

## FINANCE COMMITTEE MINUTES

The Standing Committee on Finance met on *Monday, March 21<sup>st</sup>, 2022 at 7:00 PM* in the *Council Chambers, Brockton City Hall, 45 School Street*, with Councilor Lally presiding, to consider the following:

\*Council President Lally requested that Mayor Robert Sullivan and Chief Financial Officer Troy Clarkson give a brief description on the state of the ARPA Funds that the city has received.

\*Mayor Sullivan states that there will be a formal, detailed resolve filed which will warrant CFO Clarkson and himself to return at the second Finance Committee meeting in April about the matters at hand.

\*Mayor Sullivan states that between this year and last year, the city has accumulated \$34 million dollars in ARPA money from the federal government. Brockton is projected to receive an allotment of ARPA funds from Plymouth County and Beacon Hill as well. He tells the councilors that money needs to be spent on City Hall, the Council on Aging, and the War Memorial Building. He mentions that he wants to spend some funds on the city's parks, playgrounds and pools.

\*Mayor Sullivan takes the time to reiterate that these are not recurring funds, and he plans to use the generous allotment of funds correctly and to the best of his ability all while maximizing the benefits of everyone in Brockton.

\*Councilor Thompson reads his pitch to Mayor Sullivan and CFO Clarkson about potentially using ARPA funds toward the construction of Sycamore Grove in the downtown area. Mayor Sullivan reassures that part of the allotment received will go toward constructing Sycamore Grove as well as numerous other parks and recreational areas around the city.

\*All councilors state that they look forward to seeing improvements not only in their respective wards, but within the entire city with the ARPA funds that have been granted.

\*Councilor Farwell makes a motion to take item 9 out of order, 2<sup>nd</sup> by Councilor Asack. Motion carried by a hand vote.

9. Ordered: That the City Council accept the provisions of Chapter 44, ss 53F 1/2 of the M.G.L establishing the Brockton Parking Authority as an enterprise fund effective Fiscal Year 2023. The enterprise fund will include the balance as of June 30, 2022 in the following accounts; Parking Enforcement Revolving Fund, Parking Meters Reserve fund and Garage Revenue reserve fund.

Invited: Erik Akesson, Executive Director of Parking  
Troy Clarkson, Chief Financial Officer

\*Mr. Clarkson states that he provided a copy of the enabling legislation to the councilors. He goes on to say that the way the Parking Authority works is that there are a series of funds into which the revenue from the Parking Authority is deposited. On an annual basis, the councilors are subject to approving a revolving fund that receives up to \$250,000.

\*Mr. Clarkson mentions that the revenues from the Parking Garages were less during the pandemic than the previous years. He goes on to say that the financial team in the city is working diligently to find a way to streamline the finances while maintaining the integrity of the Parking Authority as a stand-alone operation that is supported by its own revenues. Working with the Department of Revenue, the city's finance team has concluded that the establishment of an enterprise fund would simplify and streamline the accounting but would in no way impact the operations of the Parking Authority. Nor would it impact their ability to use some of the funds for capital items. Mr. Clarkson states that because of the nature of the enterprise fund, it would further provide a benefit to the general fund.

\*Mr. Clarkson clarifies that the enterprise fund will not lessen the general fund funds despite some questions that were being raised. As part of the annual budget approval process, the City Council will also take a vote to address the indirect cost. During the budget approval process, the city's finance team allocates money from each enterprise back to the general fund for "back-office support", or administrative support. Mr. Clarkson goes on to state that with the establishment of the Parking Authority as an enterprise fund, the projected monies that will be returned to the general fund for administrative fees in the first year is roughly \$165,000-\$166,000. Every year during the budget approval process, the City Council will have to review this.

\*Mr. Clarkson notes that this is really an accounting upgrade that increases the ability to streamline the finances while the integrity of the Parking Authority stays intact in terms of the department supporting its own operations through its own revenues.

