



CITY OF NEW BEDFORD
JONATHAN F. MITCHELL, MAYOR

December 6, 2018

City Council President Linda M. Morad and
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 pleased to inform you that the City has received its FY 2018 Free Cash certification from the State. The General Fund component of the certification totals \$4,534,264. This balance is available for appropriation until June 30, after which time it will revert to unobligated fund balance.

Over time, we have worked together to ensure that the City is able to maintain a robust financial reserve. I know that the City Council shares my conviction that it is important for the City to continue to act prudently going forward. The City's Fund Balance Management policy sets a target goal of between two and six percent of the General Fund operating budget, which would equate to a range of \$6.4-\$19.2 million, based on the FY 2019 adopted budget. The maintenance of a healthy reserve is essential to the City's ongoing fiscal well-being and its standing in the credit markets.

It is also important to ensure that the City maintains sufficient flexibility to address future developments, both planned and unexpected. With these thoughts in mind, we have developed a package of items that address certain immediate needs, while ensuring that the City will be well-positioned to respond to future requirements. The package that I am submitting for your consideration consists of the following appropriations:

- \$1,150,000 to the General Fund Stabilization Fund and \$455,000 to the OPEB Trust Fund. These transfers are in compliance with the recently-adopted financial policy, which designates at least 25% and 10% of available General Fund Free Cash for deposit into the Stabilization and OPEB Trust funds, respectively.
- \$500,000 to acquire eight front-line patrol vehicles for the Police Department and a number of pre-owned vehicles for unmarked use. The existing fleet of 68 vehicles averages about eight years of service and requires significant investment.
- \$175,000 to begin renovations to the Congdon Lucas House, located on the grounds of Hazelwood Park. The historic structure was originally constructed in 1840 as the

homestead for a rural estate. The property has experienced significant deterioration and requires immediate repair. This appropriation would provide funding for building stabilization to ensure structural stability.

- \$300,000 to continue operations intended to improve water quality in Sassaquin pond. Filtration and complete dredging are ultimately needed to restore the pond to its original quality; short of total rehabilitation, this appropriation will allow the City to purchase additional filtration equipment to advance cleanup activities.
- \$235,000 to fund design for the repair and renovation of the fleet maintenance facility located at City Yard. Funding for construction would be requested in FY 2020.
- \$125,000 to continue renovations to the West Beach Bathhouse. Funding was included in the FY 2018 capital bond for exterior improvements; the proposed Free Cash appropriation would renovate the interior of the building to allow for recreational boat rentals.
- \$150,000 to replace one of the City's data storage systems, which hold the real time data generated by the City's business application servers. The device designated for replacement, which was installed in 2008, is nearing end of life and will no longer receive manufacturer support.
- \$50,000 to replace portable staging used for public events. The existing staging is beyond its useful life and requires significant time and labor to set up.

These transfers total \$3,140,000, leaving \$1,394,264 unappropriated as a contingency in case of unforeseen expenses. Thank you for your consideration, and please do not hesitate to reach out to me or any of the relevant staff if you have any questions regarding these proposals.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jon Mitchell', with a large, stylized initial 'J'.

Jon Mitchell
Mayor

Attachments

SUBMITTED BY	Robert Ekstrom	CITY/TOWN/DISTRICT	New Bedford
PHONE	508.979153	DATE RECEIVED	11/06/18
FIELD REP	Jared Curtis	DATE SUBMISSION COMPLETE	12/04/18

FREE CASH CALCULATION

BEGIN:

UNRESERVED UNDESIGNATED FUND BALANCE	9,609,465
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LESS:

PERSONAL PROPERTY TAXES RECEIVABLE	348,554
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REAL ESTATE TAXES RECEIVABLE	3,129,977
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OTHER RECEIVABLE, OVERDRAWN ACCOUNTS, DEFICITS

Cash Reconciliation Variance	3,653	SRF2299 Safer Staff	3,293	
GF TB Accrued Interest Ma	141	SRF2321 AeroStudy	2,615	
GF TB D/R DFFM Misc	2,727	SRF2414 Acushnet	20,883	
GF TB Due Comm of MA	13,693	SRF2419 Duchaine	3,253	
GF TB Harbor Developmen	799,859	SRF2459 Brownsfiel	12,805	
GF TB Redevelopment	650,931	SRF2521 Partnershi	896	
GF TB Payroll Deficits	3,157	SRF2528 COA	1,543	
GF TB Return Check	75	SRF2529 COA Tran	2,083	
		SRF2530 Comm Sei	3,291	
GF TB State Sales Tax	1,261	SRF2555 COA EOE	319	
SRF1194 Parks & Rec	389	SRF2581 PROUD	2,929	
SRF1204 Health-Fines	196	SRF2672 Ross Matt	100	
SRF1210 Tourism	412	SRF4332 Renaissar	1,530	
SRF2141 Planning Grants	15,000	SRF4336 Young Per	3,360	
SRF2219 STEP Grant EOP	1,724	SRF4341 EOS Gr	45	
SRF2223 COPS 2012 Hire	322,235	SRF4346 Hannigan	400	
SRF2284 911 Dept Train	33,593	SRF4349 Nellie Mae	2,000	
SRF2291 Fire Safer Staff	357	SRF4359 MA Life Sc	49,956	
SRF2296 Fire-AFG-OPS	6,601	Additional Sheet	882,188	
				2,849,493

