

City of Fall River Massachusetts

Office of the City Clerk

ALISON M. BOUCHARD
CITY CLERK

INÊS LEITE
ASSISTANT CITY CLERK

SPECIAL MEETING OF THE CITY COUNCIL

MEETING: April 14, 2025, at 6:30 p.m.
Council Chamber, One Government Center

PRESENT: President Joseph D. Camara, presiding;
Councilors Shawn E. Cadime, Michelle M. Dionne, Paul B. Hart,
Bradford L. Kilby, Linda M. Pereira, Cliff Ponte, Andrew J. Raposo
and Laura-Jean Sampson

ABSENT: None

IN ATTENDANCE: Emily Arpke, Interim Director of Financial Services
Paul Ferland, Administrator of Community Utilities

President Camara called the meeting to order at 6:39 p.m. with a moment of silence followed by a salute to the flag and announced that the meeting may be recorded with audio or video and transmitted through any medium.

1. Citizen Input Time
Kelly Buchanan, 16 Bradford Ave – Water taxes
Sara Carvalho, 38 June Street – Water and Sewer

COMMITTEE REPORTS

On a motion made by Councilor Ponte and seconded by Councilor Raposo, it was unanimously voted to waive the rules to allow Paul Ferland, Administrator of Community Utilities, and Emily Arpke, Interim Director of Financial Services, to answer questions regarding the budgets and to take item 2a out of order.

- 2a. Committee on Ordinances and Legislation recommending:
Grant Leave to Withdraw, as amended
Proposed Ordinances re FY 26 Water and Sewer rates

Councilor Ponte stated that he was opposed to both the Fiscal Year 2026 (FY26) Water and Sewer Enterprise budgets, and proposed ordinances related to the FY26 Water and Sewer Rates. Councilor Ponte asked for additional information regarding the indirect costs for the Water and Sewer Divisions. Mr. Ferland explained that the indirect costs totaled \$1,680,000 for the Sewer Division and \$3,020,000 for the Water Division. Councilor Ponte, the Administrator of Community Utilities and the Interim Director of Financial Services held a lengthy discussion regarding the financial challenges of indirect costs that are transferred to the municipal funds, the effect that a decrease for these costs would have on the overall budgets for the Enterprise Funds, and future plans to adjust fiscal policies within the Water and Sewer Enterprise Budgets to place less of a financial burden on ratepayers of Fall River. Ms. Arpke emphasized that the revenue, if no longer sourced from the Water and Sewer Divisions, would need to be obtained from a different department's fee schedule. Mr. Ferland clarified that, if the indirect costs were

removed from both FY26 budgets, the water rate would be reduced by \$0.52 per cubic foot (\$0.35 per cubic foot below the current water rate with the \$0.17 per cubic foot proposed increase) and the Sewer Rate would be reduced by \$0.61 per cubic foot.

A motion was made by Councilor Ponte and seconded by Councilor Cadime to amend the proposed budgets by reducing the Sewer Fund Enterprise Revenue line item by \$1,680,000 and reducing the Water Fund Enterprise Revenue line item by \$1,616,275.

A lengthy discussion was held between Councilors Cadime, Dionne, Kilby, Ponte and the Administrator of Community Utilities regarding the impact these reductions would have on the Water and Sewer Divisions. Councilor Kilby emphasized the need to analyze the financial impact of this type of amendment, and Councilor Dionne stated that she would support a reduction that would keep the Fiscal Year 2025 (FY25) rates the same. Councilors Cadime, Ponte and Mr. Ferland discussed the overall cost increases within the Water and Sewer Enterprise Funds during FY25 to determine a reduction amount within the budgets that would allow the Water and Sewer Rates to remain unchanged, without placing the budgets into a deficit. Mr. Ferland stated that if the Water and Sewer Enterprise Fund budgets indirect costs were reduced by \$527,000, and \$832,000, respectively, the rates for both services would remain unchanged for FY26. A further motion was made by Councilor Ponte and seconded by Councilor Cadime to amend the proposed budgets by reducing the Sewer Fund Enterprise Revenue appropriation by \$832,000 and reducing the Water Fund Enterprise Revenue appropriation by \$527,000.

