



CITY OF NEW BEDFORD, MASSACHUSETTS

MEETING: COMMITTEE ON FINANCE
DATE: APRIL 16, 2025
TIME: 7:02 P.M.
PLACE: CITY COUNCIL CHAMBER, ROOM 214

PRESENT: COUNCILLORS LINDA MORAD, CHAIR; IAN ABREU;
SHANE BURGO; NAOMI CARNEY (7:13); LEO
CHOQUETTE; MARIA GIESTA; BRIAN GOMES;
JOSEPH LOPES; SHAWN OLIVER; RYAN PERERIA

ABSENT: DEREK BAPTISTE

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Councillor Morad called the Finance Committee 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 Baptiste explaining his absence and a Communication from Councillor Carney explaining her tardiness. The Communications were received and placed on file by Councillor Lopes and seconded by Councillor Oliver.

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COMMUNICATION (Matter ID #0445) and AN ORDER (Matter ID #0446), submitted by Mayor Mitchell, for the TRANSFER of \$15,500.00 from FREE CASH to ELECTIONS CAPITAL OUTLAY. (Referred – March 27, 2025.)

Councillor Pereira asked Robert Ekstrom, Chief Financial Officer, to provide the Committee with an explanation on the matter. Mr. Ekstrom explained that a grant had been received to cover this request, therefore it is no longer needed.

On motion by Councillor Lopes and seconded by Councillor Oliver, the Committee VOTED: To recommend that the City Council take **“NO FURTHER ACTION”** on the ORDER, for the TRANSFER of \$15,500.00 from FREE CASH to ELECTIONS CAPITAL OUTLAY. This motion passed on a roll call vote of Yeas 9, Nays 0. (Councillor Carney not present for vote.)

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COMMUNICATION (Matter ID #0443) and AN ORDER (Matter ID #0444), submitted by Mayor Mitchell, for the TRANSFER of \$20,500.00 from FREE CASH to RESILIENCE AND ENVIRONMENTAL STEWARDSHIP PURCHASE OF SERVICES. (Referred – March 27, 2025.)

Mr. Ekstrom explained that this request was made to cover a mandated monitoring requirement at the Shawmut Avenue Landfill and a non-mandated monitoring of the Taber Mill area. Councillor Pereira asked what the end result would be if the funding was not approved. Mr. Ekstrom replied that that Shawmut Avenue site would be out of compliance with the State mandate.

Councillor Morad asked why the City was not able to come up with the funds from some other area within its budget. Mr. Ekstrom explained that the funding is not available in the Department's account. He added that the current budget is quite lean, and he is not aware of any other accounts that he can pull the funds from to cover this expense. Councillor Morad asked for a breakdown of the costs to monitor the two sites. She was told the Shawmut Avenue cost is \$12,500.00 and the Taber Mill cost is \$8,000.00.

On motion by Councillor Pereira and seconded by Councillor Gomes, the Committee VOTED: To recommend to the City Council ADOPTION of AN ORDER, for the TRANSFER of \$20,500.00 from FREE CASH to RESILIENCE AND ENVIRONMENTAL STEWARDSHIP PURCHASE OF SERVICES. This motion FAILED on a roll call vote of Yeas 5, Nays 5. (Councillors Burgo, Carney, Giesta, Morad and Oliver OPPOSED.)

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COMMUNICATION (Matter ID #0441) and AN ORDER (Matter ID #0442), submitted by Mayor Mitchell, for the TRANSFER of \$28,000.00 from FREE CASH to FACILITIES AND FLEET MANAGEMENT PURCHASE OF SERVICES. (Referred – March 27, 2025.)

Mr. Ekstrom explained that these funds would be used for the design phase of the Assessor's Office remodeling project. It would create professional plans for the Department of Facilities and Fleet Management (DFFM) to follow when upgrading the Office.

Councillor Lopes expressed concern about having to pay for designs when DFFM has done a number of similar projects; he feels that at this point, they should be able to bypass this step. He asked how much space the new design would free up for the office, and was told about 28%. He asked what the extra space would be used for; Mr. Ekstrom was unable to answer that question, stating that it would be up to the Administration.