\*Councilor Farwell clarifies that there are revolving accounts now that will grow by the end of the fiscal year, June 30<sup>th</sup>, and the goal is to take the balance of these accounts, combine them and roll them into the enterprise fund. Mr. Clarkson agrees. Councilor Farwell goes on to clarify that this enterprise fund in particular would be appropriating money from this account to offset the operational and administrative cost of the Parking Authority, and that it will all go through Council for approval. Mr. Clarkson agrees. In terms of legitimizing administrative expenses that will be charged back, Councilor Farwell asks if at some point would we figure out the cost of health benefits for employees and charge them back to the revenues going into the enterprise account. Mr. Clarkson states that that is correct. Councilor Farwell states that the city is just about breaking even; in round figures the Parking Authority is spending about \$1,000,000 in personal services and ordinary maintenance, and are bringing in a little over \$1,000,000 in revenues. Mr. Clarkson states that the revenue of the Parking Authority fluctuates, which is a good reason to have an enterprise fund. With the fund, there will be a cushion of money in the retained earnings for the years that don't bring in as much money as others. Mr. Clarkson states that the pandemic impacted the Parking Authority in terms of revenue significantly.

\*Councilor D'Agostino asks for clarification regarding the administrative costs coming back to the city, and if the city hasn't been able to do that in the past under the accounts currently established. Mr. Clarkson states that the way the revolving fund is set up, it collects up to \$250,000, and anything over that gets credited to the general fund. With the accounts now, it is not as clean and specific as it would be with the enterprise fund established. Having an enterprise fund allows revenue coming back to be predictable, whereas with the revolving fund it is never guaranteed. Councilor D'Agostino mentions

that Mr. Clarkson stated that in order for the Parking Authority to make capital expenditures they would have to go through council. He goes on to ask if that is something that has to happen currently, or if it is new because of the enterprise fund. Mr. Clarkson answers that in some cases now the department does have to go before council, but in other cases they do not; it depends on the source of the funding. Councilor D'Agostino finishes by asking if there is a downside to establishing an enterprise fund, to which Mr. Clarkson replies that in his experience, no, there are no downsides but there are many long-term benefits.

\*Councilor Thompson notes the three different accounts that the Parking Authority has, Parking Enforcement Revolving Fund, Parking Meters Reserve fund and Garage Revenue reserve fund, and goes on to ask that with the establishment of the enterprise fund if there will still be a differentiation between where the revenue is coming from. Mr. Clarkson tells him that there will absolutely still be the differentiation between fees and that the monies will continue to be tracked in the separate categories.

Having considered the same, motion by Councilor Farwell to report FAVORABLE, 2<sup>nd</sup> by Councilor Nicastro. Motion carried by a hand vote.

1. Appointment of Marcelin Ulysse, 10 Longworth Avenue, Unit 9, Brockton, MA 02301, as a Constable in the City of Brockton for a term of three (3) years.  
Invited: Marcelin Ulysse

\*Councilor Thompson states that he is going to recuse himself from this item due to a conflict of interest.

Having considered the same, motion by Councilor Asack to report FAVORABLE, 2<sup>nd</sup> by Councilor Rodrigues. Motion carried by a hand vote.

2. Appointment of Ednel Sanon of 48 Westland Street, Brockton, MA 02301 as a Constable in the City of Brockton for a term of three (3) years.  
Invited: Ednel Sanon

Having considered the same, motion by Councilor Rodrigues to report FAVORABLE, 2<sup>nd</sup> by Councilor Asack. Motion carried by a hand vote.

3. Appointment of James Andrews of 19 Hazard Street, Brockton, MA 02301 as a Constable in the City of Brockton for a term of three (3) years.  
Invited: James Andrews

Having considered the same, motion by Councilor Asack to report FAVORABLE, 2<sup>nd</sup> by Councilor Rodrigues. Motion carried by a hand vote.

