

PRELIMINARY OFFICIAL STATEMENT AND NOTICE OF SALE DATED MARCH 3, 2022

Rating: See "Rating" herein.
S&P Global Ratings:

New Issue

In the opinion of Locke Lord LLP, Bond Counsel, based upon an analysis of existing law and assuming, among other matters, compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds will not be included in computing the alternative minimum taxable income of individuals. Under existing law, interest on the Bonds is exempt from Massachusetts personal income taxes, and the Bonds are exempt from Massachusetts personal property taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "THE BONDS - Tax Exemption" herein. The Bonds are not designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

**CITY OF NEW BEDFORD, MASSACHUSETTS
\$7,825,000* GENERAL OBLIGATION STATE QUALIFIED
MUNICIPAL PURPOSE LOAN OF 2022 BONDS**

DATED
Date of Delivery

DUE
April 1

(as shown below)

The Bonds are issuable only in fully registered form, registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form in the denomination of \$5,000, or any integral multiple thereof. (See "THE BONDS - Book-Entry Transfer System" herein.)

Principal of the Bonds will be payable April 1 of the years in which the Bonds mature. Interest on the Bonds will be payable April 1 and October 1, commencing October 1, 2022. Principal and semiannual interest on the Bonds will be paid by the Treasurer and Receiver-General of The Commonwealth of Massachusetts, as Paying Agent. So long as DTC or its nominee, Cede & Co., is the Bondowner, such payments will be made directly to such Bondowner. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants and Indirect Participants, as more fully described herein.

The Bonds will be subject to redemption prior to their stated maturity dates as described herein.

An opinion of Bond Counsel will be delivered with the Bonds to the effect that the Bonds are valid general obligations of the City of New Bedford, Massachusetts, and that the principal of and interest on the Bonds are payable from taxes that may be levied upon all the property within the territorial limits of the City, subject to the limit imposed by Chapter 59, Section 21C of the General Laws.

MATURITIES, AMOUNTS*, RATES, PRICES OR YIELDS AND CUSIPS

Due April 1	Principal Amount*	Interest Rate	Price/ Yield	CUSIP 642170	Due April 1	Principal Amount*	Interest Rate	Price/ Yield	CUSIP 642170
2023	\$ 30,000	%	%		2037	\$ 340,000	%	%	
2024	60,000				2038	350,000			
2025	65,000				2039	360,000			
2026	410,000				2040	365,000			
2027	420,000				2041	105,000			
2028	445,000				2042	105,000			
2029	455,000				2043	105,000			
2030	470,000				2044	105,000			
2031	490,000				2045	115,000			
2032	510,000				2046	120,000			
2033	500,000				2047	120,000			
2034	520,000				2048	125,000			
2035	530,000				2049	135,000			
2036	335,000				2050	135,000			

THE BONDS ARE BEING OFFERED FOR SALE AT 11:00 A.M. (EASTERN TIME) ON THURSDAY, MARCH 10, 2022 VIA PARITY IN THE MANNER SET FORTH IN THE NOTICE OF SALE. REFERENCE IS MADE TO THE NOTICE OF SALE DATED MARCH 3, 2022 FOR THE CONDITIONS OF SUCH SALE.

The Bonds are offered subject to the final approving opinion of Locke Lord LLP, Boston, Massachusetts, Bond Counsel, as aforesaid, and to certain other conditions referred to herein and in the Notice of Sale. Hilltop Securities Inc., Boston, Massachusetts has acted as Financial Advisor to the City of New Bedford, Massachusetts, with respect to the Bonds. The Bonds in definitive form will be delivered to DTC, or its custodial agent, on or about April 13, 2022, against payment to the City in federal funds.

*Preliminary, subject to change.

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The Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinion and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the bonds described herein shall, under any circumstances, create any implication that there has been no change in the affairs of the City of New Bedford, since the date hereof.

SUMMARY STATEMENT

The information set forth below is qualified in its entirety by the information and financial statements appearing elsewhere in the Official Statement.

Date of Sale:	Thursday, March 10, 2022, 11:00 a.m. (Eastern Time).
Location of Sale:	Hilltop Securities Inc., 54 Canal Street, 3rd Floor, Boston, Massachusetts 02114.
Issuer:	City of New Bedford, Massachusetts.
Issue:	\$7,825,000* General Obligation State Qualified Municipal Purpose Loan of 2022 Bonds, see "THE BONDS - Book-Entry Transfer System" herein.
Preliminary Official Statement Dated:	March 3, 2022.
Dated Date of the Bonds:	As of their date of delivery.
Principal Due:	Serially April 1, 2023 through April 1, 2050 as detailed herein.
Interest Payable:	Semiannually on April 1 and October 1, commencing October 1, 2022.
Purpose and Authority:	The Bonds are authorized by the City for various municipal purposes under provisions of the Massachusetts General Laws as detailed herein.
Redemption:	The Bonds will be subject to redemption prior to their stated maturity dates as detailed herein.
Security for the Bonds:	The Bonds are valid general obligations of the City of New Bedford, Massachusetts, and the principal of and interest on the Bonds are payable from taxes that may be levied upon all taxable property within the territorial limits of the City, subject to the limit imposed by Chapter 59, Section 21C of the General Laws.
State Qualified Bonds:	The Bonds will be issued as State Qualified Bonds under Chapter 44A of the Massachusetts General Laws ("Chapter 44A"). Pursuant to Chapter 44A, the State Treasurer shall pay debt service on the City's State Qualified Bonds and after payment shall withhold from distributable aid (as defined in Chapter 44A) payable to the City an amount which will be sufficient to pay the debt service on such State Qualified Bonds or, if the amount of such distributable aid in any year is insufficient for the purpose, from any other amounts payable by The Commonwealth of Massachusetts (the "Commonwealth") to the City under any provision of law. From the time withheld by the State Treasurer, all such distributable aid or other amounts so withheld and paid shall be exempt from being levied upon, taken, sequestered, or applied toward paying the debts of the City other than for payment of debt service on such State Qualified Bonds. Nothing in Chapter 44A shall be construed to pledge the credit and assets of the Commonwealth to the support of any State Qualified Bonds or to guarantee payment or stand as surety to the payment of any State Qualified Bonds. See "THE BONDS-State Qualified Bonds" herein.
Credit Rating:	The City has applied to S&P Global Ratings for a rating on the Bonds.
Bond Insurance:	The City has not contracted for the issuance of any policy of municipal bond insurance or any other credit enhancement facility.
Basis of Award:	Lowest True Interest Cost (TIC), as of the dated date. <u>NO BID OF LESS THAN PAR PLUS A PREMIUM OF AT LEAST \$70,000 WILL BE ACCEPTED.</u>
Tax Exemption:	Refer to "THE BONDS - Tax Exemption" herein and Appendix B, "Proposed Form of Legal Opinion."
Continuing Disclosure:	Refer to "THE BONDS - Continuing Disclosure" herein and Appendix C, "Proposed Form of Continuing Disclosure Certificate."
Bank Qualification:	The Bonds are <u>not</u> designated by the City as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.
Paying Agent:	Treasurer and Receiver-General of The Commonwealth of Massachusetts.
Legal Opinion:	Locke Lord LLP, Boston, Massachusetts.
Financial Advisor:	Hilltop Securities Inc., Boston, Massachusetts.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry only form will be made to The Depository Trust Company, or to its custodial agent, on or about April 13, 2022, against payment in federal funds.
Additional Information:	Questions concerning the Official Statement should be addressed to Ms. R. Renee Fernandes, Treasurer, City of New Bedford, Massachusetts telephone: (508) 979-1430 or Cinder McNerney, Regional Managing Director, Hilltop Securities Inc., Boston, Massachusetts Telephone (617) 619-4408.

*Preliminary, subject to change.

The New Bedford Way

New Bedford City Government STATEMENT OF VALUES

As public servants, we pride ourselves on our efforts to earn and maintain the public's trust by ensuring that our actions represent the highest standards of integrity and professional ethics.

Integrity: We hold ourselves to the highest ethical and performance standards and are professional and honest in our working relationships. We strive for equity and fairness in our decision making and in our treatment of one another. We honor our commitments and are committed to a transparent process that ensures the highest level of trust in our decisions and methods.

Accountability: We accomplish with integrity, honesty, and conscientiousness, our defined and assigned tasks within a reasonable time in order to fulfill our goals.

Innovation: In pursuit of continuous improvement, we take bold action with a shared sense of purpose and a creative approach to problem-solving. We are proactive visionaries who will use our knowledge, skills and abilities to seize opportunities and confront challenges to ensure the highest level of service to the community.

Teamwork: Our success depends upon a cooperative effort and the ability to perform as one highly effective team. We value an atmosphere of mutual respect, support and cooperation that provides a positive work environment for our employees, encourages individual creativity, and produces the highest quality of services for our residents.

Respect: We value and celebrate the diversity of our community, appreciate differing viewpoints, respond with empathy to the concerns of our residents and encourage active civic engagement as we work to provide a welcoming environment in which to conduct the People's business. We are committed to the respectful and dignified treatment of all people and to the development of meaningful and productive working relationships with our colleagues and the residents we serve.

NOTICE OF SALE

CITY OF NEW BEDFORD, MASSACHUSETTS

\$7,825,000* GENERAL OBLIGATION STATE QUALIFIED MUNICIPAL PURPOSE LOAN OF 2022 BONDS

The City of New Bedford, Massachusetts (the "City") will receive electronic (as described herein) proposals until 11:00 A.M., Eastern Time, Thursday, March 10, 2022, for the purchase of the following described General Obligation State Qualified Municipal Purpose Loan of 2022 Bonds of the City (the "Bonds"):

\$7,825,000* General Obligation State Qualified Municipal Purpose Loan of 2022 Bonds payable April 1 of the years and in the amounts as follows:

Due April 1	Principal Amount*	Due April 1	Principal Amount*
2023	\$ 30,000	2037	\$ 340,000
2024	60,000	2038	350,000
2025	65,000	2039	360,000
2026	410,000	2040	365,000
2027	420,000	2041	105,000
2028	445,000	2042	105,000
2029	455,000	2043	105,000
2030	470,000	2044	105,000
2031	490,000	2045	115,000
2032	** 510,000	2046	120,000
2033	** 500,000	2047	120,000
2034	** 520,000	2048	125,000
2035	** 530,000	2049	135,000
2036	** 335,000	2050	135,000

*Preliminary, subject to change.

**Callable maturities. May be combined into not more than three Term Bonds as described herein.

The Bonds will be dated their date of delivery. Principal of the Bonds will be payable on April 1 of the years in which the Bonds mature. Interest will be payable on April 1 and October 1, commencing October 1, 2022.

The Bonds will be issued by means of a book-entry system with no physical distribution of the Bonds made to the public. One certificate for each maturity of the Bonds will be issued to The Depository Trust Company, New York, New York ("DTC"), and immobilized in its custody. Ownership of the Bonds in principal amounts of \$5,000 or integral multiples thereof, will be evidenced by a book-entry system with transfers of ownership effected on the records of DTC and its Participants pursuant to rules and procedures established by DTC and its Participants. The winning bidder, as a condition to delivery of the Bonds, shall be required to deposit the Bonds with DTC, registered in the name of Cede & Co. Interest and principal on the Bonds will be payable to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC. Transfer of principal and interest payments to beneficial owners will be the responsibility of such participants and other nominees of beneficial owners. The City will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

The original Bonds to be immobilized at DTC will be prepared under the supervision of Hilltop Securities Inc., Boston, Massachusetts and their legality will be approved by Locke Lord LLP, Boston, Massachusetts, whose opinion will be furnished to the purchaser without charge.

The Bonds maturing on and before April 1, 2031 are not subject to redemption prior to their stated maturity dates. Bonds maturing on and after April 1, 2032 are subject to redemption prior to their stated maturity dates, at the option of the City, on and after April 1, 2031, either in whole or in part at any time, and if in part, by lot within a maturity, **at the par amount of the Bonds to be redeemed**, plus accrued interest to the date set for redemption.

For Bonds maturing on and after April 1, 2032, bidders may specify that all of the principal amount of such Bonds in any two or more consecutive years may, in lieu of maturing in each such year, be combined to comprise a Term Bond, and shall be subject to mandatory redemption or mature a par, as described above, in each of the years and in the principal amounts specified in the foregoing maturity schedule. Each mandatory redemption shall be allocated to the payment of the Term Bond maturing in the nearest subsequent year. Bidders may specify no more than three Term Bonds.

Term Bonds, if any, shall be subject to mandatory redemption on April 1 of the year or years immediately prior to the stated maturity of such Term Bond (the particular Bonds of such maturity to be redeemed to be selected by lot) as indicated in the foregoing maturity schedule at the principal amount thereof plus accrued interest to the redemption date, without premium.

Principal of and semiannual interest on the Bonds will be paid by The Treasurer and Receiver-General of The Commonwealth of Massachusetts, or its successor, as Paying Agent for the Bonds. So long as DTC or its nominee, Cede and Co., is the Bondowner, such payments will be made directly to DTC. The disbursement of such payments to the DTC Participants is the responsibility of DTC, and the disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants and the Indirect Participants, as more fully described herein.

Bidding Parameters

Bidders shall state the rate or rates of interest per annum which the Bonds are to bear in a multiple of 1/20 or 1/8 of one percent, but shall not state (a) more than one interest rate for any Bonds having a like maturity, (b) any interest rate which exceeds the interest rate stated for any other Bonds by more than 3 percent or (c) **any coupon in excess of 5.0%. NO BID OF LESS THAN PAR PLUS A PREMIUM OF \$70,000 WILL BE CONSIDERED.**

The bond structure does not reflect any premium. The City reserves the right to change the aggregate principal amount of the Bonds and the maturity schedule after the determination of the winning bid by decreasing the aggregate principal amount to reflect the net premium to be received by the City to be applied to project costs and increasing or decreasing the principal amount of primarily the bonds maturing in 2026 through 2050 to structure the debt service on each purpose of the Bonds to be as close to equal on an annual basis. **IT IS NOTED THAT PREMIUM LIKELY WILL BE APPLIED FIRST TO ELIMINATE, WHEREVER POSSIBLE, THE SHORTEST PURPOSES.** **THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES, AS A RESULT OF ANY CHANGES MADE TO THE ANNUAL PRINCIPAL AMOUNTS WITHIN THESE LIMITS.** The dollar amount bid for the Bonds by the winning bidder will be adjusted, if applicable, to reflect changes in the dollar amount of the amortization schedule. Any price that is adjusted will reflect changes in the dollar amount of the underwriter's discount and original issue premium, if any, but will not change the per bond underwriter's discount (net of insurance premium, if any, provided in such bid. Nor will it change the interest rate specified for each maturity. Any such adjustments will be communicated to the winning bidder for the Bonds by 4 p.m. Eastern Time on the day of the sale.

Bids must be submitted electronically via Parity in accordance with this Notice of Sale. To the extent any instructions or directions set forth in Parity conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about Parity, potential bidders may contact the Financial Advisor to the City or I-deal at 40 West 23rd Street, 5th Floor, New York, NY 10010 (212) 404-8102. An electronic bid made in accordance with this Notice of Sale shall be deemed an offer to purchase the Bonds in accordance with the terms provided in this Notice of Sale and shall be binding upon the bidder as if made by a signed and sealed written bid delivered to the City.

As between proposals which comply with this Notice of Sale, the award will be to the bidder who offers to purchase all the Bonds at the lowest net effective interest rate to the City. Such interest rate shall be determined on a true interest cost (TIC) basis, which shall mean that rate which, as of April 13, 2022, discounts semi-annually all future payments on account of principal and interest to the price bid, not including interest accrued, if any, which accrued interest shall be paid by the successful bidder. The award of the Bonds to the winning bidder will not be effective until the bid has been approved by the City Treasurer, the Mayor, and the Committee on Finance.

In the event that two or more bidders submit the same lowest true interest cost for the Bonds, the Treasurer shall determine the successful bidder by lot from among all such proposals. The right is reserved to reject all bids and to reject any bid not complying with this Notice of Sale and, so far as permitted by law, to waive any irregularity with respect to any proposal.

The City of New Bedford has not contracted for the issuance of any policy of municipal bond insurance for the Bonds. If the Bonds qualify for issuance of any such policy or commitment therefor, any purchase of such insurance or commitment shall be at the sole option and expense of the bidder. Proposals shall not be conditioned upon the issuance of any such policy or commitment. Any failure of the Bonds to be so insured or of any such policy or commitment to be issued shall not in any way relieve the purchaser of its contractual obligations arising from the acceptance of its proposal for the purchase of the Bonds. Should the bidder purchase municipal bond insurance, all expenses associated with such policy or commitment will be borne by the bidder, except for the fee paid S&P Global Ratings for a rating on the Bonds. Any such fee paid to S&P Global Ratings would be borne by the City.

In order to assist bidders in complying with Rule 15c2-12 (b)(5) promulgated by the Securities and Exchange Commission, the City will undertake to provide annual reports and notices of certain significant events. A description of this undertaking is set forth in the Preliminary Official Statement.

The Bonds are not designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986 as amended (the "Code").

It shall be a condition to the obligation of the Successful Bidder to accept delivery of and pay for the Bonds that it shall be furnished, without cost, with (a) the approving opinion of the firm of Locke Lord, LLP, Boston, Massachusetts, substantially in the form appearing as Appendix B of the Preliminary Official Statement dated March 3, 2022, (b) a certificate in the form satisfactory to Bond Counsel dated as of the date of delivery of the Bonds and receipt of payment therefor to the effect that there is no litigation pending or, to the knowledge of the signers thereof, threatened which affects the validity of the Bonds or the power of the City to levy and collect taxes to pay them, (c) a certificate of the City Treasurer to the effect that, to the best of her knowledge and belief, as of its date and the date of sale the Preliminary Official Statement did not, and as of its date and the date of the delivery of the Bonds, the Final Official Statement did not and does not, contain any untrue statement of a material fact and did not and does not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, and (d) a Continuing Disclosure Certificate in the form appearing as Appendix C of the Preliminary Official Statement.

Establishment of Issue Price

The Successful Bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City on the Closing Date an "issue price" or similar certificate, substantially in the applicable form set forth in Exhibit 1 to this Notice of Sale, setting forth the reasonably expected initial offering prices to the public or the sales price of the Bonds together with the supporting pricing wires or equivalent communications, or, if applicable, the amount bid, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Successful Bidder, the City and Bond Counsel. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the City by Hilltop Securities Inc. (the "Financial Advisor") and any notice or report to be provided to the City may be provided to the Financial Advisor.

Competitive Sale Requirements. If the competitive sale requirements ("competitive sale requirements") set forth in Treasury Regulation § 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) have been satisfied, the City will furnish to the Successful Bidder on the Closing Date a certificate of the Financial Advisor, which will certify each of the following conditions to be true:

1. the City has disseminated this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
2. all bidders had an equal opportunity to bid;
3. the City received bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
4. the City awarded the sale of the Bonds to the bidder who submitted a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid. Unless a bidder notifies the City prior to submitting its bid by contacting the Financial Advisor, telephone (617) 619-4400, and affirming in writing via email, or in its bid submitted via Parity, that it will NOT be an "underwriter" (as defined below) of the Bonds, by submitting its bid, each bidder shall be deemed to confirm that it has an established industry reputation for underwriting new issuances of municipal bonds. Unless the bidder has notified the City that it will not be an "underwriter" (as defined below) of the Bonds, in submitting a bid, each bidder is deemed to acknowledge that it is an "underwriter" that intends to reoffer the Bonds to the public.

In the event that the competitive sale requirements are not satisfied, the City shall so advise the Successful Bidder.

Failure to Meet the Competitive Sale Requirements – Option A – The Successful Bidder Intends to Reoffer the Bonds to the Public and the 10% Test to Apply. If the competitive sale requirements are not satisfied and the Successful Bidder intends to reoffer the Bonds to the public, the Successful Bidder may use the first price at which 10% of a maturity of the Bonds (the “10% Test”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis, of the Bonds. The Successful Bidder shall advise the Financial Advisor if any maturity of the Bonds satisfies the 10% Test as of the date and time of the award of the Bonds. The City will not require bidders to comply with the “hold-the-offering-price rule” set forth in the applicable Treasury Regulations.

If the competitive sale requirements are not satisfied, then until the 10% Test has been satisfied as to each maturity of the Bonds or all of the Bonds are sold to the public, the Successful Bidder agrees to promptly report to the Financial Advisor the prices at which the unsold Bonds of each maturity have been sold to the public, which reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% Test has been satisfied for each maturity of the Bonds or until all the Bonds of a maturity have been sold. The Successful Bidder shall be obligated to report each sale of Bonds to the Financial Advisor until notified in writing by the City or the Financial Advisor that it no longer needs to do so. If the Successful Bidder uses Option A the Successful Bidder shall provide to the City on or before the Closing Date, the certificate attached to this Notice of Sale as Exhibit 1 – Option A.

By submitting a bid and if the competitive sale requirements are not met, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third party distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Successful Bidder that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the Successful Bidder and as set forth in the related pricing wires and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a third party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third party distribution agreement to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Successful Bidder or such underwriter that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public if and for so long as directed by the Successful Bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

1. “public” means any person other than an underwriter or a related party,
2. “underwriter” means (A) any person, including the Successful Bidder, that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third party distribution agreement participating in the initial sale of the Bonds to the public), and
3. a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

Failure to Meet the Competitive Sale Requirements – Option B – The Successful Bidder Intends to Reoffer the Bonds to the Public and Agrees to Hold the Price of Maturities of Bonds for Which the 10% Test in Option A is Not Met as of the Sale Date. The Successful Bidder may, at its option, notify the Financial Advisor in writing, which may be by email (the “Hold the Price Notice”), not later than 4:00 p.m. Eastern Time on the Sale Date, that it has not sold 10% of the maturities of the Bonds listed in the Hold the Price Notice (the “Unsold Maturities”) and that the Successful Bidder will not offer the Unsold Maturities to any person at a price that is higher than the initial offering price to the public during the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date or (ii) the date on which the Successful Bidder has sold at least 10% of the applicable Unsold Maturity to the public at a price that is no higher than the initial offering price to the public. If the Successful Bidder delivers a Hold the Price Notice to the Financial Advisor, the Successful Bidder must provide to the Issuer on or before the Closing Date, in addition to the certification described in Option A above, a certificate in the form attached to this Notice of Sale as Exhibit 1 – Option B, including evidence that each underwriter of the Bonds, including underwriters in an underwriting syndicate or selling group, has agreed in writing to hold the price of the Unsold Maturities in the manner described in the preceding sentence.

The Successful Bidder Does Not Intend to Reoffer the Bonds to the Public – Option C. If the Successful Bidder has purchased the Bonds for its own account and will not distribute or resell the Bonds to the public, then, whether or not the competitive sale requirements were met, the reoffering price certificate will recite such facts and identify the price or prices at which the purchase of the Bonds was made.

It is anticipated that CUSIP identification numbers will be printed on the Bonds. The City assumes no responsibility for any CUSIP Service Bureau or other charge that may be imposed for the assignment of such numbers.

Additional information concerning the City of New Bedford and the Bonds is contained in the Preliminary Official Statement dated March 3, 2022, to which prospective bidders are directed. The Preliminary Official Statement is provided for informational purposes only and is not a part of this Notice of Sale. Said Preliminary Official Statement is deemed final by the City except for the omission of the reoffering price(s), interest rate(s), delivery date, the identity of the underwriter(s), and any other pertinent terms of the Bonds depending on such matters, but is subject to change without notice to completion or amendment in a Final Official Statement. Copies of the Preliminary Official Statement may be obtained from Hilltop Securities Inc., 54 Canal Street, Boston, Massachusetts 02114 (Telephone: 617-619-4400). Within seven (7) business days following the award of the Bonds in accordance herewith, 5 copies of the Final Official Statement will be available from Hilltop Securities Inc. to the Successful Bidder for use in reoffering the Bonds. Upon request, additional copies will be provided at the expense of the requester.

The Bonds in definitive form will be delivered to The Depository Trust Company or its custodial agent on or about April 13, 2022 for settlement in federal funds.

CITY OF NEW BEDFORD, MASSACHUSETTS
/s/ R. Renee Fernandes, City Treasurer

March 3, 2022

**Issue Price Certificate for Use If the Competitive
Sale Requirements Are Met
\$7,825,000*
City of New Bedford, Massachusetts
General Obligation State Qualified Municipal Purpose Loan of 2022 Bonds
Dated April 13, 2022**

ISSUE PRICE CERTIFICATE AND RECEIPT

The undersigned, on behalf of _____ (the "Successful Bidder"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Bonds") of the City of New Bedford, Massachusetts (the "Issuer").

1. Reasonably Expected Initial Offering Prices.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Successful Bidder are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Successful Bidder in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Successful Bidder to purchase the Bonds.

(b) The Successful Bidder was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Successful Bidder constituted a firm offer to purchase the Bonds.

2. Defined Terms.

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is March 10, 2022.

(d) *Underwriter* means (i) any person, including the Successful Bidder, that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third party distribution agreement participating in the initial sale of the Bonds to the Public).

3. Receipt. The Successful Bidder hereby acknowledges receipt from the Issuer of the Bonds and further acknowledges receipt of all certificates, opinion and other documents required to be delivered to the Successful Bidder, before or simultaneously with the delivery of such Bonds, which certificates, opinions and other documents are satisfactory to the Successful Bidder.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Successful Bidder's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Locke Lord LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: _____, 2022

[Successful Bidder]

By: _____
Name:
Title:

*Preliminary, subject to change.

SCHEDULE A
EXPECTED OFFERING PRICES
(To be Attached)

SCHEDULE B
COPY OF SUCCESSFUL BIDDER'S BID
(To Be Attached)

**Issue Price Certificate for Use If the Competitive Sale Requirements Are
Not Met and the Hold the Price Rule Is Not Used
\$7,825,000***

**City of New Bedford, Massachusetts
General Obligation State Qualified Municipal Purpose Loan of 2022 Bonds
Dated April 13, 2022**

ISSUE PRICE CERTIFICATE AND RECEIPT

The undersigned, on behalf of _____ (the ["Successful Bidder"] ["Representative"], on behalf of itself and [NAMES OF OTHER UNDERWRITER]) hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds") by the City of New Bedford, Massachusetts (the "Issuer").

1. Sale of the Bonds. As of the date of this certificate, [except as set forth in the paragraph below,] for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

[Only use the next paragraph if the 10% Test has not been met or all of the Bonds have not been sold for one or more Maturities of Bonds as of the Closing Date.]

For each Maturity of the Bonds as to which no price is listed in Schedule A, as set forth in the Notice of Sale for the Bonds, until at least 10% of each such Maturity of the Bonds is sold to the Public (the "10% Test") or all of the Bonds are sold to the Public, the [Successful Bidder] [Representative] agrees to promptly report to the Issuer's financial advisor, Hilltop Securities Inc. (the "Financial Advisor") the prices at which the unsold Bonds of each Maturity have been sold to the Public, which reporting obligation shall continue after the date hereof until the 10% Test has been satisfied for each Maturity of the Bonds or until all the Bonds of a Maturity have been sold. The [Successful Bidder] [Representative] shall continue to report each sale of Bonds to the Financial Advisor until notified by email or in writing by the State or the Financial Advisor that it no longer needs to do so.

2. Defined Terms.

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Underwriter* means (i) any person, including the [Successful Bidder] [Representative] that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third party distribution agreement participating in the initial sale of the Bonds to the Public).

3. Receipt. The [Successful Bidder] [Representative] hereby acknowledges receipt from the Issuer of the Bonds and further acknowledges receipt of all certificates, opinion and other documents required to be delivered to the [Successful Bidder] [Representative], before or simultaneously with the delivery of such Bonds, which certificates, opinions and other documents are satisfactory to the Successful Bidder.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the [Successful Bidder's] [Representative's] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Locke Lord LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: _____, 2022

[SUCCESSFUL BIDDER] [REPRESENTATIVE]

By: _____

Name:

Title:

*Preliminary, subject to change.

**SALE PRICES
[(To Be Attached)]**

SCHEDULE A

**Issue Price Certificate for Use If the Competitive Sale Requirements Are
Not Met and the Hold the Price Rule Is Used**

\$7,825,000*

**City of New Bedford, Massachusetts
General Obligation State Qualified Municipal Purpose Loan of 2022 Bonds
Dated April 13, 2022**

ISSUE PRICE CERTIFICATE AND RECEIPT

The undersigned, on behalf of _____ (the ("[Successful Bidder][Representative]"), on behalf of itself and [NAMES OF OTHER UNDERWRITERS] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds") by the City of New Bedford, Massachusetts (the "Issuer").

1. Sale of the Bonds. As of the date of this certificate, [except as set forth in the paragraph below,] for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

[Only use the next paragraph if the 10% Test has not been met as of the Sale Date.]

For each Maturity of the Bonds as to which no price is listed in Schedule A (the "Unsold Maturities"), as set forth in the Notice of Sale for the Bonds, the [Successful Bidder][Representative] and any other Underwriter did not reoffer the Unsold Maturities until the earlier of (i) _____, 2022 or (ii) the date on which the ("[Successful Bidder][Representative] or any other Underwriter sold at least 10% of each Unsold Maturity at a price that is no higher than the initial offering price to the Public.

2. Defined Terms.

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Underwriter* means (i) any person, including the [Successful Bidder][Representative], that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third party distribution agreement participating in the initial sale of the Bonds to the Public).

3. Receipt. The [Successful Bidder][Representative] hereby acknowledges receipt from the Issuer of the bonds if the Issue and further acknowledges receipt of all certificates, opinion and other documents required to be delivered to the [Successful Bidder][Representative], before or simultaneously with the delivery of such bonds of the Issue, which certificates, opinions and other documents are satisfactory to the [Successful Bidder][Representative].

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the [Successful Bidder's][Representative's] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Locke Lord LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: _____, 2022

[SUCCESSFUL BIDDER] [REPRESENTATIVE]

By: _____
Name:
Title:

*Preliminary, subject to change.

**[SCHEDULE A
SALE PRICES
(To be Attached)]**

OFFICIAL STATEMENT

CITY OF NEW BEDFORD, MASSACHUSETTS

\$7,825,000* GENERAL OBLIGATION STATE QUALIFIED MUNICIPAL PURPOSE LOAN OF 2022 BONDS

This Official Statement is provided for the purpose of presenting certain information relating to the City of New Bedford, Massachusetts (the "City") in connection with the sale of \$7,825,000* stated principal amount of its General Obligation State Qualified Municipal Purpose Loan of 2022 Bonds (the "Bonds"). The information contained herein has been furnished by the City, except information attributed to another source.

THE BONDS

Description of the Bonds

The Bonds will be dated their date of delivery and will bear interest payable on October 1, 2022 and semiannually thereafter on April 1 and October 1 until maturity, or redemption prior to maturity. The Bonds shall mature on April 1 of the years and in the principal amounts as set forth on the cover page of this Official Statement.

The Bonds are issuable only in fully registered form in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000, or any integral multiple thereof. Purchasers will not receive certificates representing their interests in Bonds purchased. So long as Cede & Co. is the Bondowner, as nominee of DTC, references herein to the Bondowners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. (See "THE BONDS - Book-Entry Transfer System" herein.)

Principal of and semiannual interest on the Bonds will be paid by The Treasurer and Receiver-General of The Commonwealth of Massachusetts, or its successor, as paying agent for the Bonds. So long as DTC or its nominee, Cede & Co., is the Bondowner, such payments will be made directly to DTC. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of the DTC Participants and the Indirect Participants, as more fully described herein.

Redemption Provisions

Optional Redemption

Bonds maturing on or prior to April 1, 2031 shall not be subject to redemption prior to their stated maturity dates. Bonds maturing on or after April 1, 2032 shall be subject to redemption prior to maturity, at the option of the City, on or after April 1, 2031, either in whole or in part at any time, and if in part, by lot within a maturity, at the par amount of the Bonds to be redeemed, plus accrued interest to the date set for redemption.