Councillor Lopes asked what the projected cost for the project would be. Mr. Ekstrom was unable to answer the question. Councillor Lopes asked that the Committee be provided with the costs for the last four to five rehab jobs completed by the City, not including the Solicitors Office.

Councillor Pereira made a Motion to refer the matter to the full City Council recommending approval, which was seconded by Councillor Burgo.

On the question, Councillor Pereira stated that he appreciated the CFO's diligence in dealing with the FY25 budget and the cuts made by the Council. However, there are some things that will come before the Committee during this meeting that the City cannot pay for, and the Administration is looking to restore items which we typically cannot afford. There will also be other items discussed in this meeting that are over budget, but with that being said, he does not see why this particular item should not be approved.

On motion by Councillor Pereira and seconded by Councillor Burgo, the Committee VOTED: To recommend to the City Council ADOPTION of AN ORDER, for the TRANSFER of \$28,000.00 from FREE CASH to FACILITIES AND FLEET MANAGEMENT PURCHASE OF SERVICES. This motion FAILED on a roll call vote of Yeas 4, Nays 6. (Councillors Abreu, Burgo, Gomes and Pereira IN FAVOR.)

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COMMUNICATION (Matter ID #0439) and AN ORDER (Matter ID #0440), submitted by Mayor Mitchell, for the TRANSFER of \$40,000.00 from FREE CASH to ASSESSORS PURCHASE OF SERVICES. (Referred – March 27, 2025.)

Mr. Ekstrom stated that the Administrative Assistant position for this office has been filled, but it will take some time for the new employee to be fully independent. During the search, another part-time employee, a former interim assessor, was brought in to assist with the transition.

Regarding the request, Mr. Ekstrom shared that these funds would allow for the use of a new technology system, offered by Spice Technologies, that compiles data related to commercial property assessments. He explained that there is not a lot of remaining funds to pay for this new program, and that the approval of this request will allow for the program to be fully funded. He added that moving forward, the system fees will be included in the yearly budget proposals.

On motion by Councillor Oliver and seconded by Councillor Lopes, the Committee VOTED: To recommend to the City Council ADOPTION of AN ORDER, for the TRANSFER of \$40,000.00 from FREE CASH to ASSESSORS PURCHASE OF SERVICES. This motion passed on a roll call vote of Yeas 7, Nays 3. (Councillors Carney, Choquette and Giesta OPPOSED.)

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COMMUNICATION (Matter ID #0437) and AN ORDER (Matter ID #0438), submitted by Mayor Mitchell, for the TRANSFER of \$42,000.00 from FREE CASH to WORKERS' COMPENSATION PURCHASE OF SERVICES. (Referred – March 27, 2025.)

Mr. Ekstrom explained that this request was for a workers compensation case settlement. It had been negotiated for some time with the Solicitor's Office. This is a one-person claim. Councillor Lopes asked if this was the final payment. He was told with the exception of some additional medical bills, this would be the final payment.

On motion by Councillor Pereira and seconded by Councillor Carney, the Committee VOTED: To recommend to the City Council ADOPTION of AN ORDER, for the TRANSFER of \$42,000.00 from FREE CASH to WORKERS' COMPENSATION PURCHASE OF SERVICES. This motion passed on a roll call vote of Yeas 10, Nays 0.

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COMMUNICATION (Matter ID #0435) and AN ORDER (Matter ID #0436), submitted by Mayor Mitchell, for the TRANSFER of \$45,000.00 from FREE CASH to TOURISM PURCHASE OF SERVICES. (Referred – March 27, 2025.)

Mr. Ekstrom stated that a portion of this request, if granted, would be used to fund the fireworks for the City's Fourth of July celebration. He shared that as of late, the City has not been able to secure a sponsor. Last year, the fireworks were paid for with ARPA funds. He added that \$25,000.00 of the \$45,000.00 requested would go toward fireworks, and the additional funds would be used to place a new cover on the City's billboard on I-95. Councillor Lopes expressed concern that the City was not continuing to reach out to local businesses to sponsor the fireworks.

