



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

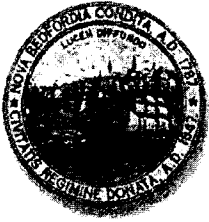
**SUBJECT:** FY 2016 Budget Reconciliation

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.



## Department of Public Infrastructure

Ronald H. Labelle  
Commissioner

Water  
Wastewater  
Highways  
Engineering  
Cemeteries  
Park Maintenance  
Energy

### CITY OF NEW BEDFORD

Jonathan F. Mitchell, Mayor

To: Ari Sky, CFO

From: Ronald H. Labelle, Commissioner

Date: April 15, 2016

RE: Transfer of Funds

I'm writing to respectfully request a transfer to cover an anticipated deficit in our Highways budget of \$321,000 due to unbudgeted and unexpected FY 16 expenditures.

Increased spending due to unfunded and unstaffed events, resulting in costs related to overtime for staff, garbage removal, equipment maintenance and replacement, and Public Safety; monthly accidents causing a need for electrical and traffic light repairs; an aggressive beautification initiative; and other unanticipated endeavors have created a need for additional funding.

We have an estimated surplus of \$38,000 in our 100 account due to vacancies. I am seeking a transfer of this \$38,000 to our 400 account to cover expenses associated with purchasing supplies which will allow the department to continue to provide maintenance services throughout the city. We will still need an additional \$135,000 to cover the remaining deficit in the 400 account. I am also seeking a transfer of \$127,000 to our 200 account to cover expenses associated with necessary services, including an unanticipated \$34,000 charge for energy management services. We will also need a transfer of \$21,000 to cover the anticipated deficit in the 800 account.

These transfers will provide this department with the resources needed to continue to perform our core responsibilities.

I appreciate your assistance in this matter.

Sincerely,

Ronald H. Labelle  
Commissioner

/mg



**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 **THREE HUNDRED THOUSAND DOLLARS (\$300,000.00)** 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:

**PUBLIC INFRASTRUCTURE**  
**CHARGES AND SERVICES.....\$127,000.00**  
**SUPPLIES AND MATERIALS.....\$173,000.00**

To be certified and approved by the Department Head

Sincerely,

Jonathan F. Mitchell  
Mayor

JFM/smt

CITY CLERK

2016 MAY -5 A 10:24

CITY CLERKS OFFICE  
NEW BEDFORD, MA



# CITY OF NEW BEDFORD

## CITY COUNCIL

May 12, 2016

ORDERED, that the sum of **THREE HUNDRED THOUSAND DOLLARS (\$300,000.00)** 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:

**PUBLIC INFRASTRUCTURE**  
**CHARGES AND SERVICES.....\$127,000.00**  
**SUPPLIES AND MATERIALS.....\$173,000.00**

To be certified and approved by the Department Head