Mandatory Redemption

If the Successful Bidder designated principal amounts of the Bonds to be combined into one, two or three Term Bonds (which may be done only for principal amounts in consecutive years and only with respect to Bonds maturing on and after April 1, 2032), each such Term Bond shall be subject to mandatory redemption commencing on April 1 of the first year which has been combined to form such Term Bonds and continuing on April 1 in each year thereafter until the stated maturity date of that Bond. The amount redeemed or paid at maturity in any year shall be equal to the principal amount for that year set forth in the schedule contained in the Notice of Sale dated March 3, 2022 relating to the Bonds. Principal amounts to be redeemed in any year by mandatory redemption shall be redeemed at par (without premium), plus accrued interest to the redemption date, and shall be selected by lot from among the Bonds then subject to redemption. The City Treasurer may credit against any mandatory redemption requirement Term Bonds which have been purchased and cancelled by the City or have been redeemed and not therefore applied as a credit against any mandatory redemption requirement.

*Preliminary, subject to change.

Notice of Redemption

Notice of any redemption of Bonds, prior to their dates of maturity, specifying the Bonds (or the portions thereof) to be redeemed shall be mailed to DTC or sent in such other manner acceptable to DTC not more than 60 days nor less than 30 days prior to the redemption date. Any failure on the part of DTC to notify the Direct Participants of the redemption or failure on the part of DTC's Participants, Indirect Participants or of a nominee of a Beneficial Owner having received notice from a DTC Participant or otherwise to notify the Beneficial Owners shall not affect the validity of the redemption.

Record Date

The record date for each payment of interest is the fifteenth day of the month preceding the interest payment date, provided however, if such date is not a business day, the record date will be the following business day provided and provided further, that with respect to overdue interest, the Paying Agent may establish a special record date. The special record date may not be more than twenty (20) days before the date set for payment. The Paying Agent will mail notice of a special record date to the Bondowners at least ten (10) days before the special record date.

State Qualified Bonds

The Bonds constitute "qualified bonds" pursuant to Chapter 44A of the General Laws. Pursuant to Chapter 44A the City Treasurer shall at the delivery date of the Bonds certify to the State Treasurer the maturity schedule, interest rates, and dates of payment of debt service on such qualified bonds. The State Treasurer shall pay the debt service on qualified bonds and after payment shall withhold from the distributable aid (as defined in Chapter 44A) payable to the City an amount which will be sufficient to pay the debt service on the qualified bonds or, if the amount of such distributable aid in any year is insufficient for the purpose, from any other amounts payable by the Commonwealth to the City under any provision of law. From the time withheld by the State Treasurer, all such distributable aid or amounts so withheld and paid shall be exempt from being levied upon, taken, sequestered, or applied toward paying the debts of the City other than for payment of debt service on such qualified bonds.

The Commonwealth covenants in Section 8 of Chapter 44A with the purchasers, holders and owners, from time to time, of qualified bonds that it will not repeal, revoke, rescind, modify, or amend the above described provisions so as to create any lien or charge on or pledge, assignment, diversion, withholding of payment, or other use of or deduction from any distributable aid or other amounts to be paid to any holder of qualified bonds which is prior in time or superior in right to the payment required by said provisions; provided, however, that nothing therein contained shall be deemed or construed to require the Commonwealth to continue to make payments of distributable aid or other amounts or to limit or prohibit the Commonwealth from repealing or amending any law heretofore or hereafter enacted for the payment or apportionment of such aid or other amounts, or of the manner, time, or amount thereof.

Chapter 44A also provides that the certification to the State Treasurer as to the amount payable in any year for debt service on qualified bonds shall be fully conclusive as to such qualified bonds from and after the time of issuance of such qualified bonds, notwithstanding any irregularity, omission, or failure as to compliance with any of the provisions of Chapter 44A with respect to such qualified bonds.

Chapter 44A further provides that nothing therein shall be construed to relieve the City of the obligation imposed on it by law to appropriate and to include in its annual tax levy amounts necessary to pay, in each year, the principal and interest maturing and becoming due on any qualified bonds issued by the City; provided, however, that to the extent of the amounts of distributable aid or other amounts payable to the City which have been or are to be applied to the payment of such qualified bonds, the State Treasurer shall certify to the City Auditor the amounts so withheld and thereafter such amounts shall be credited to the appropriations of the City for the current fiscal year; and provided, further that to the extent to which distributable aid is not appropriated by the Commonwealth in any fiscal year, such appropriated amounts of the City shall be used to pay the debt service maturing and becoming due in such year on such qualified bonds of the City.

Nothing in Chapter 44A shall be construed to pledge the credit and assets of the Commonwealth to the support of any qualified bonds or to guarantee payment or stand as surety for the payment of any qualified bonds.

See "INDEBTEDNESS--Coverage of Qualified Debt Service" for a discussion of the projected coverage of qualified debt service by state aid.

Book-Entry Transfer System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued in fully-registered form registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a rating from S&P Global Ratings of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of securities under the DTC system must be made by or through Direct Participants, which will receive a credit for such securities on DTC's records. The ownership interest of each actual purchaser of each security deposited by DTC ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the securities deposited by DTC are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the securities deposited with DTC, except in the event that use of the book-entry system for such securities is discontinued.

To facilitate subsequent transfers, all securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the securities deposited with DTC; DTC's records reflect only the identity of the Direct Participants to whose accounts such securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to securities deposited with DTC unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer of such securities as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts such securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on securities deposited with DTC will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from City or its paying agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the issuer of such securities or its paying agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the issuer of such securities or its paying agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to securities held by it at any time by giving reasonable notice to the issuer of such securities or its paying agent. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered to DTC.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, physical certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

Authorization of the Bonds and Use of Proceeds

The following sets forth the purposes, principal amounts, amounts originally authorized, bond anticipation notes outstanding, statutory authorizations, and dates of City approval for the current offering of Bonds:

Purpose	This Issue*	Original Bond Authorization (as amended)	Bond Anticipation Notes Outstanding (1)	Reference (Chapter 44 of the Massachusetts General Laws), as amended	Dates of Approval
Additional Carter Brooks Elementary School Repairs	\$ 360,722	\$ 360,722	\$ 360,722	7(1)	5/7/2019
High School Renovation	250,000	250,000	250,000	7(1)	6/18/2019
Radio Communications Upgrades	3,262,000	7,662,000	4,862,000 (2)	7(1)	4/22/2019
Road Improvements	1,600,000	1,600,000	1,600,000	7(1)	6/18/2019
Buttonwood Park Zoo Improvements	700,000	700,000	700,000	7(1)	6/18/2019
Hillman Complex Improvements	500,000	500,000	500,000	7(1)	6/18/2019
Police Headquarters Renovations	375,000	375,000	375,000	7(1)	6/18/2019
City Hall Repairs	350,000	350,000	350,000	7(1)	6/18/2019
Merchant Mariners' Memorial Walkway Repairs	200,000	200,000	200,000	7(1)	6/18/2019
Taxiway A Airport Reconstruction (3) (4)	227,278	4,641,000	226,228	8(12)	9/11/2015
	<u>\$ 7,825,000 *</u>		<u>\$ 9,423,950</u>		

*Preliminary, subject to change.

(1) Payable April 15, 2022. To be retired with the Bond proceeds, except as noted below.

(2) To be retired, in part, with the Bond proceeds, and \$1,600,000 note proceeds to be issued concurrent with the Bonds.

(3) Final pricing will include an additional \$124.

(4) It is anticipated that on March 9, 2022 the City will receive approval from the Municipal Finance Oversight Board to issue the bonds pursuant to the State Qualified Bond Act. If approval is not received, this purpose will be removed from the Bond issue.

Principal Payments by Purpose*

Year	School*	General*	Airport*	Total*
2023	\$ 1,722	\$ 6,000	\$ 22,278	\$ 30,000
2024	9,000	31,000	20,000	60,000
2025	10,000	35,000	20,000	65,000
2026	15,000	375,000	20,000	410,000
2027	15,000	385,000	20,000	420,000
2028	15,000	405,000	25,000	445,000
2029	15,000	415,000	25,000	455,000
2030	20,000	425,000	25,000	470,000
2031	20,000	445,000	25,000	490,000
2032	20,000	465,000	25,000	510,000
2033	20,000	480,000	-	500,000
2034	25,000	495,000	-	520,000
2035	25,000	505,000	-	530,000
2036	25,000	310,000	-	335,000
2037	25,000	315,000	-	340,000
2038	25,000	325,000	-	350,000
2039	25,000	335,000	-	360,000
2040	25,000	340,000	-	365,000
2041	25,000	80,000	-	105,000
2042	25,000	80,000	-	105,000
2043	25,000	80,000	-	105,000
2044	25,000	80,000	-	105,000
2045	25,000	90,000	-	115,000
2046	25,000	95,000	-	120,000
2047	25,000	95,000	-	120,000
2048	30,000	95,000	-	125,000
2049	35,000	100,000	-	135,000
2050	35,000	100,000	-	135,000
Total	<u>\$ 610,722</u>	<u>\$ 6,987,000</u>	<u>\$ 227,278</u>	<u>\$ 7,825,000</u>

*Preliminary, subject to change.

Tax Exemption

In the opinion of Locke Lord LLP, Bond Counsel to the City ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is of the further opinion that interest on the Bonds will not be included in computing the alternative minimum taxable income of Bondholders who are individuals. Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition of, or the accrual or receipt of interest on the Bonds. The Bonds are not designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

The Code imposes various requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. Failure to comply with these requirements may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The City has covenanted to comply with such requirements to ensure that interest on the Bonds will not be included in federal gross income. The opinion of Bond Counsel assumes compliance with these requirements.

Bond Counsel is also of the opinion that, under existing law, interest on the Bonds is exempt from Massachusetts personal income taxes, and the Bonds are exempt from Massachusetts personal property taxes. Bond Counsel has not opined as to other Massachusetts tax consequences arising with respect to the Bonds. Prospective Bondholders should be aware, however, that the Bonds are included in the measure of Massachusetts estate and inheritance taxes, and the Bonds and the interest thereon are included in the measure of certain Massachusetts corporate excise and franchise taxes. Bond Counsel expresses no opinion as to the taxability of the Bonds or the income therefrom or any other tax consequences arising with respect to the Bonds under the laws of any state other than Massachusetts. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix B hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and is exempt from Massachusetts personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is either the reasonably expected initial offering price to the public or the first price at which a substantial amount of such maturity of the Bonds is sold to the public, as applicable. The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Bondholders should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase such Bonds in the original offering to the public at the reasonably expected initial offering price or, if applicable, the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount greater than the stated principal amount to be paid at maturity of such Bonds, or, in some cases, at the earlier redemption date of such Bonds ("Premium Bonds"), will be treated as having amortizable bond premium for federal income tax purposes and Massachusetts personal income tax purposes. No deduction is allowable for the amortizable bond premium in the case of obligations, such as the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, a Bondholder's basis in a Premium Bond will be reduced by the amount of amortizable bond premium properly allocable to such Bondholder. Holders of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from Massachusetts personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect the federal or state tax liability of a Bondholder. Among other possible consequences of ownership or disposition of, or the accrual or receipt of interest on, the Bonds, the Code requires recipients of certain social security and certain railroad retirement benefits to take into account receipts or accruals of interest on the Bonds in determining the portion of such benefits that are included in gross income. The nature and extent of all such other tax consequences will depend upon the particular tax status of the Bondholder or the Bondholder's other items of income, deduction, or exclusion. Bond Counsel expresses no opinion regarding any such other tax consequences, and Bondholders should consult with their own tax advisors with respect to such consequences.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the Massachusetts legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers. Additionally, Bondholders should be aware that future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds may be affected and the ability of Bondholders to sell their Bonds in the secondary market may be reduced. The Bonds are not subject to special mandatory redemption, and the interest rates on the Bonds are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Bonds.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

Security and Remedies

Full Faith and Credit. General obligation bonds and notes of a Massachusetts city or town constitute a pledge of its full faith and credit. Payment is not limited to a particular fund or revenue source. Except for "qualified bonds" as described below (see "Serial Bonds and Notes" under "INDEBTEDNESS-TYPES OF OBLIGATIONS" below) and setoffs of state distributions as described below (see "State Distributions" below), no provision is made by the Massachusetts statutes for priorities among bonds and notes and other general obligations, although the use of certain moneys may be restricted.

Tax Levy. The Massachusetts statutes direct the municipal assessors to include annually in the tax levy for the next fiscal year "all debt and interest charges matured and maturing during the next fiscal year and not otherwise provided for [and] all amounts necessary to satisfy final judgments". Specific provision is also made for including in the next tax levy payments of rebate amounts not otherwise provided for and payment of notes in anticipation of federal or state aid, if the aid is no longer forthcoming.

The total amount of a tax levy is limited by statute. However, the voters in each municipality may vote to exclude from the limitation any amounts required to pay debt service on indebtedness incurred before November 4, 1980. Local voters may also vote to exempt specific subsequent bond issues from the limitation. (See "Tax Limitations" under "PROPERTY TAXATION" below.) In addition, obligations incurred before November 4, 1980 may be constitutionally entitled to payment from taxes in excess of the statutory limit.

No Lien. Except for taxes on the increased value of certain property in designated development districts which may be pledged for the payment of debt service on bonds issued to finance economic development projects within such districts, no provision is made for a lien on any portion of the tax levy or any other moneys to secure particular bonds or notes or bonds and notes generally (or judgments on bonds or notes) in priority to other claims. Provision is made, however, for borrowing to pay judgments, subject to the General Debt Limit. (See "INDEBTEDNESS-Authorization Procedures and Limitations" below.) Subject to the approval of the State Director of Accounts for judgments above \$10,000, judgments may also be paid from available funds without appropriation and included in the next tax levy unless other provision is made.

Court Proceedings. Massachusetts cities and towns are subject to suit on their general obligation bonds and notes and courts of competent jurisdiction have power in appropriate proceedings to order payment of a judgment on the bonds or notes from lawfully available funds or, if necessary, to order the city or town to take lawful action to obtain the required money, including the raising of it in the next annual tax levy, within the limits prescribed by law. (See "Tax Limitations" under "PROPERTY TAXATION" below.) In exercising their discretion as to whether to enter such an order, the courts could take into account all relevant factors including the current operating needs of the city or town and the availability and adequacy of other remedies. The Massachusetts Supreme Judicial Court has stated in the past that a judgment against a municipality can be enforced by the taking and sale of the property of any inhabitant. However, there has been no judicial determination as to whether this remedy is constitutional under current due process and equal protection standards.

Restricted Funds. Massachusetts statutes also provide that certain water, gas and electric, community antenna television system, telecommunications, sewer, parking meter and passenger ferry fee, community preservation and affordable housing receipts may be used only for water, gas and electric, community antenna television system, telecommunications, sewer, parking, mitigation of ferry service impacts, community preservation and affordable housing purposes, respectively; accordingly, moneys derived from these sources may be unavailable to pay general obligation bonds and notes issued for other purposes. A city or town that accepts certain other statutory provisions may establish an enterprise fund for a utility, health care, solid waste, recreational or transportation facility and for police or fire services; under those provisions any surplus in the fund is restricted to use for capital expenditures or reduction of user charges. In addition, subject to certain limits, a city or town may annually authorize the establishment of one or more revolving funds in connection with use of certain revenues for programs that produce those revenues; interest earned on a revolving fund is treated as general fund revenue. A city or town may also establish an energy revolving loan fund to provide loans to owners of privately-held property in the city or town for certain energy conservation and renewable energy projects, and may borrow to establish such a fund. The loan repayments and interest earned on the investment of amounts in the fund shall be credited to the fund. Also, the annual allowance for depreciation of a gas and electric plant or a community antenna television and telecommunications system is restricted to use for plant or system renewals and improvements, for nuclear decommissioning costs, and costs of contractual commitments, or, with the approval of the State Department of Telecommunications and Energy, to pay debt incurred for plant or system reconstruction or renewals. Revenue bonds and notes issued in anticipation of them may be secured by a prior lien on specific revenues. Receipts from industrial users in connection with industrial revenue financings are also not available for general municipal purposes.

State Distributions. State grants and distributions may in some circumstances be unavailable to pay general obligation bonds and notes of a city or town in that the State Treasurer is empowered to deduct from such grants and distributions the amount of any debt service paid on "qualified bonds" (See "Serial Bonds and Notes" under "INDEBTEDNESS-TYPES OF OBLIGATIONS" below) and any other sums due and payable by the city or town to the Commonwealth or certain other public entities, including any unpaid assessments for costs of any public transportation authority (such as the Massachusetts Bay Transportation Authority ("MBTA") or a regional transit authority) of which it is a member, for costs of the Massachusetts Water Resources Authority ("MWRA") if the city or town is within the territory served by the MWRA, for any debt service due on obligations issued to the Massachusetts School Building Authority ("MSBA"), or for charges necessary to meet obligations under the Commonwealth's Clean Water or Drinking Water Revolving Loan Programs, including such charges imposed by another local governmental unit that provides wastewater collection or treatment services or drinking water services to the city or town.

If a city or town is (or is likely to be) unable to pay principal or interest on its bonds or notes when due, it is required to notify the State Commissioner of Revenue. The Commissioner shall in turn, after verifying the inability, certify the inability to the State Treasurer. The State Treasurer shall pay the due or overdue amount to the paying agent for the bonds or notes, in trust, within three days after the certification or one business day prior to the due date (whichever is later). This payment is limited, however, to the estimated amount otherwise distributable by The Commonwealth of Massachusetts (the "Commonwealth") to the city or town during the remainder of the fiscal year (after the deductions mentioned in the foregoing paragraph). If for any reason any portion of the certified sum has not been paid at the end of the fiscal year, the State Treasurer shall pay it as soon as practicable in the next fiscal year to the extent of the estimated distributions for that fiscal year. The sums so paid shall be charged (with interest and administrative costs) against the distributions to the city or town.

The foregoing does not constitute a pledge of the faith and credit of the Commonwealth. The Commonwealth has not agreed to maintain existing levels of state distributions, and the direction to use estimated distributions to pay debt service may be subject to repeal by future legislation. Moreover, adoption of the annual appropriation act has sometimes been delayed beyond the beginning of the fiscal year and estimated distributions which are subject to appropriation may be unavailable to pay local debt service until they are appropriated.

Bankruptcy. Enforcement of a claim for payment of principal or interest on general obligation bonds or notes would be subject to the applicable provisions of federal bankruptcy laws and to the provisions of other statutes, if any, hereafter enacted by the Congress or the State legislature extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. Massachusetts municipalities are not generally authorized by the Massachusetts General Laws to file a petition for bankruptcy under federal bankruptcy laws. In cases involving significant financial difficulties faced by a single city, town or regional school district, however, the Commonwealth has enacted special legislation to permit the appointment of a fiscal overseer, finance control board or, in the most extreme cases, a state receiver. In a limited number of these situations, such special legislation has also authorized the filing of federal bankruptcy proceedings, with the prior approval of the Commonwealth. In each case where such authority was granted, it expired at the termination of the Commonwealth's oversight of the financially distressed city, town or regional school district. To date, no such filings have been approved or made.

Opinion of Bond Counsel

The purchaser will be furnished the legal opinion of the firm of Locke Lord LLP, Boston, Massachusetts ("Bond Counsel"). The opinion will be dated and given on and will speak only as of the date of original delivery of the Bonds to the Successful Bidder. The opinion will be substantially in the form presented in Appendix B.

Other than as to matters expressly set forth herein as the opinion of Bond Counsel, Bond Counsel is not passing upon and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that they have independently verified the same.

Rating

The City has applied to S&P Global Ratings for a rating on the Bonds. Said rating, if obtained, only reflects the rating agency's views and will be subject to revision or withdrawal, which could affect the market price of the Bonds.

Financial Advisory Services of Hilltop Securities Inc.

Hilltop Securities Inc., Boston, Massachusetts serves as financial advisor to the City.

Continuing Disclosure

In order to assist the Underwriters in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (the "Rule"), the City will covenant for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the City by not later than 270 days after the end of each fiscal year (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. Other than the City, there are no obligated persons with respect to the Bonds within the meaning of the Rule. The covenants will be contained in a Continuing Disclosure Certificate, the proposed form of which is provided in Appendix C. The Certificate will be executed by the signers of the Bonds, and incorporated by reference in the Bonds.

The City believes that, in the past five years, it has complied in all material respects with all previous undertakings to provide annual reports or notices of significant events in accordance with the Rule.

CITY OF NEW BEDFORD, MASSACHUSETTS

General

The City of New Bedford is located in Southern Massachusetts, approximately 56 miles from Boston. It is bordered by Dartmouth on the west, Freetown on the north, Acushnet and Fairhaven on the east and Buzzard's Bay on the south. The City has a population of 95,072 (2010 U.S. Bureau Census estimate) and occupies a land area of 30.1 square miles. Established in 1787, New Bedford was incorporated as a City in 1847. The City is governed by an elected Mayor and an eleven member City Council.

The following table sets forth the principal executive officers of the City.

Principal Executive Officers

<u>Title</u>	<u>Name</u>	<u>First Took Office</u>	<u>Term Expires</u>
Mayor	Jonathan F. Mitchell	January 2012	January 2024
Chief Financial Officer	Michael Gagne	June 1, 2021	June 2022
Treasurer/Tax Collector	R. Renee Fernandes	April 2007	(1)
City Clerk	Dennis Farias	August 2014	(1)
City Auditor	Robert Ekstrom	August 2014	June 2021
Assistant City Auditor	Brennan Morsette	December 1993	(1)

(1) Employee-at-will and not under contract.

Municipal Services

The City provides general governmental services for the territory within its boundaries including police and fire protection, disposal of garbage and rubbish, public education in grades K-12, including vocational-technical education at the high school level, water and sewer services, parking, street maintenance, parks, recreational and historical and cultural facilities.

The principal services provided by the county are a jail and house of correction, a registry of deeds, and an agricultural extension service.

Corona Virus (COVID-19) Disclosure

COVID-19 is a respiratory disease caused by a novel coronavirus that has not previously been seen in humans. On March 10, 2020, the Governor of The Commonwealth of Massachusetts declared a state of emergency to support the Commonwealth's response to the outbreak of the virus. On March 11, 2020 the World Health Organization declared COVID-19 a pandemic. On March 13, 2020, the President declared a national emergency due to the outbreak, which enabled disaster funds to be made available to states to fight the pandemic. The Governor has removed the remaining COVID-19 restrictions and the state of emergency in The Commonwealth expired on June 15, 2021.

In response to the COVID-19 pandemic, federal and state legislation was signed into law that provides various forms of financial assistance and other relief to state and local governments. For example, the U.S. Congress enacted the CARES Act which includes various forms of financial relief. The City was eligible to receive up to \$8,403,705 from the CARES Act and to date has incurred \$8,402,807 in COVID expenses.

Pursuant to M.G.L. Chapter 4, Section 31, and under a directive issued to Massachusetts communities by the State's Department of Revenue, the City has established two separate funds specifically related to COVID-19 expenses. One fund aggregates all costs eligible for 75% reimbursement from FEMA administered through MEMA. The second fund aggregates all costs eligible for reimbursement under the Federal Coronavirus Aid, Relief, and Economic Security Act. Aggregated costs related to the COVID-19 pandemic include, but are not limited to, overtime, cleaning and medical supplies, and IT equipment. New legislation has also given the City the ability to amortize any additional costs not funded through these grants over a period of up to three years.

Another action at the federal level was the American Rescue Plan Act of 2021 ("ARPA"). Among other provisions, one of the key components of ARPA is the Coronavirus State and Local Fiscal Recovery Fund ('CSLFRF'), which commits \$350 billion to state and local governments to mitigate the fiscal disruptions created by the pandemic. A portion of these funds may be used to replace revenues lost or reduced as a result of the pandemic and fund COVID-related costs, among other purposes. The City was directly allocated \$64,729,754; additionally, the City expects to receive an estimated \$17,243,480 from the county government, which represents the City's per capita share of Bristol County's CSLFRF allocation, less administrative costs. In total, the City will be receiving and applying approximately \$82 million in CSLFRF grant funds for the statutory purposes of responding to the COVID-19 public health crisis, hastening the city's economic recovery from the pandemic, making improvements to public infrastructure, and placing the City on improved financial footing.

Funding priorities have been set in a collaborative process involving:

- An extensive review of the City's many strategic planning documents;
- Input from Department Heads with purview over areas such as Public Health, Housing and Community Development, Parks, Recreation, & Beaches, Public Infrastructure, Environmental Stewardship, and Emergency Management;
- Public forum hosted by community partners;
- A public survey; and
- Review and approval by the City Council.

New Bedford has opted to take advantage of the standard \$10 million revenue replacement provision that was added to the U.S. Treasury's Final Rule regulating the expenditure of CSLFRF funds as an alternative to calculating revenue loss. The standard amount of \$10 million far exceeds any anticipated revenue loss over the reporting period. CSLFRF funds must be obligated by the end of December 2024 and expended by the end of December 2026.

The City has managed the economic situation without cash flow concerns. At the onset of the pandemic, the City implemented significant cost containment measures that restricted expenditures to ensure a positive cash flow. The FY 2021 budget incorporated conservative assumptions by eliminating 40 vacant positions, including 36 supported by the General Fund, and incorporated a significant reduction in local receipts. The impact of projected revenue reductions is carried forward through the long-range planning period.

While the City's Fiscal Year 2021 results improved from the effects of COVID-19 in Fiscal Year 2020, the pandemic, the virus and the resulting actions by national, state and local governments have altered and continue to alter the behavior of businesses and people in a manner that may have negative impacts on global and local economies. There can be no assurances regarding the extent to which COVID-19, or any other national health crisis or pandemic, will impact the national and state economies and, accordingly, how it will adversely impact municipalities, including the City. These negative impacts could include reduced collections of property taxes and other revenues, including room occupancy taxes and local meals tax revenue, motor vehicle excise taxes and other fees and charges collected by the City. The City may also be affected by any reductions in state aid resulting from reduced revenues at the State level. In addition, stock markets in the United States and globally could see significant instability attributable to the coronavirus pandemic or any other national health crisis or pandemic and such instability could adversely affect the funding status of the City's pension funds and resulting funding schedules. The City cannot quantify these effects at this time.

Education

The City's school facilities include 19 elementary schools, 3 middle schools, 1 high school, and 2 alternate high schools (grades 11-12), one of which is located at the administration building.

All three middle schools were originally junior high schools (grades 7 and 8), and were replaced as middle schools (grades 6-8). In September 2001, Roosevelt Junior High School was replaced by Roosevelt Middle School. In September 2003, Normandin Junior High School was replaced by Normandin Middle School. In December 2006, Keith Junior High School was replaced by Keith Middle School. The Massachusetts School Building Authority (MSBA) increased the 90% funding for the Keith Middle School to include the additional costs associated with the environmental remediation of the contamination at the Keith Middle School site and surrounding area.

The MSBA also supported the John Hannigan elementary school construction project, which is currently 100% in use, and partially funded the construction project for William H. Taylor School at Sea Lab, which was completed in December 2016. Additionally, the City expects to receive MSBA partial funding for accelerated repairs to several elementary schools.

The City also has 3 charter schools: Alma del Mar Charter School, City on a Hill Charter Public School, and Global Learning Charter Public School. Charter school enrollment for the school year beginning October 1, 2021 was 1,677 students.

Public School Enrollments – October 1

	Actual				
	2017	2018	2019	2020	2021
Pre-School	565	551	481	286	500
Elementary	6,969	6,879	6,670	6,334	6,120
Middle School (6-8)	2,951	3,104	3,166	3,073	2,885
High School (9-12)	2,141	2,311	2,563	2,872	2,999
Total	12,626	12,845	12,880	12,565	12,504

Economic Overview

New Bedford's beautiful coastal setting has been gradually shaped over 200 years by land use patterns tied to the whaling, fishing, and textile industries. In the mid-1850s, New Bedford's whaling fleet launched more whaling voyages than all other American ports combined and was the wealthiest city per-capita in the United States. At the same time investment in the textile industry had already begun. When the whale fishery declined, the looms in the mills continued to drive the City's economy. However, by the mid-20th century, New Bedford, like many mid-size American cities, struggled to meet daunting challenges in adapting its largely textile based economy in a post-industrial and post-war era.

While the past 50 years have witnessed a steady contraction in the traditional manufacturing base in mid-sized industrial cities across the county, New Bedford has proven resilient and adaptable. Today, the City remains the number one commercial fishing port in America and is home to nearly 3,700 businesses. Prior to the COVID-19 driven economic shut down, those businesses supported more than 46,000 jobs with an unemployment rate that ranged between 4.1 and 5.5%.

Highlights from 2021 include:

- \$260,000 of direct City assistance was granted to 27 businesses through the COVID-19 aid for small business program.
- The City had 30 active pipeline projects in the recruitment and pre-development phase - double that of the previous year - with a total investment value of \$124 million, an estimated 631 new jobs, and 415 new housing units.
- The ribbon was cut on the \$4.4M investment at the former Davy's Locker location - completely reimaged with new outdoor seating, entertainment, and parking - all with better connection to the water's edge. This new business has provided for 45 full-time employees and as many as 100 seasonal workers.
- New Bedford Ocean Cluster contracted with the Port of New Bedford to create a maritime business network, develop strategies to expand the value and reach of the Port into the community, and ensure that New Bedford is the first port of call for offshore wind.
- Bristol Community College leased a New Bedford waterfront site as the home for the National Offshore Wind Institute—the nation's first state-of-the-art offshore wind training facility.
- Vineyard Wind received final federal approvals for the first commercial scale offshore wind farm in the United States. This first project will deploy from New Bedford and will create enough energy to power to more than 400,000 homes and businesses in Massachusetts.
- Eastern Fisheries completed its relocation and expansion from the waterfront. This relocation keeps the company in New Bedford and allows for the only vacant facility in the park to come back to life with an investment of more than \$10 million.
- For the grant program "Art Is Everywhere," projects needed to directly impact a current challenge facing residents, visitors and/or businesses by mobilizing its arts, creativity and culture. Upon receiving 28 applications, the City invested \$62,000 in six projects city-wide.
- The community-based planning and economic analysis of both SouthCoast Rail districts were completed as construction activities in the Church Street area also continued. Planning for the new pedestrian bridge over Route 18 also began. Commuter rail service to Boston is scheduled to begin in 2023.

The City has accomplished this by employing a balanced and aggressive strategy that builds on assets that include a diverse waterfront industry, a vibrant downtown, significant infrastructure capacity, wonderful historic buildings and neighborhoods, and a hard-working and culturally diverse citizenry. The City's strategic approach is to support existing business, attract emerging industries, communicate a positive message, develop strategic sites, prepare a ready workforce, and capture long-term catalytic opportunities for growth.

New Bedford has also developed a successful business assistance program through its economic development council that offers a variety of loan programs and incentives to aid businesses in their decisions to relocate, maintain or expand their operations. Funded with a combination of Community Development Block Grants, U.S. Department of Commerce Economic Development Administration funds and participation agreements with local and regional banks, these programs provide

more than \$1 million annually in loans to new and existing businesses for working capital, inventory, equipment, façade and building improvements, vessel rehabilitation and general economic development needs for those enterprises not able to gain traditional financing.

New Bedford receives in excess of \$5 million in U.S. Department of Housing and Urban Development Community Development Block Grants and Federal HOME Investment Partnership Program funds. These programs are used, in part, to support a master development plan of the City to revitalize its infrastructure, housing stock and public facilities.

Tourism

The City of New Bedford tracks visitation data at the City's major attractions consisting of museums, ferries, theatres, arts & culture, visitor centers including venues within and adjacent to the New Bedford Whaling National Historical Park. The data below is indicative of the popularity of New Bedford as a tourism destination:

<u>Fiscal Year (1)</u>	<u>Number of Visits (2)</u>
2020	420,779 (3)
2019	593,326
2018	586,563
2017	576,384

Source: City Director of Tourism and Marketing.

(1) Fiscal year 2021 data is not yet available.

(2) Visitation data is an aggregate of visitor numbers at all City attractions, subject to change as data become available.

(3) Reflects impact of the COVID-19 pandemic.

Population, Income and Wealth Levels

According to the 2010 federal census, median family income for the City of New Bedford was \$45,347 compared with \$81,165 for the state as a whole. The median age for the City was 36.6 years as compared to 39.1 for the state as a whole. The following table compares the 2010, 2000, 1990, and 1980 averages for New Bedford, the state and the country.