FREE CASH VOTED FROM TOWN MEETING NOT RECORDED

ADD:

DEFERRED REVENUE (CREDIT BALANCE +, DEBIT BALANCE -)	1,252,823
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60 DAYS TAX COLLECTIONS

OTHER MISCELLANEOUS ADJUSTMENTS:

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	-
	-
	-
	4,534,264

FREE CASH, JULY 1, 2018

Jared Curtis

REVIEWED BY:

PLEASE SEE CERTIFICATION LETTER

DATE:

12/04/18

FOR DIRECTOR OF ACCOUNTS APPROVAL



CITY OF NEW BEDFORD

CITY COUNCIL

December 13, 2018

ORDERED: That the sum of **ONE MILLION ONE HUNDRED FIFTY THOUSAND DOLLARS (\$1,150,000)** now standing to the credit of the account from **FREE CASH** be and the same is hereby transferred and appropriated to as follows:

STABILIZATION FUND..... \$1,150,000

To be certified and approved by the Department Head



CITY OF NEW BEDFORD

CITY COUNCIL

December 13, 2018

ORDERED: That the sum of **FOUR HUNDRED FIFTY-FIVE THOUSAND DOLLARS (\$455,000)** now standing to the credit of the account from **FREE CASH** be and the same is hereby transferred and appropriated to as follows:

OPEB TRUST FUND.....\$455,000

To be certified and approved by the Department Head



CITY OF NEW BEDFORD

CITY COUNCIL

December 13, 2018

ORDERED: That the sum of **FIVE HUNDRED THOUSAND DOLLARS (\$500,000)** now standing to the credit of the account from **FREE CASH** be and the same is hereby transferred and appropriated to as follows:

POLICE DEPARTMENT CAPITAL OUTLAY..... \$500,000

To be certified and approved by the Department Head



CITY OF NEW BEDFORD

CITY COUNCIL

December 13, 2018

ORDERED: That the sum of **ONE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$175,000)** now standing to the credit of the account from **FREE CASH** be and the same is hereby transferred and appropriated to as follows:

**FACILITIES AND FLEET DEPARTMENT
CAPITAL OUTLAY..... \$175,000**

To be certified and approved by the Department Head



CITY OF NEW BEDFORD

CITY COUNCIL

December 13, 2018

ORDERED: That the sum of **THREE HUNDRED THOUSAND DOLLARS (\$300,000)** now standing to the credit of the account from **FREE CASH** be and the same is hereby transferred and appropriated to as follows:

DEPARTMENT OF PUBLIC INFRASTRUCTURE
CAPITAL OUTLAY..... \$300,000

To be certified and approved by the Department Head



CITY OF NEW BEDFORD

CITY COUNCIL

December 13, 2018

ORDERED: That the sum of **TWO HUNDRED THIRTY-FIVE THOUSAND DOLLARS (\$235,000)** now standing to the credit of the account from **FREE CASH** be and the same is hereby transferred and appropriated to as follows:

**FACILITIES AND FLEET DEPARTMENT
CHARGES AND SERVICES..... \$235,000**

To be certified and approved by the Department Head



CITY OF NEW BEDFORD

CITY COUNCIL

December 13, 2018

ORDERED: That the sum of **ONE HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$125,000)** now standing to the credit of the account from **FREE CASH** be and the same is hereby transferred and appropriated to as follows:

FACILITIES AND FLEET DEPARTMENT
CAPITAL OUTLAY..... \$125,000

To be certified and approved by the Department Head



CITY OF NEW BEDFORD

CITY COUNCIL

December 13, 2018

ORDERED: That the sum of **ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000)** now standing to the credit of the account from **FREE CASH** be and the same is hereby transferred and appropriated to as follows:

MIS DEPARTMENT CAPITAL OUTLAY..... \$150,000

To be certified and approved by the Department Head



CITY OF NEW BEDFORD

CITY COUNCIL

December 13, 2018

ORDERED: That the sum of **FIFTY THOUSAND DOLLARS (\$50,000)** now standing to the credit of the account from **FREE CASH** be and the same is hereby transferred and appropriated to as follows:

DEPARTMENT OF PUBLIC INFRASTRUCTURE
CAPITAL OUTLAY..... \$50,000

To be certified and approved by the Department Head