENUE and MUNICIPAL RECEIPTS to SOLICITOR, PERSONAL SERVICES in the amount of \$85,000.00 and SOLICITOR, PURCHASE OF SERVICES in the amount of \$400,000.00. This motion passed by a roll call vote of Yeas 7, Nays 3 with Councillors Abreu – no; Baptiste – yes; Burgo – yes; Carney – yes; Choquette – no; Giesta – yes; Lopes – no; Morad – yes; Oliver – yes; and Pereira – yes.

On motion by Councillor Burgo and seconded by Councillor Abreu, the Committee VOTED: To recommend that the City Council take **“NO FURTHER ACTION”** on the ORDER, submitted by Mayor Mitchell, for the APPROPRIATION of \$50,000.00 from ORDINARY REVENUE and MUNICIPAL RECEIPTS to ASSESSORS, PURCHASE OF SERVICES. This motion passed by a roll call vote of Yeas 10, Nays 0 with Councillors Abreu – yes; Baptiste – yes; Burgo – yes; Carney – yes; Choquette – yes; Giesta – yes; Lopes – yes; Morad – yes; Oliver – yes; and Pereira – yes.

On motion by Councillor Pereira and seconded by Councillor Burgo, the Committee VOTED: To recommend that the City Council take **“NO FURTHER ACTION”** on the ORDER, submitted by Mayor Mitchell, for the APPROPRIATION of \$142,307.00 from ORDINARY REVENUE and MUNICIPAL RECEIPTS to AUDITOR, PERSONAL SERVICES in the amount of \$64,872.00 and AUDITOR, PURCHASE OF SERVICES in the amount of \$77,435.00. This motion passed by a roll call vote of Yeas 9, Nays 1 with Councillors Abreu – yes; Baptiste – yes; Burgo – yes; Carney – yes; Choquette – yes; Giesta – yes; Lopes – no; Morad – yes; Oliver – yes; and Pereira – yes.

On motion by Councillor Burgo and seconded by Councillor Giesta, the Committee VOTED: To recommend that the City Council take **“NO FURTHER ACTION”** on the ORDER, submitted by Mayor Mitchell, for the APPROPRIATION of \$76,989.00 from ORDINARY REVENUE and MUNICIPAL RECEIPTS to LABOR RELATIONS, PERSONAL SERVICES in the amount of \$66,314.00 and LABOR RELATIONS, PURCHASE OF SERVICES in the amount of \$10,675.00. This motion passed by a roll call vote of Yeas 10, Nays 0 with Councillors Abreu – yes; Baptiste – yes; Burgo – yes; Carney – yes; Choquette – yes; Giesta – yes; Lopes – yes; Morad – yes; Oliver – yes; and Pereira – yes.

On the question: Councillor Burgo wanted to clarify that although he is a big supporter of The Zeiterion, he is not in favor of approving the appropriation request. He believes the Council has appropriated enough funds within the DFFM account to fund the Support Agreement between the City and The Zeiterion.

On motion by Councillor Giesta and seconded by Councillor Burgo, the Committee VOTED: To recommend that the City Council take **“NO FURTHER ACTION”** on the ORDER, submitted by Mayor Mitchell, for the APPROPRIATION of \$495,000.00 from ORDINARY REVENUE and MUNICIPAL RECEIPTS to FACILITIES AND FLEET, PURCHASE OF SERVICES in the amount of \$495,000.00. This motion passed by a roll call vote of Yeas 7, Nays 3 with Councillors Abreu – no; Baptiste – no; Burgo – yes; Carney – yes; Choquette – no; Giesta – yes; Lopes – yes; Morad – yes; Oliver – yes; and Pereira – yes.

On motion by Councillor Giesta and seconded by Councillor Pereira, the Committee VOTED: To recommend that the City Council take **“NO FURTHER ACTION”** on the ORDER, submitted by Mayor Mitchell, for the APPROPRIATION of \$3,000,000.00 from ORDINARY REVENUE and MUNICIPAL RECEIPTS to HEALTH INSURANCE, PURCHASE OF SERVICES in the amount of \$3,000,000.00. This motion passed by a roll call vote of Yeas 10, Nays 0 with Councillors Abreu – yes; Baptiste – yes; Burgo – yes; Carney – yes; Choquette – yes; Giesta – yes; Lopes – yes; Morad – yes; Oliver – yes; and Pereira – yes.

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Councillor Burgo made a motion to adjourn, seconded by Councillor Giesta. This motion passed by a roll call vote of Yeas 10, Nays 0 with Councillors Abreu – yes; Baptiste – yes; Burgo – yes; Carney – yes; Choquette – yes; Giesta – yes; Lopes – yes; Morad – yes; Oliver – yes; and Pereira – yes.

This meeting adjourned at 8:15 pm.

ATTEST:

Denis Lawrence Jr.
Clerk of the Committees