	<u>City of New Bedford</u>	<u>Massachusetts</u>	<u>U.S.</u>
Median Age			
2010	36.6	39.1	36.8
2000	35.9	36.5	35.3
1990	35.3	35.1	33.3
1980	33.2	31.2	30.0
Median Family Income			
2010	\$45,347	\$81,165	\$63,331
2000	35,708	61,664	50,046
1990	28,373	44,367	35,225
1980	14,930	21,166	19,908
Per Capita Income			
2010	\$20,447	\$33,966	\$27,270
2000	15,602	25,952	21,587
1990	10,923	17,224	14,420
1980	5,431	7,457	7,313

SOURCE: Federal Census.

Population Trends

<u>2010</u>	<u>2000</u>	<u>1990</u>	<u>1980</u>	<u>1970</u>
95,072	93,768	99,922	98,478	101,770

SOURCE: Federal Census.

Industry and Commerce

Due to the reclassification of economic data by industry, the U.S. Department of Labor now uses the North American Industry Classification System (NAICS) as the basis for the assignment and tabulation of economic data by industry.

Industry	Calendar Year Average				
	2016	2017	2018	2019	2020
Natural Resources and Mining	822	992	1,005	887	930
Construction	1,170	1,261	1,189	1,213	1,168
Manufacturing	6,026	5,639	5,441	5,059	4,263
Trade, Transportation and Utilities	6,034	6,050	5,964	6,094	5,644
Information	210	186	181	180	212
Financial Activities	1,035	1,056	1,044	1,049	990
Professional and Business Services	3,766	3,285	3,259	3,618	3,505
Education and Health Services	13,351	13,283	12,674	12,904	12,094
Leisure and Hospitality	2,885	3,074	3,076	3,140	2,660
Other Services	1,191	1,179	1,160	1,198	1,063
Public Administration	1,837	1,891	1,972	1,992	2,078
Total Employment	38,325	37,896	36,965	37,334	34,605
Number of Establishments	3,617	3,600	3,698	3,654	3,675
Average Weekly Wages	\$ 899	\$ 914	\$ 955	\$ 937	\$ 995
Total Wages	\$ 1,791,858,154	\$ 1,800,229,801	\$ 1,834,840,253	\$ 1,819,165,816	\$ 1,790,558,520

SOURCE: Massachusetts Department of Labor and Workforce Development. Data based upon place of employment, not place of residence.

The following table lists the largest employers in New Bedford, exclusive of federal, state and City employers.

Largest Employers

Name	Product/Function	Number of Employees
South Coast Health System	Hospital	1,500 - 2,500
Acushnet Company	Manufacturing	500 - 999
Joseph Abboud (1)	Manufacturing	250 - 499
Ahead Inc.	Apparel	250 - 499
Bristol County Savings Bank	Bank	250 - 499
Brittany Dyeing & Printing Co.	Printing	250 - 499
Community Health Center	Hospital	250 - 499
Sacred Heart Home	Nursing Home	250 - 499
Sid Wainer & Son Specialty	Specialty Foods	250 - 499
Symmetry Medical	Medical	250 - 499
Tremblay Bus Co. LLC	Busing	250 - 499
Precix Inc.	Manufacturing	250 - 499
Market Basket	Supermarket	250 - 499

SOURCE: City, February 2022.

(1) In August 2020 the parent company of Joseph Abboud filed for Chapter 11 bankruptcy. The New Bedford plant remains in operation with a significantly reduced workforce.

Labor Force, Employment and Unemployment Rate

The Massachusetts Executive Office of Labor and Workforce Development reported that, in December 2021, the City had a total labor force of 46,274, of which 43,478 were employed and 2,796, or 6.0% were unemployed, as compared with 3.5% for the Commonwealth (unadjusted).

<u>Year</u>	<u>City of New Bedford</u>		<u>Massachusetts</u>	<u>U.S.</u>
	<u>Labor Force</u>	<u>Unemployment Rate</u>	<u>Unemployment Rate</u>	<u>Unemployment Rate</u>
2020	46,998	13.2%	8.9%	8.1%
2019	47,944	5.1	2.9	3.5
2018	45,036	6.1	3.3	3.9
2017	46,916	6.5	3.7	4.4
2016	46,697	6.6	3.9	4.8

SOURCE: Massachusetts Executive Office of Labor and Workforce Development. Data based upon place of residence, not place of employment. All data is unadjusted.

Building Permits

The following table sets forth the trend in total number and value of building permits issued for new construction as well as additions and alterations for residential and non-residential public and private projects in the City.

Building Permits Issued		
<u>Fiscal Year</u>	<u>No.</u>	<u>Value</u>
2021	3,742	\$112,133,793
2020	3,068	72,100,844
2019	3,353	134,528,719
2018	3,261	61,506,446
2017	3,180	79,167,598

Transportation

New Bedford is located 56 miles south of Boston and 33 miles east of Providence, Rhode Island. Major roadways serving the City are State Route 140 and Interstate Route I-195 connecting with State Route 24 and Interstate 95. Rail freight service is provided by the CSX Railroad. Commuter bus service is available to Boston. Regional bus service is provided by the South Eastern Regional Transit Authority ("SRTA"). Commuter flights to Martha's Vineyard and Nantucket are available from the New Bedford Municipal Airport and full scheduled commercial flights are available 40 miles from New Bedford in Warwick, Rhode Island at T. F. Green Airport. New Bedford Harbor is an international deep water port and home to a fishing fleet of over 250 vessels. Ferry service is available from New Bedford to Martha's Vineyard and Cuttyhunk year round. Service from New Bedford to Martha's Vineyard began in May 2000 from a new \$4.7 million ferry terminal.

Climate Resiliency

The City of New Bedford's Climate Action and Adaptation Plan: 'NB Resilient', is a proactive plan to address climate change and sea level rise from both mitigative and adaptive approaches. The 'NB Resilient Dashboard' is an interactive tool that the public can use to learn about each of the plan's focus areas and the importance of action to shape outcomes. The 'NB Resilient Action Plan' outlines specific goals and actions that the city is taking and or will take to maximize resilience. Since 2018, the Commonwealth of Massachusetts has awarded the City over \$1M to implement many of the actions outlined in NB Resilient including conducting a Designated Port Area Vulnerability Assessment and Structural Evaluation. New Bedford was the first municipality in the Commonwealth to utilize the Massachusetts Coastal Flood Risk Model (MC-FRM) to evaluate the implications of sea level rise relative to its fishing port which has been rated #1 in the nation for the past 20 years. The New Bedford/Fairhaven Coastal Viewer projects sea level rise and coastal inundation probabilities to 2070. The international group CDP Cities (the Carbon Disclosure Project) recently awarded the City of New Bedford a score of A- citing that "Your city has demonstrated best practice standards across adaptation and mitigation, has set ambitious but realistic goals and made progress towards achieving those goals. Your city has strategic, holistic plans in place to ensure the actions being taken will reduce climate impacts and vulnerabilities of the citizens, businesses and organizations residing in your city."

Cybersecurity

The City's MIS department has implemented several cyber security solutions that have greatly improved the security of the City's network, servers, and end users. With remediation practices in place, the City's network and security team, along with its managed security service provider (MSSP) and virtual chief information officer (vCISO), can detect and eliminate suspicious activities and malicious attacks in the form of malware, ransomware, phishing before they can cause damage.

Economic Development Initiatives

Industry and Developer Recruitment

In 2021 the City had 30 active pipeline projects in the recruitment and pre-development phase—double that of the previous year—with a total investment value of \$124 million, an estimated 631 new jobs, and 415 new housing units. This recruitment pipeline represents a wide variety of project type, investment value, and location. Several notable examples of the City's efforts to bring in future development include:

- *Satoria* - Boston-based developer group worked closely with economic development staff during the year to identify mid and small-scale residential and retail projects within downtown and transit-oriented development zones. Utilizing the sophisticated technology of the Buxton platform, the team has been able to deliver critical data about visitor demographics, spending habits, and seasonal activity.
- *Island Creek Oysters* - This established seafood distribution, processing, and wholesale company was awarded a grant from the state to address food insecurity. To effectively deploy the project, they contacted economic development staff to begin their site search within the Opportunity Zone. The City's economic development team has worked hard to bring excellent leads with great synergy to the table and look forward to their establishment in local seafood community.
- *174 Union Street* - In 2021, this historic icon and adjacent parcels became available in the highly competitive downtown district. The City led conversations and collaborated with local brokers to help recruit a new owner and redevelopment team. The pre-development planning was ongoing as new owners took control of the site before the close of 2021.

Existing Business Expansion Support

As in most years, much of the City's potential new growth in 2021 could be attributed to the expansion of existing businesses that already call New Bedford home. In the past year the City has been actively working with 30 such businesses or developers on projects with a total value of nearly \$121 million. These projects would create more than 993 new jobs and add as many as 250 new housing units. A few illustrative examples include:

- *Eastern Fisheries Relocation and Expansion* – The planned relocation of the largest scallop company in the world to a new home in the New Bedford Business Park solidified itself in FY2021. This \$10 million investment has allowed for an expansion of existing operations and has retained all 250 employees, while adding an additional 60 new jobs within the next five years.
- *Spice Lime* – This downtown staple underwent a comprehensive storefront redevelopment with updated painting and signage through the Wicked Cool Places grant program. In mid-summer, economic development staff continued to work closely with the owner to explore additional mural projects and façade enhancement projects.
- *Wamsutta Place Phase 3 Mill Redevelopment* - Construction activities crossed the finish line for the original cloth and harness building in the historic Wamsutta mills complex during early 2021. The \$7.5 million investment by Acorn Inc. is their fifth project in New Bedford and will result in 33 premier market-rate units coming on-line to help meet the demand for quality housing close to the downtown.

Start-up Cultivation and Assistance

In FY21 the City counted 19 new ventures ready to bring ideas to reality in New Bedford. With a combined investment value of \$10.1 million, these start-ups will also bring more than 342 new jobs into the City. A few examples of the entrepreneurial efforts the City has been working with include:

- *Cisco Kitchen + Bar* - In FY21 the ribbon was cut on the \$4.4M investment at the former Davy's Locker location—completely reimagined with new outdoor seating, entertainment, and parking—all with better connection to the water's edge. Local restaurateur and owner Stephen Silverstein, the founder of Not Your Average Joe's, owner of the Black Whale, and Whale's Tale, and his partner Jay Harmann of Cisco Brewers in Nantucket, led with a vision to transform the eastern edge of the south end and far passed expectations. This new business has provided 45 full-time employees and as many as 100 seasonal workers.

- *Union Flats* – In late 2021, the renovation phase at the vacant 37 Union Street site was completed. Co-owners of DNB Burgers, Amelia Ruvich and Josh Lemaire, have partnered with Chris Cronin, formerly the chef at Seacoast Market and Little Moss in Padanaram to bring lower Union Street New Bedford its first seafood and raw bar restaurant.
- *Abstrakt Entertainment* – A Los Angeles based music and entertainment company, providing top quality products and services to artists and musicians of all levels and genres, looked to establish a production facility in their hometown during 2021. Economic development staff provided connections and leads as they make plans to settle into the downtown artist community with a new Union Street location.

The Advanced Manufacturing Campus at the Golf Course

In early FY21, an extensive planning and analysis study was completed to forward the concept of a new 110-acre advanced manufacturing campus on a portion of the municipal golf course located at the strategic intersection of I-195 and Route 140. This new campus would support 1,000 new jobs that would yield more than \$33 million in total wages.

During the year, work amongst New Bedford Economic Development Commission ('NBEDC'), City Council, City Boards, City Departments, MassDevelopment, and a range of consultants included:

- A public information campaign was undertaken in the first half of FY21 through a series of briefings, public meetings, local media and Cable Access appearances.
- Local approvals from the City Council, Park Board, and Planning Board allowed for Article 97 issues to advance for approval by the state legislature with final state approvals coming in early January of 2022.
- New zoning and design guidelines were drafted for the 100-acre site and approved by the Planning Board and City Council and will be presented to City Council at their first session in calendar 2021.
- The drafting of a Request for Proposals was completed at the first City Council session in late calendar 2021, with the goal of publishing the RFP in the spring of 2022 as developer interest in the site remains high.

SouthCoast Rail Transit Oriented Development

Gateway cities such as New Bedford, Fall River, and Taunton offer excellent and cost-effective investment opportunities for new growth and entrepreneurship from which the whole Commonwealth can benefit. Rail service is critical to enhancing two-way commerce and tourism, addressing a portion of the state's housing shortage and improving the quality of life for residents from the South Coast to Boston.

In 2021 the community-based planning and economic analysis of both areas were completed as construction activities in the Church Street area also continued. Planning for the new pedestrian bridge over Route 18 was also in full swing. Commuter rail service to Boston is scheduled to begin in 2023.

Tax Increment Financing Program

Since the inception of the Tax Increment Financing Program in New Bedford in 1996 a total of 129 projects have been certified. These projects ensure a certain level of investment and job creation by the private sector while the Commonwealth and the City have provided a measure of incentive on new short-term taxes.

- In FY21, 18 such agreements remained active and compliant with the program's reporting requirements. These projects have added more than \$104 million in new private sector investment, have created more than 298 new jobs, and have ensured that more than 866 jobs have been retained in New Bedford.
- Three projects submitted letters of intent to participate in the program for approvals in 2021. Combined these projects represent nearly \$18 million in new investment, and would create more than 123 new jobs and retain 314 jobs.

City of New Bedford COVID-19 Small Business Grant & Loan Program

The City of New Bedford and the NBEDC developed a program designed specifically to provide working capital for existing businesses to assist in surviving the unknown duration of and recovering from the COVID-19 crisis. Utilizing federal CARES Act funding, the City began offering grant financing through the NBEDC COVID-19 Business Assistance program. The program offers grants of up to \$10,000 in conjunction with matching financing to businesses operating in the City of New Bedford that have been negatively affected by the outbreak of the COVID-19 virus. By the end of 2021, 45 direct grants were awarded for a total of \$440,000.

Small Business Lending Program

The City's Lending Program is administered by the NBEDC and is often the most tangible way to have quantifiable effect in the continued growth of small business and new development in all neighborhoods of New Bedford. During a full year of COVID-19, the City's lending team spent countless hours working to ensure small businesses had accurate information and access to all of the federal, state, and local tools available to help them get through a near full shut-down of the economy and then a new way of doing business.

- The Lending Program helped small business create and retain 15 jobs in FY21.
- At the close of FY21 the Lending Program portfolio consisted of 79 loans totaling \$2,729,699.

Quest Center Collaborative Workspace

The New Bedford Quest Center for Innovation is an initiative by the City of New Bedford to provide a focus for entrepreneurial training and a supportive environment for startup activity. With strict COVID-19 protocols in place after a mandated shut-down, throughout much of FY21, the incubator spaces at Quest Center were brimming with activity and at full functional capacity with 38 public sector employees from various agencies and 83 entrepreneurs that are associated with Groundwork.

- There are three entrepreneurial/workforce/economic development agencies with a presence at the Quest Center that hosted dozens of workshops, training sessions, and partnership meetings both online and in person throughout the year.
- FY21 activity generated \$32,939 in income to the City and Mass Development awarded a \$125,000 build-out grant for the expansion of the Groundwork program in unfinished space in the rear of the second floor. Even with strict COVID-19 protocols in place, construction work on the new space by City forces was in full swing at throughout 2021 with the project being completed at the close of the year. The work was largely accomplished by City craftsmen of the Department of Facilities and Fleet management with assistance from local suppliers and contractors.

Entrepreneurial Ecosystem

New Bedford's entrepreneurial ecosystem began seven ago while recruiting a coworking or makerspace operator for vacant space in a City owned building. Now with New Bedford SourceLink as a new platform for connecting business and creating opportunities, the City is prepared to foster greater citywide growth for years to come. Program partners such as Groundwork, EforAll, the Co-Creative Center, the New Bedford Ocean Cluster, and UMass Dartmouth give the City the strength to galvanize a community of hundreds of entrepreneurs centered around maritime innovation, arts+culture, and main street businesses.

- *New Bedford SourceLink* – During 2021, the entrepreneurial hub program, New Bedford SourceLink, went from crawling to moving at a brisk pace. The founding partners of this project included the NBEDC, New Bedford Port Authority, University of Massachusetts Dartmouth, New Bedford Creative Consortium, Co-Creative Center, E for All, and Groundwork. They all helped establish the brand in the community and build awareness for its tools and resources.
- By mid-2021, SourceLink had fully launched, completed a promotional campaign across multiple mediums, and held three Resource Partner quarterly meetings—a valuable opportunity to discuss trends, updates, and programming.
- At the close of 2021, the platform boasted 35 active and trusted resource partners, over 3,200 page views, resulting in over 857 online referrals from the resource navigator.

NB100!

During 2021, the U.S. Small Business Association released the Community Navigator Program, a highly competitive grant opportunity aimed at the creation of new opportunities for entrepreneurs from all backgrounds.

What began as idea on a whiteboard, became a fully articulated grant application with the concept of NB100! -- a game-changing driver in the City's effort to promote entrepreneurship, grow local wealth, encourage creativity, and revitalize small business spirit within the City as it emerges from the COVID-19 pandemic.

NB100! has been envisioned as a new City program offered by the NBEDC to help 100 new businesses get off the ground in New Bedford. To accelerate their ideas and harness their energy, the NBEDC would offer \$10,000 grants paired with a technical support program made possible through the New Bedford SourceLink. The intent of NB100! is to create long-term successes that will have positive impacts on New Bedford neighborhoods, so this engagement and support will continue long after grant awards are made. We understand that socially and economically disadvantaged entrepreneurs have historically been disproportionately disenfranchised, especially throughout the pandemic; therefore, a majority of the awardees will be women, minority, and veteran applicants.

The NBEDC was awarded \$1 million from the SBA in the fall to fully implement this program.

Arts + Culture Plan Advancement

New Bedford Creative: Our Art, Our Culture, Our Future is the City's first ever arts and culture strategic plan and the New Bedford Creative Consortium, is the leadership group with the mission of overseeing the execution of the 10-year plan.

In 2021, the implementation of the plan included facilitating the official launch of "TDI Creative Cities" funded by MassDevelopment/Transformative Development Initiative (TDI) and The Barr Foundation to support arts-based economic development, enrich urban life in the Commonwealth, and expedite the strategies in New Bedford's arts and culture plan.

One of the components of "TDI Creative Cities" included the second round of the grant program "Art Is Everywhere," where projects needed to directly impact a current challenge facing residents, visitors and/or businesses in New Bedford's neighborhoods by mobilizing its arts, creativity and culture. Upon receiving 28 applications, the City invested \$62,000 in six projects city-wide. This year also brought about the completion of the third round of the creative placemaking grant program "Wicked Cool Places." After receiving 34 applications, the City invested \$50,000 in nine projects city-wide.

Activities of the Seaport Cultural District

Since 2014 the downtown Seaport Cultural District (SCD), an official designation by the Massachusetts Cultural Council, has served as a center of cultural, artistic and economic activity.

In FY21 the activities of the SCD included:

- Seaport Art Walk, the district's annual temporary public art installation, partnered with DATMA's WATER 2021 to present six new artworks along the waterfront with the theme "Tides and Time".
- Facilitated the Black Lives Matter mural on Union Street in partnership with community volunteer members, led and organized by Tanisha Ferrer.
- Maintained a strong 160+ partnership, attended bi-weekly meetings with other cultural districts hosted by Massachusetts Cultural Council, held four successful virtual partner meetings, and supported the partners in planning and executing events with COVID-19 safety guidelines.
- Press for the partnership organizations included features in *Art New England*, *Artscope Magazine*, *The Arts Fuse*, *The Boston Globe*, *Boston Magazine*, *Boston Public Radio*, *The National Review*, *The New York Times*, *The Public's Radio*, *SouthCoast Today*, *The SouthCoast Insider*, *The South Coast Almanac*, *The Village Voice*, *The Wall Street Journal*, WGBH Radio and TV, and many more.

PROPERTY TAXATION

Tax Levy Computation

After state aid, the principal revenue source of the City is the tax on real and personal property. The amount to be levied in each year is the amount appropriated or required by law to be raised for municipal expenditures less estimated receipts from other sources and less appropriations voted from funds on hand. The total amount levied is subject to certain limits prescribed by law; for a description of those limits, see "Tax Limitations" below. As to the inclusion of debt service and final judgments, see "Security and Remedies" above.

The estimated receipts for a fiscal year from sources other than the property tax may not exceed the actual receipts during the preceding fiscal year from the same sources unless approved by the State Commissioner of Revenue. Excepting special funds the use of which is otherwise provided for by law, the deduction for appropriations voted from funds on hand for a fiscal year cannot exceed the "free cash" as of the beginning of the prior fiscal year as certified by the State Director of Accounts plus up to nine months' collections and receipts on account of earlier years' taxes after that date. Subject to certain adjustments, free cash is surplus revenue less uncollected overdue property taxes from earlier years.

Although an allowance is made in the tax levy for abatements (see "Abatements and Overlay," below), no reserve is generally provided for uncollectible real property taxes. Since some of the levy is inevitably not collected, this creates a cash deficiency which may or may not be offset by other items (see "Taxation to Meet Deficits," below).

The following table illustrates the manner in which the tax levy is determined.

	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
Total Appropriations (1)	\$ 345,160,569	\$ 356,862,641	\$ 379,473,123	\$ 391,443,063	\$ 405,261,717
Other Local Expenses	260,138	237,067	288,935	402,963	705,235
State & County Assessments	17,622,274	19,439,487	23,579,011	22,288,574	26,918,021
Overlay for Current Year	1,184,701	1,186,867	1,162,176	988,110	317,635
Gross Amount to be Raised	<u>364,227,682</u>	<u>377,726,062</u>	<u>404,503,245</u>	<u>415,122,710</u>	<u>433,202,608</u>
Offsets:					
Estimated Receipts from State (2)	168,625,403	176,207,545	193,194,759	198,203,283	206,823,902
Local Estimated Receipts	71,774,961	73,943,358	77,076,748	77,840,128	81,203,045
Free Cash	3,872,174	2,289,000	4,534,264	1,322,511	1,058,000
Other	-	-	144,244	3,503,036	2,643,104
Total Offsets	<u>244,272,538</u>	<u>252,439,903</u>	<u>274,950,015</u>	<u>280,868,958</u>	<u>291,728,051</u>
Tax Levy	<u>\$ 119,955,144</u>	<u>\$ 125,286,159</u>	<u>\$ 129,553,230</u>	<u>\$ 134,253,752</u>	<u>\$ 141,474,557</u>

(1) Includes water and sewer department budgets, each of which is self-supporting.

(2) Estimated by the State Department of Revenue and required by law to be used in setting the tax rate. Actual state aid payments may vary upward or downward from said estimates, and the State deducts from semi-annual distributions the State assessments, which are appropriated automatically as a component of the gross amount to be raised.

Assessed Valuations and Tax Levies

Property is classified for the purpose of taxation according to its use. The legislature has in substance created three classes of taxable property: (1) residential real property, (2) open space land, and (3) all other (commercial, industrial and personal property). Within limits, cities and towns are given the option of determining the share of the annual levy to be borne by each of the three categories. The share required to be borne by residential real property is at least 50 percent of its share of the total taxable valuation; the effective rate for open space must be at least 75 percent of the effective rate for residential real property; and the share of commercial, industrial and personal property must not exceed 175 percent of their share of the total valuation. A city or town may also exempt up to 20 percent of the valuation of residential real property (where used as the taxpayer's principal residence) and up to 10 percent of the valuation of commercial real property (where occupied by certain small businesses). Property may not be classified in a city or town until the State Commissioner of Revenue certifies that all property in the city or town has been assessed at its fair cash value. Such certification must take place every three years or pursuant to a revised schedule as may be issued by the Commissioner.

Related statutes provide that certain forest land, agricultural or horticultural land (assessed at the value it has for these purposes) and recreational land (assessed on the basis of its use at a maximum of 25 percent of its fair cash value) are all to be taxed at the rate applicable to commercial property. Land classified as forest land is valued for this purpose at five percent of fair cash value but not less than ten dollars per acre.

The City has used multiple tax rates under classifications since fiscal 1986 when it revalued all real and personal property in the City to full value. Professional updates of the valuation were completed for use most recently in fiscal years 2004, 2007, 2010, 2014, 2017, and 2021. The next professional update of the valuation is scheduled to take place in fiscal year 2025.

The following table sets forth the trend in the City's assessed valuations, tax levies and tax rates.

Fiscal Year	Real Estate Valuation	Personal Property Valuation	Total Assessed Valuation	Tax Levy	Tax Rates	
					Residential	Other (1)
2022	\$ 6,993,344,479	\$ 395,020,130	\$ 7,388,364,609	\$ 141,474,557	\$ 15.54	\$ 33.51
2021 (2)	6,729,007,701	361,481,590	7,090,489,291	134,253,752	15.59	32.76
2020	6,421,543,400	251,194,130	6,672,737,530	129,553,230	16.16	33.59
2019	6,014,074,500	242,332,960	6,256,407,460	125,286,159	16.47	34.84
2018	5,658,944,850	229,731,170	5,888,676,020	119,955,144	16.63	35.65

(1) Commercial, industrial and personal property.

(2) Revaluation year.

Classification of Property

The following is a breakdown of the City's total assessed valuation in fiscal years 2022, 2021, and 2020.

Classification	Assessed Valuation		Assessed Valuation		Assessed Valuation	
	Fiscal 2022	%	Fiscal 2021	%	Fiscal 2020	%
Real Estate:						
Residential	\$ 5,904,815,861	79.9 %	\$ 5,709,416,255	80.5 %	\$ 5,426,507,386	81.3 %
Commercial	721,683,418	9.8	685,825,596	9.7	669,040,014	10.0
Industrial	366,845,200	5.0	333,765,850	4.7	325,996,000	4.9
Total Real Estate	6,993,344,479	94.7	6,729,007,701	94.9	6,421,543,400	96.2
Personal Property	395,020,130	5.3	361,481,590	5.1	251,194,130	3.8
Valuation	\$ 7,388,364,609	100.0 %	\$ 7,090,489,291	100.0 %	\$ 6,672,737,530	100.0 %

(1) Revaluation year.

Largest Taxpayers

The following table sets forth the ten largest taxpayers in the City of New Bedford based on assessed valuations for fiscal 2022. All of the taxpayers listed are current with their payments.

<u>Name</u>	<u>Nature of Business</u>	<u>Fiscal 2022 Assessed Valuation</u>	<u>% of Total Assessed Value</u>
NSTAR Electric Company	Utility	\$ 179,688,581	2.43
NSTAR Gas Company	Utility	147,448,790	2.00
Wamsutta LLC	Housing Development	22,461,600	0.30
Cedar-Fieldstone, LLC	Retail Properties	22,335,000	0.30
AFC Cable Systems Inc.	Manufacturing	17,721,800	0.24
Melville HSG Asso-Lessee	Housing Development	16,719,300	0.23
Comcast of Southern N.E. Inc.	Utility	16,596,580	0.22
Rockdale West LLC	Housing Development	14,492,800	0.20
Verizon New England, Inc.	Utility	14,140,100	0.19
Acushnet Company	Manufacturing	13,232,900	0.18
Total		<u>\$ 464,837,451</u>	<u>6.29 %</u>

State Equalized Valuation

In order to determine appropriate relative values for the purposes of certain distributions to and assessments upon cities and towns, the Commissioner of Revenue biennially makes a redetermination of the fair cash value of the taxable property in each municipality as of January 1 of even numbered years. This is known as the "equalized value". The following table sets forth the trend in equalized valuations of the City of New Bedford.

<u>January 1,</u>	<u>State Equalized Valuation</u>
2020	\$6,947,603,100
2018	6,079,471,600
2016	5,618,295,200
2014	5,366,953,500
2012	5,818,718,300
2010	6,474,455,300

Local assessed valuations are determined annually as of January 1 and used for the fiscal year beginning on the next July 1. The City's most recent revaluation was completed for use in setting the 2021 fiscal year's tax rate and levy. The most recent prior reevaluations were completed for use in setting the fiscal 2001, 2004, 2007, 2010, 2014, and 2017 tax rates and levies. On the basis of said revaluations, the City's local tax rates for fiscal years 2001, 2004, 2007, 2010, 2014, 2017, and 2021 are believed to have approximated "full value" tax rates.

Abatements and Overlay

A city or town is authorized to increase each tax levy by an amount approved by the State Commissioner of Revenue as an "overlay" to provide for tax abatements. If abatements are granted in excess of the applicable overlay, the excess is either required to be either added to the next tax levy or to be transferred from available overlay reserves from other years.

Abatements are granted where exempt real or personal property has been assessed or where taxable real or personal property has been overvalued or disproportionately valued. The assessors may also abate uncollectible personal property taxes. They may abate real and personal property taxes on broad grounds (including inability to pay) with the approval of the State Commissioner of Revenue. But uncollected real property taxes are ordinarily not written off until they become municipal "tax titles" by purchase at the public sale or by taking, at which time the tax is written off in full by reserving the amount of the tax and charging surplus.

The following table sets forth the trend in the overlay reserve and exemption and abatement activity.

Fiscal Year	Overlay Reserve		As a % of Net Levy	Exemptions and Abatements Granted Through June 30, 2021
	Net Tax Levy (1)	Dollar Amount		
2021	\$ 133,265,642	\$ 988,110	0.74 %	\$ 448,738
2020	128,391,054	1,162,176	0.91	709,127
2019	124,099,292	1,186,867	0.96	819,749
2018	118,770,443	1,184,701	1.00	1,012,011
2017	112,865,702	1,191,316	1.06	964,092

(1) Tax levy prior to addition of overlay reserve.

(2) Revaluation year.

Tax Collections

The City adopted quarterly tax billing beginning in fiscal 1992. Property taxes are payable in four installments on August 1, November 1, February 1 and May 1. Interest accrues on delinquent taxes currently at the rate of 14 percent per annum the day after the due date. Real property (land and buildings) is subject to a lien for the taxes assessed upon it (subject to any paramount federal lien and subject to bankruptcy and insolvency laws). If the property has been transferred, an unenforced lien expires on the fourth December 31 after the end of the fiscal year to which the tax relates. If the property has not been transferred by the fourth December 31, an unenforced lien expires upon a later transfer of the property. Provision is made, however, for continuation of the lien where it could not be enforced because of a legal impediment. The persons against whom real or personal property taxes are assessed are personally liable for the tax (subject to bankruptcy and insolvency laws). In the case of real property, this personal liability is effectively extinguished by sale or taking of the property as described below. The following table compares the City's net tax collections with its net (gross tax levy less overlay reserve for abatements) tax levies.

TAX LEVIES AND COLLECTIONS

Fiscal Year	Gross Tax Levy	Overlay Reserve for Abatements	Net Tax Levy (1)	Collections During Fiscal Year Payable(2)		Collections as of June 30, 2021 (2)	
				\$ Amount	% of Net	\$ Amount	% of Net
2021	\$ 134,253,752	\$ 988,110	\$ 133,265,642	\$ 129,819,685	97.4 %	\$ 129,818,685	97.4 %
2020	129,553,230	1,162,176	128,391,054	122,619,312	95.5	122,619,312	95.5
2019	125,286,159	1,186,867	124,099,292	120,533,421	97.1	121,718,750	98.1
2018	119,955,144	1,184,701	118,770,443	115,662,256	97.4	116,846,957	98.4
2017	114,057,018	1,191,316	112,865,702	109,059,004	96.6	110,250,334	97.7

(1) Net after deductions of overlay for abatements.

(2) Actual dollar collections less refunds.

Tax Titles and Possessions

Massachusetts law permits a municipality either to sell by public sale (at which the municipality may become the purchaser) or to take real property for nonpayment of taxes. In either case the property owner can redeem the property by paying the unpaid taxes, with interest and other charges, but if the right of redemption is not exercised within six months (which may be extended an additional year in the case of certain installment payments), it can be foreclosed by petition to the Land Court. Upon foreclosure, a tax title purchased or taken by the municipality becomes a "tax possession" and may be held and disposed of in the same manner as other land held for municipal purposes.

