



CITY OF NEW BEDFORD, MASSACHUSETTS

MEETING: COMMITTEE ON FINANCE
DATE: MAY 12, 2025
TIME: 6:02 P.M.
PLACE: CITY COUNCIL CHAMBER, ROOM 214

PRESENT: COUNCILLORS LINDA MORAD, CHAIR; DEREK BAPTISTE (6:09); SHANE BURGO; LEO CHOQUETTE; MARIA GIESTA; JOSEPH LOPES; SHAWN OLIVER (6:38); RYAN PERERIA

ABSENT: COUNCILLORS IAN ABREU; NAOMI CARNEY; BRIAN GOMES

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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 Communications into the record from Councillors Gomes and Oliver explaining their tardiness and from Councillors Abreu and Carney explaining their absence. The Communications were received and placed on file by Councillor Giesta and seconded by Councillor Lopes.

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COMMUNICATION (Matter ID #0295) and AN ORDER (Matter ID #0296), submitted by Mayor Mitchell, submitting an Amendment to the Order Adopted by the City Council on October 10, 2024, and signed by the Mayor on October 18, 2024, which, in accordance with M.G.L., Chapter 44, Section 53E ½, the Revolving Fund under the control of the Department of Facilities and Fleet Management, known as the **QUEST CENTER REVOLVING FUND**, whose amount limited at **\$150,231.00**, is hereby authorized at **\$238,000.00** for **FISCAL YEAR 2025**. (Referred – March 13, 2025.)

The Chair recognized Jennifer Vieira, Director of the Department of Facilities and Fleet Management (DFFM). Ms. Vieira explained that the original funding request presented to the Council was for \$238,000.00 and the Council approved \$150,231.00 of that request. At that time, the Council informed her that if there was a need for additional funding, she would have to return to the Committee and make the request. She further explained that the remaining balance in the fund is \$1,036.00, and she currently has outstanding invoices in the amount of \$14,700.00 that need to be paid. She added that this figure does not include future gas and electric billing for the building.

Councillor Morad asked if there was an increase in rental revenue. Ms. Vieira stated there was a slight increase due to the renewal of licensing agreements, which have a rental increase clause built in.

Councillor Pereira inquired about the \$14,000.00 in outstanding invoices. He was told these charges included maintenance agreements, repairs, locksmith charges, etc., and also that the May utility charges were not included in that figure.

Councillor Pereira asked if the deferred maintenance in the building was being addressed. He was told that it was and that DFFM was doing as much as possible themselves. He asked if DFFM was trying to be as frugal as possible in expenditures for the Quest Center. He was told that they were but when there are circumstances that they cannot address internally, they do have to hire out.

Councillor Lopes asked if the Quest Center was current on utility payments. He was told they were, with the exception of the upcoming payments due for May and June. He asked about the \$2 million investment to the building from Vineyard Wind. Ms. Vieira replied that Derek Santos would be better able to address that question.

Councillor Morad requested that the Committee be provided with the details of the increases in the rental fees for the various clients in the Quest Center. Ms. Vieira stated that she did not have that information with her, but she would provide a listing of all tenants, along with what they are currently paying, to the Committee.

Councillor Morad commented that when asked if DFFM was being frugal and putting off projects to save money, the answer is more than likely no, because they have come before the Committee for the remainder of funds. Ms. Vieira stated that the request being made is based on original projections and will be spent. She noted that next year's request for funds will be lower due to the increase in the rental structure.

Councillor Lopes asked Derek Santos, Executive Director, New Bedford Economic Development Council (EDC), for an update on the Vineyard Wind contribution to the Quest Center. Mr. Santos stated that Vineyard Wind granted \$1.5 million for improvements to the third floor in order for other maritime businesses to move in, adding that Vineyard Wind itself was not planning to move in. He stated that ARPA funding was also used for the third floor renovations and informed the Committee that the work has started, and the HVAC work is complete. The next step is to award the bid for the interior work, which will be announced shortly, and lastly an RFP bid package will be issued to address the exterior repairs needed to the building.

