



CITY OF NEW BEDFORD, MASSACHUSETTS

MEETING: COMMITTEE ON AUDIT
DATE: APRIL 10, 2025
TIME: 6:01 P.M.
PLACE: CITY COUNCIL CHAMBER, ROOM 214

PRESENT: COUNCILLORS RYAN PEREIRA, CHAIR; LINDA MORAD; SHAWN OLIVER

ABSENT: COUNCILLORS IAN ABREU; JOSEPH LOPES

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Councillor Pereira called the Committee on Audit meeting to order, took attendance, and explained that the meeting was being recorded and live-streamed. The Clerk read a Communication into the record from Councillor Lopes explaining his absence. The Communication was received and placed on file by Councillor Oliver and seconded by Councillor Morad.

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The following item was taken out of order, without objection.

WRITTEN MOTION, Councillors Pereira, Oliver and Morad, requesting, that the Committee on Audit receive monthly reports for expenditures from every department and account. (To be Referred to the Committee on Audit, CFO Robert Ekstrom, the Auditor and the Administration.) (Matter ID #1155) (Referred – June 27, 2024.) (July 15, 2024 – RETURNED UNSIGNED by the Mayor.) (October 17, 2024 – tabled)

On motion by Councillor Oliver and seconded by Councillor Morad, the Committee VOTED: To remove from the table.

Councillor Pereira stated that at the last Audit Committee meeting, he had requested a quarterly report so that the public could be informed where the City is in the current Fiscal Year. He recognized CFO Robert Ekstrom and asked Mr. Ekstrom for the report.

Mr. Ekstrom announced that the City Auditor, Quillan Lowney, had produced the financial statements and that they will be placed on the City's website. Prior to that, he wanted to take the Committee through the actual report and cover statement that will be published online before it is released.

On motion by Councillor Oliver and seconded by Councillor Morad, the Committee VOTED: To receive and place on file the Financial Analysis Report, covering six months, ending December 31, 2024, submitted by the Office of the City Auditor.

Councillor Pereira explained that the Committee would need time to review the report, however, he asked Mr. Ekstrom to provide the Committee with a brief synopsis of what the report entailed. Mr. Ekstrom explained that the first page is intended to be a General Fund summary by department only, it contains no individual line items. He used the City Council line as an example because it is first in the system.

The report stated that the City Council had an original budget of \$852,238.00, the revised budget is the same amount, the Year-To-Date expenditure is \$366,102.00, the projected expenditure is \$830,827.00, with a surplus of \$21,411.00. The General Fund Summary includes all departments and shows the projected year-end of each one as either having a surplus or a deficit.

Mr. Ekstrom explained that revised budgets are normally driven by two factors, a contract change or an expense from the previous year that has been requested to be rolled forward and payable in the new Fiscal Year. This would add to the budget, the reason being that an expenditure from the previous year is moved to the current year.

The second page shows the general fund summary for six months, ending December 31, 2024, and is broken down by department. This section also shows the original budget amount, a revised budget, what has been expended year to date, what the projected expenditures are and whether or not that department will end up with a surplus or a deficit. Mr. Ekstrom stated that when they know what departments will end up with a deficit, he comes before the Council requesting transfers to cover those deficits.

This report will be placed on the City's website every quarter. Mr. Ekstrom's department is only two weeks away from getting the figures for the next quarter and wanted this quarter's report to be completed and distributed to the Council for review before it is published online.

Councillor Morad asked Mr. Ekstrom to provide the Committee with both the General Fund and Enterprise Fund figures, whose revised budget is over \$100,000 or more, and would like to know what is driving that increase. Mr. Ekstrom replied that he would get that information to the Committee.

Councillor Oliver asked about the \$1.5 million deficit, where half appears to be Labor and the other half Solid Waste. He wanted to know if Mr. Ekstrom is speaking to department heads to determine other methods to cover the deficit. Mr. Ekstrom stated the first step is to make the department heads aware of their deficits. His office does have ongoing conversations with department heads; however, the current conversations have to do with labor. He went on to say that currently there is not really much to discuss about Solid Waste, but he will be reaching out to Jennifer Vieira, Director of the Department of Facilities and Fleet Management, to address that particular deficit.