The following table sets forth the trend in tax titles and possessions as of the end of the fiscal year.

<u>Fiscal Year End</u>	<u>Total Tax Titles and Possessions</u>
2021	\$20,459,718
2020	19,402,597
2019	18,718,181
2018	18,862,758
2017	21,213,470

Sale of Tax Receivables

Cities and towns are authorized to sell delinquent property tax receivables by public sale or auction either individually or in bulk. The City's most recent tax lien auction was in May, 2019.

Taxation to Meet Deficits

As noted elsewhere (see "Abatements and Overlay," above) overlay deficits, i.e., tax abatements in excess of the overlay included in the tax levy to cover abatements, are required to be added to the next tax levy. It is generally understood that revenue deficits; i.e., those resulting from non-property tax revenues being less than anticipated, are also required to be added to the tax levy (at least to the extent not covered by surplus revenue).

Amounts lawfully expended since the prior tax levy and not included therein are also required to be included in the annual tax levy. The circumstances under which this can arise are limited since municipal departments are generally prohibited from incurring liabilities in excess of appropriations except for major disasters, mandated items, contracts in aid of housing and renewal projects and other long-term contracts. In addition, utilities must be paid at established rates; and certain established salaries, e.g., civil service, must legally be paid for work actually performed, whether or not covered by appropriations.

Cities and towns are authorized to appropriate sums, and thus to levy taxes, to cover deficits arising from other causes, such as "free cash" deficits arising from a failure to collect taxes. This is not generally understood, however, and it has not been the practice to levy taxes to cover free cash deficits. Except to the extent that such deficits have been reduced or eliminated by subsequent collections of uncollected taxes (including sales of tax titles and tax possessions), lapsed appropriations, non-property tax revenues in excess of estimates, other miscellaneous items or funding loans authorized by special act, they remain in existence.

Tax Limitations

Chapter 59, Section 21C of the General Laws, also known as Proposition 2½, imposes two separate limits on the annual tax levy of a city or town.

The primary limitation is that the tax levy cannot exceed 2 ½ percent of the full and fair cash value. If a town or city exceeds the primary limitation, it must reduce its tax levy by at least 15 per cent annually until it is in compliance, provided that the reduction can be reduced in any year to not less than 7 ½ percent by majority vote of the voters, or to less than 7 ½ percent by two-thirds vote of the voters.

For cities and towns at or below the primary limit, a secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding fiscal year as determined by the State Commissioner of Revenue by more than 2 ½ percent, subject to an exception for property added to the tax rolls or property which has had an increase, other than as part of a general revaluation, in its assessed valuation over the prior year's valuation. This "growth" limit on the tax levy may be exceeded in any year by a majority vote of the voters, but an increase in the secondary or growth limit under this procedure does not permit a tax levy in excess of the primary limitation, since the two limitations apply independently. In addition, if

the voters vote to approve taxes in excess of the "growth" limit for the purpose of funding a stabilization fund, such increased amount may only be taken into account for purposes of calculating the maximum levy limit in each subsequent year if the board of selectmen of a town or the city council of the city votes by a two-thirds vote to appropriate such increased amount in such subsequent year to the stabilization fund.

The applicable tax limits may also be reduced in any year by a majority vote of the voters.

The State Commissioner of Revenue may adjust any tax limit "to counterbalance the effects of extraordinary, non-recurring events which occurred during the base year".

Proposition 2 ½ further provides that the voters may exclude from the taxes subject to the tax limits and from the calculation of the maximum tax levy (a) the amount required to pay debt service on bonds and notes issued before November 4, 1980, if the exclusion is approved by a majority vote of the voters, and (b) the amount required to pay debt service on any specific subsequent issue for which similar approval is obtained. Even with voter approval, the holders of the obligations for which unlimited taxes may be assessed do not have a statutory priority or security interest in the portion of the tax levy attributable to such obligations. It should be noted that Massachusetts General Laws Chapter 44, Section 20 requires that the taxes excluded from the levy limit to pay debt service on any such bonds and notes be calculated based on the true interest cost of the issue. Accordingly, the Department of Revenue limits the amount of taxes which may be levied in each year to pay debt service on any such bonds and notes to the amount of such debt service, less a pro rata portion of any original issue premium received by the city or town that was not applied to pay costs of issuance.

Voters may also exclude from the Proposition 2 ½ limits the amount required to pay specified capital outlay expenditures as for the city or town's apportioned share for certain capital outlay expenditures by a regional governmental unit. In addition, the city council of a city, with the approval of the mayor may vote to exclude from the Proposition 2 ½ limits taxes raised in lieu of sewer or water charges to pay debt service on bonds or notes issued by the municipality (or by an independent authority, commission or district) for water and sewer purposes, provided that the municipality's sewer or water charges are reduced accordingly.

The City has been in full compliance with Proposition 2 ½ since fiscal 1983 following the completion of a professional revaluation of all real and personal property in the City to full value.

Proposition 2 ½ limits the annual increase in the total assessments on cities and towns by any county, district, authority, the Commonwealth or any other governmental entity (except regional school districts, the MWRA, and certain districts for which special legislation provides otherwise) to the sum of (a) 2 ½ per cent of the prior year's assessments and (b) "any increases in costs, charges or fees for services customarily provided locally or for services subscribed to at local option". Regional water districts, regional sewerage districts and regional veterans districts may exceed these limitations under statutory procedures requiring a two-thirds vote of the district's governing body and either approval of the local appropriating authorities (by two-thirds vote in districts with more than two members or by majority vote in two-member districts) or approval of the registered voters in a local election (in the case of two-member districts). Under the statute any State law to take effect on or after January 1, 1981 imposing a direct debt service of cost obligation on a city or town will become effective only if accepted or voluntarily funded by the city or town or if the State funding is provided. Similarly, State rules or regulations imposing additional costs on a city or town or laws granting or increasing local tax exemptions are to take effect only if adequate State appropriations are provided. These statutory provisions do not apply to costs resulting from judicial decisions.

The following table sets forth the trend in the City's tax levies and levy limits under Proposition 2 ½.

Fiscal Year	Estimated Full Valuation (1)	Primary Levy Limit	Maximum Levy Limit	Actual Levy	Under (Over) Primary Levy Limit	Under (Over) Maximum Levy Limit
2022	\$ 7,388,364,609	\$ 184,709,115	\$ 144,944,059	\$ 141,474,557	\$ 43,234,558	\$ 3,469,502
2021	7,090,489,291	177,262,232	139,232,805	134,253,752	43,008,480	4,979,053
2020	6,256,407,460	166,818,438	134,165,825	129,553,230	37,265,208	4,612,595
2019	6,256,407,460	156,410,187	129,211,894	125,286,159	31,124,028	3,925,735
2018	5,888,676,020	147,216,901	123,961,220	119,955,144	27,261,757	4,006,076

(1) Reflects local assessed valuations.

Pledged Taxes

Taxes on the increased value of certain property in designated development districts may be pledged for the payment of costs of economic development projects within such districts and may therefore be unavailable for other municipal purposes.

Community Preservation Act

The Massachusetts Community Preservation Act (the "CPA") permits cities and towns that accept its provisions to levy a surcharge on its real property tax levy, dedicate revenue (other than state or federal funds), and to receive state matching funds for (i) the acquisition, creation, preservation, rehabilitation and restoration of land for recreational use, open space, and affordable housing and (ii) the acquisition, preservation, rehabilitation and restoration of historic resources. The provisions of the CPA must be accepted by the voters of the city or town at an election after such provisions have first been accepted by either a vote of the legislative body of the city or town or an initiative petition signed by 5% of its registered voters.

A city or town may approve a surcharge of up to 3% (but not less than 1% under certain circumstances) and may make an additional commitment of funds by dedicating revenue other than state or federal funds, provided that the total funds collected do not exceed 3% of the real property tax levy, less any exemptions adopted (such as an exemption for low-income individuals and families and for low and moderate-income senior citizens, an exemption for \$100,000 of the value of each taxable parcel of residential real property or \$100,000 of the value of each taxable parcel of class three, commercial property, and class four, industrial property as defined in Chapter 59, Section 2A of the General Laws, and an exemption for commercial and industrial properties in cities and towns with classified tax rates). In the event that the municipality shall no longer dedicate all or part of the additional funds to community preservation, the surcharge on the real property tax levy of not less than 1% shall remain in effect, provided that any such change must be approved pursuant to the same process as acceptance of the CPA. The surcharge is not counted in the total taxes assessed for the purpose of determining the permitted levy amount under Proposition 2½ (see "Tax Limitations" under "PROPERTY TAXATION" above). A city or town may revoke its acceptance of the provisions of the CPA at any time after 5 years from the date of such acceptance and may change the amount of the surcharge or the exemptions to the surcharge at any time, including reducing the surcharge to 1% and committing additional municipal funds as outlined above, provided that any such revocation or change must be approved pursuant to the same process as acceptance of the CPA.

Any city or town that accepts the provisions of the CPA will receive annual state matching grants to supplement amounts raised by its surcharge and dedication of revenue. The state matching funds are raised from certain recording and filing fees of the registers of deeds. Those amounts are deposited into a state trust fund and are distributed to cities and towns that have accepted the provisions of the CPA, which distributions are not subject to annual appropriation by the state legislature. The amount distributed to each city and town is based on a statutory formula and the total state distribution made to any city or town may not exceed 100% of the amount raised locally by the surcharge on the real property tax levy.

The amounts raised by the surcharge on taxes, the dedication of revenue and received in state matching funds are required to be deposited in a dedicated community preservation fund. Each city or town that accepts the provisions of the CPA is required to establish a community preservation committee to study the community preservation needs of the community and to make recommendations to the legislative body of the city or town regarding the community preservation projects that should be funded from the community preservation fund. Upon the recommendations of the committee, the legislative body of the city or town may appropriate amounts from the fund for permitted community preservation purposes or may reserve amounts for spending in future fiscal years, provided that at least 10% of the total annual revenues to the fund must be spent or set aside for open space purposes, 10% for historic resource purposes and 10% for affordable housing purposes.

The CPA authorizes cities and towns that accept its provisions to issue bonds and notes in anticipation of the receipt of surcharge and dedicated revenues to finance community preservation projects approved under the provisions of the CPA. Bonds and notes issued under the CPA are general obligations of the city or town and are payable from amounts on deposit in the community preservation fund. In the event that a city or town revokes its acceptance of the provisions of the CPA, the surcharge shall remain in effect until all contractual obligations incurred by the city or town prior to such revocation, including the payment of bonds or notes issued under the CPA, have been fully discharged.

The City has adopted the CPA, effective July 1, 2015, at a 1.50% surcharge. The City appointed members to a Community Preservation Committee on May 26, 2016.

The trend in CPA collections is shown in the table below.

<u>Fiscal Year</u>	<u>CPA Surcharge Revenue</u>	<u>State Matching Funds</u>
2021	\$ 1,200,732	\$ 331,059
2020	1,124,171	257,800
2019	1,109,398	190,505
2018	1,163,638	159,226
2017	1,096,367	175,904

The balance in the CPA Fund as of June 30, 2021 was \$890,226.

CITY FINANCES

Budget and Appropriation Process

Within 170 days after the annual organization of the city government (which is ordinarily in early January), the Mayor is required to submit a budget of proposed expenditures for the fiscal year beginning on the next July 1. The City Council may make appropriations for the recommended purposes and may reduce or reject any item. Without a recommendation of the Mayor, the City Council may not make any appropriation for a purpose not included in the proposed budget, except by a two-thirds vote in case of a failure of the Mayor to recommend an appropriation for such a purpose within 7 days after a request from the City Council. The City Council may not increase any item without the recommendation of the Mayor (except as provided by legislation, subject to local acceptance, under which the school budget or regional school district assessment can be increased upon recommendation of the school committee or regional district school committee and by two-thirds vote of the City Council, provided that such increase does not cause the total annual budget to exceed property tax limitations). If the City Council fails to act on any item of the proposed budget within 45 days, that item takes effect.

City department heads are generally required to submit their budget requests to the Mayor between January 1 and February 1. This does not apply to the school department, which must submit its requests in time for the Mayor to include them in his submission to the City Council.

If the Mayor does not make a timely budget submission, provision is made for preparation of a budget by the City Council. Provision is also made for supplementary appropriations upon recommendation of the Mayor. Water, wastewater, airport and the Commission for Citizens with Disabilities (CCw/D) are included in the budget adopted by the City Council. Under certain legislation any town or city which accepts the legislation may provide that the appropriations for the operating costs of any department may be offset, in whole or in part, by estimated receipts from fees charged for services provided by the department. The school budget is limited to the total amount appropriated by the City Council, but the school committee retains full power to allocate the funds appropriated.

Under certain circumstances and subject to certain limits and requirements, the city council of a city, upon the recommendation of the mayor, may transfer amounts appropriated for the use of one department (except for a municipal light department or a school department) to another appropriation for the same department or for the use of any other department.

State and county assessments, abatements in excess of overlays, principal and interest not otherwise provided for, and final judgments are included in the tax levy whether or not included in the budget. Revenues are not required to be set forth in the budget but estimated non-tax revenues are taken into account by the assessors in fixing the tax levy.

Budget Trends

The table below sets forth the trend in operating budgets in the format recommended by the Mayor and voted by the City Council. As such, the budgets are inclusive of expenditures made from state local distribution monies but do not estimate revenues, do not reflect expenditures for state and county assessments, overlay for tax abatements and certain other mandatory items and do not reflect supplemental appropriations and transfers between appropriation items made during the course of the fiscal year.

	FY18 Budget	FY19 Budget	FY20 Budget	FY21 Budget	FY22 Budget
EXPENDITURES:					
Debt	\$ 11,299,614	\$ 11,779,220	\$ 11,992,826	\$ 11,771,047	\$ 8,562,757
Insurance and Pension	71,016,711	73,092,471	73,699,072	50,565,056 (1)	52,276,502
General Government	25,119,611	27,284,736	27,338,857	28,712,543	30,023,779
Public Safety	44,681,997	47,067,157	48,412,893	47,399,545	48,423,772
Highways and Streets	5,616,326	5,804,833	5,775,569	5,728,405	5,599,418
Sanitation	693,368	713,962	741,999	744,680	734,556
Inspectional Services	981,809	1,010,026	1,034,640	1,046,292	1,168,917
Education - School Dept. NSS	130,950,000	137,030,000	146,750,000	179,162,500 (1)	192,237,500
Education - Vocational	5,394,607	5,632,744	5,789,401	5,877,970 (1)	6,400,222
Human Services	5,281,365	5,204,280	4,933,851	4,948,463	4,677,218
Culture and Recreation	4,799,663	4,915,316	5,083,825	5,031,907	5,346,930
CCw/D	15,000	-	-	-	-
TOTAL APPROPRIATIONS	\$ 305,850,071	\$ 319,534,745	\$ 331,552,933	\$ 340,988,408	\$ 355,451,571
Airport	946,300	979,267	1,025,350	1,019,221	1,067,429
Arts & Cultural Special Revenue	100,000	102,000	104,244	106,433	107,604
CCw/D Special Revenue	-	30,996	40,000	41,000	33,500
Water	13,559,983	15,336,628	16,800,704	17,176,817	17,548,635
Wastewater	21,684,118	23,277,200	24,176,843	25,089,972	27,704,020
Downtown Parking	906,141	878,341	1,033,588	997,329	1,046,314
Cable Access Enterprise Fund	-	-	1,362,558	1,198,069	1,297,754
TOTAL APPROPRIATIONS - ALL FUNDS	\$ 343,046,613	\$ 360,139,177	\$ 376,096,220	\$ 386,617,249	\$ 404,256,827

(1) Beginning in FY2021, health insurance premiums are directly billed to the school department, resulting in a reduction in the insurance and pension line and an increase in the education line.

Room Occupancy Tax: Under this tax, local governments may tax the provision of hotel, motel and lodging house rooms at a rate not to exceed six percent (6%) of the cost of renting such rooms. The tax is paid by the operator of the hotel, motel or lodging house to the State Commissioner of Revenue, who in turn pays the tax back to the municipality in which the rooms are located in quarterly distributions. On January 1, 2013, the rate increased to 6% by a City Council vote. The trend in room occupancy tax revenue collections is shown in the table below.

<u>Fiscal Year</u>	<u>Room Occupancy Tax Revenue</u>
2021	\$ 275,469
2020	355,533
2019	366,743
2018	295,246
2017	257,897

In January, 2017 the City established an Arts, Culture and Tourism Promotion Fund to promote the City's artistic and cultural assets and to attract tourists to the City, effective beginning fiscal year 2018. The Fund constitutes a portion of the total local room occupancy tax collected by the City. The City shall annually deposit not more than 50% of the local room occupancy tax revenue in the Fund. In the first year after the establishment of the Fund not more than \$100,000 shall be deposited into the Fund and future allocations shall be adjusted annually in proportion to the prior year's average consumer price index, as measured by the Bureau of Labor Statistics all items index. All interest earned from the Fund shall be treated as General Fund revenue of the City. The balance in the Arts, Culture and Tourism Promotion Fund as of June 30, 2021 was \$0. As part of the FY2022 budget, the City appropriated \$106,433 to this fund.

Local Option Meals Tax: The City adopted the local meals tax excise tax to be effective October 1, 2010. The local meals excise tax is a 0.75% tax on the gross receipts of a vendor from the sale of restaurant meals. The tax is paid by the vendor to the State Commissioner of Revenue, who in turn pays the tax to the municipality in which the meal was sold. The trend in meals tax revenue collections is shown in the table below.

<u>Fiscal Year</u>	<u>Meals Tax Revenue</u>
2021	\$ 1,221,572
2020	1,186,432
2019	1,287,332
2018	1,194,201
2017	1,131,820

Education Reform

State legislation known as the Education Reform Act of 1993, as amended, imposes certain minimum expenditure requirements on municipalities with respect to funding for education and related programs, and may affect the level of state aid to be received for education. The requirements are determined on the basis of formulas affected by various measures of wealth and income, enrollments, prior levels of local spending and state aid, and other factors. Since the inception of the Act, the City has exceeded the minimum required funding each year.

State School Building Assistance Program

Under its school building assistance program, the Commonwealth of Massachusetts provides grants to cities, towns and regional school districts for school construction projects. Until July 26, 2004, the State Board of Education was responsible for approving grants for school projects and otherwise administering the program. Grant amounts ranged from 50% to 90% of approved project costs. Municipalities generally issued bonds to finance the entire project cost, and the Commonwealth disbursed the grants in equal annual installments over the term of the related bonds.

Pursuant to legislation which became effective on July 26, 2004, the state legislature created the Massachusetts School Building Authority (the "Authority") to finance and administer the school building assistance program. The Authority has assumed all powers and obligations of the Board of Education with respect to the program. In addition to certain other amounts, the legislation dedicates a portion of Commonwealth sales tax receipts to the Authority to finance the program.

Projects previously approved for grants by the State Board of Education are entitled to receive grant payments from the Authority based on the approved project cost and reimbursement rate applicable under the prior law. The Authority has paid and is expected to continue to pay the remaining amounts of the grants for such projects either in annual installments to reimburse debt service on bonds issued by the municipalities to finance such projects, or as lump sum payments to contribute to the defeasance of such bonds.

Projects on the priority waiting list as of July 1, 2004 are also entitled to receive grant payments from the Authority based on the eligible project costs and reimbursement rates applicable under the prior law. With limited exceptions, the Authority is required to fund the grants for such projects in the order in which they appear on the waiting list. Grants for any such projects that have been completed or substantially completed have been paid and are expected to continue to be paid by the Authority in lump sum payments, thereby eliminating the need for the Authority to reimburse interest expenses that would otherwise be incurred by the municipalities to permanently finance the Authority's share of such project costs. Interest on debt issued by municipalities prior to July 1, 2004 to finance such project costs, and interest on temporary debt until receipt of the grant, is included in the approved costs of such projects. Grants for any such projects that have not yet commenced or that are underway have been and are expected to continue to be paid by the Authority as project costs are incurred by the municipality pursuant to a project funding agreement between the Authority and the municipality, eliminating the need for the municipality to borrow even on a temporary basis to finance the Authority's share of the project costs in most cases.

The maximum reimbursement rate for new project grant applications submitted to the Authority on or after July 1, 2007 is 80% of approved project costs. The Authority promulgated new regulations with respect to the application and approval process for projects submitted after July 1, 2007. The Authority expects to pay grants for such projects as project costs are incurred pursuant to project funding agreements between the Authority and the municipalities. None of the interest expense incurred on debt issued by municipalities to finance their portion of the costs of new projects will be included in the approved project costs eligible for reimbursement.

Investment of City Funds

Investments of funds of cities and towns, except for trust funds, are generally restricted by Massachusetts General Laws Chapter 44, Section 55. That statute permits investments of available revenue funds and bond and note proceeds in term deposits and certificates of deposits of banks and trust companies, in obligations issued or unconditionally guaranteed by the federal government or an agency thereof with a maturity of not more than one year, in repurchase agreements with a maturity of not more than 90 days secured by federal or federal agency securities, in participation units in the Massachusetts Municipal Depository Trust ("MMDT"), or in shares in SEC – registered money market funds with the highest possible rating from at least one nationally recognized rating organization.

MMDT is an investment pool created by the Commonwealth. The State Treasurer is the sole trustee, and the funds are managed under contract by an investment firm under the supervision of the State Treasurer's office. According to the State Treasurer the Trust's investment policy is designed to maintain an average weighted maturity of 90 days or less and is limited to high-quality, readily marketable fixed income instruments, including U.S. Government obligations and highly-rated corporate securities with maturities of one year or less.

Trust funds, unless otherwise provided by the donor, may be invested in accordance with Section 54 of Chapter 44, which permits a broader range of investments than Section 55, including any bonds or notes that are legal investments for savings banks in the Commonwealth. The restrictions imposed by Sections 54 and 55 do not apply to city and town retirement systems.

A breakdown of such investments may be obtained from the City Treasurer.

Long Range Forecasting

The City maintains a long-range financial forecast. The forecast is built on a rolling five-year window, with the current version providing an overview of anticipated trends governing the General Fund through FY2026.

Category	FY 2021 Budget	FY 2022 Estimate	FY 2023 Estimate	FY 2024 Estimate	FY 2025 Estimate	FY 2026 Estimate
Beginning Fund Balance:	\$ 31,482,850	\$ 28,201,777	\$ 26,983,471	\$ 27,499,705	\$ 28,781,159	\$ 32,004,673
Revenue						
Property Taxes	\$ 122,276,613	\$ 140,133,650	\$ 145,636,992	\$ 151,277,916	\$ 157,059,864	\$ 163,342,258
Local Receipts	43,652,846	29,774,600	30,274,600	30,774,600	31,274,600	31,900,092
State Aid	197,744,574	196,313,721	203,184,701	210,296,166	217,656,532	226,362,793
Other Financing Sources	5,508,932	6,232,922	6,544,568	6,871,796	7,215,386	7,576,155
Offsets	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)
Total Revenue:	\$ 369,007,964	\$ 372,279,893	\$ 385,465,861	\$ 399,045,479	\$ 413,031,382	\$ 429,006,298
Expenditures						
Salaries & Wages	\$ 63,510,461	\$ 66,881,102	\$ 68,887,535	\$ 70,954,161	\$ 73,082,786	\$ 75,275,269
Charges & Services	20,535,793	22,222,535	22,666,986	23,120,325	23,582,732	24,054,386
Supplies & Materials	3,258,221	3,306,625	3,339,691	3,373,088	3,406,819	3,474,955
Capital Outlay	2,373,998	2,623,360	2,823,360	2,923,360	3,023,360	3,144,294
Snow Removal	369,926	450,000	450,000	500,000	500,000	550,000
Education	158,902,828	156,600,000	160,900,000	165,200,000	169,500,000	174,585,000
Debt Service	11,562,287	8,490,096	7,987,174	8,547,569	8,081,897	8,647,629
Health, Life Insurance & OPEB	39,249,740	46,752,302	49,089,917	51,544,413	54,121,634	56,827,715
Pension Contribution	32,201,554	33,940,438	35,773,221	37,769,367	39,876,898	42,269,511
Voke Tech/Refuse Assessments	6,597,741	6,722,650	6,822,650	6,922,650	7,022,650	7,092,876
State & County Assessments	22,763,165	24,309,092	25,009,092	25,709,092	26,409,092	25,201,364
Other Financing Sources	1,146,797	-	-	-	-	-
Total Expenditures:	\$ 362,472,511	\$ 372,298,200	\$ 383,749,626	\$ 396,564,026	\$ 408,607,867	\$ 421,122,999
Reserve for Abatements	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
Ending Fund Balance	\$ 36,818,304	\$ 26,983,471	\$ 27,499,705	\$ 28,781,159	\$ 32,004,673	\$ 38,687,972

Notes:

- (1) Long range plan incorporates conservative assumptions regarding state revenue (flat from FY20-21) and local receipts.
- (2) Health insurance expenses projected at +5% annual increase.
- (3) Debt service estimates correlate with Hilltop financial model.
- (4) Pension assessment increases per New Bedford Retirement Board actuarial schedule, adopted August 2020.

Fiscal Policies

The City Council has adopted a series of policies relative to debt issuance, fund balance management, the investment of City funds, and management of the Other Post-Employment Benefits liability. Copies may be found in Appendix D, "City of New Bedford Fiscal Policies".

Program Performance Measurement

The City of New Bedford embarked on an organization-wide initiative aimed at improving government operations in 2012. Initial efforts were supported by a contract with the Collins Center at the University of Massachusetts and involved program-specific evaluations of various functions. The hiring of a chief financial officer allowed the City to implement program performance management throughout the organization. The fiscal 2015 budget incorporated narrative information, goals, objectives and performance measures for all departments, utilizing a combination of dedicated staff resources and targeted assistance from the Collins Center. In fiscal year 2017, the budget included historical, current and projected performance measurement information, and the fiscal 2019 budget document built upon that progress with the addition of graphically depicted trending data and the utilization of verified data to inform management decision. The same year, the City also expanded the reach of the performance management program by developing an online dashboard of performance measures that appears on the City's website.

In concert with the performance management program, the City submitted its adopted fiscal budget to the Government Finance Officers' Association ('GFOA') for its Distinguished Budget Presentation Award program, every year since 2017. GFOA's budget presentation award is the gold standard for municipal, state and district budgets: only 29 Massachusetts municipalities, and 1,739 entities nationwide, received the award in the last six years including 2020. New Bedford has received the award every year of participation, with the highest marks provided for the document's consolidated financial summaries, and organizational goals and objectives. GFOA's program provides a useful tool for encouraging more effective management throughout the organization.

Annual Audits

The City's accounts were most recently audited for fiscal 2021 by Hague, Sahady & Co., P.C., Certified Public Accountants, New Bedford, Massachusetts.

The attached report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in that appendix.

Financial Statements

Set forth on the following pages are Governmental Funds Balance Sheets for the fiscal years ended June 30, 2021, June 30, 2020 and June 30, 2019; and Statements of Revenues, Expenditures and Changes in Fund Balances for the fiscal years ended June 30, 2021 through June 30, 2017. With the exception of the fiscal year ended June 30, 2020, said statements are excerpts from the City's audited financial statements.

CITY OF NEW BEDFORD, MASSACHUSETTS

Balance Sheet
Governmental Funds
June 30, 2021 (1)

	General Fund	Wastewater	HOME Investment Program	American Rescue Plan Act (ARPA)	South Public Safety Center	Non-Major Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments, unrestricted	\$ 49,291,907	\$ 9,294,033	\$ 3,176,741	\$ 32,368,105	\$ 2,214,913	\$ 46,087,651	\$ 142,433,350
Cash, restricted	11,967,948	3,814,198	-	-	-	5,127,411	20,909,557
Receivables, net:							
Real estate and personal property taxes	4,538,114	-	-	-	-	-	4,538,114
Tax liens and foreclosures	14,487,007	-	-	-	-	-	14,487,007
Motor vehicle and boat excise	1,927,709	-	-	-	-	-	1,927,709
User charges receivables	-	3,177,070	-	-	-	-	3,177,070
Departmental and other	6,264,535	88,740	-	-	-	-	6,353,275
Loans receivable	-	-	17,504,453	-	-	1,422,860	18,927,313
Other receivables	1,952,717	2,237	-	-	-	693,139	2,648,093
Special assessments	41,162	123,929	-	-	-	-	165,091
Due from federal or state government	-	-	-	-	-	10,896,215	10,896,215
Due from other funds	1,181,414	195,163	-	-	-	2,872,539	4,249,116
Intraentity receivable	1,300,790	-	-	-	-	-	1,300,790
Inventories	-	26,373	-	-	-	-	26,373
Prepaid Assets	260,000	-	-	-	-	-	260,000
Land inventory	3,045,431	-	-	-	-	246,918	3,292,349
Total assets	\$ 96,258,734	\$ 16,721,743	\$ 20,681,194	\$ 32,368,105	\$ 2,214,913	\$ 67,346,733	\$ 235,591,422
Deferred Outflows of Resources							
None	-	-	-	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 96,258,734	\$ 16,721,743	\$ 20,681,194	\$ 32,368,105	\$ 2,214,913	\$ 67,346,733	\$ 235,591,422
LIABILITIES AND FUND BALANCES							
Liabilities							
Warrants, accounts and accrued expenses payable	\$ 34,365,061	\$ 1,779,710	\$ 4,253	\$ -	\$ 1,143,470	\$ 7,580,681	\$ 44,873,175
Retainage payable	-	-	-	-	326,611	915,426	1,242,037
Bonds and notes payable	-	-	-	-	4,500,000	13,745,363	18,245,363
Due to other funds	2,944,289	1,304,390	-	-	-	437	4,249,116
Deposits held	383,937	57,482	-	-	-	-	441,419
Due to other governments	-	-	-	-	-	209	209
Payroll withholdings	90,457	-	-	-	-	-	90,457
Other liabilities	1,059,739	27,536	-	-	-	570	1,087,845
Total liabilities	38,843,483	3,169,118	4,253	-	5,970,081	22,242,686	70,229,621
Deferred Inflows Of Resources							
Deferred Property and excise tax revenues	19,235,703	-	-	-	-	-	19,235,703
Deferred departmental and other receipts	5,456,186	-	-	-	-	288,824	5,745,010
Deferred user fees, fines and charges for services	-	3,300,999	-	-	-	-	3,300,999
Unearned grant income	-	-	-	32,368,105	-	5,875,456	38,243,561
Unearned loan income	-	-	17,504,453	-	-	1,422,860	18,927,313
Total Deferred Inflows of Resources	24,691,889	3,300,999	17,504,453	32,368,105	-	7,587,140	85,452,586
Net Position							
Nonspendable	4,346,221	26,373	-	-	-	5,374,329	9,746,923
Restricted	-	5,288,335	3,172,488	-	-	41,861,616	50,322,439
Committed	11,967,948	4,236,134	-	-	-	1,578,075	17,782,157
Assigned	1,975,081	700,784	-	-	-	-	2,675,865
Unassigned	14,434,112	-	-	-	(3,755,168)	(11,297,113)	(618,169)
Total Net Position	32,723,362	10,251,626	3,172,488	-	(3,755,168)	37,516,907	79,909,215
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 96,258,734	\$ 16,721,743	\$ 20,681,194	\$ 32,368,105	\$ 2,214,913	\$ 67,346,733	\$ 235,591,422

(1) Extracted from audited financial statements.