Councillor Gomes asked why the I-95 cover needed to be replaced. Christina Connelly, Chief Operating Officer for the Administration, was recognized. She explained that the billboard had been sponsored by Skip's Marine over the past few years. However, it was recently brought to the City's attention by the State that where the billboard is City-owned, it cannot have an independent business as a sponsor. Understanding this, the City will need to replace the cover on the existing billboard. Councillor Morad asked if Skip's Marine was aware of the State's decision. She was told by Ms. Connelly that they were.

Ms. Connelly, as it related to the fireworks, explained that the last vendor that paid for the fireworks in its entirety was Clean Rentals, as it coincided with their 100-year corporate anniversary celebration. Since then, they have been unsuccessful in obtaining a sponsorship. Most businesses do not feel they receive enough exposure to justify what they are spending. Ms. Connelly was asked if the towns that surround the City had been approached to help pay, especially since they come to view them. She replied yes, they have been approached but they have been less than receptive to the request.

On motion by Councillor Pereira and seconded by Councillor Burgo, the Committee VOTED: To recommend to the City Council ADOPTION of AN ORDER, for the TRANSFER of \$45,000.00 from FREE CASH to TOURISM PURCHASE OF SERVICES. This motion FAILED on a roll call vote of Yeas 5, Nays 5. (Councillors Burgo, Gomes, Lopes, Oliver and Pereira IN FAVOR.)

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COMMUNICATION (Matter ID #0433) and AN ORDER (Matter ID #0434), submitted by Mayor Mitchell, for the TRANSFER of \$54,000.00 from FREE CASH to MIS PURCHASE OF SERVICES. (Referred – March 27, 2025.)

Mr. Ekstrom explained that \$40,000.00 of this request is to cover the postage costs driven by mailings done by the Elections Office for the past election. He shared that MIS covers the cost for all mailings done at City Hall, and this past election created a shortfall. He added that he is looking to move the mailing budget for Elections from MIS back to the Elections Department. The remaining amount of \$14,000.00 is to complete a firewall program for MIS.

On motion by Councillor Pereira and seconded by Councillor Lopes, the Committee VOTED: To recommend to the City Council ADOPTION of AN ORDER, for the TRANSFER of \$54,000.00 from FREE CASH to MIS PURCHASE OF SERVICES. This motion passed on a roll call vote of Yeas 8, Nays 2. (Councillors Carney and Choquette OPPOSED.)

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COMMUNICATION (Matter ID #0431) and AN ORDER (Matter ID #0432), submitted by Mayor Mitchell, for the TRANSFER of \$84,238.00 from FREE CASH to AUDITOR PURCHASE OF SERVICES. (Referred – March 27, 2025.)

Mr. Ekstrom explained that the amount being requested is to pay the independent auditing firm the City uses to certify its records. They have been used by the City for quite some time and know the system used by the Auditing Department. The original budget request was cut in the last fiscal year. Mr. Ekstrom shared his concern that if we do not pay them what they are owed, they may sue. He added that this independent position will go out to bid when the current contract runs out, and that there are currently no potential transfers available to cover this cost.

Councillor Pereria asked how long the City has used this firm. He was told close to twenty years. Mr. Ekstrom explained that the reason it has been Sahady all these years is because they know the City so well and they are always the lowest bidder. Councillor Morad asked when the next bidding process will be held; she was told April 28th. Mr. Ekstrom stated the bid has not yet been released.

On motion by Councillor Oliver and seconded by Councillor Giesta, the Committee VOTED: To recommend to the City Council ADOPTION of AN ORDER, for the TRANSFER of \$84,238.00 from FREE CASH to AUDITOR PURCHASE OF SERVICES. This motion passed on a roll call vote of Yeas 10, Nays 0.

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COMMUNICATION (Matter ID #0429) and AN ORDER (Matter ID #0430), submitted by Mayor Mitchell, for the TRANSFER of \$93,100.00 from FREE CASH to PUBLIC INFRASTRUCTURE PURCHASE OF SERVICES. (Referred – March 27, 2025.)

Councillor Pereira asked Mr. Ekstrom to clarify the request and added that to his knowledge, the Council did not cut the \$93,000.00 original request for the monitoring of Sullivan's Ledge. Mr. Ekstrom said the Councillor was correct. He explained that there had been \$200,000.00 allocated, but they are requesting an additional \$93,000.00 to cover further expenses. Councillor Pereira asked if all of the \$200,000.00 had been expended; Mr. Ekstrom stated he believed so.