4. Appointment of Juan Delos Santos of 127 Downey Road, Brockton, MA 02302 as a Constable in the City of Brockton for a term of three (3) years.  
Invited: Juan Delos Santos

Having considered the same, motion by Councilor Nicastro to report FAVORABLE, 2<sup>nd</sup> by Councilor Asack. Motion carried by a hand vote.

5. Appointment of Jodel Daniel of 217 Nilsson Street, Brockton, MA 02301 as a Constable in the City of Brockton for a term of three (3) years.

Invited: Jodel Daniel

Having considered the same, motion by Councilor Rodrigues to report FAVORABLE, 2<sup>nd</sup> by Councilor Asack. Motion carried by a hand vote.

6. Appointment of Laura Biechler of 37 Fern Ave Brockton, MA 02301 to the Brockton Community Access Board for a three-year term, ending March 2025.

Invited: Laura Biechler

Having considered the same, motion by Councilor Asack to report FAVORABLE, 2<sup>nd</sup> by Councilor Farwell. Motion carried by a hand vote.

7. Re-Appointment of John Condon of 45 Woodland Drive, Bridgewater, MA 02324 to the Brockton Retirement Board for a three-year term, ending March 2025.

Invited: John Condon

\*Councilor Mendes asks Mr. Condon how long he has served on the Retirement Board, to which he replies three years, since February of 2019.

\*Councilor Mendes mentions the big borrowing of last year due to the unfunded liability in the city. She follows up to ask how the Board performed in 2021 with the returns. Mr. Condon states that he doesn't know the exact number off the top of his head, but thinks it was close to a 15%-18% return. Mr. Condon clarifies that the unfunded liability is determined by more than the investment return. He goes on to say that the investment return ought to be based upon a structure of investments which is geared over the longer term, within an acceptable range, to achieve the investment assumption in the funding plan. Mr. Condon finishes to say that the Retirement Board's first objective is not to achieve a high rate of return, but it is to achieve a greater return which is equal to, or slightly in excess of the amount that is assumed in the funding plan. The plan that was put together for the pension bond, the borrowing mentioned above, was 6.75%, therefore, the Board should be gearing to hit 8%. Anything over would mean that they were too aggressively invested.

\*Mr. Condon states that he is happy to come back to City Council and answer any questions in regard to how the Retirement Board is performing.

Having considered the same, motion by Councilor Rodrigues to report FAVORABLE, 2<sup>nd</sup> by Councilor Thompson. Motion carried by a hand vote.

8. Ordered: That the City Council accept the provisions of Chapter 44, ss 53F 1/2 of the M.G.L establishing Stormwater as an enterprise fund effective Fiscal Year 2023.

Invited: Patrick Hill, DPW Commissioner

Troy Clarkson, Chief Financial Officer

\*Mr. Clarkson states that the Stormwater enterprise fund is a result of recent legislative actions taken by the City Council. The United States Environmental Protection Agency has recently promulgated regulations requiring the city to take extra steps. As a result, the City Council passed a Stormwater ordinance last legislative session that lays forth the requirements for dealing with Stormwater. Within that ordinance, a fee structure was also passed that requires property owners to contribute to mitigating those impacts. He goes on to say that this is the next step to create an entity within which that people who deal with actual Stormwater will be paid and that the actual projects that deal with Stormwater will be funded.

\*Mr. Clarkson continues by saying that excess revenues will be able to be maintained in retained earnings and be used to address some of the capital needs without borrowing. In the first year, the projected and anticipated amount of money the enterprise will return to the general fund is about \$94,000-\$95,000. Within the first year of this fee, the revenues should be in excess of \$1.4 million dollars.

\*Councilor D'Agostino clarifies that this relates to the new \$6 fee that appeared on the water bills in the city. Both Mr. Clarkson and DPW Commissioner Pat Hill agreed that this was the case. He goes on to ask if the establishment of the fee was something required by the EPA to which Commissioner Hill states yes, it was required in order for the enterprise to run on its own.

Having considered the same, motion by Councilor Asack to report FAVORABLE, 2<sup>nd</sup> by Councilor D'Agostino. Motion carried by a hand vote.