Councilor Cadime and Mr. Ferland briefly discussed the reduction of \$90,000 within the Water Enterprise Fund budget related to fluoride additives, which are not currently being used in the water treatment protocol. Councilor Cadime explained that the FY25 Municipal Budget had large reductions from previous years with no significant impacts and that this amendment to the Water and Sewer fees could provide relief for ratepayers without having decreased budgets in comparison to the previous fiscal year. Ms. Arpke highlighted anticipated increases within the FY26 Municipal Budget and that there would be a significant decrease in available surplus funds in FY26. The Interim Director of Financial Services provided insight regarding zero-based budgeting practices, reductions to various City departments, and the overall effect of removing indirect costs from the Water and Sewer Enterprise Fund budgets. Councilor Ponte emphasized that state and federal funding cannot be relied upon for these budgets, and that the City must prepare for future financial challenges. President Camara made brief remarks regarding hesitancy towards the proposed reductions, and that keeping the rates from gradually increasing could result in more significant increases in the future.

Councilor Sampson and the Interim Director of Financial Services discussed the impact that would arise if the budgets and rates were not approved for the Water and Sewer Enterprise Funds, the potential use of capital from the Stabilization Fund and the challenges of collecting timely payments from all ratepayers. Ms. Arpke clarified that the Stabilization Fund should only be utilized for unanticipated emergency funding and that Councilor Sampson emphasized the need for creative budgeting that will provide funding for various projects and services, without creating a large financial burden for the residents and business owners of the community. President Camara reiterated that additional amendments to the proposed budgets may place the Water and Sewer Enterprise Funds in a financial deficit.

Councilor Cadime clarified that the reduction of indirect funds from the Water and Sewer Enterprise Fund budgets would effectively be a reduction to the FY26 Municipal Budget, as the burden of both divisions' indirect costs would shift to the FY26 Municipal Budget. Councilor Cadime further provided detailed information regarding the potential use of Free Cash or Stabilization Fund capital, and potential intermunicipal agreements for water service, which would create significant revenue for the City. Councilor Cadime emphasized that these practices would allow the services to continue without interruption and with adequate staffing.

Vice President Pereira stated that the Water and Sewer Divisions could request additional funding throughout the year, in the form of a transfer or appropriation, if necessary, but that the Committee on Ordinances and Legislation unanimously voted to recommend that the proposed ordinances increasing the Water and Sewer rates be granted leave to withdraw, as amended. Vice President Pereira supported Councilor Cadime's suggestion of intermunicipal agreements for water services. Councilor Dionne and Ms. Arpke discussed capital items, water testing costs and American Rescue Plan Act (ARPA) funding. Councilor Dionne suggested that some capital items could utilize available ARPA capital.

President Camara asked Mr. Ferland for an estimated timeline in relation to potential intermunicipal agreements for water services. Mr. Ferland stated that new agreements with nearby municipalities, other than Westport, MA, may take six months to a few years to be finalized. Mr. Ferland also advised Councilors that the Water and Sewer rates could be significantly increased next year if these proposed rate increases are granted leave to withdraw and the rates are kept the same. President Camara then clarified that the City Council should vote on the proposed ordinances before voting on the appropriation orders. On a motion made by Vice President Pereira and seconded by Council President Camara, it was voted 9 yeas that the proposed ordinances to increase the Water and Sewer rates for FY26 be granted leave to withdraw, as amended.

2. Committee on Finance recommending:

Action

Orders – Fiscal Year 2026 Enterprise Fund budgets for Water and Sewer Divisions

On a motion made by Councilor Ponte and seconded by Councilor Cadime, it was voted 4 yeas, 5 nays to reduce the Water Enterprise Fund Revenue by \$527,000.00, with Councilors Cadime, Dionne, Ponte and Raposo voting in the affirmative.

Councilor Ponte made a subsequent motion to reduce the Water Enterprise Fund Revenue by \$500,000.00 but received no second. Councilor Cadime stated that amending the indirect cost responsibilities of the Water and Sewer Enterprise Funds will counteract the lack of rate increases for FY26. Emily Arpke, Interim Director of Financial Services, stated that 76% of the anticipated FY26 Municipal Budget is fixed costs. Councilor Cadime clarified that the General Fund, within the Municipal Budget, provides greater financial flexibility than the Water and Sewer Enterprise Fund budgets. Paul Ferland, Administrator of Community Utilities, Ms. Arpke and Councilor Cadime discussed the reassignment of funds and addressed various line items with the decreased indirect costs within the proposed budgets.