The Chair recognized Christina Connelly, Chief Operating Officer for the Administration. She informed the Council that there was an additional study related to the current monitoring system, and it is costing more money to address. She shared that the issues were not discovered until the City was well into the budget year and stated that this is not to cover a deficit, it is additional funds needed as a result of the recent review. She added that this is mandated request.

Councillor Lopes asked Ms. Connelly if the City would incur additional costs to turn the property back on. He was told yes, and that the Administration hopes it will be incremental. Currently, there does not appear to be an end-date in sight. She shared that the facility is outdated and beyond its usefulness; they are attempting to obtain a figure for the necessary updates. The Councillor went on to say that his concern is not the current \$93,000.00 request, but what the future costs would be; Ms. Connelly concurred.

Councillor Morad asked if the Administration had approached its Federal Delegation for funding. Ms. Connelly replied that the Administration had not, however, it was a very recent change that allowed the ability to earmark federal funds. Ms. Connelly went on to explain that the Environmental Protection Agency (EPA) would not fund this request because they believe it is the City's responsibility. Councillor Morad asked if there was a possibility that funding for this project would be requested in the near future. She was told no, not at this point.

On motion by Councillor Pereira and seconded by Councillor Giesta, the Committee VOTED: To recommend to the City Council ADOPTION of AN ORDER, for the TRANSFER of \$93,100.00 from FREE CASH to PUBLIC INFRASTRUCTURE PURCHASE OF SERVICES. This motion passed on a roll call vote of Yeas 7, Nays 3. (Councillors Carney, Morad and Oliver OPPOSED.)

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COMMUNICATION (Matter ID #0427) and AN ORDER (Matter ID #0428), submitted by Mayor Mitchell, for the TRANSFER of \$150,000.00 from FREE CASH to SOLICITOR PURCHASE OF SERVICES. (Referred – March 27, 2025.)

The Chair recognized Neil Mello, Chief of Staff for the Administration. Councillor Pereria asked Mr. Mello why there is such a reliance on outside counsel by the Solicitor's Office, specifically as it relates to contract negotiations. Mr. Mello explained that the Solicitor's Office does not currently have a staff member experienced in contract negotiations, and added that they have worked diligently to reduce the use of outside counsel this year.

Councillor Morad stressed the importance of contract negotiations being done internally through the Solicitor's Office. Mr. Mello acknowledged the need to secure an attorney internally to handle contract negotiations. He mentioned that when Arthur Caron left the City, it was quite a loss, as he took with him an incredible amount of knowledge.

Councillor Morad asked if there was anyone currently in the Solicitor's Office that has the expertise to do contract negotiations. Mr. Mello replied that he would defer to the City Solicitor. The Councillor stressed that it is important for the Administration to look to fill any appointments in the Solicitor's Office with an individual who has experience with contract negotiations.

Councillor Morad asked how much of the \$150,000.00 request was for DEP and how much was for the contract negotiations attorney. Mr. Ekstrom replied that he did not have the figure broken down, but he would provide that information to the Committee.

On motion by Councillor Pereira and seconded by Councillor Giesta, the Committee VOTED: To recommend to the City Council ADOPTION of AN ORDER, for the TRANSFER of \$150,000.00 from FREE CASH to SOLICITOR PURCHASE OF SERVICES. This motion passed on a roll call vote of Yeas 7, Nays 3. (Councillors Carney, Giesta and Morad OPPOSED.)

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COMMUNICATION (Matter ID #0425) and AN ORDER (Matter ID #0426), submitted by Mayor Mitchell, for the TRANSFER of \$731,000.00 from FREE CASH to FIRE PERSONAL SERVICES. (Referred – March 27, 2025.)

Mr. Ekstrom explained that the Fire Department is the one exception as it relates to the additional funding request. The Fire Department has only one current vacancy, however, they have two staff out as Injured on Duty, one staff on Administrative Leave and ten staff out on extended sick leave and/or retirement. These people are getting paid through the current budget, without working. As such, this Department has not had any real ability to take advantage of any vacancy savings. They have done pretty well with overtime payments, but they have not been able to address vacancies, as none have occurred.