The Chair recognized CFO Robert Ekstrom, who stated that he had reviewed the DFFM budget with Ms. Vieira during this discussion, and that in addition to the \$14,000 in outstanding invoices, it appears the utility charges will run approximately \$11,000 per month for electricity and \$1,000 per month for gas. The cooling system conversion is approximately \$6,000. He believes this would create a need for \$44,000 to get the Quest Center through the remainder of FY25.

Councillor Lopes asked Mr. Ekstrom if the bottom line was that \$50,000 would be necessary to keep the lights on. He was told that they are looking for \$87,769. Councillor Lopes asked if \$50,000 would be sufficient to get the Quest Center through FY25. Mr. Ekstrom replied that it would be, however, he recommends funding the elevator maintenance amount as well.

On motion by Councillor Lopes and seconded by Councillor Choquette, the Committee VOTED: To AMEND the ORDER, by striking the figure \$238,000.00 and replacing it with \$200,231.00. This motion FAILED on a roll call vote of Yeas 4, Nays 3. (Councillors Burgo, Giesta and Morad OPPOSED.)

On motion by Councillor Burgo and seconded by Councillor Baptiste, the Committee VOTED: To recommend to the City Council APPROVAL of the ORDER, as written. This motion FAILED on a roll call vote of Yeas 5, Nays 2. (Councillors Giesta and Morad OPPOSED.)

On motion by Councillor Lopes and seconded by Councillor Giesta, the Committee VOTED: To AMEND the ORDER, by striking the figure \$238,000.00 and replacing it with \$200,000.00 and to recommend to the City Council ADOPTION of the ORDER, AS AMENDED, Amending the Order Adopted by the City Council on October 10, 2024, and signed by the Mayor on October 18, 2024, which, in accordance with M.G.L., Chapter 44, Section 53E ½, the Revolving Fund under the control of the Department of Facilities and Fleet Management, known as the **QUEST CENTER REVOLVING FUND**, whose amount limited at ~~\$150,231.00~~, is hereby authorized at **\$200,000.00** for **FISCAL YEAR 2025**. This motion passed on a roll call vote of Yeas 6, Nays 1. (Councillor Baptiste OPPOSED.)

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WRITTEN MOTION, Councillors Lopes and Morad, requesting, that Derek Santos, Executive Director of the New Bedford Economic Development Council, provide to the Committee on Finance the annual program report detailing the status of the City of New Bedford Tax Increment Financing (TIF), Special Tax Assessments (STA) and Tax Increment Exemption (TIE) activity for all active certified projects. (Matter ID #0229) (Referred – February 27, 2025.)

On motion by Councillor Lopes and seconded by Councillor Giesta, the Committee VOTED: To receive and place on file a copy of the 2024 New Bedford Tax Increment Financing Program Annual Report, submitted by the New Bedford Economic Development Council (EDC).

The Chair recognized Derek Santos, Executive Director of the EDC. Mr. Santos explained the report format is the same as it is each year, with one change, which has to do with scheduling. The State schedules the filing date for the Economic Development Incentive Program (EDIP), which delays the EDC's ability to compile their report. Companies have an additional two months to file with the State from the time the Council requests the report.

Mr. Santos highlighted the Sid Wainer/Friendly Fruit Agreement from FY15. During the pandemic, the company requested an extension, which was granted by the State. The report states the jobs to be created as zero, however, currently the number of jobs created is 46.

The Chair recognized Ramon Silva, Senior Director of the EDC. Mr. Silva informed the Committee that the EDC had been notified of some changes that the State will be implementing to the EDIP process, based on recommendations by the Economic Assistance Coordinating Council (EACC). The current Act just put into place calls for the separation between the local TIF process and the State EDIP process. This means that local TIFs will no longer need to be approved by the State EACC Board, and that they will not be processed in the same manner. Going forward, TIF Board approvals and agreements will all have to be managed by the City instead of the State, and the State will no longer be tracking or recording local TIFs. Mr. Silva shared that the EDC is still trying to figure out how they will manage this process moving forward.