10. Ordered: That the City Council of the City of Brockton petitions the Great and General Court for special legislation relating to the City of Brockton to be filed with an attested copy of this Order be and hereby is approved under the provisions of Clause One (1) Section Eight (8) of Article Two (2), as amended, of the Articles of Amendments to the Constitution of the Commonwealth of Massachusetts as follows:

**PETITION FOR SPECIAL LAW RELATIVE TO BIDDING REQUIREMENTS FOR A CERTAIN AFFORDABLE HOUSING PROJECT IN THE CITY OF BROCKTON:**

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

Provided that the General Court may reasonably vary the form and substance of this requested legislation which shall be within the scope of the general public objectives of this petition, be it enacted by the Senate and House of Representatives in General Court Assembled, and by the authority of the same as follows:

SECTION 1. Construction and development activity related to redevelopment by the Brockton Housing Authority or by a limited liability company or limited partnership controlled by the Brockton Housing Authority of the federally-assisted Campello High-Rise located at 1380 Main Street, Brockton MA, Assessor's Parcel ID Map 117-034 and 117-003, in the City of Brockton, or any part thereof or subsequently added to parcel, shall not be subject to any general or special law related to the procurement and award of

contracts for the planning, design, construction management, construction, reconstruction, installation, demolition, maintenance or repair of buildings by a public agency, but shall be subject to section 26 to 27H, inclusive, of chapter 149 of the General Laws (Prevailing Wage). A conveyance of the project, whether by leasehold or fee estate, to an urban redevelopment corporation organized pursuant to chapter 121A of the General Laws or to a nonprofit state and federally-tax exempt corporation organized for the purpose of or to a limited partnership or limited liability company whose primary purpose is revitalizing the project, shall be subject to chapter 30B of the General Laws to the extent that the project is conveyed to an entity that is not owned, controlled or managed by the Brockton Housing Authority on the date of the conveyance.

SECTION 2. The provisions of this act shall take effect upon passage.

Invited: Thomas G. Thibeault, Executive Director, Brockton Housing Authority  
Thomas L. Plouffe, Esq., Division Director of Housing Administration,  
Brockton Housing Authority

\*Mr. Thibeault states that the Brockton Housing Authority has capital problems and have been looking under every rock for money. He goes on to say that the Campello High-Rise in particular has been a challenge. Due to the way it was built in 1972, it has had a number of issues since being built, and they continue to grow. About a year ago, the BHA has begun addressing the backlog of needs that Campello High-Rise has. He believes that they can substantially alter the quality of public housing in Brockton using this program.

\*Mr. Thibeault goes on to explain that the project that is being talked about is \$150,000,000-\$200,000,000 project that will most likely be new construction. The BHA has partnered with the Cambridge Housing Authority who has done like work. Dietz & Co Architects was hired as well, who have already done several of these projects around the state. He goes on to say that they have taken all of the right steps to ensure that this stays a quality project. Mr. Thibeault states that he hopes to have the financing regarding this project closed by the end of 2023.

\*Mr. Thibeault states that the petition is simple, as they are just looking for a little bit of relief from the procurement law so that this could be bid as one package. With this, they are estimated to save 15%-20% on the construction part of this project, which is 10s of millions of dollars that will go into the project. He believes this is the beginning of a renovation that will go throughout the city's public housing.

\*Councilor Nicastro states that this is a great opportunity. She states that other towns and cities have went with this approach to be able to select their own subcontractors and go around the usual bidding process, and it has worked for them and has saved them millions of dollars.

\*Councilor Rodrigues asks how the other high-rises in the city are doing to which Mr. Thibeault responds that all of the other buildings have capital needs as well; some are substantial, some are not. He goes on to state that the other high-rises are in generally good condition. The other high-rises were built for the north-east weather, where The Campello High-Rise was not originally built for it. The other high-rises in the city have all been worked on in the past. He states that twenty years ago the Campello High-Rise was assessed to have \$16,000,000 back-log in capital needs. The most recent study

concluded that the rehab of it as it is today would be well over \$100,000,000 which is why the rehab will most likely include new construction.