Mr. Ekstrom went on to say that outside of that, there are other departments that will have a small surplus relating to vacancies, however, it will not be enough of a surplus to cover the amount needed to respond to the Fire Department's shortage.

Mr. Ekstrom shared that the Fire Department runs projection reports every two weeks and mentioned that the reports do vary significantly based on overtime charges. Councillor Pereira requested that the CFO's Office forward those reports, from now until the end of the fiscal year, to the Committee. Mr. Ekstrom replied that he would send them to the Committee by email.

Councillor Pereira asked if the Administration would commit to returning the funds back to the pension fund or OPEB fund if the Committee approves the request and the funding ends up not being needed. Mr. Ekstrom stated that he had had that conversation with the Administration, and they would.

Councillor Lopes stated if this was approved, he would like to see the money returned to OPEB if there is a surplus left over from this transfer.

Councillor Morad asked what the current staffing level was within the Fire Department. She was told 219 firefighters. She asked what the original cut was from the personal service line during the budget process. Mr. Ekstrom answered that it was vacancies only; they had put in 3% but the Council raised it to 5%.

Councillor Lopes provided the calculations as it related to the percentage, which equated to an increase of \$438,000.00. The original number asked for by the Administration was \$657,000.00. Councillor Morad stated that if the Department is fully staffed with those individuals out, it explains the need for the additional funding.

Councillor Morad asked what the overtime percentage currently was; she was told 58% spent, year to date. She asked why the request was a transfer from Free Cash if there might be a surplus in overtime; Mr. Ekstrom explained that they are projecting a deficit in the payroll line.

Councillor Gomes asked for a breakdown of the positions by rank and what was paid as it relates to overtime payments. Mr. Ekstrom replied that he would forward that information to the Committee.

A discussion ensued on how to properly submit approval of the request while placing conditions upon that approval.

On motion by Councillor Pereira and seconded by Councillor Giesta, the Committee VOTED: To recommend to the City Council ADOPTION of AN ORDER, for the TRANSFER of \$731,000.00 from FREE CASH to FIRE PERSONAL SERVICES. This motion passed on a roll call vote of Yeas 10, Nays 0.

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COMMUNICATION (Matter ID #0423) and AN ORDER (Matter ID #0424), submitted by Mayor Mitchell, for the TRANSFER of \$805,559.00 from FREE CASH to WASTE COLLECTION AND DISPOSAL, PURCHASE OF SERVICES. (Referred – March 27, 2025.)

Mr. Ekstrom explained that this request includes the final payment owed to ABC/Harvey for trash collection, as well costs incurred through Capitol Waste Management for the pickup of bulky items. Under the new waste management company, the City is charged a fee for bulky item pickups.

The \$362,000.00 payable to ABC/Harvey is what is owed for the work they did in June, prior to stopping services. The Solicitor's Office was successful in recouping the money that was due to the City as a result of ABC/Harvey halting service a few weeks before the new vendor took over. The additional money being asked for includes the work incurred by Capitol having to start their contract early, and the additional bulky item fees assessed to the City.

Councillor Burgo, upon reviewing the CFO's request, noted the calculations were off. The correct amount to be requested for a particular item should have been \$433,410.00. Mr. Ekstrom acknowledged the typo and agreed that Councillor Burgo's calculations were correct. The Councillor stated that it would be his intention to amend the amount to \$795,558.77 when the time came.

Councillor Burgo asked if ABC/Harvey was paid for services they did not do. He was told they were not, and that the amount for the work done by Capitol was deducted from the payment issued to Harvey for the work they did in June.

Councillor Morad inquired about the \$362,000.00 deficit, pointing out that although ABC/Harvey neglected their obligation to finish out the term of their contract, the funding to fulfill the entirety of that contract had already been appropriated. Mr. Ekstrom explained that the bill was never paid because of the dispute between the City and ABC/Harvey; the payment was rolled over into the present fiscal year, creating the deficit. The money became a favorable variable and was swept over into Free Cash.

Councillor Morad asked if the tonnage fees charged by Capitol are audited by the City. Mr. Ekstrom explained that the quantities being invoiced are checked to make sure they are in line with what the City is being asked to pay. DFFM does this, and they have their own way of monitoring the charges; once reviewed and confirmed, the invoice is sent over for payment.