On a motion made by Councilor Sampson and seconded by Councilor Cadime, it was unanimously voted to reconsider the vote to reduce the Water Enterprise Fund Revenues by \$527,000.00. Councilor Ponte requested that, in addition to the reconsideration of the previous vote, that the City Council take both Water and Sewer Division budget appropriation orders, in their entirety, line by line as roll call votes.

On a motion made by Councilor Ponte and seconded by Councilor Cadime, it was voted 8 yeas, 1 nay, to adopt the Water Division appropriation for Water, Salaries, with Councilor Hart voting in the negative.

On a motion made by Councilor Ponte and seconded by Councilor Dionne, it was voted 9 yeas to adopt the Water Division budget appropriation for Water, Expenses.

On a motion made by Councilor Dionne and seconded by Councilor Raposo, it was voted 9 yeas to adopt the Water Division budget appropriation for Water, Capital.

On a motion made by Councilor Ponte and seconded by Councilor Cadime, it was voted 9 yeas to reduce the Water Division budget appropriation for Water, Transfers and Indirect Costs by \$527,000.00, and to adopt the appropriation, as amended.

On a motion made by Councilor Ponte and seconded by Vice President Pereira, it was voted 9 yeas to adopt the Water Division budget appropriation for Water, Debt.

The City Council held a brief recess from 8:05 p.m. to 8:13 p.m.

On a motion made by Councilor Cadime and seconded by Councilor Dionne, it was voted 9 yeas to adopt the Water Division budget, as amended.

On a motion made by Councilor Dionne and seconded by Councilor Ponte, it was voted 9 yeas to adopt the Sewer Division budget appropriation for Sewer, Salaries.

On a motion made by Councilor Dionne and seconded by Councilor Raposo, it was voted 9 yeas to adopt the Sewer Division budget appropriation for Sewer, Expenses.

On a motion made by Councilor Dionne and seconded by Councilor Raposo, it was voted 9 yeas to adopt the Sewer Division budget appropriation for Sewer, Capital.

On a motion made by Councilor Ponte and seconded by Councilor Cadime, it was voted 9 yeas to reduce the Sewer Division budget appropriation for Sewer, Transfers and Indirect Costs by \$832,000.00, and to adopt the appropriation, as amended.

On a motion made by Councilor Dionne and seconded by Councilor Raposo, it was voted 9 yeas to adopt the Sewer Division budget appropriation for Sewer, Debt.

On a motion made by Councilor Ponte and seconded by Councilor Raposo, it was voted 9 yeas to adopt the Sewer Division budget, as amended.

Vice President Pereira requested that clarification be provided to the public regarding the votes just taken and Mr. Ferland explained that the Water and Sewer rates for FY26 will remain the same as FY25. On a motion made by Vice President Pereira and seconded by Councilor Kilby, it was unanimously voted to adjourn at 8:21 p.m.

List of documents and other exhibits used during the meeting:

Agenda packet (attached)

Revised Fiscal Year 2026 Water and Sewer Divisions Enterprise Fund Budgets,
provided by Paul Ferland, Administrator of Community Utilities

A true copy. Attest:

A handwritten signature in black ink, reading "Alison M. Bouchard". The signature is written in a cursive style with a large initial 'A'.

City Clerk

In City Council, May 13, 2025
Approved.



City of Fall River Massachusetts
Office of the City Clerk

2025 APR -3 A 10: 51

CITY CLERK
FALL RIVER, MA

ALISON M. BOUCHARD
CITY CLERK

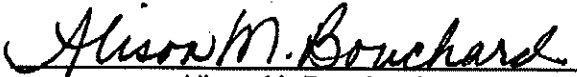
SPECIAL MEETING OF THE CITY COUNCIL
APRIL 14, 2025, AT 6:30 P.M.
CITY COUNCIL CHAMBER, ONE GOVERNMENT CENTER
AGENDA

INÊS LEITE
ASSISTANT CITY CLERK

5:30 P.M. COMMITTEE ON ORDINANCES AND LEGISLATION

6:30 P.M. SPECIAL MEETING OF THE CITY COUNCIL (OR IMMEDIATELY FOLLOWING THE COMMITTEE ON ORDINANCES AND LEGISLATION MEETING IF IT RUNS PAST 6:30 P.M.)

