



CITY OF NEW BEDFORD
JONATHAN F. MITCHELL, MAYOR

March 18, 2021

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

Dear Council President Lopes and Honorable Members of the City Council:

I am submitting for your consideration three bond allocations which will constitute this year's round of projects for the FY 2021-2025 Capital Improvement Program (CIP). Much like previous capital funding rounds, these projects are intended to continue essential renovation and repair efforts while also designating local funding to supplement state aid for much-needed road and sidewalk repairs.

The capital program was initiated in FY 2014 as a roadmap for the City's long-range capital needs, and the City Council has approved rounds of projects included in the plan on an annual basis. The CIP has guided the City in financing much-needed renovations to the City's schools, libraries, public safety facilities, senior centers, City Hall, the Hillman Street complex, Buttonwood Park Zoo, the Zeiterion Theatre and the Art Museum. In addition, the CIP was instrumental in prioritizing limited resources to make the new Taylor and Jacobs schools, development of the South Public Safety Center, and long-needed repairs at several of the City's elementary schools, possible.

Our utilization of a five-year CIP has also been a key component in our efforts to demonstrate responsible fiscal management to rating agencies and investors, and was cited as a factor in our achieving a AA- bond rating in 2014, as well as the recent rating from Standard & Poor's, which affirmed the City's AA- status. The CFO updates the CIP annually in light of funding opportunities and input from other department heads.

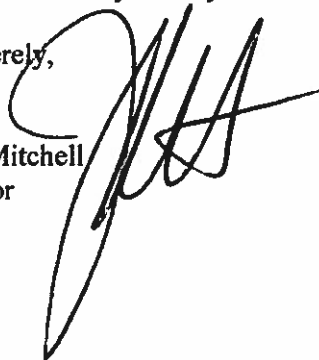
The CIP totals \$120.7 million from FY 2021 through 2025. Of this amount, \$18.2 million would be allocated for capital asset preservation projects for public safety, road repairs, public use buildings and other government facilities, and approximately \$11.3 million would be allocated for ongoing replacement of capital vehicles and general fleet replenishment. \$31.4 million would be allocated for major renovations and/or replacements at general government facilities, while \$59.8 million would be allocated for school projects. The CIP will be funded by a combination of general obligation debt and lease purchases. The program is designed to work within the City's existing debt profile as much as possible, thereby minimizing the impact on ongoing debt service requirements.

Accompanying the CIP are three loan orders intended to finance the City's capital needs for FY 2021. The FY 2021 capital improvement bond increases the annual commitment to roads and infrastructure and restores projects which were eliminated from last year's initial proposal in response to the pandemic. In addition, I am submitting a loan order to finance renovations to the City's fleet management facility, whose design was initially funded through a Free Cash allocation in 2019. Finally, this year's package also includes a multiyear proposal to improve water quality at Sassaquin Pond. It is worth noting that we are fortunate that the introduction of this combination of badly needed projects is ready for submission during the current period of historically low interest rates.

Thank you for your consideration of this proposal, and I look forward to the discussion ahead.

Sincerely,

Jon Mitchell
Mayor

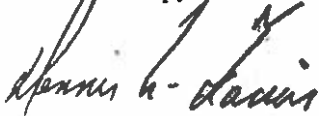


IN CITY COUNCIL, March 25, 2021

Referred to the Committee on Finance – Yeas 11, Nays 0.

Dennis W. Farias, City Clerk

a true copy, attest:



City Clerk