



CITY OF NEW BEDFORD
JONATHAN F. MITCHELL, MAYOR

April 22, 2020

City Council President Joseph P. Lopes, and
Honorable Members of the City Council
133 William Street
New Bedford, Massachusetts 02740

Dear Council President Lopes and Members of the City Council:

As you are well aware, the COVID-19 pandemic and the response of government at every level has significantly disrupted the national economy. Most economists believe that the U.S. economy is already in recession, and although the severity and duration are the subject of debate, the outlook for municipal budgets is now highly uncertain. Given the suddenness and depth of the disruption, it is safe to anticipate a decrease in local and state revenue for at least the next fiscal year.

The prospects for the FY 2021 operating budget are not likely to come into focus until the state provides updated guidance. In the meantime, we are taking a number of steps to reduce our exposure. Most personnel actions are on hold, with the exception of core public safety and operationally essential positions. I have also directed the financial staff review revenue performance to identify potential areas of weakness. We are aided somewhat by relief measures recently enacted by the state legislature, which allow localities to amortize COVID-19 related deficits.

In addition to these measures, I have directed staff to review outstanding loan authorizations to determine whether there are opportunities to pare back or defer projects to a subsequent year. As set forth in my February 6, 2020 letter to you, there are currently two loan authorizations pending before the City Council: (1) the FY 2020 Capital Bond, which totals \$5,478,000 as submitted, and (2) the Buttonwood Pond and Dam Restoration, which totals \$6,800,000. Although every item in both loan packages represent necessary investments in the city's physical assets, I believe the current uncertainty in our budget warrants our deferring some the projects.

The FY 2020 Capital Bond consists of seven projects:

- Police Headquarters Renovations (\$1,300,000): This project would replace the HVAC system at the Rockdale Avenue station, which is near failure.
- Hillman Complex (\$500,000): This project supplements previous allocations to complete renovations at Building 9, which will allow the relocation of Community Services and much-needed renovations to the Solicitors Office in City Hall.

- Fire Headquarters Interior Renovations (\$665,000): This project continues work at Fire Station 2, including renovations to the living quarters, clean room, parking lot and restrooms.
- Lawler Library Repairs (\$363,000): This project completes work at Lawler Library, including interior and exterior renovations and HVAC controls.
- Park Improvements (\$400,000): This project consists of repairs to facilities at the three regional parks.
- NBHS Field Improvements (\$250,000): The project continues outside improvements at the high school.
- Roads & Infrastructure (\$2,000,000): This project continues the road improvement program begun several years ago.

Although all the projects in the FY 2020 bond support important service needs, the current circumstances require us to make some difficult choices, and to proceed only with those projects that should move forward without delay. As a result, I am now recommending that the Council proceed with a loan authorization only for the Police Headquarters, Fire Headquarters and road projects, thereby reducing the capital bond to \$3,965,000. When the city's finances become more certain, I will renew my request for the remaining projects.

A similar approach is warranted for the Buttonwood Pond project. This project consists of two components: (1) dredging and restoration of Buttonwood Pond, and (2) replacement of the failing dam and spillway which supports a portion of the Fuller Memorial Parkway. The dam replacement is an urgent need that must occur in the near future in order to ensure the integrity of the road and spillway. However, the pond restoration could be deferred with the understanding that staff will continue working to identify alternate sources of funding. As a result, I believe we should defer the dredging project, and proceed only with the loan authorization, which DPI estimates would cost \$3,500,000.

Thank you for your consideration, and I look forward to our collective effort to see our City through this time of uncertainty.

Sincerely,


Jon Mitchell