



CITY OF NEW BEDFORD, MASSACHUSETTS

MEETING: COMMITTEE ON FINANCE
DATE: JUNE 11, 2025
TIME: 7:01 P.M.
PLACE: CITY COUNCIL CHAMBER, ROOM 214

PRESENT: COUNCILLORS LINDA MORAD, CHAIR; IAN ABREU; DEREK BAPTISTE (7:21); SHANE BURGO; NAOMI CARNEY; LEO CHOQUETTE; MARIA GIESTA; SHAWN OLIVER (7:30)

ABSENT: COUNCILLORS BRIAN GOMES; JOSEPH LOPES; RYAN PERERIA

* * *

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 letters into the record from Councillors Baptiste, Gomes and Lopes explaining their absences. The Communications were Received and Placed on File by Councillor Abreu and seconded by Councillor Burgo.

* * *

COMMUNICATION (Matter ID #0711) and AN ORDER (Matter ID #0712), submitted by Mayor Mitchell, authorizing the Mayor to execute a Lease Agreement between the New Bedford Airport Commission and the Trustees of the 5 Hangar Trust and a LEASE AGREEMENT (Matter ID #0713), between the New Bedford Airport Commission and the Trustees of the 5 Hangar Trust. (Referred – May 08, 2025.)

The Chair recognized Scot Servis, Director of the New Bedford Regional Airport, who gave an overview of the Lease Agreement. He explained that this will allow for the construction of a new hangar building at the Airport. The City will own the land, but the building will be owned by the developer. The Agreement before the Committee consists of a 50-year Agreement, the first being a primary lease of five years with the option for nine renewals. The Airport Commission set the terms using figures from a 2020 real estate study, resulting in the 28,160 square-foot building paying the City \$751 a month, for a total of \$9,000 a year. This calculation is based on 32 cents per square foot.

The Agreement also allows for a reduction in rent to be paid to the Airport during the construction of the hangar. The initial nine months will have a lease abatement of 90% and the second nine months will have a lease abatement of 70%. After that, the developer will pay 100% of the rent.

Councillor Morad expressed concern about the initial reduction of rent, specifically where the Airport is attempting to become self-sustaining. Mr. Servis said he understood, but that the terms were agreed upon to allow for new development and hopefully entice additional interest in the Airport properties. The Councillor asked if there was a clawback provision in the Lease, for example if the Airport is not happy with the tenant, could they take the property back. Mr. Servis stated that the Lease includes indemnification language. The Councillor stated she did not see that language in the Lease and asked Mr. Servis to provide it to the Committee.

Councillor Carney stated she was concerned that the Airport was using 2020 calculations instead of updated values. Mr. Servis replied that they have not been able to do an update because they have not had the funds to do so. Understanding that, they used the figures they had last secured. The Councillor asked if the Commission could simply increase the amount by a specific percentage. She was told they could not, and that the amounts charged had to be within FAA guidelines.

Councillor Morad expressed concern about the way the execution section of the Lease was worded and asked who and why the organization was Hanger 5. Mr. Servis explained there are a number of investors involved in the development of the property and that Lease had to be changed to reflect those entities. He went on to say that the Lease was reviewed and approved by the City Solicitor's Office. The Councillor still had concerns and shared that she had requested that Atty. David Gerwatowski, Legislative Counsel, review the language and bring up any concerns he may have.

On motion by Councillor Burgo and seconded by Councillor Abreu, the Committee VOTED: To receive and place on file the revised signature page (page 46) of the Lease Agreement.

On motion by Councillor Burgo and seconded by Councillor Abreu, the Committee VOTED: To recommend to the City Council ADOPTION of the ORDER, submitted by Mayor Mitchell, authorizing the Mayor to execute a Lease Agreement between the New Bedford Airport Commission and the Trustees of the 5 Hangar Trust and APPROVAL of the LEASE AGREEMENT, between the New Bedford Airport Commission and the Trustees of the 5 Hangar Trust.

* * *

COMMUNICATION (Matter ID #0821) and AN ORDER (Matter ID #0822), submitted by Mayor Mitchell, rescinding authorized, unissued debt in the amount of \$118,876,793.00. (Referred – May 22, 2025.)

The Chair recognized John Taxiarchos, Treasurer-Collector, who explained that the City would like to rescind the debt balance of \$118,876,793.00; these values include authorizations that date back to 1990 and in an effort to be proactive, the City is attempting to straighten up their books.

Councillor Morad explained that it would be difficult to receive explanations from the department heads as it relates to this figure because most of them, if not all, are no longer with the City. She asked if the projects listed on the sheet submitted with the Order were complete. She was told that they were.

