



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

CITY CLERK

2018 DEC - 6 P 12:53

CITY CLERKS OFFICE
NEW BEDFORD, MA

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,



Jon Mitchell
Mayor

Attachments

FREE CASH CALCULATION

9.609.465

348,554

3,129,977

2.849.493

2

1,252,823

4

4,534,264
FREE CASH, JULY 1, 2018

PLEASE SEE CERTIFICATION LETTER

FOR DIRECTOR OF ACCOUNTS APPROVAL

a true copy attest:

City Clerk