CITY OF NEW BEDFORD, MASSACHUSETTS

Balance Sheet
Governmental Funds
June 30, 2020 (1)

	General Fund	Wastewater	HOME Investment Program	South Public Safety Center	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments, unrestricted	\$ 36,036,472	\$ 9,095,505	\$ 2,627,234	\$ 6,903,668	\$ 54,628,550	\$ 109,291,429
Cash, restricted	11,324,425	4,915,190	-	-	5,127,411	21,367,026
Receivables, net:						
Real estate and personal property taxes	6,008,396	-	-	-	-	6,008,396
Tax liens and foreclosures	13,333,301	-	-	-	-	13,333,301
Motor vehicle and boat excise	2,320,737	-	-	-	-	2,320,737
User charges receivables	-	3,087,443	-	-	-	3,087,443
Departmental and other	6,564,194	62,822	-	-	-	6,627,016
Loans receivable	-	-	18,191,127	-	1,383,286	19,574,413
Other receivables	1,052,008	2,237	-	-	1,003,234	2,057,479
Special assessments	26,908	123,758	-	-	-	150,666
Due from federal or state government	-	-	-	-	10,461,866	10,461,866
Due from other funds	1,292,094	195,163	-	-	2,872,539	4,359,796
Intraentity receivable	1,350,790	-	-	-	-	1,350,790
Inventories	-	26,373	-	-	-	26,373
Land inventory	4,259,556	-	-	-	246,918	4,506,474
Total assets	\$ 83,568,881	\$ 17,508,491	\$ 20,818,361	\$ 6,903,668	\$ 75,723,804	\$ 204,523,205
Deferred Outflows of Resources						
None	-	-	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 83,568,881	\$ 17,508,491	\$ 20,818,361	\$ 6,903,668	\$ 75,723,804	\$ 204,523,205
LIABILITIES AND FUND BALANCES						
Liabilities:						
Warrants, accounts and accrued expenses payable	\$ 25,159,315	\$ 2,118,677	\$ 42,024	\$ 1,237,936	\$ 12,000,725	\$ 40,558,677
Retainage payable	-	-	-	325,448	1,232,315	1,557,763
Bonds and notes payable	-	-	-	14,500,000	29,622,547	44,122,547
Due to other funds	2,944,290	1,396,078	-	-	19,430	4,359,796
Deposits held	374,156	24,590	-	-	-	398,746
Due to other governments	-	-	-	-	209	209
Payroll withholdings	57,901	-	-	-	-	57,901
Other liabilities	215,173	26,977	-	-	323	242,473
Total liabilities	28,750,835	3,566,320	42,024	16,063,384	42,875,549	91,298,112
Deferred Inflows Of Resources						
Deferred Property and excise tax revenues	18,917,326	-	-	-	-	18,917,326
Deferred departmental and other receipts	4,417,870	-	-	-	237,734	4,655,604
Deferred user fees, fines and charges for services	-	3,211,200	-	-	-	3,211,200
Unearned grant income	-	-	-	-	1,044,984	1,044,984
Unearned loan income	-	-	18,191,127	-	1,383,286	19,574,413
Total Deferred Inflows of Resources	23,335,196	3,211,200	18,191,127	-	2,666,004	47,403,527
Net Position						
Nonspendable	5,610,346	26,373	-	-	5,374,329	11,011,048
Restricted	-	4,514,040	2,585,210	-	36,634,326	43,733,576
Committed	11,324,425	5,806,890	-	-	1,713,828	18,845,143
Assigned	2,235,953	383,668	-	-	-	2,619,621
Unassigned	12,312,126	-	-	(9,159,716)	(13,540,232)	(10,387,822)
Total Net Position	31,482,850	10,730,971	2,585,210	(9,159,716)	30,182,251	65,821,566
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 83,568,881	\$ 17,508,491	\$ 20,818,361	\$ 6,903,668	\$ 75,723,804	\$ 204,523,205

(1) Extracted from audited financial statements.

CITY OF NEW BEDFORD, MASSACHUSETTS
Balance Sheet
Governmental Funds
June 30, 2019 (1)

	General Fund	Wastewater	HOME Investment Program	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments, unrestricted	\$ 13,374,982	\$ 10,346,078	\$ 2,209,464	\$ 50,344,944	\$ 76,275,468
Cash, restricted	11,655,603	2,644,198	-	5,127,411	19,427,212
Receivables, net:					
Real estate and personal property taxes	3,819,442	-	-	-	3,819,442
Tax liens and foreclosures	12,647,428	-	-	-	12,647,428
Motor vehicle and boat excise	1,778,205	-	-	-	1,778,205
User charges receivables	-	2,773,862	-	-	2,773,862
Departmental and other	5,939,946	42,341	-	-	5,982,287
Loans receivable	-	-	19,127,804	1,471,458	20,599,262
Other receivables	822,961	2,302,237	-	674,837	3,800,035
Special assessments	10,496	100,667	-	-	111,163
Due from federal or state government	11,768,720	-	-	11,280,361	23,049,081
Due from other funds	1,794,574	195,163	-	2,872,483	4,862,220
Intraentity receivable	1,400,790	-	-	-	1,400,790
Inventories	-	26,373	-	-	26,373
Land inventory	5,377,440	-	-	246,918	5,624,358
Total assets	\$ 70,390,587	\$ 18,430,919	\$ 21,337,268	\$ 72,018,412	\$ 182,177,186
Deferred Outflows of Resources					
None	-	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 70,390,587	\$ 18,430,919	\$ 21,337,268	\$ 72,018,412	\$ 182,177,186
LIABILITIES AND FUND BALANCES					
Liabilities:					
Warrants, accounts and accrued expenses payable	\$ 17,275,803	\$ 4,356,096	\$ 38,720	\$ 8,512,543	\$ 30,183,162
Retainage payable	-	-	-	1,377,562	1,377,562
Bonds and notes payable	-	-	-	22,424,825	22,424,825
Due to other funds	2,944,289	1,467,263	-	19,374	4,430,926
Deposits held	136,765	30,436	-	(114)	167,087
Due to other governments	-	-	-	209	209
Payroll withholdings	40,123	-	-	-	40,123
Other liabilities	300,554	26,339	-	20	326,913
Total liabilities	20,697,534	5,880,134	38,720	32,334,419	58,950,807
Deferred Inflows Of Resources					
Deferred Property and excise tax revenues	16,913,899	-	-	-	16,913,899
Deferred departmental and other receipts	4,171,015	-	-	175,245	4,346,260
Deferred user fees, fines and charges for services	-	2,796,768	-	-	2,796,768
Unearned grant income	-	-	-	2,935,515	2,935,515
Unearned loan income	-	-	19,127,804	1,471,458	20,599,262
Total Deferred Inflows of Resources	21,084,914	2,796,768	19,127,804	4,582,218	47,591,704
Net Position					
Nonspendable	6,778,230	26,373	-	5,374,329	12,178,932
Restricted	-	3,995,298	2,170,744	39,378,455	45,544,497
Committed	11,655,603	5,618,955	-	1,647,956	18,922,514
Assigned	697,553	113,391	-	-	810,944
Unassigned	9,476,753	-	-	(11,298,965)	(1,822,212)
Total Net Position	28,608,139	9,754,017	2,170,744	35,101,775	75,634,675
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 70,390,587	\$ 18,430,919	\$ 21,337,268	\$ 72,018,412	\$ 182,177,186

(1) Extracted from audited financial statements.

CITY OF NEW BEDFORD, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2021 (1)

	General Fund	Wastewater	HOME Investment Program	South Public Safety Center	Non-major Governmental Funds	Total Governmental Funds
REVENUE						
Real estate and personal property taxes	\$ 131,700,885	\$ -	\$ -	\$ -	\$ -	\$ 131,700,885
Motor vehicle and other excise taxes	10,258,304	-	-	-	-	10,258,304
MSBA assistance	2,459,561	-	-	-	336,716	2,796,277
Tax liens and foreclosures	1,928,602	281,620	-	-	-	2,210,222
Penalties and interest on taxes	1,700,421	-	-	-	-	1,700,421
Licenses and permits	2,549,131	-	-	-	-	2,549,131
Fines and forfeitures	133,675	-	-	-	-	133,675
Investment income	424,926	266,662	4,280	-	1,405,854	2,101,722
Intergovernmental - operating grants	73,401,442	-	227,657	-	50,167,775	123,796,874
Intergovernmental - capital grant - Chapter 70	166,091,901	-	-	-	-	166,091,901
Intergovernmental - capital grants	-	4,598,022	-	-	15,879,381	20,477,403
Charges for services	11,761,353	23,112,720	-	-	1,960,922	36,834,995
Other - indirects	588,019	-	-	-	-	588,019
Special assessments and betterments	-	12,367	-	-	-	12,367
Payment in lieu of taxes	479,275	-	-	-	-	479,275
Miscellaneous	241,738	73,664	711,456	-	6,135,578	7,162,436
TOTAL REVENUES	403,719,233	28,345,055	943,393	-	75,886,226	508,893,907
EXPENDITURES						
General Government	9,641,356	-	-	-	2,042,136	11,683,492
Public Safety	50,255,289	-	-	-	11,472,896	61,728,185
Education	230,614,144	-	-	-	32,964,866	263,579,010
Public works	17,858,445	14,917,802	-	-	2,550,950	35,327,197
Community and economic development	-	-	356,115	-	5,163,159	5,519,274
Health and human services	3,962,970	-	-	-	1,624,580	5,587,550
Culture and recreation	4,911,793	-	-	-	1,340,606	6,252,399
Pension benefits	32,201,554	-	-	-	-	32,201,554
Health and other insurance	16,564,506	-	-	-	-	16,564,506
Miscellaneous	11,600,717	-	-	-	-	11,600,717
Intergovernmental:						
State and county charges	22,763,165	-	-	-	-	22,763,165
Capital outlay:						
General government	-	-	-	-	6,987,490	6,987,490
Public Safety	-	-	-	-	178,330	178,330
Education	-	-	-	-	2,579,189	2,579,189
Public works	-	217,238	-	9,185,550	29,818,987	39,221,775
Culture and recreation	-	-	-	-	34,176	34,176
Debt service:						
Principal payments	8,505,400	8,884,813	-	-	-	17,390,213
Short-term note interest	384,065	-	-	-	-	384,065
Bond interest costs	2,672,821	2,719,432	-	-	-	5,392,253
TOTAL EXPENDITURES	411,936,225	26,739,285	356,115	9,185,550	96,757,365	544,974,540
Excess (deficiency) of Revenues Over Expenditures	(8,216,992)	1,605,770	587,278	(9,185,550)	(20,871,139)	(36,080,633)
OTHER FINANCING SOURCES (Uses)						
Bond issuance	-	-	-	14,500,000	25,846,617	40,346,617
Bond premiums	6,136	-	-	90,098	1,744,115	1,840,349
Insurance proceeds	-	-	-	-	516,814	516,814
Issuance of capital leases	4,031,233	-	-	-	-	-
Transfers in	5,985,932	7,649,212	-	-	255,620	13,890,764
Transfers out	(565,797)	(9,734,327)	-	-	(157,371)	(10,457,495)
Total Other Financing Sources and Uses	9,457,504	(2,085,115)	-	14,590,098	28,205,795	50,168,282
Change in Net Position	1,240,512	(479,345)	587,278	5,404,548	7,334,656	14,087,649
Net Position - beginning of year (restated)	31,482,850	10,730,971	2,585,210	(9,159,716)	30,182,251	65,821,566
Net Position - end of year	\$ 32,723,362	\$ 10,251,626	\$ 3,172,488	\$ (3,755,168)	\$ 37,516,907	\$ 79,909,215

(1) Extracted from audited financial statements.

CITY OF NEW BEDFORD, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2020 (1)

	General Fund	Wastewater	HOME Investment Program	South Public Safety Center	Non-major Governmental Funds	Total Governmental Funds
REVENUE						
Real estate and personal property taxes	\$ 126,083,676	\$ -	\$ -	\$ -	\$ -	\$ 126,083,676
Motor vehicle and other excise taxes	9,531,970	-	-	-	-	9,531,970
MSBA assistance	2,459,561	-	-	-	5,836,313	8,295,874
Tax liens and foreclosures	965,719	143,704	-	-	-	1,109,423
Penalties and interest on taxes	1,074,046	-	-	-	-	1,074,046
Licenses and permits	2,580,460	-	-	-	-	2,580,460
Fines and forfeitures	147,344	-	-	-	-	147,344
Investment income	1,191,102	225,830	31,343	-	314,542	1,762,817
Intergovernmental - operating grants	67,043,883	-	412,148	-	41,495,687	108,951,718
Intergovernmental - capital grant - Chapter 70	159,856,087	-	-	-	-	159,856,087
Intergovernmental - capital grants	-	4,723,106	-	-	16,735,485	21,458,591
Charges for services	14,436,007	22,788,095	-	-	1,619,802	38,843,904
Other - indirects	17,000	-	-	-	-	17,000
Special assessments and betterments	-	12,805	-	-	-	12,805
Payment in lieu of taxes	361,310	-	-	-	-	361,310
Miscellaneous	(816,675)	36,696	643,789	181	5,708,441	5,572,432
TOTAL REVENUES	384,931,490	27,930,236	1,087,280	181	71,710,270	485,659,457
EXPENDITURES						
General Government	9,557,523	-	-	-	5,399,773	14,957,296
Public Safety	49,543,522	-	-	-	2,971,776	52,515,298
Education	191,443,945	-	-	-	30,719,401	222,163,346
Public works	13,944,046	13,400,746	-	-	5,852,691	33,197,483
Community and economic development	-	-	672,815	-	4,439,342	5,112,157
Health and human services	4,751,962	-	-	-	1,330,183	6,082,145
Culture and recreation	4,986,297	-	-	-	1,429,938	6,416,235
Pension benefits	30,527,351	-	-	-	-	30,527,351
Health and other insurance	38,675,704	-	-	-	-	38,675,704
Miscellaneous	10,764,913	-	-	-	-	10,764,913
Intergovernmental:						
State and county charges	20,990,757	-	-	-	-	20,990,757
Capital outlay:						
General government	-	-	-	-	3,675,529	3,675,529
Public Safety	-	-	-	-	-	-
Education	-	-	-	-	5,765,093	5,765,093
Public works	-	214,456	-	7,492,757	22,106,697	29,813,910
Culture and recreation	-	-	-	-	17,624	17,624
Debt service:						
Principal payments	8,123,351	8,452,171	-	-	-	16,575,522
Short-term note interest	597,164	-	-	-	-	597,164
Bond interest costs	2,964,202	3,027,626	-	-	-	5,991,828
TOTAL EXPENDITURES	386,870,737	25,094,999	672,815	7,492,757	83,708,047	503,839,355
Excess (deficiency) of Revenues Over Expenditures	(1,939,247)	2,835,237	414,465	(7,492,576)	(11,997,777)	(18,179,898)
OTHER FINANCING SOURCES (Uses)						
Bond issuance	-	-	-	-	4,646,600	4,646,600
Special item - insurance proceeds	-	-	-	-	543,858	543,858
Issuance of capital leases	571,512	-	-	-	-	-
Transfers in	5,241,176	6,356,679	-	-	703,978	12,301,833
Transfers out	(998,730)	(8,214,962)	-	-	(192,946)	(9,406,638)
Total Other Financing Sources and Uses	4,813,958	(1,858,283)	-	-	5,701,490	8,657,165
Change in Net Position	2,874,711	976,954	414,465	(7,492,576)	(6,296,287)	(9,522,733)
Net Position - beginning of year (restated)	28,608,139	9,754,017	2,170,745	(1,667,140)	36,478,538	75,344,299
Net Position - end of year	\$ 31,482,850	\$ 10,730,971	\$ 2,585,210	\$ (9,159,716)	\$ 30,182,251	\$ 65,821,566

(1) Extracted from audited financial statements.

CITY OF NEW BEDFORD, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2019 (1)

	General Fund	Wastewater	HOME Investment Program	Non-major Governmental Funds	Total Governmental Funds
REVENUE					
Real estate and personal property taxes	\$ 122,238,616	\$ -	\$ -	\$ -	\$ 122,238,616
Motor vehicle and other excise taxes	9,762,254	-	-	-	9,762,254
MSBA assistance	2,459,561	-	-	2,806,745	5,266,306
Tax liens and foreclosures	1,823,442	146,389	-	-	1,969,831
Penalties and interest on taxes	1,409,963	-	-	-	1,409,963
Licenses and permits	2,876,492	-	-	-	2,876,492
Fines and forfeitures	156,988	-	-	-	156,988
Investment income	1,221,339	306,959	28,039	817,539	2,373,876
Intergovernmental - operating grants	57,380,502	-	748,124	41,264,123	99,392,749
Intergovernmental - capital grant - Chapter 70	145,404,876	-	-	-	145,404,876
Intergovernmental - capital grants	-	4,847,516	-	24,561,381	29,408,897
Charges for services	15,279,480	23,952,265	-	1,581,637	40,813,382
Other - indirects	813,895	-	-	-	813,895
Special assessments and betterments	143	18,870	-	-	19,013
Payment in lieu of taxes	364,357	-	-	-	364,357
Miscellaneous	(595,299)	6,742	881,527	8,839,639	9,132,609
TOTAL REVENUES	360,596,609	29,278,741	1,657,690	79,871,064	471,404,104
EXPENDITURES					
General Government	9,060,015	-	-	2,414,337	11,474,352
Public Safety	48,851,876	-	-	3,292,909	52,144,785
Education	171,318,903	-	-	28,572,835	199,891,738
Public works	13,689,367	13,408,851	-	4,417,990	31,516,208
Community and economic development	-	-	1,170,013	4,953,689	6,123,702
Health and human services	4,870,591	-	-	1,280,296	6,150,887
Culture and recreation	4,836,877	-	-	1,964,224	6,801,101
Pension benefits	28,817,471	-	-	-	28,817,471
Health and other insurance	40,277,703	-	-	-	40,277,703
Miscellaneous	10,574,534	-	-	-	10,574,534
Intergovernmental:					
State and county charges	19,063,095	-	-	-	19,063,095
Capital outlay:					
General government	-	-	-	6,462,647	6,462,647
Public Safety	-	-	-	194,000	194,000
Education	-	-	-	3,514,060	3,514,060
Public works	-	638,978	-	24,723,414	25,362,392
Municipal airport	-	-	-	5,138,490	5,138,490
Culture and recreation	-	-	-	47,031	47,031
Debt service:					
Principal payments	8,385,415	8,469,820	-	49,000	16,904,235
Short-term note interest	491,187	-	-	-	491,187
Bond interest costs	2,949,033	3,347,639	-	-	6,296,672
TOTAL EXPENDITURES	363,186,067	25,865,288	1,170,013	87,024,922	477,246,290
Excess (deficiency) of Revenues Over Expenditures	(2,589,458)	3,413,453	487,677	(7,153,858)	(5,842,186)
OTHER FINANCING SOURCES (Uses)					
Bond proceeds	-	-	-	10,485,000	10,485,000
Bond premiums	3,351	-	-	523,946	527,297
Special item - insurance proceeds	-	-	-	92,649	92,649
Transfers in	5,866,017	7,944,600	-	2,025,601	15,836,218
Transfers out	(1,796,002)	(9,836,726)	-	(185,709)	(11,818,437)
Total Other Financing Sources and Uses	4,073,366	(1,892,126)	-	12,941,487	15,122,727
Change in Net Position	1,483,908	1,521,327	487,677	5,787,629	9,280,541
Net Position - beginning of year	27,124,231	8,232,690	1,683,067	29,314,146	66,354,134
Net Position - end of year	\$ 28,608,139	\$ 9,754,017	\$ 2,170,744	\$ 35,101,775	\$ 75,634,675

(1) Extracted from audited financial statements.

CITY OF NEW BEDFORD, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2018 (1)

	General Fund	Wastewater	Non-major Governmental Funds	Total Governmental Funds
REVENUE				
Real estate and personal property taxes	\$ 117,726,504	\$ -	\$ -	\$ 117,726,504
Motor vehicle and other excise taxes	9,579,711	-	-	9,579,711
MSBA assistance	2,415,150	-	9,505,641	11,920,791
Tax liens and foreclosures	2,080,055	177,281	-	2,257,336
Penalties and interest on taxes	1,731,458	-	-	1,731,458
Licenses and permits	2,402,917	-	-	2,402,917
Fines and forfeitures	129,662	-	-	129,662
Investment income	509,946	33,698	187,541	731,185
Intergovernmental - operating grants	57,364,133	-	45,227,165	102,591,298
Intergovernmental - capital grant - Chapter 70	137,925,032	-	-	137,925,032
Intergovernmental - capital grants	-	4,923,862	11,587,812	16,511,674
Charges for services	13,862,640	21,885,369	1,779,151	37,527,160
Other - indirects	1,058,744	-	-	1,058,744
Special assessments and betterments	71	22,014	-	22,085
Payment in lieu of taxes	294,465	-	-	294,465
Miscellaneous	(891,854)	19,159	10,511,744	9,639,049
TOTAL REVENUES	346,188,634	27,061,383	78,799,054	452,049,071
EXPENDITURES				
General Government	8,154,151	-	1,970,843	10,124,994
Public Safety	47,364,612	-	4,840,951	52,205,563
Education	165,174,490	-	25,404,509	190,578,999
Public works	14,869,355	11,545,073	5,877,630	32,292,058
Community and economic development	-	-	6,072,128	6,072,128
Health and human services	4,000,886	-	1,119,057	5,119,943
Culture and recreation	4,957,716	-	1,978,708	6,936,424
Pension benefits	27,741,711	-	-	27,741,711
Health and other insurance	41,119,096	-	-	41,119,096
Miscellaneous	9,673,308	-	-	9,673,308
Intergovernmental:				
State and county charges	17,759,974	-	-	17,759,974
Capital outlay:				
General government	-	-	7,421,064	7,421,064
Education	-	-	16,803,753	16,803,753
Public works	-	1,155,476	10,274,436	11,429,912
Municipal airport	-	-	3,812,339	3,812,339
Culture and recreation	-	-	489,979	489,979
Debt service:				
Principal payments	8,010,000	8,231,857	49,000	16,290,857
Short-term note interest	650,530	-	-	650,530
Bond interest costs	2,588,129	3,675,190	980	6,264,299
TOTAL EXPENDITURES	352,063,958	24,607,596	86,115,377	462,786,931
Excess (deficiency) of Revenues Over Expenditures	(5,875,324)	2,453,787	(7,316,323)	(10,737,860)
OTHER FINANCING SOURCES (Uses)				
Bond proceeds	-	-	21,555,000	21,555,000
Bond premiums	5,179	-	409,806	414,985
Special item - insurance proceeds	-	-	78,630	78,630
Transfers in	9,376,251	5,786,675	973,373	16,136,299
Transfers out	(4,359,960)	(7,959,601)	(29,338)	(12,348,899)
Total Other Financing Sources and Uses	5,021,470	(2,172,926)	22,987,471	25,836,015
Change in Net Position	(853,854)	280,861	15,671,148	15,098,155
Net Position - beginning of year	27,978,085	7,951,829	15,326,065	51,255,979
Net Position - end of year	\$ 27,124,231	\$ 8,232,690	\$ 30,997,213	\$ 66,354,134

(1) Extracted from audited financial statements.

CITY OF NEW BEDFORD, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2017 (1)

	General Fund	Wastewater	Non-major Governmental Funds	Total Governmental Funds
REVENUE				
Real estate and personal property taxes	\$ 111,158,506	\$ -	\$ -	\$ 111,158,506
Motor vehicle and other excise taxes	9,328,894	-	-	9,328,894
MSBA assistance	2,415,573	-	28,775,728	31,191,301
Tax liens and foreclosures	3,473,296	499,316	-	3,972,612
Penalties and interest on taxes	2,575,776	-	-	2,575,776
Licenses and permits	2,653,606	-	-	2,653,606
Fines and forfeitures	98,528	-	-	98,528
Investment income	390,836	55,624	420,716	867,176
Intergovernmental - operating grants	53,860,003	-	41,497,454	95,357,457
Intergovernmental - capital grant - Chapter 70	132,385,625	-	-	132,385,625
Intergovernmental - capital grants	-	5,214,642	6,359,224	11,573,866
Charges for services	15,790,498	21,120,721	1,697,175	38,608,394
Other - indirects	959,384	-	-	959,384
Special assessments and betterments	71	17,160	-	17,231
Payment in lieu of taxes	304,394	-	-	304,394
Miscellaneous	15,441	128,441	6,631,029	6,774,911
TOTAL REVENUES	335,410,431	27,035,904	85,381,326	447,827,661
EXPENDITURES				
General Government	7,440,154	-	1,310,078	8,750,232
Public Safety	45,910,534	-	3,892,817	49,803,351
Education	160,139,955	-	27,564,765	187,704,720
Public works	14,140,751	11,144,049	3,354,885	28,639,685
Community and economic development	-	-	6,227,151	6,227,151
Health and human services	4,129,869	-	2,558,630	6,688,499
Culture and recreation	4,513,546	-	1,578,940	6,092,486
Pension benefits	26,724,377	-	-	26,724,377
Health and other insurance	39,767,304	-	-	39,767,304
Miscellaneous	9,670,903	-	-	9,670,903
Intergovernmental:				
State and county charges	15,141,498	-	-	15,141,498
Capital outlay:				
General government	-	-	2,898,627	2,898,627
Education	-	-	40,560,983	40,560,983
Public works	-	1,088,060	9,136,170	10,224,230
Municipal airport	-	-	1,323,943	1,323,943
Culture and recreation	-	-	711,058	711,058
Debt service:				
Principal payments	8,040,000	8,029,765	50,000	16,119,765
Short-term note interest	558,602	-	-	558,602
Bond interest costs	2,817,117	3,905,569	1,960	6,724,646
TOTAL EXPENDITURES	338,994,610	24,167,443	101,170,007	464,332,060
Excess (deficiency) of Revenues Over Expenditures	(3,584,179)	2,868,461	(15,788,681)	(16,504,399)
OTHER FINANCING SOURCES (Uses)				
Bond proceeds	-	-	3,960,954	3,960,954
Bond premiums	-	-	357,323	357,323
OFS - issuance of refunding bonds	-	-	14,430,000	14,430,000
Special item - loan forgiveness	-	-	716,768	716,768
Special item - insurance proceeds	-	-	66,167	66,167
Transfers in	4,865,588	5,492,287	3,514,902	13,872,777
Transfers out	(1,213,364)	(7,083,867)	(284,959)	(8,582,190)
Total Other Financing Sources and Uses	3,652,224	(1,591,580)	22,761,155	24,821,799
Change in Net Position	68,045	1,276,881	6,972,474	8,317,400
Net Position - beginning of year	27,910,040	6,674,948	8,353,591	42,938,579
Net Position - end of year	\$ 27,978,085	\$ 7,951,829	\$ 15,326,065	\$ 51,255,979

(1) Extracted from audited financial statements.

Free Cash

Under the Massachusetts Uniform System of Accounting an amount known as "free cash" is certified as of the beginning of each fiscal year by the Massachusetts Department of Revenue, Bureau of Accounts. This unrestricted fund balance (known as "free cash") is generated when actual revenue collections exceed budget estimates and/or unexpended appropriation balances lapse at year end to the general treasury.

July 1	Free Cash			
	General	Water	Airport	Downtown Parking
2020	\$ 2,297,796	\$ 1,274,520	\$ (226,528)	\$ (129,128)
2019	3,893,036	1,686,699	(18,154)	489,174
2018	4,534,264	439,358	14,209	272,834
2017	1,476,004	2,908,031	54,170	157,431
2016	3,397,368	2,088,667	432,167	65,889

Stabilization Funds

The City maintains a general purpose stabilization fund, a school purpose stabilization fund and a water purpose stabilization fund. The general purpose and school purpose Stabilization Funds are maintained in the Non-major Governmental Funds; the water purpose stabilization funds are maintained in the proprietary funds. Under Massachusetts statutes, funds may be appropriated from the stabilization fund for any municipal purpose by the City Council.

In March 2017 the City Council created an Airport Stabilization Fund with an initial deposit of \$100,000. In November 2018 the City amended its Fund Balance Management Policy to designate a minimum of 25% of certified General Fund Free Cash for deposit into the Stabilization Fund.

The following is the recent trend in the balance in the accounts as of June 30 of a fiscal year.

June 30	City Stabilization	School Stabilization	Water Stabilization	Airport Stabilization
2021	\$ 10,392,505	\$ 1,575,442	\$ 5,876,551	\$ 51,761
2020	9,840,614	1,483,811	6,677,318	51,756
2019	10,213,327	1,442,276	6,506,368	51,182
2018	7,392,215	1,316,992	5,628,796	50,438
2017	8,356,240	1,315,342	3,489,394	176,326

INDEBTEDNESS

Authorization Procedure and Limitations

Serial bonds and notes are authorized by vote of two-thirds of all the members of the City Council. Provision is made for a referendum on the borrowing authorization if there is a timely filing of a petition bearing the requisite number of signatures. Borrowings for some purposes require State administrative approval. When serial bonds or notes have been authorized, bond anticipation notes may be issued by the officers authorized to issue the serial bonds or notes. Temporary loans in anticipation of the revenue of the fiscal year in which the debt is incurred or in anticipation of authorized federal and state aid generally may be made by the treasurer with the approval of the Mayor and the Committee on Finance.

Debt Limits

The General Debt Limit of a city or town consists of a Normal Debt Limit and a Double Debt Limit. The Normal Debt Limit is 5 percent of the valuation of taxable property as last equalized by the State Department of Revenue. A city or town can authorize debt up to this amount without state approval. It can authorize debt up to twice this amount (the Double Debt Limit) with the approval of the state Municipal Finance Oversight Board composed of the State Treasurer, the State Auditor, the Attorney General and the Director of Accounts.

There are many categories of general obligation debt which are exempt from and do not count against the General Debt Limit. Among others, these exempt categories include revenue anticipation notes and grant anticipation notes; emergency loans; loans exempted by special laws; certain school bonds, certain sewer bonds, water bonds, solid waste disposal facility bonds and economic development bonds supported by tax increment financing; and subject to special debt limits, housing, urban renewal and economic development (subject to various debt limits), and electric, gas, community antenna television systems, and telecommunications systems (subject to separate limits). Revenue bonds are not subject to these debt limits. The General Debt Limit applies at the time the debt is authorized. The special debt limits generally apply at the time the debt is incurred.

Types of Obligations

General Obligations. Massachusetts cities and towns are authorized to issue general obligation indebtedness of these types:

Serial Bonds and Notes. These are generally required to be payable in annual principal amounts beginning no later than the end of the next fiscal year commencing after the date of issue and ending within the terms permitted by law. A level debt service schedule, or a schedule that provides for a more rapid amortization of principal than level debt service, is permitted. The principal amounts of certain economic development bonds supported by tax increment financing may be payable in equal, diminishing or increasing amounts beginning within 5 years after the date of issue. The maximum terms of serial bonds and notes vary from one year to 40 years, depending on the purpose of the issue. The maximum terms permitted are set forth in the statutes. In addition, for many projects, the maximum term may be determined in accordance with useful life guidelines promulgated by the State Department of Revenue ("DOR"). Serial bonds and notes may be issued for the purposes set forth in the statutes. In addition, serial bonds and notes may be issued for any other public work improvement or asset not specifically listed in the Statutes that has a useful life of at least 5 years as determined by the DOR. Bonds or notes may be made callable and redeemed prior to their maturity, and a redemption premium may be paid. Municipal Purpose Loan of 2017 Bonds or notes may be issued subject to the maximum applicable term measured from the date of the original bonds or notes and must produce present value savings over the debt service of the refunded bonds. Generally, the first required annual payment of principal of the refunding bonds cannot be later than the first principal payment of any of the bonds or notes being refunded thereby, however, principal payments made before the first principal payment of any of the bonds or notes being refunded thereby may be in any amount.

Serial bonds may be issued as "qualified bonds" with the approval of the state Municipal Finance Oversight Board composed of the State Treasurer, the State Auditor, the Attorney General and the Director of Accounts, subject to such conditions and limitations (including restrictions on future indebtedness) as may be required by the Board. Qualified bonds may mature not less than 10 nor more than 30 years from their dates and are not subject to the amortization requirements described above. The State Treasurer is required to pay the debt service on qualified bonds and thereafter to withhold the amount of the debt service paid by the State from state aid or other state payments; administrative costs and any loss of interest income to the State are to be assessed upon the city or town.

Tax Credit Bonds or Notes. Subject to certain provisions and conditions, the officers authorized to issue bonds or notes may designate any duly authorized issue of bonds or notes as "tax credit bonds" to the extent such bonds and notes are otherwise permitted to be issued with federal tax credits or other similar subsidies for all or a portion of the borrowing costs. Tax credit bonds may be made payable without regard to the annual installments required by any other law, and a sinking fund may be established for the payment of such bonds. Any investment that is part of such a sinking fund may mature not later than the date fixed for payment or redemption of the applicable bonds.