Councillor Lopes asked if the Massachusetts Office of Business Development (MOBD) will have any say on how a TIF will be approved. He was told they would not, and that the only thing they will be asking for is a letter for municipal support for any project going through the EDIP process to obtain State tax credits. Other than that, the MOBD will not be involved in the local TIF process at all. Based on the information received tonight, Councillor Lopes questioned how the Solicitor's Office would handle this process moving forward. He requested that the Committee be provided with a memo from the Solicitor's Office as to how they will handle the municipal recording of TIFs.

Councillor Morad asked if Sid Wainer/Friendly Fruit is up to date as it relates to the TIF process. She was told yes, they are. She asked if the EDC was concerned that Windward Power Systems was to create eleven jobs, but to date, they have not. Mr. Silva responded that they have a site-visit scheduled and added that there have been some issues with construction and wastewater management. Every time it rains, water is backing up into their facility; the water department is working on the issue. She inquired about the Eastern Fisheries TIF, asking if the EDC was concerned that they were to create 50 jobs and have only created 33 thus far. She was told they were not concerned.

Councillor Lopes made a RELATED MOTION, which was seconded by Councillor Giesta, that a Communication be sent to the Solicitor's Office requesting that they provide the New Bedford City Council with an updated SOP for how TIFs/STAs will be processed based on the changes made by the Commonwealth of Massachusetts and the Office of Business Development.

On the Question, Councillor Pereira asked if it would possible for the item to be referred to the Committee as well, in order to discuss it further. The Chair replied that rather than refer it to the full City Council, the request will come from the Committee to the Solicitor's Office, with the response returned to the Committee. Councillor Pereira stated that his concern was that by the State making this change, it has placed an unfunded mandate on the City; he suggested that the State offer some form of compensation to deal with the additional bookkeeping.

On a RELATED MOTION by Councillor Lopes and seconded by Councillor Giesta, the Committee VOTED: That a Communication be sent to the Solicitor's Office requesting that they provide the New Bedford City Council with an updated SOP explaining how TIFs/STAs will be processed based on the changes made by the Commonwealth of Massachusetts and the Office of Business Development. This motion passed on a voice vote.

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

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The following item was not read:

COMMUNICATION, City Clerk/Clerk of the City Council Farias, submitting a Communication from Mayor Mitchell, regarding the appointment of Treasurer/Collector John Taxiarchos as Tax Title Custodian, due to that the former Tax Title Custodian, Sherie Pinzino, has transitioned out of the Treasurer's Office and can no longer perform that role. (Matter ID #0160) (Referred – February 13, 2025.)

On motion by Councillor Giesta and seconded by Councillor Oliver, the Committee VOTED: To recommend that the City Council take **"NO FURTHER ACTION"** on the COMMUNICATION, City Clerk/Clerk of the City Council Farias, submitting a Communication from Mayor Mitchell, regarding the appointment of Treasurer/Collector John Taxiarchos as Tax Title Custodian, due to that the former Tax Title Custodian, Sherie Pinzino, has transitioned out of the Treasurer's Office and can no longer perform that role.

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The following item was not read:

WRITTEN MOTION, Councillor President Carney, requesting, that the Treasurer's Office provide a report identifying all tax-exempt properties, including churches, listing their value, property status as active or vacant, and number of years vacant if applicable. (Matter ID #2090) (Referred to the Special Committee on Pilot (Payment In Lieu Of Taxes) Program – December 12, 2024.) (Discharged from Special Committee on Pilot Program and Referred – January 23, 2025.)

Matter Remains in Committee.

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

This meeting adjourned at 6:47 p.m.

ATTEST:

Denis Lawrence, Jr.
Clerk of Committees