



CITY OF NEW BEDFORD

JONATHAN F. MITCHELL, MAYOR

May 5, 2016

City Council President Linda Morad
Honorable Members of the City Council
133 William Street
New Bedford, MA 02740

Dear Council President Morad and Honorable Members of the City Council:

I am submitting for your approval an ORDER that the sum of **EIGHT HUNDRED TWENTY EIGHT THOUSAND DOLLARS (\$828,000.00)** now standing to the credit of the account from **HEALTH INSURANCE CHARGES AND SERVICES** be and the same is hereby transferred and appropriated to as follows:

FIRE DEPARTMENT SALARIES AND WAGES....\$828,000.00

To be certified and approved by the Department Head

Sincerely,

Jonathan F. Mitchell
Mayor

JFM/smt

May 5, 2016



CITY OF NEW BEDFORD

CITY COUNCIL

May 12, 2016

ORDERED, that the sum of **EIGHT HUNDRED TWENTY EIGHT THOUSAND DOLLARS (\$828,000.00)** now standing to the credit of the account from **HEALTH INSURANCE CHARGES AND SERVICES** be and the same is hereby transferred and appropriated to as follows:

FIRE DEPARTMENT SALARIES AND WAGES....\$828,000.00

To be certified and approved by the Department Head



OFFICE OF THE CFO

ARI J. SKY
CHIEF FINANCIAL OFFICER

CITY OF NEW BEDFORD

JONATHAN F. MITCHELL, MAYOR

May 5, 2016

TO: Mayor Jonathan F. Mitchell
New Bedford City Council

FROM: Ari J. Sky

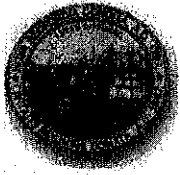
SUBJECT: FY 2016 Budget Reconciliation

As you know, the FY 2016 budget is facing a number of deficits in various accounts due to a combination of excess expenditures, grant losses and budget cuts. Over the course of the past year, we have taken a number of steps to mitigate the fiscal impact, including continuation of the hiring slowdown, overtime control in the Fire Department, and assignment of a portion of the solid waste contract to a State recycling grant. However, we are still looking at a net deficit in the General Fund's personnel budget and shortfalls in certain operating budgets.

Fortunately, there is a solution. The City has experienced very favorable performance in Health Insurance, with expenses through March down by 4.5% in comparison with the same period last year. The City's health care consultant has confirmed that the reduction in expenditures is not due to claims activity, but rather reflects the change in plan management and the migration of retiree drug plan administration to the Employer Group Waiver Plan (EGWP). We therefore estimate that FY 2016 expenditures in the Health Insurance account will be no more \$38 million, or \$2.5 million less than the \$40.5 million budget. As a result, I believe that we can comfortably utilize a portion of the Health Insurance budget to balance other areas of the General Fund.

Our plan is twofold. First, we will submit a request to transfer \$1,432,384 from Health Insurance to balance the Fire Department's personnel budget (\$828,000), address nonpersonnel shortfalls in Public Infrastructure (\$300,000) and overexpenditures in the Snow Removal account (\$54,384), and to fund the Outside Audit (\$250,000). This would leave \$39,067,616 remaining in the account, well in excess of our worst-case scenario. This action will allow us to address other departmental shortfalls through interdepartmental transfers; at present, we believe that there will be a need for approximately \$300,000-\$350,000 in transfers to balance between 12 and 15 departments. These transfers will be submitted to the City Council closer to the end of the fiscal year, once we have established more certainty regarding their actual requirements.

Thank you for your consideration. Please do not hesitate to contact me if you have any questions or concerns. I believe it is also worthwhile to note that the FY 2017 budget will be constructed to address these deficiencies, as they are currently understood.



City of New Bedford

FIRE DEPARTMENT

Michael Gomes
Fire Chief



April 29, 2016

City Councillors
City of New Bedford
133 William St.
New Bedford, MA 02740

RE: Request to Cover Deficit

Dear Members of the City Council:

I am respectfully requesting \$828,000 to cover our salary expenses from now until June 30, 2016. This amount is needed due to the SAFER grant shortfall. As you know, we were not awarded the recent SAFER grant and as of March 19, 2016 have depleted all remaining funds.

I look forward to speaking with you on this matter and thank you in advance for your consideration.

Respectfully submitted,

Michael Gomes
Fire Chief

cc: CFO