Mr. Taxiarchos shared that they have put a process in place that would prevent this issue from happening again in the future. He stated that annually and periodically they will reach out to department managers to confirm where they are in the process of their expenditures. He was asked if this would affect the City's bond ratings. Mr. Taxiarchos replied that in the long run, it would help the City's bond ratings.

Robert Ekstrom, CFO, was recognized and stated that unfortunately, it does not appear that there was a process in place to rescind payments that were being made on budgeted projects at the time that the authorizations were approved by the City Council. Since then, safeguards have been put into place to prevent the issue from happening again.

On motion by Councillor Abreu and seconded by Councillor Giesta, the Committee VOTED: To recommend to the City Council ADOPTION of the ORDER, submitted by Mayor Mitchell, rescinding authorized, unissued debt in the amount of \$118,876,793.00.

* * *

COMMUNICATION, Janine da Silva, Chair, Community Preservation Committee, submitting for reconsideration of the City Council, the CPA Project: Acushnet River Rowing Center Dock. (Matter ID #0647) (Referred – April 24, 2025.)

On motion by Councillor Giesta and seconded by Councillor Oliver, the Committee VOTED: To receive and place on file three Communications: a packet submitted by Rick Porteus titled “So, We Don’t Actually Have A Committee”; a letter from Dennis DeMarinis, Jr., Chair of the Commission for Citizens with Disabilities to Mary Rapoza, Director of Parks, Recreation & Beaches; and a letter from Mary Rapoza, Director of Parks, Recreation & Beaches to Janine da Silva, Chair of the Community Preservation Committee.

Councillor Giesta asked Mary Rapoza, Director of Parks, Recreation & Beaches, to provide a history as to how the rowing docks came into being. Ms. Rapoza explained there was an interest in erecting a rowing dock system along the upper portion of the Acushnet River by a number of rowing organizations. As a result, in 2023, an advisory group was formed which included New Bedford Community Rowing and the Azorean Whale Boat organization, as well as City Departments including Facilities and Fleet Management, Planning, Parks, Recreation & Beaches, Environmental Stewardship and the School Department. From March of 2023 to March of 2024, meetings were held. Locations were looked into and the advisory group eventually recommended the Aerovox site as the best site to install the rowing docks.

Councillor Giesta expressed disappointment that as the Ward 2 Councillor, she was not asked to be part of the advisory group. She stated it is a great project but that it would have been better had she known of the decisions that were being made that would affect her Ward. She asked if this was the best location for the docks. Ms. Rapoza answered that it was; they looked at the Market Basket area, which is still an EPA clean-up site and a Sawyer Street site which was too high. The Aerovox site was just right. Ms. Rapoza was asked who could use the docks. She replied that they would be open to any and all who wished to use them and added that the Department of Public Infrastructure would oversee the maintenance of the docks once installed.

Councillor Oliver asked how the members of the advisory group were appointed. He was told it consisted of rowing clubs and organizations, along with engineers familiar with the construction of rowing docks. The Councillor asked if during the process, there was any opposition to the site chosen. He was told there was an organization called New Bedford Rowing Center which was established after the study had been completed. She went on to explain that the organization was not opposed to the construction of rowing docks; however, they were opposed to the location chosen.

Councillor Burgo expressed concern about how the process went forward and questioned its transparency – there was one club that objected and it appeared they were ignored. The Councillor asked if there was a scoring system used to determine which area was best to erect the dock system. He was told that there was not, but that the chosen site was determined to be the best after consultation with engineers familiar with the construction of docking systems in waterway areas.

Councillor Morad expressed concern that the it was not an open process and shared that she had received calls expressing the same concern. She went on to say that the process gave the appearance that a group of concerned citizens were being excluded and asked if there were minutes for the advisory group meetings. Ms. Rapoza answered that there were not.

On motion by Councillor Carney and seconded by Councillor Giesta, the Committee VOTED: To recommend to the City Council ADOPTION of the ORDER, that the Community Preservation Committee restore \$150,000.00 for the Acushnet River Rowing Center Dock Project that was previously removed by the City Council on April 10, 2025, which would bring the funding to the original requested amount of \$2,000,000.00.

Councillor Burgo spoke on the question and stated that although he was in favor the of the project, he still questions the transparency of those involved in recommending the rowing dock project and the location ultimately selected.

* * *

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

This meeting adjourned at 8:06 p.m.

ATTEST:

Denis Lawrence, Jr.
Clerk of Committees