Bond Anticipation Notes. These generally must mature within two years of their original dates of issuance but may be refunded from time to time for a period not to exceed ten years from their original dates of issuance, provided that for each year that the notes are refunded beyond the second year they must be paid in part from revenue funds in an amount at least equal to the minimum annual payment that would have been required if the bonds had been issued at the end of the second year. The maximum term of bonds issued to refund bond anticipation notes is measured from the date of the original issue of the notes.

Revenue Anticipation Notes. Revenue Anticipation Notes are issued to meet current expenses in anticipation of taxes and other revenues. The amount borrowed in each fiscal year by the issue of revenue anticipation notes is limited to the tax levy of the prior fiscal year, together with the net receipts in the prior fiscal year from the motor vehicle excise and certain payments made by the Commonwealth in lieu of taxes. The fiscal year ends on June 30. Notes may mature in the following fiscal year, and notes may be refunded into the following fiscal year to the extent of the uncollected, unabated current tax levy and certain other items, including revenue deficits, overlay deficits, final judgments and lawful unappropriated expenditures, which are to be added to the next tax levy, but excluding deficits arising from a failure to collect taxes of earlier years. (See "Taxation to Meet Deficits" under "PROPERTY TAXATION" above.) In any event, the period from an original borrowing to its final maturity cannot exceed one year.

The City has not issued revenue anticipation notes ("RANs") since fiscal year 2013.

Grant Anticipation Notes. These are issued for temporary financing in anticipation of federal grants and state and county reimbursements. Generally, they must mature within two years but may be refunded from time to time as long as the municipality remains entitled to the grant or reimbursement.

Revenue Bonds. Cities and towns may issue revenue bonds for solid waste disposal facilities, for projects financed under the Commonwealth's Clean Water or Drinking Water Revolving Loan Programs and for certain economic development projects supported by tax increment financing. In addition, cities and towns having electric departments may issue electric revenue bonds, and notes in anticipation of such bonds, subject to the approval of the State Department of Telecommunications and Energy.

As of June 30, 2021, the City had \$36,514,700 sewer revenue bonds outstanding issued by it to the Massachusetts Clean Water Trust (the "Trust"). The City has consistently raised sewer rates to ensure that all such sewer bonds be self-supporting.

**General Obligation Direct Debt Summary
As of June 30, 2021,
Including Subsequent Issues**

General Obligation Bonds:

Outstanding as of June 30, 2021, Including Subsequent Issues

School (1)	\$ 42,215,388	
Water (2)	8,433,600	
Sewer (3)	3,017,000	
MCWT (4)	105,461,925	
General (5)	50,619,012	
Airport (6)	1,205,000	
Parking	<u>4,795,000</u>	
Total Outstanding		\$ 215,746,925

This Issue of Bonds to be dated April 13, 2012

7,825,000 *

Temporary Loans:

Bond Anticipation Notes Outstanding (7)	18,245,364	
Less:		
To Be Retired with Bond Proceeds	(7,823,950)	
To Be Retired with Grant Proceeds	(356,414)	
Pending Issue of New Money Bond Anticipation Notes (8)	<u>14,392,483</u>	
Total Short-Term Outstanding		<u>24,457,483</u>

Total Direct Debt after This Issue

\$ 248,029,408

*Preliminary, subject to change.

(1) \$29,030,000 is outside the City's debt limit.

(2) Subject to a special separate debt limit of 10% of the City's state equalized valuation. Self-supporting.

(3) Not subject to the City's general debt limit. Self-supporting.

(4) Issued to Massachusetts Clean Water Trust (the "Trust"). Not subject to the City's general debt limit. Self-supporting.

(5) \$6,274,000 is outside the City's debt limit.

(6) Outside the City's debt limit.

(7) Payable April 15, 2022.

(8) Pending issue of notes to be issued concurrent with the Bonds. Payable April 13, 2023.

General Obligation Debt Ratios

The table below sets forth the trend in the ratio of general obligation debt to equalized valuation and per capita general obligation debt ratios at the end of the following fiscal years.

Fiscal Year End	General Obligation Bonds Outstanding	Population (1)	Equalized Valuation (2)	Per Capita Debt	Ratio G.O. Debt To Equalized Valuation
2021	\$ 216,793,767	95,072	\$ 6,079,471,600	\$ 2,280	3.57 %
2020	171,993,514	95,072	6,079,471,600	1,809	2.83
2019	154,820,046	95,072	6,079,471,600	1,628	2.55
2018	156,119,668	95,072	5,618,295,200	1,642	2.78
2017	146,849,466	95,072	5,618,295,200	1,545	2.61

(1) 2010 U.S. Bureau of the Census for fiscal 2017 through 2021.

(2) 2016 equalized valuation used for fiscal 2017 and 2018; 2018 equalized valuation used for fiscal 2019 and 2020; 2020 equalized valuation used for fiscal 2021 and 2022.

General Obligation Debt Service Requirements

The following table sets forth the required principal and interest payments on outstanding general obligation bonds of the City, together with grant amounts expected to be received from the Massachusetts School Building Authority and subsidies expected to be received from the Massachusetts Clean Water Trust ("MCWT") to pay portion of such debt service.

**CITY OF NEW BEDFORD
GENERAL OBLIGATION BONDS (1)
As of June 30, 2021,
Including Subsequent Issues**

Fiscal Year	Outstanding		Less MCWT Subsidies	Total Net Debt Service
	Principal	Interest		
2022	\$ 11,004,790	\$ 6,166,759	\$ (252,329)	\$ 16,919,220
2023	10,523,070	5,708,427	(237,895)	15,993,602
2024	10,400,371	5,359,856	(177,060)	15,583,167
2025	10,362,429	4,968,823	(192,756)	15,138,497
2026	10,181,860	4,695,208	(126,885)	14,750,183
2027	9,459,832	4,372,705	(121,471)	13,711,066
2028	8,618,338	4,078,751	(115,847)	12,581,242
2029	8,767,333	3,798,033	(110,065)	12,455,301
2030	8,577,588	3,519,694	(104,073)	11,993,209
2031	8,701,069	3,257,805	(93,138)	11,865,736
2032	8,461,626	3,012,654	-	11,474,280
2033	8,249,313	2,778,833	-	11,028,147
2034	8,275,354	2,564,742	-	10,840,096
2035	8,329,859	2,358,115	-	10,687,975
2036	7,861,591	2,155,576	-	10,017,167
2037	7,791,463	1,956,971	-	9,748,433
2038	7,342,212	1,755,266	-	9,097,478
2039	7,534,908	1,560,404	-	9,095,312
2040	6,872,395	1,375,321	-	8,247,717
2041	6,709,017	1,203,553	-	7,912,570
2042	6,001,888	1,033,196	-	7,035,084
2043	6,185,164	871,743	-	7,056,908
2044	5,599,197	714,359	-	6,313,556
2045	5,347,830	568,617	-	5,916,447
2046	5,172,761	423,965	-	5,596,726
2047	3,499,516	285,286	-	3,784,802
2048	3,277,527	201,234	-	3,478,761
2049	3,032,887	126,071	-	3,158,957
2050	2,679,325	60,827	-	2,740,153
2051	926,411	20,381	-	946,792
	<u>\$ 215,746,925</u>	<u>\$ 70,953,177</u>	<u>\$ (1,531,521)</u>	<u>\$ 285,168,582</u>

(1) Does not include debt service on the \$36,514,700 outstanding sewer revenue bonds issued to the MCWT, the debt service on which is and is expected to be self-supporting.

Projected Principal Payments by Purpose

The following table sets forth the projected principal payments by purpose on outstanding issues of general obligation bonds of the City as of June 30, 2021 (including subsequent issues).

Fiscal Year	School (1)	Water (2)	Sewer (3)	MCWT (4)	General (5)	Airport (6)	Parking	Total
2022	\$ 1,615,388	\$ 695,800	\$ 534,000	\$ 4,869,790	\$ 3,119,812	\$ 60,000	\$ 110,000	\$ 11,004,790
2023	1,732,000	719,800	558,000	4,963,070	2,375,200	60,000	115,000	10,523,070
2024	1,768,000	746,000	576,000	4,925,371	2,205,000	60,000	120,000	10,400,371
2025	1,788,000	473,000	599,000	5,037,429	2,280,000	60,000	125,000	10,362,429
2026	1,647,000	500,000	368,000	4,721,860	2,750,000	60,000	135,000	10,181,860
2027	1,693,000	526,000	382,000	4,644,832	2,009,000	65,000	140,000	9,459,832
2028	1,577,000	548,000	-	4,353,338	1,930,000	65,000	145,000	8,618,338
2029	1,530,000	560,000	-	4,457,333	2,005,000	65,000	150,000	8,767,333
2030	1,620,000	575,000	-	4,072,588	2,090,000	65,000	155,000	8,577,588
2031	1,665,000	585,000	-	4,166,069	2,045,000	75,000	165,000	8,701,069
2032	1,725,000	600,000	-	3,961,626	1,930,000	75,000	170,000	8,461,626
2033	1,670,000	620,000	-	4,054,313	1,655,000	75,000	175,000	8,249,313
2034	1,745,000	635,000	-	4,030,354	1,660,000	25,000	180,000	8,275,354
2035	1,800,000	650,000	-	4,124,859	1,535,000	30,000	190,000	8,329,859
2036	1,840,000	-	-	4,221,591	1,575,000	30,000	195,000	7,861,591
2037	1,905,000	-	-	4,041,463	1,615,000	30,000	200,000	7,791,463
2038	1,970,000	-	-	3,477,212	1,655,000	30,000	210,000	7,342,212
2039	2,030,000	-	-	3,559,908	1,700,000	30,000	215,000	7,534,908
2040	1,475,000	-	-	3,582,395	1,565,000	30,000	220,000	6,872,395
2041	1,515,000	-	-	3,379,017	1,560,000	30,000	225,000	6,709,017
2042	1,555,000	-	-	2,586,888	1,585,000	35,000	240,000	6,001,888
2043	1,615,000	-	-	2,650,164	1,640,000	35,000	245,000	6,185,164
2044	1,400,000	-	-	2,214,197	1,695,000	35,000	255,000	5,599,197
2045	1,405,000	-	-	2,267,830	1,395,000	20,000	260,000	5,347,830
2046	1,290,000	-	-	2,322,761	1,270,000	20,000	270,000	5,172,761
2047	330,000	-	-	1,989,516	1,070,000	20,000	90,000	3,499,516
2048	155,000	-	-	1,907,527	1,100,000	20,000	95,000	3,277,527
2049	130,000	-	-	1,952,887	950,000	-	-	3,032,887
2050	25,000	-	-	1,999,325	655,000	-	-	2,679,325
2051	-	-	-	926,411	-	-	-	926,411
	<u>\$ 42,215,388</u>	<u>\$ 8,433,600</u>	<u>\$ 3,017,000</u>	<u>\$ 105,461,925</u>	<u>\$ 50,619,012</u>	<u>\$ 1,205,000</u>	<u>\$ 4,795,000</u>	<u>\$ 215,746,925</u>

(1) \$29,030,000 is outside the City's debt limit.

(2) Subject to a special separate debt limit of 10% of the City's state equalized valuation. Self-supporting.

(3) Not subject to the City's general debt limit. Self-supporting.

(4) Issued to Massachusetts Clean Water Trust (the "Trust"). Not subject to the City's general debt limit. Self-supporting.

(5) \$6,274,000 is outside the City's debt limit.

(6) Outside the City's debt limit.

Authorized Unissued Debt and Prospective Financing

Following delivery of the Bonds, the City will have approximately \$326 million of bonds authorized for various school construction/improvement projects (\$20 million), sewer (\$152 million), water (\$98 million), airport (\$10 million), contamination clean-up (\$12 million) and miscellaneous other purposes. As much as \$65 million of the school bonds authorized may be rescinded and the balance of school debt is expected to be eligible for 90% School Building Authority grant funds (however, after ineligible costs are considered, the net effective reimbursement rate is reduced to approximately 75%). The sewer debt authorized is expected to be issued over time to the Massachusetts Clean Water Trust.

In FY 2013, the City developed its initial capital improvement program, which provided a plan for debt issuance and management from FY 2014 through FY 2018. The plan has been updated in each subsequent year. The current iteration covers the period from FY 2020 through FY 2024. A copy of the proposed CIP can be found in Appendix E, "City of New Bedford FY 20-24 Capital Improvement Program."

Debt Impact Analysis – Tax Supported Debt Only

FY 2021-2025 Capital Improvement Program Debt Impact Analysis

Description	FY 2021	FY 2022	FY2023	FY2024	FY2025
Debt Issuance					
Existing Debt	\$72,699,800	\$92,814,400	\$95,636,922	\$101,387,000	\$111,153,500
Plus New Issues	28,640,000	7,597,722	9,865,000	14,215,000	14,472,000
Less Retirement	(8,525,400)	(4,775,200)	(4,114,922)	(4,448,500)	(7,556,867)
Net Outstanding Debt	\$92,814,400	\$95,636,922	\$101,387,000	\$111,153,500	\$118,068,633
Projected Debt Service (1)(2)(3)	11,641,085	8,562,757	8,097,984	8,045,460	8,972,280
Projected Lease Payments (4)	1,280,046	1,617,925	1,996,051	1,945,257	2,039,066
Total Debt Payments:	\$12,921,131	\$10,180,682	\$10,094,035	\$9,990,717	\$11,011,346
Debt to Est. Property Value (2% annual growth): < 3%	1.3%	1.3%	1.3%	1.4%	1.4%
Debt to Per Capita Income (1% annual growth): < 6%	3.7%	3.7%	3.9%	4.2%	4.3%
Debt Payments to GF Expenditures: < 10%	3.2%	2.3%	2.1%	2.0%	2.2%

(1) Debt service on Roosevelt Middle School will be retired in FY21, resulting in the loss of \$2,459,561 in annual reimbursements from MSBA.

(2) Includes long-term issues in 2021 (\$28,495,000), 2022 (\$5,997,722), 2023 (\$6,100,000), 2024 (\$1,600,000) and 2025 (\$2,800,000).

(3) Includes estimated short-term BAN debt:

FY 2021: \$476,190

FY 2022: \$411,149

FY 2023: \$773,863

FY 2024: \$587,351

FY 2025: \$545,897

(4) Lease purchase payments on capital vehicles are assigned to individual departments.

Coverage of Qualified Debt Service

It is projected that state aid distributions from The Commonwealth of Massachusetts to the City will provide ample coverage of qualified debt service throughout the term of the City's issues of State Qualified Bonds. The following table presents debt service on the City's State Qualified Bonds and the coverage ratio of total state aid to qualified debt service.

Fiscal Year	Existing Qualified Bond Debt Service (1)	Total State Aid (2)	Coverage Ratio
2022	\$ 10,009,477	\$ 206,823,902	20.66
2023	8,903,514	210,960,380	23.69
2024	8,706,720	215,179,588	24.71
2025	8,338,464	219,483,179	26.32
2026	8,255,477	223,872,843	27.12
2027	7,398,042	228,350,300	30.87
2028	6,659,433	232,917,306	34.98
2029	6,527,595	237,575,652	36.40
2030	6,545,831	242,327,185	37.02
2031	6,413,022	247,173,708	38.54
2032	6,225,925	252,117,182	40.49
2033	5,774,040	257,159,526	44.54
2034	5,697,740	262,302,717	46.04
2035	5,539,781	267,548,771	48.30
2036	4,862,998	272,899,746	56.12
2037	4,864,048	278,357,741	57.23
2038	4,865,873	283,924,896	58.35
2039	4,858,445	289,603,394	59.61
2040	4,067,023	295,395,462	72.63
2041	4,012,285	301,303,371	75.10
2042	3,999,156	307,329,439	76.85
2043	4,016,713	313,476,027	78.04
2044	3,763,850	319,745,548	84.95
2045	3,363,025	326,140,459	96.98
2046	3,039,500	332,663,268	109.45
2047	1,613,188	339,316,533	210.34
2048	1,433,425	346,102,864	241.45
2049	1,110,500	353,024,921	317.90
2050	688,500	360,085,420	523.00
	<u>\$ 151,553,589</u>		

(1) As of June 30, 2021, including subsequent issues.

(2) Includes total state aid available for coverage based on the City's estimated FY 2022 state aid receipts. State aid is increased at a rate of 2% each year after FY 2022. The State aid figures above exclude school building assistance grants as such grants are no longer paid by the Commonwealth and are now paid by the Massachusetts School Building Authority. Therefore, such payments no longer constitute "distributable aid" of the Commonwealth under the Qualified Bond Act.

Overlapping Debt

The City is located in Bristol County and is a member of the Greater New Bedford Regional Refuse Management District, the Southeastern Regional Transportation Authority and the Greater New Bedford Regional Vocational Technical High School District. The following table sets forth the outstanding bonded debt, exclusive of temporary loans in anticipation of bonds or current revenue, of the County, the Authority and the Districts as of June 30, 2021, the City's gross share of such debt and the fiscal 2022 dollar assessment to the City by each entity.

<u>Overlapping Entity</u>	<u>Outstanding Debt</u>	<u>New Bedford Estimated Share (1)</u>	<u>2022 Dollar Assessment (2)</u>
Greater New Bedford Regional Refuse Management District (3)	\$0	89.22%	\$734,556
Bristol County (4)	\$711,927	11.89%	\$695,722
Southeastern Regional Transportation Authority (5)	\$0	N.A.	\$1,304,651
Greater New Bedford Regional Vocational Technical High School District (6)	\$2,535,000	77.00%	\$6,400,222

(1) Estimated share based upon debt service and operating costs.

(2) Estimated dollar assessment based upon total net operating expenses, inclusive (where applicable) of debt service.

(3) SOURCE: Greater New Bedford Regional Refuse Management District.

(4) SOURCE: Bristol County Treasurer. County expenses including debt service on county bonds are assessed upon the cities and towns within the county in proportion to their taxable valuation as last equalized by the State Commissioner of Revenue. Estimated share and dollar assessment shown here are based on the 2002 equalized valuation. Legislation enacted in 1997 abolished the county governments of Franklin and Middlesex Counties as of July 1, 1997, with their assets, functions, debts and other obligations being assumed by the Commonwealth. The abolishment of the Middlesex County government was in part in response to a default by the County in the payment of general obligation notes of the County. The legislation also abolished the county governments of Hampden and Worcester Counties as of July 1, 1998. Legislation enacted in 1998 abolished the county governments of Hampshire, Essex and Berkshire counties as of January 1, 1999, July 1, 1999 and July 1, 2000, respectively. The legislation also requires the state secretary for administration and finance to establish a plan to recover the Commonwealth's expenditures for liabilities and other debts assumed and paid by the Commonwealth on behalf of an abolished county. Unless these provisions are changed by further legislation, the state treasurer shall assess upon each city and town within the jurisdiction of an abolished county an amount not exceeding or equal to the county tax paid by each city and town for the fiscal year immediately prior to the abolishment of the county until such expenditures by the Commonwealth are recovered. It is possible that similar legislation will be sought to provide for the abolishment of county governments in all the remaining counties.

(5) SOURCE: Southeastern Regional Transit Authority. It has been state practice in recent years to absorb up to approximately 50 per cent of the net cost of service of the Authority, including debt service on the Authority's bonds, if any. The remainder of the net cost of service is assessed on the member municipalities within the territory of the Southeastern Regional Transit Authority.

(6) SOURCE: Greater New Bedford Regional Vocational Technical High School District. Towns may organize regional school districts to carry out general or specialized educational functions. Pursuant to special laws a number of cities may also participate in regional school districts, primarily for vocational education. The operating expenses and debt service of regional school districts are apportioned among the member municipalities in accordance with the agreements establishing the districts. The municipal share is based on the ratio of that member's pupil enrollment to the total pupil enrollment from all the member municipalities in the regional school district as of October 1 of the year proceeding the year for which the apportionment is being determined.

Contractual Obligations

Municipal contracts are generally limited to currently available appropriations. A city or town generally has authority to enter into contracts for the exercise of any of its corporate powers for any period of time deemed to serve its best interests, but generally only when funds are available for the first fiscal year; obligations for succeeding fiscal years generally are expressly subject to availability and appropriation of funds. Municipalities have specific authority in relatively few cases to enter long term contractual obligations not subject to annual appropriations, including contracts for refuse disposal and sewage treatment and disposal. Municipalities may also enter into long-term contracts in aid of housing and renewal projects. There may be implied authority to make other long-term contracts required to carry out authorized municipal functions, such as contracts to purchase water from private water companies.

Municipal contracts relating to solid waste disposal facilities may contain provisions requiring the delivery of minimum amounts of waste and payments based thereon and requiring payments in certain circumstances without regard to the operational status of the facilities.

Pursuant to the Home Rule Amendment to the Massachusetts Constitution, cities and towns may also be empowered to make other contracts and leases.

The City currently has two long term contracts to operate and manage its newly constructed wastewater facility. The City and Veolia (formerly Professional Services Group, Inc., "PSG"), a division of Air & Water Technologies, Inc. and Vivendi, formerly Compagnie Generale des Eaux, entered into a contract effective July 1, 1998 for a ten-year term with options for renewal for two additional five-year terms at the sole option of the City. The ten-year term ended July 1, 2008, and the five-year options have been renewed with no changes to the contract terms, beginning July 1, 2008 and expiring June 30, 2018. The contract has been extended and expires on October 31, 2023. The cost of the contract in fiscal 2021 was \$5,109,767 and the budgeted cost for fiscal 2022 is \$6,052,153.

The City also has an agreement with Synagro to provide long-term disposal of sludge for a period of ten years with options for renewal. The Synagro contract has been renewed to September 20, 2021, with an option to renew for 10 years and a second option to renew another 5 years after that for a total of 20 years. The price of the contract increased by \$46.45 per dry ton of sludge (from \$444.00 to \$490.45). The cost of this contract in fiscal 2021 was \$4,023,025 and the budgeted cost for fiscal 2022 is \$4,200,000.

The City has a contract for solid waste collection with ABC Corporation that is effective through June 30, 2023. The cost of this contract in fiscal 2021 was \$4,999,148 and the budgeted cost for fiscal 2022 is \$5,114,265.

The City has four 7-year contracts with PNC Equipment Finance, two 7-year contracts with All American Investment Group, and twelve contracts ranging in length from 2 to 5 years with All American Investment Group, LLC, all for various equipment leases. In the aggregate, the City has approximately \$9.5 million in principal outstanding associated with the various leases, with fiscal 2022 payments of \$2,058,592 and fiscal 2023 payments of \$2,237,759.

As of October 30, 2015, the City entered into a 15-year master lease agreement with First Niagara Leasing, Inc. in the amount of \$13.505 million for financing the costs of energy conservation measures and facility improvement measures to various municipal buildings and facilities pursuant to a Master Energy Management Services Agreement between the City and Siemens Industry, Inc. The lease payments are subject to annual appropriation by the City Council. The amortization schedule for the \$13.505 million lease, which reflects semi-annual payments at a 2.68% interest rate, is shown in the table below.

Payment Date	Principal	Interest	Total Payment
10/1/2016	\$ -	\$ 332,778.21	\$ 332,778.21
4/1/2017	250,000.00	180,967.00	430,967.00
10/1/2017	350,000.00	177,617.00	527,617.00
4/1/2018	370,000.00	172,927.00	542,927.00
10/1/2018	375,000.00	167,969.00	542,969.00
4/1/2019	385,000.00	162,944.00	547,944.00
10/1/2019	395,000.00	157,785.00	552,785.00
4/1/2020	405,000.00	152,492.00	557,492.00
10/1/2020	415,000.00	147,065.00	562,065.00
4/1/2021	425,000.00	141,504.00	566,504.00
10/1/2021	430,000.00	135,809.00	565,809.00
4/1/2022	455,000.00	130,047.00	585,047.00
10/1/2022	455,000.00	123,950.00	578,950.00
4/1/2023	475,000.00	117,853.00	592,853.00
10/1/2023	480,000.00	111,488.00	591,488.00
4/1/2024	495,000.00	105,056.00	600,056.00
10/1/2024	500,000.00	98,423.00	598,423.00
4/1/2025	525,000.00	91,723.00	616,723.00
10/1/2025	530,000.00	84,688.00	614,688.00
4/1/2026	545,000.00	77,586.00	622,586.00
10/1/2026	545,000.00	70,283.00	615,283.00
4/1/2027	560,000.00	62,980.00	622,980.00
10/1/2027	560,000.00	55,476.00	615,476.00
4/1/2028	575,000.00	47,972.00	622,972.00
10/1/2028	575,000.00	40,267.00	615,267.00
4/1/2029	590,000.00	32,562.00	622,562.00
10/1/2029	590,000.00	24,656.00	614,656.00
4/1/2030	605,000.00	16,750.00	621,750.00
10/1/2030	645,000.00	8,643.00	653,643.00
Total	<u>\$ 13,505,000.00</u>	<u>\$ 3,230,260.21</u>	<u>\$ 16,735,260.21</u>

Additionally, as of November 16, 2017, the City entered into a 17-year ESCO Phase II lease agreement with T.D. Equipment Finance, Inc. in the amount of \$3.684 million for financing the costs of energy conservation measures and facility improvement measures to various municipal buildings and facilities, also pursuant to the Master Energy Management Services Agreement with Siemens Industry, Inc. The lease payments are subject to annual appropriation by the City Council. The amortization schedule for the \$3.684 million lease, which reflects semi-annual payments at a 2.61% interest rate, is shown in the table below.

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
10/1/2018	\$ 87,330.70	\$ 84,802.65	\$ 172,133.35
4/1/2019	88,030.76	46,897.04	134,927.80
10/1/2019	60,030.20	45,749.20	105,779.40
4/1/2020	61,029.93	44,966.47	105,996.40
10/1/2020	65,029.65	44,170.70	109,200.35
4/1/2021	66,029.33	43,322.77	109,352.10
10/1/2021	71,028.98	42,461.82	113,490.80
4/1/2022	71,028.58	41,535.67	112,564.25
10/1/2022	76,028.18	40,609.52	116,637.70
4/1/2023	78,027.71	39,618.19	117,645.90
10/1/2023	82,027.21	38,600.79	120,628.00
4/1/2024	84,026.67	37,531.23	121,557.90
10/1/2024	90,026.09	36,435.61	126,461.70
4/1/2025	89,025.44	35,261.76	124,287.20
10/1/2025	96,024.80	34,100.95	130,125.75
4/1/2026	96,024.07	32,848.88	128,872.95
10/1/2026	102,023.33	31,596.82	133,620.15
4/1/2027	103,022.51	30,266.54	133,289.05
10/1/2027	110,021.67	28,923.23	138,944.90
4/1/2028	110,020.75	27,488.65	137,509.40
10/1/2028	118,019.81	26,054.09	144,073.90
4/1/2029	117,018.77	24,515.23	141,534.00
10/1/2029	125,017.73	22,989.42	148,007.15
4/1/2030	125,016.59	21,359.31	146,375.90
10/1/2030	134,015.44	19,729.21	153,744.65
4/1/2031	133,014.16	17,981.79	150,995.95
10/1/2031	142,012.89	16,247.41	158,260.30
4/1/2032	142,011.50	14,395.70	156,407.20
10/1/2032	151,010.09	12,544.01	163,554.10
4/1/2033	151,008.56	10,574.99	161,583.55
10/1/2033	160,007.01	8,605.99	168,613.00
4/1/2034	160,005.35	6,519.65	166,525.00
10/1/2034	170,003.66	4,433.34	174,437.00
4/1/2035	170,001.88	2,216.62	172,218.50
Total	\$ 3,684,000.00	\$ 1,015,355.25	\$ 4,699,355.25

RETIREMENT PLAN

The Massachusetts General Laws provide for the establishment of contributory retirement systems for state employees, for teachers and for county, city and town employees other than teachers. Teachers are assigned to a separate statewide teachers' system and not to the city and town systems. For all employees other than teachers, this law is subject to acceptance in each city and town. Substantially all employees of an accepting city or town are covered. If a town has a population of less than 10,000 when it accepts the statute, its non-teacher employees participate through the county system and its share of the county cost is proportionate to the aggregate annual rate of regular compensation of its covered employees. In addition to the contributory systems, cities and towns provide non-contributory pensions to a limited number of employees, primarily persons who entered service prior to July 1, 1937 and their dependents. The Public Employee Retirement Administration Commission ("PERAC") provides oversight and guidance for and regulates all state and local retirement systems.

The obligations of a city or town, whether direct or through a county system, are contractual legal obligations and are required to be included in the annual tax levy. If a city or town, or the county system of which it is a member, has not established a retirement system funding schedule as described below, the city or town is required to provide for the payment of the portion of its current pension obligations which is not otherwise covered by employee contributions and investment income. "Excess earnings," or earnings on individual employees' retirement accounts in excess of a predetermined rate, are required to be set aside in a pension reserve fund for future, not current, pension liabilities. Cities and towns may voluntarily appropriate to their system's pension reserve fund in any given year up to five percent of the preceding year's tax levy. The aggregate amount in the fund may not exceed ten percent of the equalized valuation of the city or town.

If a city or town, or each member city and town of a county retirement system, has accepted the applicable law, it is required to annually appropriate an amount sufficient to pay not only its current pension obligations, but also a portion of its future pension liability. The portion of each such annual payment allocable to future pension obligations is required to be deposited in the pension reserve fund. The amount of the annual city or town appropriation for each such system is prescribed by a retirement system funding schedule which is periodically reviewed and approved by PERAC. Each system's retirement funding schedule is designed to reduce the unfunded actuarial pension liability of the system to zero by not later than June 30, 2030, with annual increases in the scheduled payment amounts of not more than 4.5 percent. The funding schedule must provide that payment in any year of the schedule is not less than 95 percent of the amount appropriated in the previous fiscal year. City, town and county systems which have an approved retirement funding schedule receive annual pension funding grants from the Commonwealth for the first 16 years of such funding schedule. Pursuant to recent legislation, a system (other than the state employees' retirement system and the teachers' retirement system) which conducts an actuarial valuation as of January 1, 2009, or later, may establish a revised schedule which reduces the unfunded actuarial liability to zero by not later than June 30, 2040, subject to certain conditions. If the schedule is so extended under such provisions and a later updated valuation allows for the development of a revised schedule with reduced payments, the revised schedule shall be adjusted to provide that the appropriation for each year shall not be less than that for such year under the prior schedule, thus providing for a shorter schedule rather than reduced payments.

City, town and county systems may choose to participate in the Pension Reserves Investment Trust Fund (the "PRIT Fund"), which receives additional state funds to offset future pension costs of participating state and local systems. If a local system participates in the PRIT Fund, it must transfer ownership and control of all assets of its system to the Pension Reserves Investment Management Board, which manages the investment and reinvestment of the PRIT Fund. Cities and towns with systems participating in the PRIT Fund continue to be obligated to fund their pension obligations in the manner described above. The additional state appropriations to offset future pension liabilities of state and local systems participating in the PRIT Fund are required to total at least 1.3 percent of state payroll. Such additional state appropriations are deposited in the PRIT Fund and shared by all participating systems in proportion to their interests in the assets of the PRIT Fund as of July 1 for each fiscal year.

Cost-of-living increases for each local retirement system may be granted and funded only by the local system, and only if it has established a funding schedule. Those statutory provisions are subject to acceptance by the local retirement board and approval by the local legislative body, which acceptance may not be revoked. The City has adopted the provisions for cost-of-living increases.

All full-time employees, other than teachers, whose employment commences prior to age sixty-five are eligible to participate in the City of New Bedford's Contributory Employees' Retirement System. Teachers and certain administrative employees of the School Department participate in a contributory retirement plan administered by the Massachusetts Teachers' Retirement Board. The City does not contribute to this plan.

The employee contributions to the System are 5% of regular compensation for employees who entered service before January 1, 1975 and 7% for those who entered on or after that date through December 31, 1983 and 8% for those who entered after January 1, 1984. As of July 1, 1996 the employee contribution rate for those entering service is 9%. All employees hired after January 1, 1979 pay an additional 2% for earnings greater than \$30,000 per year.

Investments of system assets in bonds are valued at amortized cost and equity investments are valued in the manner determined by the state Commissioner of Insurance.