On motion by Councillor Burgo and seconded by Councillor Lopes, the Committee VOTED: To AMEND the ORDER, by striking the figure \$805,559.00 and replacing it with \$795,558.77. This motion passed on a voice vote.

On motion by Councillor Burgo and seconded by Councillor Lopes, the Committee VOTED: To recommend to the City Council ADOPTION of AN ORDER, AS AMENDED, for the TRANSFER of \$795,558.77 from FREE CASH to WASTE COLLECTION AND DISPOSAL, PURCHASE OF SERVICES. This motion passed on a roll call vote of Yeas 7, Nays 3. (Councillors Carney, Giesta and Morad OPPOSED.)

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At the conclusion of all the agenda items being discussed and voted on, Mr. Ekstrom provided the Committee with a presentation on where the year-end budget was headed.

Mr. Ekstrom stated that resource limitations due to external factors was hindering the City's ability to secure revenue and explained that New Bedford is working to reduce reliance on property taxes. He compared New Bedford to ten other communities: 5 with a higher population and 5 just below. He shared that New Bedford had the third lowest reliance on property taxes of the group.

There are three problems he is currently looking into, which include: Cherry Sheet Aid, Chapter 70 Education Aid, and Pension Contributions. He pointed out that since 2020, New Bedford has not received their fair share of lottery revenue. If you review the chart provided to the Committee, you will notice that the City was doing fine until 2009, when the formula for distribution was changed.

The formula has remained the same for the past seventeen years; circumstances have changed dramatically but the formula has not. He pointed out that Fall River, with a population 5% less than New Bedford, is receiving \$1 million more a year in unrestricted general aid.

Mr. Ekstrom went on to say that the School Department took up 61% of the City's budget last year, and this year's budget has yet to be set. \$286 million out of a \$469 million dollar budget goes to education. He added that when DESE's foundation budget doesn't keep up with Cherry Sheet Aid, it's a problem. This year, the City has \$26.4 million dollars more in State mandated expenditures. He shared that before he even started the FY26 budget, there was already an \$8 million increase to be addressed.

Regarding pension contributions, the City is doing well. They are up to approximately 54% and are on their way to being 100% funded by 2035. This year, the City will fund the pension plan in advance, which equates to a \$44 million check. This will allow the City the ability to pay less than what would otherwise be assessed if they waited. The Board routinely approves the maximum COLA increase of 3% each year, and the COLA base increased to \$14,000.00 in 2022. The next assessment will be in 2026.

He talked about the Massachusetts Municipal Public Safety Staffing Program, which provides additional funding by the State and can be used to fund firefighter and police salaries. Unfortunately, this can only be claimed by ten communities, and New Bedford is not one of them. The ten communities on the list are grandfathered in and still receive a yearly payment. He shared that Fall River received an additional \$1.6 million this year.

The Chair asked that a copy of the presentation be forwarded to the Council Office for distribution. Mr. Ekstrom stated that he would forward the presentation.

Councillor Oliver asked at what rate the school budget was growing. He was told the School Department will need \$269 million for FY26, which is a growth of 9.3%.

Councillor Oliver asked why New Bedford was not part of the Public Safety Staffing Program. Neil Mello was recognized and stated that the Legislature enacted this program circa 2010 and that after the first year, the language stated that anyone who did not apply for it in the first year was excluded from applying. The City has had conversations with the Delegation on this and they did try to pursue it in Boston, without success.

Councillor Morad asked when the Public Safety Program was initially offered; Mr. Mello stated he believed it was around 2010. He stated that he had a one-page summary on the Program that he could share with the Council.

Councillor Morad asked why the City did not apply initially. Mr. Mello explained that he wasn't sure, but he believed it may have had something to do with the Program's qualifications. There was a per capita spending amount for your police or fire department, and in that initial year, the City did not reach the benchmark. The City has done the calculations and it would qualify, if the opportunity is ever offered again.

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Councillor Burgo made a motion to adjourn, which was seconded by Councillor Oliver.

This meeting adjourned at 9:32 p.m.

ATTEST:

Denis Lawrence, Jr.
Clerk of Committees