\*Councilor Rodrigues follows up to ask if there is a rule that precludes the city from including some of the other housing complexes in this order to prevent going through this process a second or third time. Mr. Plouffe states that they haven't explored/thought about that being a possibility as of yet. He goes on to say that it was a long process to even get to this approval step. The BHA had to prove that this property would take over 62% of it's current value to rehab before continuing with the process. Mr. Plouffe concludes that it would be premature at this time to ask about the other complexes in this city.

\*Councilor Minichiello clarifies that any money saved will not be going into anyone's pocket but would rather be reinvested into the renovation budget so more improvements can be done on the units to which Mr. Thibeault states that that is correct. He goes on to say that this is still a prevailing wage job, therefore anyone who works on the job will be getting paid their prevailing wage. He continues by saying that they will be borrowing a large amount of money to get the construction job done, therefore, the longer it takes to get done, the more interest they have to pay. Mr. Thibeault concludes by saying that it saves on the bureaucratic part of bidding in the state of Massachusetts and allows more money to go into the project so the quality of the project is better.

\*Councilor Asack states that there type of petitions are a long process, and follows up to ask what the council can do to make the process quicker considering costs of things continue to rise. Mr. Plouffe states that if it passed tonight, and next week is moved for reconsideration, the order can be signed two days earlier. He goes on to say that they have spoken with their state house delegation about moving it along as soon as they receive it.

\*Councilor Asack asks if one building is completely coming down to which Mr. Thibeault replies that one of the projects that has been suggested is to build a new building, move everyone out of the building they are trying to tear down into the new building, and eventually tear the old building down. He goes on to say that there could be more than one building built, but at this time they are conducting a feasibility study to understand and develop the best way to use the property.

\*Councilor Teixeira asks if after taking the building down, if there is a place to place the tenants. Mr. Thibeault tells the councilors that there has to be a relocation plan in place. In their budget right now, there is roughly \$900,000 for relocation efforts. He reassures that the tenants will be impacted as little as possible.

\*Councilor Teixeira goes on to state that while the Campello High-Rise as it stands now is 10 stories, the new building will be four stories. Mr. Thibeault agrees that the building will not be as tall, and that they would prefer it to be more spread out on the property. He goes on to say that once construction goes over a mid-rise size, it becomes significantly more expensive, therefore the budget may have something to do with the height of the building.

Having considered the same, motion by Councilor Asack to report FAVORABLE, 2<sup>nd</sup> by Councilor Thompson. Motion carried by a hand vote.

11. Ordered: That the City Council authorizes the acceptance and expenditure of the total grant funds in the amount of \$14,930.00.

From:

Commonwealth of Massachusetts-Executive Office of Public Safety  
\$14,930.00

To:

City of Brockton Fire Department-FY22 Community S.A.F.E Program Fund  
\$ 11,275.00

City of Brockton Fire Department-The Senior Safe Program Fund  
\$3,655.00

These grant funds will be used for the Fire Safety Education program.

Invited: Brian Nardelli, Fire Chief

Troy Clarkson, Chief Financial Officer

\*Chief Nardelli states that this is an annual recurring grant. He goes on to say that these funds will go toward fire education with children and seniors alike. This grant began 27 years ago and since then, fire fatalities in children have decreased by 78%.

\*Councilor Nicastro asks how the Fire Department anticipates to spend these funds.

Chief Nardelli states that the majority of these funds will go toward materials for the children's program and the senior's program. Some of these funds will also go toward overtime costs for the trainers to go into the classrooms. He goes on to note that part of these funds will also go toward the annual fire prevention day in October.

Having considered the same, motion by Councilor Asack to report FAVORABLE, 2<sup>nd</sup> by Councilor Farwell. Motion carried by a hand vote.

Meeting Adjourned: 8:22PM