As of January 1, 2020 there were 1,537 retired persons and surviving beneficiaries and 317 disables members currently receiving pensions in the system.

The following tables show the trend in contributions to the System.

Fiscal Year Ending June 30	City Contributions
2022 (budgeted)	\$33,851,345
2021	32,201,554
2020	30,527,351
2019	28,817,471
2018	27,741,711
2017	26,724,377

The City's unfunded actuarial accrued liability at January 1, 2020 is estimated at \$394,656,908 assuming a 7.5% rate of return. The amortization of the City's unfunded pension benefit obligation (as of the January 1, 2020 valuation) is shown below.

Appropriation Forecast

Fiscal Year Ending	Employer Normal Cost	Amortization Payment of UAL	Net 3(8)(c) Transfers	Total Employer Cost	Increase over Prior Year	Unfunded Actuarial Accrued Liability
2021	\$4,843,958	\$30,657,416	\$1,250,000	\$36,751,374		\$394,656,908
2022	5,013,497	32,222,451	1,500,000	38,735,948	5.40%	392,945,930
2023	5,188,969	34,138,720	1,500,000	40,827,689	5.40%	389,508,266
2024	5,370,583	36,235,291	1,500,000	43,105,874	5.58%	383,855,703
2025	5,558,554	38,452,628	1,500,000	45,511,182	5.58%	375,637,982
2026	5,753,104	40,797,603	1,500,000	48,050,707	5.58%	364,539,378
2027	5,954,462	43,277,473	1,500,000	50,731,935	5.58%	350,213,469
2028	6,162,868	45,899,909	1,500,000	53,562,777	5.58%	332,280,439
2029	6,378,568	48,673,012	1,500,000	56,551,580	5.58%	310,324,152
2030	6,601,818	51,605,339	1,500,000	59,707,157	5.58%	283,888,990
2031	6,832,882	54,705,935	1,500,000	63,038,817	5.58%	252,476,421
2032	7,072,033	57,984,351	1,500,000	66,556,384	5.58%	215,541,288
2033	7,319,553	61,450,676	1,500,000	70,270,229	5.58%	172,487,793
2034	7,575,738	65,115,570	1,500,000	74,191,308	5.58%	122,665,148
2035	7,840,889	68,800,029	1,500,000	78,140,918	5.32%	65,362,868
2036	8,115,320	-	1,500,000	9,615,320	-87.69%	-
2037	8,399,356	-	1,500,000	9,899,356	2.95%	-
2038	8,693,333	-	1,500,000	10,193,333	2.97%	-
2039	8,997,599	-	1,500,000	10,497,599	2.98%	-
2040	9,312,515	-	1,500,000	10,812,515	3.00%	-
2041	9,638,454	-	1,500,000	11,138,454	3.01%	-
2042	9,975,800	-	1,500,000	11,475,800	3.03%	-
2043	10,324,953	-	1,500,000	11,824,953	3.04%	-
2044	10,686,327	-	1,500,000	12,186,327	3.06%	-
2045	11,060,349	-	1,500,000	12,560,349	3.07%	-
2046	11,447,460	-	1,500,000	12,947,460	3.08%	-
2047	11,848,122	-	1,500,000	13,348,122	3.09%	-
2048	12,262,806	-	1,500,000	13,762,806	3.11%	-
2049	12,692,004	-	1,500,000	14,192,004	3.12%	-
2050	13,136,225	-	1,500,000	14,636,225	3.13%	-

SOURCE: January 1, 2020 Actuarial Valuation of the New Bedford Contributory Retirement System, KMS Actuaries, LLC.

Other Post-Employment Benefits

In addition to pension benefits, cities and towns may provide retired employees with health care and life insurance benefits. The portion of the cost of such benefits paid by cities or towns is generally provided on a pay-as-you-go basis. The recent trend in the City's annual contributions for its other post-employment benefits is as follows:

<u>Fiscal Year</u>	<u>Benefit Costs (1)</u>
2022 (estimated)(2)	\$ 19,061,000
2021	14,714,575
2020	15,742,454
2019	16,320,791
2018	16,720,767
2017	16,695,286

(1) Excludes annual life insurance costs of approximately \$250,000 to \$275,000 appropriated annually for this purpose.

(2) Benefits provided to retirees are not discretely budgeted. This estimate is based on the increase of total fiscal year 2022 budgeted medical costs over fiscal year 2021 actual total medical costs.

The Governmental Accounting Standards Board ("GASB") has promulgated its Statement Nos. 43 and 45, which will require public sector entities to report the future costs of these non-pension, post-employment benefits in their financial statements. These accounting standards do not require pre-funding such benefits, but the basis applied by the standards for measurement of costs and liabilities for these benefits is conservative if they continue to be funded on a pay-as-you-go basis and will result in larger yearly cost and liability accruals than if such benefits were pre-funded in a trust fund in the same manner as traditional pension benefits. Cities and towns that choose to self-insure all or a portion of the cost of the health care benefits they provide to employees and retirees may establish a trust fund for the purpose of paying claims. In addition, cities and towns may establish a trust fund for the purpose of pre-funding other post-employment benefits liability in the same manner as traditional pension benefits.

During fiscal 2015, the City Council voted to establish an OPEB Trust Fund, and elected to participate in the Massachusetts State Retiree Benefits Trust. An initial appropriation to the Fund of \$759,483 was approved on December 21, 2015.

The City adopted an OPEB Trust Fund policy on November 30, 2016. The policy establishes a minimum annual funding expectation equivalent to 10% of certified General Fund Free Cash. In fiscal year 2021, \$581,000 was funded, in compliance with the OPEB policy, bringing total funding to \$2,215,483 since the inception of the fund. The OPEB Trust Fund balance as of June 30, 2021 was \$3,321,021.

The City recently completed an exhaustive review of its health care program, with the objective of reducing retiree health care costs. Changes were made to plan features, including adjustments to copayments, deductibles and other elements of coverage. The City subsequently hired Sherman Actuarial Services, LLC to perform an actuarial valuation of non-pension, post-employment benefits. As of June 30, 2021, the City's OPEB liability was \$641,753,739, assuming a 2.50% investment return on a pay-as-you-go basis, and the actuarially determined contribution was \$17,530,168. Over the past several years, the City has adopted a number of measures to begin funding the unfunded liability. The City has established an OPEB Trust Fund and adopted financial policies that mandate contribution of a minimum 10% of annually certified Free Cash and 33% of the previous year's annual marijuana excise tax revenue toward the Trust. In addition, the City is committed to working with employees and its plan administrator to implement steps to further reduce the OPEB liability and develop pathways toward prefunding.

EMPLOYEE RELATIONS

As of June 2021 the City employed approximately 3,756 full- and part-time workers, of whom 2,626 are employed by the School Department, 302 by the Police Department, 229 by the Fire Department, 64 by the Department of Facilities and Fleet Management, 161 by the Department of Public Infrastructure and the balance of 348 by various other departments of the City. City employees (other than managerial and confidential employees) are entitled to join unions and to bargain collectively on questions of wages, hours and other terms and conditions of employment. Of the City's 3,756 employees, approximately 95% are represented by unions in seven separate bargaining units: police, fire, teachers, school administrators, school paraprofessionals, school support staff (clerks, custodians) and general municipal employees.

The City has collective bargaining contracts with its police union, fire union, and two AFSCME units. AFSCME Local 851 Unit A, representing general municipal government employees, has a contract in effect through June 30, 2022, and negotiations for a successor contract have started. AFSCME Local 851, Unit B, which represents EMS employees, had a contract in effect through June 30, 2021, and negotiations for a successor contract are continuing. The New Bedford Firefighters union, Local 842, has a contract through June 30, 2022, as a result of an interest arbitration award. The City and New Bedford Police Union are awaiting an interest arbitration award which will cover the period from July 1, 2018 through June 30, 2021. Negotiations for successor contracts with both the fire union and the police union will be starting in the winter or spring of 2022.

The New Bedford School Committee has collective bargaining contracts with its five school unions. AFSCME Local 641, representing building custodians, clerks, and certain food service workers, has a contract with the School Committee through June 30, 2023. The New Bedford Support Specialists Union (NBSSU), representing behavioral assistants, speech language pathologist assistants, wraparound coordinators, student mentors, and certified occupational therapy assistants, has a contract through June 30, 2023. The American Federation of Teachers, representing paraprofessionals and certain food service workers, has a contract through July 31, 2022, and is currently in negotiations for a successor contract. The New Bedford Educators Association (NBEA) Unit A representing teachers, and the NBEA Unit B representing school administrators, have contracts through June 30, 2022 and will be starting negotiations for successor contracts in the winter or spring of 2022.

LITIGATION

At present, there are various claims and cases pending against the City in courts or administrative bodies throughout the Commonwealth. In the opinion of the City Solicitor, none of these cases or claims are likely to affect the City's financial position.

In September 2021, the City prevailed in a jury trial against ABC Disposal Services, Inc. ("ABC"), the City's solid waste hauler, which alleged that the City owed it approximately \$2 million for excess costs that ABC had incurred because of a disruption in the recyclables market. ABC has agreed not to appeal the jury verdict.

The City notes that in 2021, it received a Notice of Responsibility from the Massachusetts Department of Environmental Protection ("DEP") and a Notice of Potential Liability and Invitation to Perform or Finance Proposed Removal Actions for the Bliss Corner Neighborhood Site in Dartmouth, Massachusetts from the United States Environmental Protection Agency ("EPA")(collectively "the Notices"). The Notices informed the City of its potential liability for lead and PCB soil contamination in the Bliss Corner neighborhood in Dartmouth and invited it to perform or finance removal actions. Upon information and belief, the Town of Dartmouth also received Notices. The City informed DEP and EPA that it was not in a position to assume responsibility for performing the removal actions and stated that the City had not received any specific information to support a reliable determination of liability. EPA and DEP are currently undertaking removal actions at the Bliss Corner site and could seek to recover costs from the City. The City does not know the amount of potential liability, if any, for such removal actions and would, if necessary and appropriate, avail itself all ability to pay policies and any other policies that might offer relief and protection from any cost recovery claims.

CITY OF NEW BEDFORD, MASSACHUSETTS
/s/ Ms. R. Renee Fernandes, City Treasurer

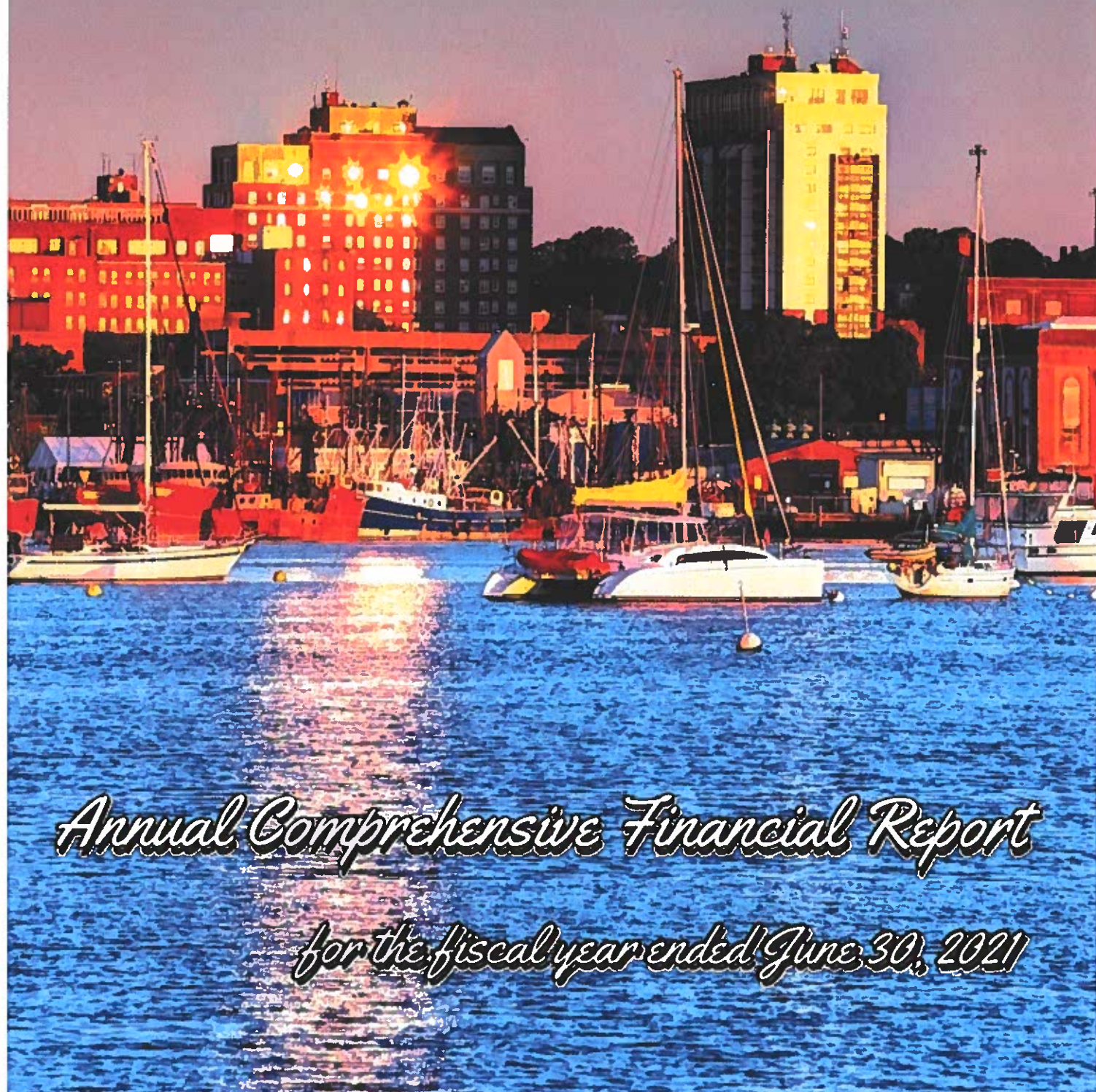
March 3, 2022

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Greetings from the

APPENDIX A

City of New Bedford, Massachusetts



Annual Comprehensive Financial Report
for the fiscal year ended June 30, 2021

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CITY OF NEW BEDFORD, MASSACHUSETTS

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2021

Jonathan F. Mitchell
Mayor

Michael J. Gagne
Interim Chief Financial Officer

Robert W. Ekstrom
City Auditor

*Prepared by:
Office of the City Auditor*

About the cover

The first rays of sun race across New Bedford's harbor and reflect off the facades of a waking downtown in this view looking westward from Fairhaven. Home to the largest fishing port in America and a base for offshore wind projects, the waterfront is a convergence of New Bedford's storied past and its gleaming future, while preserving the charm that endears this city to residents and visitors alike.

The cover photograph was taken by Denis Tangney of Lowell, MA and has been licensed from iStock / Getty Images. For more, visit Tangney's website at baystatephotos.com.

About the font: Described as an old-school flat brush script influenced by 1930s typefaces, *Yellowtail* was a font of choice on travel postcards that exploded in popularity during the early 20th century.

Curt Teich, a German-born printer who immigrated to America in 1895 to start his own company, seized an opportunity when the introduction of the automobile and the development of a national highway system converged and Americans took to the road. In 1931, he introduced the colorful linen-textured postcards that remain familiar today.

Picture postcards emerged in Europe in the early 1870s, but the linen-type postcards Teich produced were distinctly American. One popular format was the "Greetings From" style, inspired by the "Gruss Aus" postcards Teich had known as a young man in Germany. His American incarnation reflected the streamlined aesthetic of the time, featuring the name of a state, city, or attraction with miniature images of regional scenes depicted within. Even today, little else can welcome readers to New Bedford quite like a Teich-style greeting.

Much of the content of 'About the font' is from 'The Postcards That Captured America's Love For the Open Road' by Anne Peck-Davis and Diane Lapis, published by Zocalo Public Square, Nov. 20, 2018.



POST CARD.



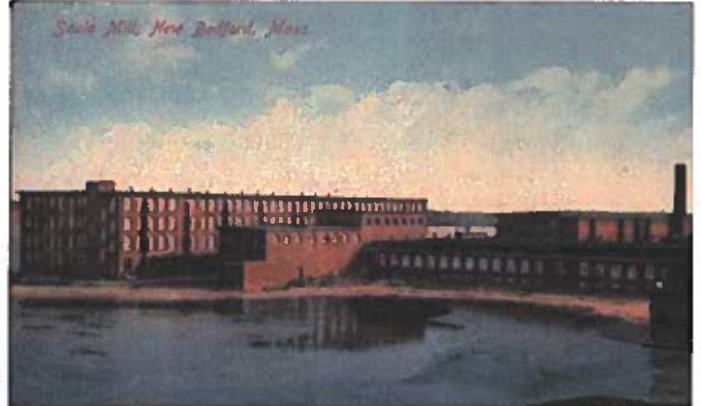
WHALERS AT PIER, NEW BEDFORD, MASS.



Left: A 19th Century depiction of a typical day on the City pier.

Below: As whaling ended, cotton textiles ramped. Soule Mill was among the first to integrate all phases of production in its mill along the Acushnet River.

Soule Mill, New Bedford, Mass.



Above: Downtown in the '60s. Textiles were gone and their plants refitted for other manufacturing.



Above left: The former 200-room New Bedford Hotel, billed as "the Gateway to the Cape," which still stands today. Above right: Its replacement, the 70-room New Bedford Harbor Hotel, which opened in 2018.

Pleasant St. North from Union St., New Bedford, Mass.



Above: A 19th-Century vista of the street corner where the New Bedford Harbor Hotel (left) now sits.

Below: Curt Teich's "Greetings From" influences are still at work in this downtown mural.



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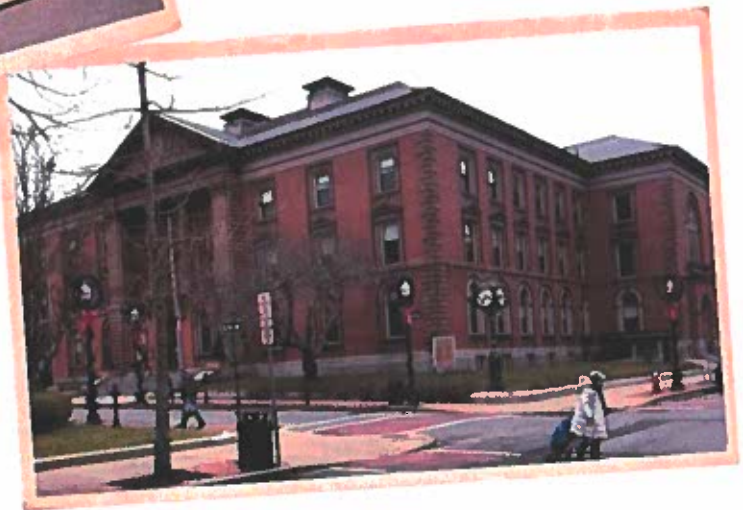
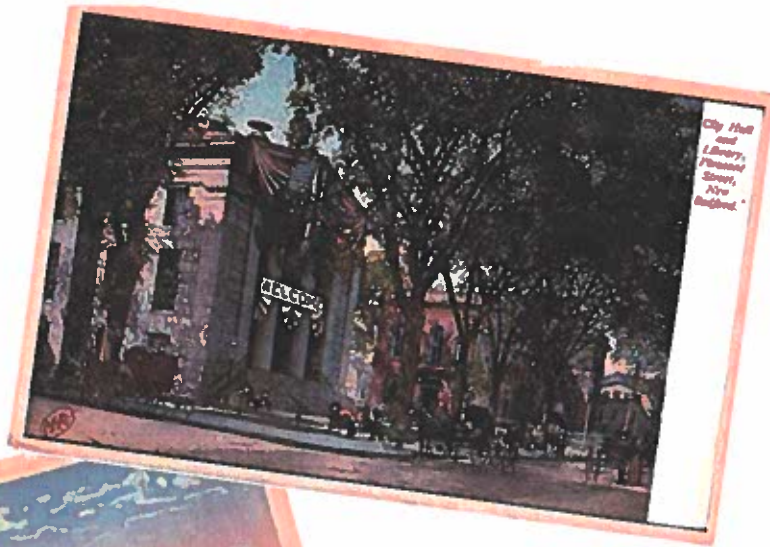
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Welcome to New Bedford City Hall



A favorite subject of turn-of-the-century postcards, New Bedford's City Hall remains one of the most photographed buildings in the City today.

*Top: the Free Public Library's main branch, which was built in 1839 as City Hall. After renovations following a 1906 fire, City government moved across the street to more spacious accommodations.
Middle: a postcard image of the former library shortly after it became City Hall.
Bottom: today, City Hall has aged remarkably well.*

Introductory Section





OFFICE OF THE CITY AUDITOR
ROBERT W. EKSTROM, CITY AUDITOR

CITY OF NEW BEDFORD

January 31, 2022

Mayor Jonathan F. Mitchell,
Members of the City Council,
and Citizens of New Bedford:

We are pleased to submit the Annual Comprehensive Financial Report (Financial Report or ACFR) for the City of New Bedford (City) as of June 30, 2021 and for the year then ended. The Financial Report was prepared by the Office of the City Auditor with the assistance of the City's external auditors and is intended to provide information regarding the financial position of the City. This report is prepared in accordance with U.S. generally accepted accounting principles (GAAP) as established by the Governmental Accounting Standards Board (GASB), and meets all requirements of the Commonwealth of Massachusetts, as well as the City Charter.

The responsibility for the accuracy, completeness, and fairness of the data presented, including disclosures, rests with the City. Management believes this report is accurate in all material respects and is presented in a manner which fairly sets forth the City's financial position and results of its operations. Management is also responsible for establishing and maintaining internal accounting controls designed to provide reasonable, but not absolute, assurance that these financial statements are complete and accurate in their presentation.

Pursuant to Section 35 of Chapter 44 of the Massachusetts General Laws (MGL), this Financial Report has been audited by Hague, Sahady & Co., P.C., a firm of independent public accountants, under the terms of a three-year agreement covering fiscal years 2019 through 2021. This audit has been conducted in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. The audit provides an independent review to help assure a fair presentation of the City's financial position and results of operations.

The City's federal grant funds are also audited annually as required by 2 CFR Part 200 (Uniform Guidance). The Uniform Guidance requires that an internal control review and a compliance audit be performed on selected major programs covering 40% of all federal expenditures. The United States Department of Education was assigned as the cognizant audit agency. The Uniform Guidance also requires that the auditors determine whether the City has complied with laws and regulations that may have a material effect on each of its major federal financial assistance programs. Hague, Sahady & Co., P.C. issues separate reports on the City's internal control systems and compliance with applicable laws and regulations that meet the requirements of the Uniform Guidance.

Management's Discussion and Analysis (MD&A) follows the independent auditors' report in this Financial Report and provides a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it.

Profile of the Government

New Bedford lies along the southeastern coast of Massachusetts approximately 56 miles south of Boston, occupying 24.1 square miles, including 4.1 square miles of water, at the confluence of the Acushnet River and Buzzard's Bay. Featuring a natural deep-water harbor and over 11 miles of coastline and riverfront, New Bedford is bordered by Dartmouth to the west, Freetown to the north, Acushnet and Fairhaven to the east, and Buzzard's Bay to the south.

Originally incorporated as a town in 1787, New Bedford became a City under Chapter 60 of the Acts of 1847 of the Commonwealth of Massachusetts. Since 1939, the City has operated under a Plan B Charter in accordance with MGL Chapter 43, Sections 56 through 63, which provides for a Mayor and City Council elected by voters. The Mayor, who serves as chief executive officer of the City and as ex officio chairperson of the School Committee, and has general supervision of and control over the City's boards, commissions, officers, and departments, is elected to a four-year term. The legislative body of the City is the City Council, which consists of 11 elected members serving two-year terms. One councilor is elected from each of the City's six voting wards, and five are elected at-large.

Mayor Jonathan F. Mitchell was first sworn into office as the City's 38th Mayor on January 2, 2012 and is currently serving in his fifth consecutive term - the first four of which were for two years - that will run until January 2024. Prior to his election as Mayor, Mitchell worked as a federal prosecutor with the United States Department of Justice, having been selected to the prestigious Attorney General's Honor Program. After three years in that role he returned to Massachusetts, where he worked in the Massachusetts Attorney General's Office and in private practice prior to his appointment as Assistant United States Attorney in Boston. Since Mitchell took office, New Bedford has moved aggressively to reform its school system, modernize its port, strengthen city services, improve financial health, and raise the quality of life in each neighborhood. Under his administration, New Bedford has emerged as a national leader in renewable energy and has twice posted the highest reduction in annual unemployment rates among American cities, each of which has contributed toward earning the City its highest bond ratings in more than 40 years.

Budgeting and Financial Reporting

The City budgets and maintains its books and records on a statutory basis of accounting prescribed by the Massachusetts Department of Revenue's Division of Local Services (DLS), which are then adjusted in order to present the accompanying financial statements in conformity with GAAP. Accounts are organized on a fund basis with each fund a separate accounting entity containing self-balancing accounts that comprise assets, liabilities, fund balance, revenues, and expenses or expenditures.

All City departments other than the School Department are required to submit budget requests in advance of the fiscal year beginning July 1 to the Chief Financial Officer, who aggregates and analyzes them for recommendation to the Mayor. In turn, the Mayor must submit a proposed expenditure budget to the City Council within 170 days after the annual organization of City government each January. The School Department's expenditure budget is separately prepared under the direction of the School Committee and is submitted as a single line item within the Mayor's proposed budget.

The City Council has 45 days to act on any item of the proposed budget, and if it does not do so that item takes effect. It may make appropriations for items within the Mayor's proposed budget or may reduce or reject any item, but it may not increase any item or make any appropriation for a purpose not included in the proposed budget, except in limited circumstances. If the Mayor does not submit a proposed budget timely, provision is made for the preparation of a budget by the City Council. The City Council can also make supplementary non-School appropriations, and in most cases can transfer appropriations within any department other than the School Department to another appropriation for the same or another department, but each action requires the recommendation of the Mayor. City Council authority over the School Department budget is limited to the single amount for which it made an appropriation; the School Committee retains full power to allocate the funds that were appropriated.

Under Massachusetts general law, proposed revenues, including the proposed tax levy and resulting tax rates, must be approved by the DLS before January 1 of each fiscal year. The approved tax levy must be sufficient to fund City Council appropriations as well as certain non-appropriated expenditures such as State and county assessments, contributions to an overlay reserve for future abatements, principal and interest not otherwise provided for, and legal judgments.

The basic financial statements are prepared on the GAAP basis of accounting and include government-wide statements of net position and activity for both governmental and business-type activities, and fund financial statements discretely presenting major funds and aggregating non-major funds by fund-type. In addition to its primary government, the statements include certain legally distinct entities presented as component units to emphasize their operational or financial relationship with the City. Major component units are discretely presented and include the Greater New Bedford Regional Refuse Management District and the New Bedford Harbor Development Commission. Non-major component units are blended and include the Greater New Bedford Workforce Investment Board and the New Bedford Redevelopment Authority. The notes to the financial statements further discuss the City's financial reporting entity.

Demographics

According to the U.S. Census Bureau, New Bedford's population has grown 6.3% over the past decade, from 95,072 in 2010 to 101,079 in 2020, making it the ninth largest city in Massachusetts. Consistent with its designation as an original Gateway city, New Bedford has been a settlement choice of immigrants since its whaling days. Based on American Community Surveys conducted by the Census Bureau over the most recent five-year period, 20% of New Bedford's inhabitants were born in a foreign country and 37% speak a language other than English at home.

Survey results also indicate that 76% of inhabitants aged 25 years or older graduated high school and 17% graduated college, trailing graduation rates of 91% and 44%, respectively, across Massachusetts. Per capita income of \$25,829 is also below the statewide average of \$43,761, while 20% of inhabitants live in poverty, about double that of the state as a whole.

The average household has 2.4 inhabitants; 60% are renter-occupied with a median monthly rent of \$847, approximately two-thirds of the state's median rent. Median household income of \$46,321 is 57% of the statewide median of \$81,215.

Local Economy

Positioned for success

New Bedford is a coastal community with a natural deep-water harbor, access to all modes of transport, and proximity to Boston, Providence, and Cape Cod, all of which provide the base for sustained growth and an ability to quickly adapt in an ever-changing economic climate. The City remains a preeminent commercial, industrial, and recreational center in southeastern Massachusetts. Tourists revel in New Bedford's historical charm, its 11 combined miles of coastline and riverfront, and its cultural significance as one of the largest Portuguese-American communities in America.

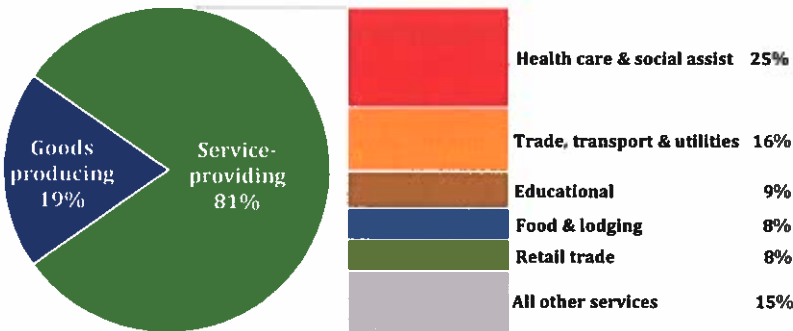
Highway connections from both U.S. Interstate Route 195 and Massachusetts Route 140, along with an expanded airport capable of providing jet service, make New Bedford an easy-access destination for commuters. Additionally, in July 2019 the MBTA broke ground on the \$8 billion South Coast Rail Project that will extend passenger rail service to New Bedford by the Fall of 2023 and will include two platforms and a layover yard located within the City.



Diversity of industries and workforce

Although it is best-known for its role in the seafood industry, New Bedford's 3,673 businesses (as of June 30, 2021) offer jobs across multiple industries, with 81% in the services sector and 19% in manufacturing. Among service sector industries, healthcare and social assistance accounts for one quarter of the City's workforce, followed by trade, transportation, and utilities

at 16%, education at 9%, and food and lodging and retail trade, both at 8%. The average weekly salary in manufacturing is \$1,540, while in the services sector it is \$940.



Composition of workforce by industry
Source: Massachusetts Dept. of Labor & Training

The City is positioned for a new economy with growth in emerging sectors such as medical device manufacturing and wind energy. It is also one of only 34 communities in Massachusetts to be awarded the prestigious 'Platinum BioReady Community' rating by the Massachusetts Biotechnical Council.



Containers of a different content: The evolution of New Bedford's economy is no more visible than in the activity of its port. To the left, a vintage postcard depicts barrels of sperm whale oil offloaded during whaling's heyday before the discovery of petroleum. Below, containers of wind turbine components awaiting offshore installation at a recently-constructed bulkhead at the southern tip of the Port.



The Port of New Bedford

For the twentieth consecutive year, the Port of New Bedford has been ranked as the largest fishing port in the United States by the National Oceanic and Atmospheric Administration. With a landed value of \$451 million in 2019 - the most recent year reported and an increase of 4.6% over 2018 - New Bedford's volume is 56% higher than the country's second-largest port. It's home to over 200 maritime-based businesses, including the New Bedford Marine Commerce Terminal, a multi-purpose facility designed to support the construction, assembly, and deployment of offshore wind projects; a cargo shipping and cruise industry; a shipyard; and facilities for bulk and break-bulk cargo and vessel repairs. The port is also a Foreign Trade Zone, providing duty-free manufacturing for an international base of importers and exporters. This growth has also fostered the development of a host of skilled labor professions that support the maritime economy.

Real estate and housing

New Bedford's residential real estate market continued its bullish run throughout 2021. The median sales price of a single-family residence reached \$354,000, by year-end, a sharp increase over the \$300,000 median sales price a year earlier according to market data published by the Massachusetts Association of Realtors. Over the full calendar year, single-family homes sold in 29 days on average compared to a 46-day average in 2020. Reflecting its characteristic as a seller's market, the average sales price of a home sold this past year was 2.9% above its listing price; in 2020, the average sales price was (0.4%) below list.