1. Citizen Input
2. **COMMITTEE REPORTS**
Committee on Finance recommending:
Action
*Orders – Fiscal Year 2026 Enterprise Fund budgets for Water and Sewer Divisions


Alison M. Bouchard
City Clerk

POTENTIAL MATTERS TO BE ACTED UPON (if received):

COMMITTEE REPORTS
Committee on Ordinances and Legislation recommending:
First Reading
Proposed Ordinances re FY26 Water and Sewer rates

ADA Coordinator: Gary P. Howayeck, Esq. 508-324-2650

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CITY OF FALL RIVER

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To the City Council

Councillors:

The Committee on Finance, at a meeting held on March 25, 2025 voted unanimously to recommend that the accompanying orders be referred to the full Council for action.

Glison M. Bouchard
City Clerk

City of Fall River, In City Council

2

BE IT ORDERED: That the following FY 26 appropriations be provided through the Water rates under Chapter 53F 1/2 in the aggregate, amounting to \$16,859,529 be appropriated as follows

A. Voted: That the following sums be appropriated for the Water Enterprise.

from Water Rate Revenues, for Water, Salaries	\$ 3,503,087
from Water Rate Revenues, for Water, Expenses	\$ 3,153,310
from Water Rate Revenues, for Water, Capital	\$ 350,000
from Water Rate Revenues, for Water, Transfers and Indirect Costs	\$ 3,125,238
from Water Rate Revenues, for Water, Debt	\$ 6,727,894

TOTAL: \$ 16,859,529

and that \$16,859,529 be raised as follows:

Water Retained Earnings	\$ -
Departmental Receipts	\$ 16,859,529
	<u>\$ 16,859,529</u>

Recommend that the following sums be appropriated to operate the Water Enterprise:

Direct

Salaries	\$ 3,503,087
Expenses	\$ 3,153,310
Capital	\$ 350,000
Transfer to Stabilization	\$ 100,000
Debt	\$ 6,727,894
Subtotal	<u>\$ 13,834,291</u>

Indirect

Health Insurance	\$ 725,238
Pensions	\$ 1,000,000
Other	\$ 1,300,000
Subtotal	<u>\$ 3,025,238</u>

TOTAL: \$ 16,859,529

City of Fall River, In City Council

2

BE IT ORDERED: That the following FY 26 appropriations be provided through the Sewer rates under Chapter 53F 1/2 in the aggregate, amounting to \$32,991,128 be appropriated as follows

A. Voted: That the following sums be appropriated for the Sewer Enterprise.

from Sewer Rate Revenues, for Sewer, Salaries	\$ 858,391
from Sewer Rate Revenues, for Sewer, Expenses	\$ 14,878,095
from Sewer Rate Revenues, for Sewer, Capital	\$ 350,000
from Sewer Rate Revenues, for Sewer, Transfers and Indirect Costs	\$ 1,780,000
from Sewer Rate Revenues, for Sewer, Debt	\$ 15,124,642

TOTAL: \$ 32,991,128

and that \$32,991,128 be raised as follows:

Sewer Retained Earnings	\$ -
Departmental Receipts	\$ 32,991,128
	<u>\$ 32,991,128</u>

Recommend that the following sums be appropriated to operate the Sewer Enterprise:

Direct

Salaries	\$ 858,391
Expenses	\$ 14,878,095
Capital	\$ 350,000
Transfer to Stabilization	\$ 100,000
Debt	\$ 15,124,642
Subtotal	<u>\$ 31,311,128</u>

Indirect

Health Insurance	\$ 95,000
Pensions	\$ 100,000
Other	\$ 1,485,000
Subtotal	<u>\$ 1,680,000</u>

TOTAL: \$ 32,991,128