



CITY OF NEW BEDFORD

JONATHAN F. MITCHELL, MAYOR

May 19, 2016

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

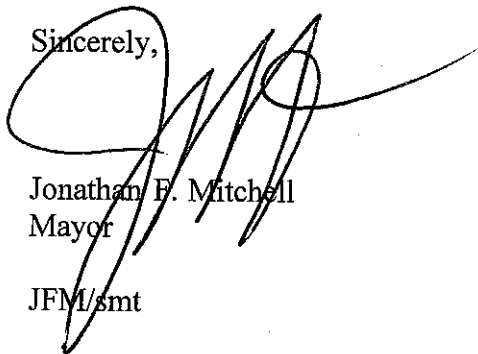
Dear Council President Morad and Honorable Members of the City Council:

I am submitting for your approval an ORDER that the sum of TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00) 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:

GENERAL GOVERNMENT UNCLASSIFIED
CHARGES AND SERVICES.....\$250,000.00

To be certified and approved by the Department Head.

Sincerely,



Jonathan F. Mitchell
Mayor

JFM/smt



CITY OF NEW BEDFORD

CITY COUNCIL

May 26, 2016

ORDERED, that the sum of TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00) 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:

GENERAL GOVERNMENT UNCLASSIFIED
CHARGES AND SERVICES.....\$250,000.00

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 19, 2016

TO: Mayor Jonathan F. Mitchell
New Bedford City Council

FROM: Ari J. Sky 

SUBJECT: Outside Audit Funding

During its FY 2016 budget deliberations, the City Council reduced funding for the General Government Unclassified budget. Subsequent discussions with several councilors indicated that this action was taken in part to encourage the City to conduct a competitive procurement for the City's outside audit, an objective for which there is a general consensus.

Following the adoption of the FY 2016 budget, the City issued a Request for Proposals and convened a proposal analysis group that consisted of the City Auditor, Treasurer, School Department business manager, me and the Chairman and Vice-Chairman of the City Council's Audit Committee. Two bids were received, and it was the unanimous choice of the committee to award the contract to Hague-Sahady & Co for a three-year term.

A request to restore funding for the outside audit was submitted for the May 12th City Council meeting. The transfer, which was submitted as part of a package of four transfer requests, received a majority vote, but did not achieve the requisite six votes. Based on conversations that I have had with several councilors, I respectfully request that the transfer be resubmitted for the City Council's May 26th business meeting.

Thank you for your consideration. Please do not hesitate to contact me if you have any questions or concerns.

Attachment: May 5, 2016, memorandum



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
JONATHAN A. MITCHELL, MAYOR

OFFICE OF THE AUDITOR
CITY AUDITOR

To: Honorable Mayor Jon Mitchell

From: Brennan Morsette, Acting City Auditor

Date: 05/02/16

Re: Funds Transfer

I am respectfully asking for a \$250,000 transfer from 09140000-520620 (Health Insurance) to General Government Unclassified - 01990000-520130 (Audit).

Audit services from Hague & Sahady for the first half of the fiscal year totaled well over \$100K. This transfer should be enough to cover the deficit and any remaining bills for the second half of the fiscal year.

Thank you,

A handwritten signature in cursive script that reads "Brennan Morsette".

Brennan Morsette