Mr. Ekstrom said the main cause of the Solid Waste budget overage was the transition from ABC Disposal/Harvey Industries to Capitol Waste Management. There was a charge of an additional \$300,000.00 to cover that transition, which has rolled over into the next Fiscal Year. He added that he hopes to cover the Solid Waste expense through a Free Cash transfer. Mr. Ekstrom also stated that another increase has to do with the collection of bulky items. In the current contract, the City is charged for each bulky item picked up.

Councillor Oliver asked if the City had attempted to claw back the overage charged to them from the previous carrier. Mr. Ekstrom did not have an answer to this question and said that it would have to be reviewed with the DFFM Director Vieira. Councillor Oliver asked Mr. Ekstrom to obtain this information from Director Vieira and inform the Committee.

Mr. Ekstrom explained that the increase on the payroll side is being driven by the Fire Department. They have been paying out overtime due to staffing shortages; in addition, there are firefighters out on medical leave and/or military leave. For the most part, Mr. Ekstrom said all of the other departments have remained stable as it relates to labor. Councillor Morad asked Mr. Ekstrom to provide the City Council with a digital copy of the report they received tonight. Mr. Ekstrom stated he would. Councillor Pereira asked that he provide each Councillor and the Council office with a hard copy of the report as well. Mr. Ekstrom stated he would.

On motion by Councillor Oliver and seconded by Councillor Morad, the Committee VOTED: To table the matter at this time.

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WRITTEN MOTION, Councillor Gomes, requesting, that the Committee on Audit ask the Administration to provide the Committee with a list of all contractors that contract for service work, engineering, etc., awarded by the City over the past eight years; and further, that the list be provided to the Committee by year, from January 2014 to September 2022. (Matter ID #1670) (Referred – October 13, 2022.) (October 28, 2022 – RETURNED UNSIGNED by the Mayor.) (February 25, 2025 – tabled.)

On motion by Councilor Oliver and seconded by Councillor Morad, the Committee VOTED: To remove from the table.

Councillor Pereira explained that the Committee received a communication based on the initial request, which included every City contract in place. He had asked for a breakdown that dealt with contractors, electrical, plumbers, architecture and engineers only. Mr. Ekstrom presented the Committee with the packet containing the information requested, comprised of 450 lines.

On motion by Councillor Oliver and seconded by Councillor Morad, the Committee VOTED: To receive and place on file the packet listing all current contracts in place with the City.

Councillor Pereira said he believed it would be productive if Mr. Ekstrom would explain the header for each line on the report; then the Committee would review the report, and questions could be asked at a later meeting. Councillor Gomes, who was present at the meeting although not a Committee member, agreed that time will be needed to review the information they have been presented with at this meeting.

Councillor Morad asked Mr. Ekstrom to explain the line headers so that they will be able to understand what they are reading. She asked what the difference was between the “post” and “closed” lines. Mr. Ekstrom replied that “post” means they are still active contracts and “closed” means that the contracts have ended, and the entire contract has been paid.

Councillor Morad asked if under the category description “year”, does that indicate the year the contract opened. She was told yes. She asked what the term “period” meant. Mr. Ekstrom answered that it was the accounting period that the item was opened for, between Fiscal Month within the Fiscal Year. She asked where it reads “City Department”, if that is the department that the line relates to. She was told yes. The only real distinction is where it says “S”. That would mean the School Department, and the last three digits that follow are the department’s numbers. He added that extended dates are Change Orders that are added to the finishing date of a contract.

Councillor Pereira stated that if there was anything particular a Councillor would like to see, they should reach out to Mr. Ekstrom directly.

On motion by Councillor Oliver and seconded by Councillor Morad, the Committee VOTED: To table the matter at this time.

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Councillor Oliver made a motion to adjourn which was seconded by Councillor Morad.
This motion passed on a roll call vote of Yeas 3, Nays 0.

This meeting adjourned at 6:36 p.m.

ATTEST:

Denis Lawrence, Jr.
Clerk of Committees