Expanding tax base

A rising real estate market has translated into increased assessed values across each of the City's property classes. Residential properties, which account for 80% of the City's total assessed value base, increased 3.4%, primarily due to a spike in single-family valuations based on sales trends. Commercial properties, the next largest class at 10% of total valuations, increased 5.2%, while industrial, which accounts for 5% of total valuations, increased by 9.9%. The remaining 5% of valuations are in personal property, which rose 9.3% due to new growth, particularly in public utilities revaluations that were driven more by methodology changes than through economic activity.

In total, New Bedford's property tax base has risen to \$7.39 billion as of January 1, 2021, the highest in City history and the eighth consecutive annual increase. Assessed valuations are now 41.4% higher than they were eight years ago, a compounded annual growth rate of 4.4%.

The City issued 3,742 building permit applications in fiscal year 2021, a 20.5% increase over 2020, while the construction value of those applications was \$112.1 million, 15.5% higher than a year earlier.

The City's labor force, as tracked by the Massachusetts Executive Office of Labor and Workforce Development, was at 46,274 in December 2021, of which 43,478 were employed. Over the past twelve months, the labor force shrunk by (1.7%) as employers continue to face challenges in filling positions. New Bedford's seasonally unadjusted unemployment rate as of December 31, 2021 was 6.0%, down from 10.2% a year earlier but still above its 20-year low of 4.1% in November 2019. Across Massachusetts, unemployment decreased to 3.5% in December 2021 from 8.9% a year earlier.

Economic recovery from the pandemic

As in every metropolitan city in the United States, the COVID-19 pandemic adversely affected citizens and businesses within New Bedford, but the ensuing recovery has been testament to the community's resilience and the diversity of its economy. The table to the right compares selected economic measures for the quarter ended June 30, 2020 – the first following the pandemic's outbreak, to the same quarter in 2021.

New Bedford selected indicators

For three months ended June 30

	2020	2021	Inc (Dec)
Businesses	3,639	3,673	0.9%
Workforce	31,528	35,690	13.2%
Unemployment	20.7%	7.9%	(12.8) pp
Payroll (millions)	\$ 419.7	\$ 498.3	18.7%
Lodging (millions) ⁽¹⁾	\$ 0.9	\$ 5.4	492.6%
Food & bev (millions) ⁽¹⁾	\$ 67.3	\$ 96.6	43.5%

⁽¹⁾ Data provided by MA DOR is for the six months ending August 31 of each year since June 30 reporting periods are not available.

Financial Overview and Policy Compliance

Many of the City's expenditures are governed by State law. MGL Chapter 44, Section 31 prohibits the expenditure of funds beyond those appropriated by city council. MGL Chapter 70, Section 6 requires an annual appropriation for the support of public schools in an amount not less than the sum of the minimum required local contribution, federal impact aid, and all state school aid and grants for education, collectively referred to as net school spending. The statute does permit the carryforward of deficits under many circumstances. MGL Chapter 78, Section 19C requires an annual appropriation for the support of public libraries in an amount not less than 102.5% of the average appropriation for public libraries for the three immediately preceding fiscal years. As of June 30, 2021, the City was compliant with all expenditure provisions other than net school spending, which carried a cumulative deficit of \$8.4 million into FY 2022.

Commonwealth law also regulates property taxes and other sources of income. MGL Chapter 59, Section 21C, commonly referred to as Proposition 2½, limits the annual tax levy to 2.5% of assessed valuation and 102.5% of the prior year's tax levy plus new growth. Further, under Section 23, annual tax rates may not be set until approved by the DOR commissioner, which is done through the DLS's Bureau of Accounts. The director of accounts must certify any General Fund funds available at the end of each fiscal year, commonly known as 'free cash,' before they can be further appropriated. Although utility rates and fees do not require the director's approval, enterprise fund retained earnings must be similarly certified as available, which are referred to as 'excess retained earnings.'

In addition to Commonwealth oversight, the City has implemented formal financial policies that govern short- and long-term investment decisions, debt issuance and management practices, as well as the preservation of fund balance. The latter policy is partially achieved through the establishment of stabilization funds within its General Fund, its Wastewater Fund, and two enterprise funds that may be utilized to protect against reductions in municipal services, and to manage temporary revenue shortfalls and unanticipated one-time expenditures. By policy, a minimum of 10% of certified free cash, along with 33% of any future marijuana excise taxes, is committed to the City's Other Post-Employment Benefits (OPEB) Trust Fund, and 25% of free cash is committed to General Fund stabilization funds. Stabilization fund balances are targeted at between 2% and 6% of the annual operating budget. As of June 30, 2021, General Fund stabilization funds totaling \$12.0 million represented 3.1% of FY 2022's operating budget.

In January 2021, S&P Global Ratings assigned its 'SP-1+' rating to the City's most recent sale of general obligation bond anticipation notes (BANs). This short-term rating reflects S&P's opinion of New Bedford's general creditworthiness and market-risk profile, which they consider low, citing the City's strong legal authority to issue long-term debt to retire the notes and its ongoing disclosure to market participants.

In September 2020, S&P Global Ratings affirmed its 'AA-' underlying rating on the city's general obligation debt outstanding. The outlook on the long-term rating is stable, reflecting the outlook on the state of Massachusetts, and the outlook on the underlying rating is also stable. S&P cited several factors contributing to the affirmation, including assessments of "Very Strong" in management and "Strong" in both liquidity and institutional framework. The City's AA-/Stable bond rating was first awarded in 2014.

The City's last rating from Moody's was A1/Stable, which was affirmed in April 2018.

Long-Term Financial Planning

In 2016, management implemented its first long-range financial plan in an effort to better assess the impact of policy decisions and economic factors on fund balance by incorporating assumptions of future tax assessments and collection rates and the potential impact of labor, benefits, and inflation on overall expenditures. The long-range plan covering 2021-2025 will require a compounded annual growth rate, or CAGR, of 3.0% in order to meet operating, capital, and debt service expenditures, and to preserve the General Fund's fund balance.

Following the recommendations of the Massachusetts Department of Revenue, GASB, and the City's rating agencies, New Bedford adopted a formal capital improvement program (CIP) in fiscal year 2014 to coordinate community planning, financial capacity, and physical development requirements. Since then, the CIP has been updated each year. The 2021-2025 update identifies 23 capital projects with aggregated expenditures of \$120.7 million, highlighted by \$59.8 million for future school replacement or renovation projects that will be leveraged by grants from the Massachusetts School Building Authority (MSBA). Another \$18.2 million will be set aside as part of the City's capital asset preservation program, of which \$12.5 million will be spent on roadway and public infrastructure improvements. More than 91% of the 2021-2025 CIP will be financed through bonded debt, with the remainder financed by anticipated grants and lease-purchase debt.

During fiscal year 2021, the City Council authorized \$5.8 million in new debt to finance the current year's portion of the 2021-2025 CIP, which includes renovations to police headquarters, upgrades in public safety communication systems, and roads and infrastructure improvements. As of June 30, 2021, \$13.8 million of CIP-related bond authorizations remain unissued.



The 2021-2025 CIP provides \$59.8 million, or nearly half the five-year total, toward the City's local share of school renovation and replacement projects costing a combined \$158 million. Among the largest projects, \$70 million is for replacement of both the James B. Congdon Elementary School (left, top), a 2019 and 2020 recipient of the U.S. Department of Education's National Blue Ribbon School award, and the John B. DeValles Elementary School (left, bottom). Constructed in 1907 and 1913, respectively, Congdon and DeValles are among the oldest of 19 public elementary schools in the city. An estimated \$72 million in high school renovations has been included for 2025, the final year of the current CIP.

In November 2014, voters approved adoption of the Community Preservation Act (CPA), which authorized the City to levy a 1.5% surcharge on its real property tax levy, dedicate revenue other than from state or federal funds, and to receive state matching funds for: (i) the acquisition, creation, preservation, rehabilitation and restoration of land for recreational use, open space, and affordable housing; and (ii) the acquisition, preservation, rehabilitation and restoration of historic resources. Appropriation and expenditure of CPA funds is overseen by the City's Community Preservation Committee, whose members were appointed in May 2016. The City began collecting the CPA surcharge in fiscal year 2016. Total collections through June 30, 2021 were \$7.3 million, including \$1.1 million from state matching funds, all of which are recorded in a separate special revenue fund. Fund balance was \$3.5 million as of June 30, 2021.

Other Relevant Financial Information

Approximately 3,000 City employees, or 95% of its total workforce, are represented by one of eight collective bargaining units, six having agreements in place that expire on June 30, 2021 or beyond. Negotiations are presently in progress for new agreements with the New Bedford Police Union and one School bargaining unit.

In 2014 the City implemented a performance measurement program intended to enhance accountability in City operations that directly contributed to the creation of an award-winning budget document (see *Awards* below). In 2016, Open Checkbook, a portal allowing the general public direct visibility into most City expenditures, was launched. The portal is located on the Auditor's Office page of the City's website at www.newbedford-ma.gov/auditors-office/opencheckbook.

Awards

In December of 2021, the City received its first-ever Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA), an association of municipal finance professionals across the United States and Canada. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Financial Report that satisfies both GAAP and applicable state and local reporting requirements. The Certificate of Achievement was awarded for the City's fiscal year 2020 Financial Report and came four years after it first expanded to a comprehensive reporting model for the fiscal year ended June 30, 2017. Management plans to submit this enclosed Financial Report for consideration of a successive Certificate of Achievement.

Earlier in 2021, the City also received its fifth consecutive GFOA Award for Distinguished Budget Presentation for the fiscal year ending June 30, 2021. Its budget was judged to be proficient in several categories as a policy document, financial plan, operations guide, and a communications device. Only 27 Massachusetts municipalities, and 1,114 municipalities nationwide, received the award for 2020, the most recent year available. The award continues to represent a significant achievement and reflects management's ongoing efforts to improve business operations and increase transparency in City finances. Management has submitted its fiscal year ending June 30, 2022 budget to the GFOA and anticipates a sixth consecutive award.

Acknowledgements

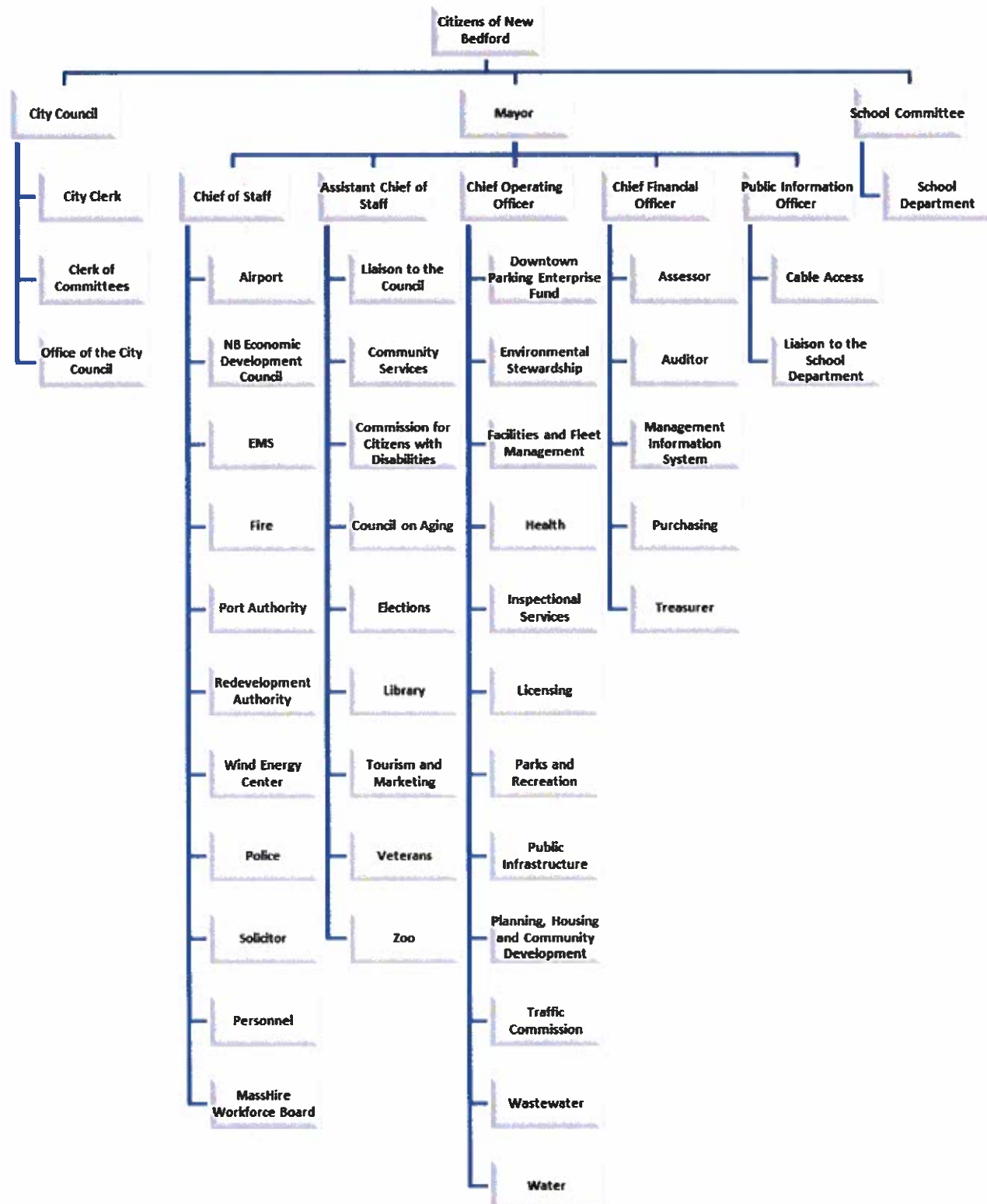
I would like to express appreciation to the administration of the City of New Bedford for providing the support and resources that made preparation of this Financial Report possible. This was a combined effort that required considerable time and content from the Chief Financial Officer's office, individual departments within the City, and the staff of the School Department and each component unit. The professional team at Hague, Sahady & Co., P.C. must be recognized for their many years of counseling, technical assistance, and continued support that have culminated in our receipt of the highest honor in municipal financial reporting. Finally, I wish to thank the many Federal, state, and local recipients of this report for your continued interest in the financial operations of the City.

The City's general-purpose financial statements for fiscal years 2009 through 2016 and its Annual Comprehensive Financial Reports for fiscal years 2017 through 2021 can be found on the Auditor's Office page of the City's website at www.newbedford-ma.gov/auditors-office/annual-financial-reports.

Respectfully submitted,

Robert W. Ekstrom
City Auditor

Organizational Chart of City Government



List of Elected and Appointed Officials

as of June 30, 2021

Mayor

Jonathan F. Mitchell

City Council Members

Joseph P. Lopes	City Council President, Councilor, Ward 6
Ian Abreu	Councilor at Large
Naomi R.A. Carney	Councilor at Large
Debora Coelho	Councilor at Large
Brian K. Gomes	Councilor at Large
Linda M. Morad	Councilor at Large
William Brad Markey	Councilor, Ward 1
Maria E. Giesta	Councilor, Ward 2
Hugh Dunn	Councilor, Ward 3
Derek Baptiste	Councilor, Ward 4
Scott J. Lima	Councilor, Ward 5

School Committee Members

Jonathan F. Mitchell	Chairperson, Ex-officio
Colleen Dawicki	Vice Chairperson
Joshua Amaral	Committee Member
Christopher A. Cotter	Committee Member
Joaquim B. Livramento, Jr.	Committee Member
Bruce J. Oliveira	Committee Member
John A. Oliveira	Committee Member

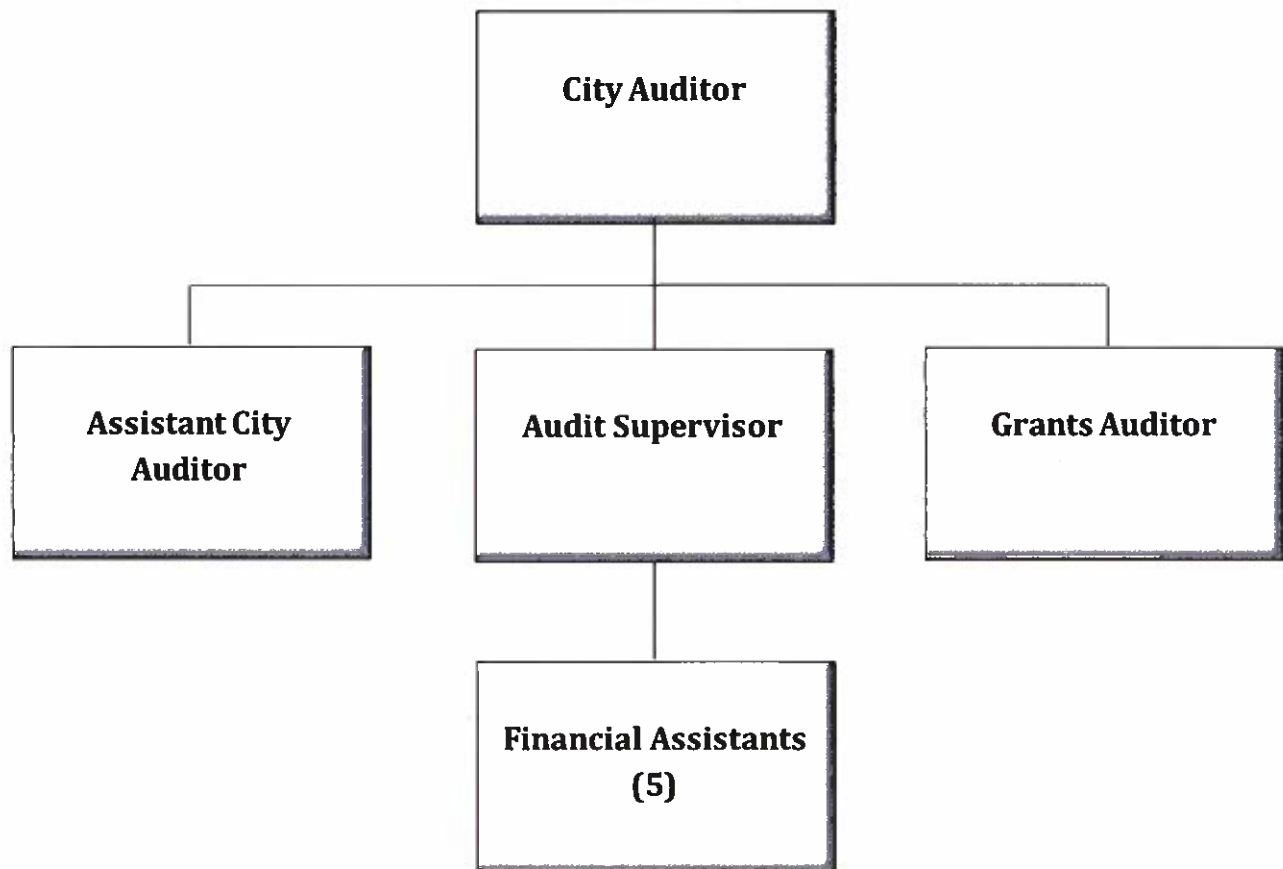
Appointed Administrative Officers, General Government

Michael J. Gagne	Interim Chief Financial Officer
Mikaela McDermott	City Solicitor
Dennis W. Farias	City Clerk
R. Renee Fernandes	City Treasurer and Collector
Robert W. Ekstrom	City Auditor

Appointed Administrative Officers, School Department

Thomas Anderson	Superintendent of Schools
Andrew O'Leary	Assistant Superintendent of Finance and Operations

Organizational Chart of the Office of the City Auditor



List of Office of the City Auditor Personnel

as of June 30, 2021

Robert W. Ekstrom, City Auditor

Brennan Morsette	Assistant City Auditor
Geraldine Calheta	Audit Supervisor
Ana de Barros	Grants Auditor
Teresa Alves	Financial Assistant
Carissa Frates	Financial Assistant
Cheryl Gundersen	Financial Assistant
Kathleen Savage	Financial Assistant
Brandy Silva	Financial Assistant



Government Finance Officers Association

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For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

Financial Section



HAGUE, SAHADY & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

126 President Avenue

Fall River, MA 02720

TEL. (508) 675-7889

FAX (508) 675-7859

www.hague-sahady.com

To the Honorable Mayor and Members of the City Council
City of New Bedford, Massachusetts

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major governmental fund, each major enterprise fund, and the aggregate remaining fund information of the City of New Bedford, Massachusetts ("the City"), as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major governmental fund, each major enterprise fund, and the aggregate remaining fund information of the City of New Bedford, Massachusetts, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules listed under Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining, individual fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining, individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining, individual fund statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2022, on our consideration of the City of New Bedford, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of New Bedford, Massachusetts' internal control over financial reporting and compliance.

Hague, Sahady & Co, CPAs, P.C.

Hague, Sahady & Co., CPAs, P.C.
Fall River, Massachusetts
January 31, 2022

Management's Discussion and Analysis

The City of New Bedford, Massachusetts (City) is providing the following Management's Discussion and Analysis as a narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021. This discussion should be read in conjunction with the information presented within the City's Annual Comprehensive Financial Report (ACFR).

Financial Highlights:

- On a government-wide basis, primary government net position decreased (\$3.3) million during fiscal year 2021, to a deficit of (\$433.4) million as of June 30, 2021. Aggregated component units net position increased \$7.7 million to \$93.3 million at June 30, 2021, which is principally comprised of \$50.2 million of New Bedford Harbor Development Commission capital assts and \$26.8 million in restricted cash held by the Greater New Bedford Regional Refuse Management District.
- The General Fund, which comprises 76% of all governmental fund expenditures, reported a \$1.2 million increase in its fund balance to close at \$32.7 million at June 30, 2021, representing 7.9% of total annual expenditures and transfers out.
- Fund balances among all governmental funds increased \$14.1 million to \$79.9 million at June 30, 2021. The increase was largely comprised of \$8.1 million in the City-owned Buildings Fund, a non-major fund, and \$5.4 million in the South Public Safety Center Fund.
- Enterprise funds net position decreased (\$2.9) million, to \$20.0 million at June 30, 2021, driven primarily by the Airport Fund, which decreased (\$2.2) million. The Water Fund, representing 72% of all enterprise fund operating expenses, reported a (\$0.1) million decline in net position.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of the government-wide financial statements (pages 20-23), fund financial statements (pages 24-35), and notes to the financial statements (pages 36-83). This report also contains other required supplementary information in addition to the basic financial statements (pages 84-99), unaudited combining and individual funds statements (pages 100-119), and unaudited statistical information (pages 120-147).

Government-wide financial statements: The government-wide financial statements include a statement of net position and a statement of activities, each designed to provide readers with a broad overview of the City's financial condition in a manner similar to a private-sector business. The statement of net position presents information on City assets, deferred outflows, liabilities, and deferred inflows, with differences between these amounts representing net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements of the City are divided into three categories:

- **Governmental activities**, which are those primarily supported by taxes, intergovernmental revenues, and local receipts. Most services normally associated with city government fall into this category, including general government, education, public safety, public works, community and economic development, and culture and recreation.
- **Business-type activities**, which are those primarily supported through user charges and fees. These include water treatment and distribution, municipal airport and cable access operations, and parking operations for a designated section of the downtown area.
- **Component units**, which are legally separate entities functioning independent of the City for which the City has financial accountability. For the most part, these entities operate much like private sector businesses. The City's four component units are the Greater New Bedford Regional Refuse Management District and Harbor Development Corporation, both of which are reported as major component units; and the Greater New Bedford Workforce Investment Board and New Bedford Redevelopment Authority, each reported as nonmajor. Additional information about the City's component units is presented in the notes to the financial statements.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund financial statements focus on individual parts of City government, reporting the City's operations in more detail than the government-wide financial statements. All funds of the City belong to one of three fund-types, each using different accounting principles, as follows:

- **Governmental funds** account for most basic services provided by City government and are essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements. Under this approach, which uses the flow of current financial resources measurement focus and the modified accrual basis of accounting, revenues are recorded when cash is received or when susceptible to accrual (i.e., measurable and available to liquidate liabilities of the current period). Expenditures are generally recorded when liabilities are incurred, except for those related to long-term liabilities that are recorded when they become due and payable. These statements provide a detailed short-term view of the City's financial health to assist in determining the adequacy of financial resources available to meet current needs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds to information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison. These reconciliations are presented on the pages immediately following each governmental fund financial statement.

The City's five major governmental funds are the General, Wastewater, HOME Investment Partnership Program, American Rescue Plan Act, and the South Public Safety Center funds. Non-major governmental funds include special revenue, capital projects, and permanent trust funds and are aggregated in the governmental funds financial statements, which can be found on pages 24-29. Combining schedules discretely presented non-major governmental funds are included as non-required supplementary information on pages 104-109.

The General Fund and Wastewater Fund are the only governmental funds for which a budget is legally adopted. These budgets are prepared on a "budgetary" basis instead of GAAP. Among the key differences between these two sets of accounting principles are that: property taxes are recorded as levied under the budgetary basis, but as they become susceptible to accrual under GAAP; certain transactions are recorded in the General Fund under the budgetary basis but in separate funds under GAAP; and amounts raised to cover prior year deficits or raised from prior year surpluses are recorded as revenues and expenditures under the budgetary basis but are not recorded under GAAP. Schedules of revenue and expenditures comparing original and final budgets to actual expenditures on the budgetary basis for both the General and Wastewater funds are presented as required supplementary information on pages 84-90, followed by a reconciliation of budgetary to GAAP financial statements on page 91.

- **Proprietary funds** account for activities operating more like those of commercial enterprises. Like the government-wide financial statements, proprietary fund financial statements use the economic resources measurement focus and accrual basis of accounting. There are two types of proprietary funds. *Enterprise funds* provide the same type of information as the business-type activities of the government-wide financial statements, only in more detail. The City uses enterprise funds to account for its water, municipal airport, cable access, and downtown-area parking operations, with a separate annual budget adopted for each. The *internal service fund* accumulates and allocates medical claims incurred by employees and retirees of the City or agencies of the City. Therefore, this fund is presented as a governmental activity in the government-wide financial statements. The proprietary funds financial statements can be found on pages 30-33.
- **Fiduciary funds** account for resources held for the benefit of parties outside City government. Fiduciary funds are not reflected in the government-wide financial statements because their resources are not available to support the City's own programs. Similar to proprietary funds, fiduciary funds financial statements use the economic resources measurement focus and accrual basis of accounting. The City's fiduciary funds include the New Bedford Contributory Retirement System, Other Postemployment Benefits (OPEB) Trust Fund, and private purpose trust and agency funds, which include deposits held and administered by the City on behalf of third parties. The fiduciary funds financial statements can be found on pages 34-35.

Notes to the financial statements: The notes on pages 36-83 provide additional information essential to a full understanding of the data provided in the government-wide and funds financial statements.

Other information: In addition to the basic financial statements, this report presents certain required supplementary information and other supplementary information demonstrating the City's compliance with legally-adopted budgets for its General, Wastewater, Water, Airport, Cable Access, and Downtown Parking funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position:

The City's primary government net position was in deficit balances of (\$433.5) million and (\$430.1) million as of June 30, 2021 and 2020, respectively. The table below summarizes net position for both governmental and business-type activities.

Summary of Net Position as of June 30, 2021 and 2020 (In millions)						
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
ASSETS:						
Current	\$ 231.0	\$ 199.7	\$ 14.1	\$ 13.2	\$ 245.1	\$ 212.9
Non-current	18.5	24.2	0.2	0.2	18.7	24.4
Capital	446.7	436.6	124.9	111.5	571.6	548.0
Total assets	696.2	660.5	139.2	124.8	835.4	785.3
DEFERRED OUTFLOWS OF RESOURCES	97.1	117.1	5.1	6.1	102.2	123.2
TOTAL ASSETS & DEFERRED OUTFLOWS	793.3	777.6	144.3	130.9	937.6	908.5
LIABILITIES:						
Current	94.7	117.4	5.2	4.4	99.9	121.8
Non-current	1,091.2	1,072.5	115.9	101.5	1,207.1	1,174.0
Total liabilities	1,185.9	1,189.9	121.1	105.9	1,307.0	1,295.8
DEFERRED INFLOWS OF RESOURCES	60.9	40.7	3.2	2.1	64.1	42.8
TOTAL LIABILITIES & DEFERRED INFLOWS	1,246.8	1,230.6	124.3	108.0	1,371.1	1,338.6
NET POSITION:						
Net investment in capital assets	246.3	241.2	52.5	54.2	298.8	295.4
Restricted	55.4	48.9	5.9	6.7	61.3	55.6
Unrestricted	(755.2)	(743.0)	(38.4)	(38.0)	(793.6)	(781.0)
Total net position	\$ (453.5)	\$ (453.0)	\$ 20.0	\$ 22.9	\$ (433.5)	\$ (430.1)
(Differences may exist due to rounding)						

The largest portion of the City's net position is its investment in capital assets net of outstanding debt used to acquire those assets, which totaled \$298.8 million and \$295.4 million in 2021 and 2020, respectively. Capital assets are used to provide services to residents and are therefore not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Deficit net position balances reported in the City's unrestricted net position for both its governmental and business-type activities as of June 30, 2021 and 2020 are mainly the result of recording liabilities for its proportionate share of the New Bedford Contributory Retirement System's NPL as prescribed by GASB Statement No. 68 and described further in Note 9 to the financial statements (which begins on page 57), and its NOL in accordance with GASB Statement No. 75, described in Note 10 (which begins on page 64).

Changes in net position:

Governmental activities decreased the City's net position by (\$0.5) million and (\$68.3) million in fiscal years 2021 and 2020, respectively, as summarized in the table below.

Summary of Changes in Net Position as of June 30, 2021 and 2020 (In millions)						
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
REVENUES:						
Program revenues:						
Charges for services	\$ 58.1	\$ 54.8	\$ 18.4	\$ 17.8	\$ 76.5	\$ 72.6
Operating grants & contributions	301.1	238.8	0.1	0.1	301.2	238.9
Capital grants & contributions	18.8	26.9		31.8	18.8	58.7
General revenues:					-	-
Property taxes	133.8	129.6			133.8	129.6
Motor vehicle excise taxes	10.0	9.8			10.0	9.8
Tax liens, fines, and other	3.1	1.7			3.1	1.7
Intergovernmental	24.4	24.4			24.4	24.4
Earnings on investments	2.1	2.0	0.5	0.2	2.6	2.2
Other	4.4	3.5	-	0.1	4.4	3.6
Total revenues	555.8	491.5	19.0	50.0	574.8	541.5
PROGRAM EXPENSES:						
General government	29.4	30.3		-	29.4	30.3
Public safety	74.9	95.1		-	74.9	95.1
Public works	55.8	101.4		-	55.8	101.4
Health and human services	6.9	7.3		-	6.9	7.3
Education	370.0	329.7		-	370.0	329.7
Community & economic development	5.4	5.3		-	5.4	5.3
Culture and recreation	11.1	11.9		-	11.1	11.9
Interest on debt service	6.2	6.6		-	6.2	6.6
Water			13.5	13.3	13.5	13.3
Municipal airport			3.1	2.8	3.1	2.8
Traffic			1.1	1.3	1.1	1.3
Cable access			0.8	0.8	0.8	0.8
Total program expenses	559.7	587.6	18.5	18.2	578.2	605.8
Change in net position before transfers and special items	(3.9)	(96.1)	0.5	31.8	(3.4)	(64.3)
TRANSFERS AND SEPCIAL ITEMS:						
Transfers	3.4	27.8	(3.4)	(27.8)	(0.0)	(0.0)
Changes in net position	(0.5)	(68.3)	(2.9)	3.9	(3.4)	(64.4)
Net position, beginning of year	(453.0)	(384.7)	22.9	19.0	(430.1)	(365.7)
Net position, end of year	\$ (453.5)	\$ (453.0)	\$ 20.0	\$ 22.9	\$ (433.5)	\$ (430.1)

(Differences may exist due to rounding)

The fiscal year 2021 decrease is primarily from General Fund revenue, which was down (\$3.1) million as a result of the economic effects of the pandemic. This shortfall was anticipated and was managed with an appropriation of \$3.5 million of unrestricted fund balance designated as free cash by the Massachusetts Department of Revenue (DOR).

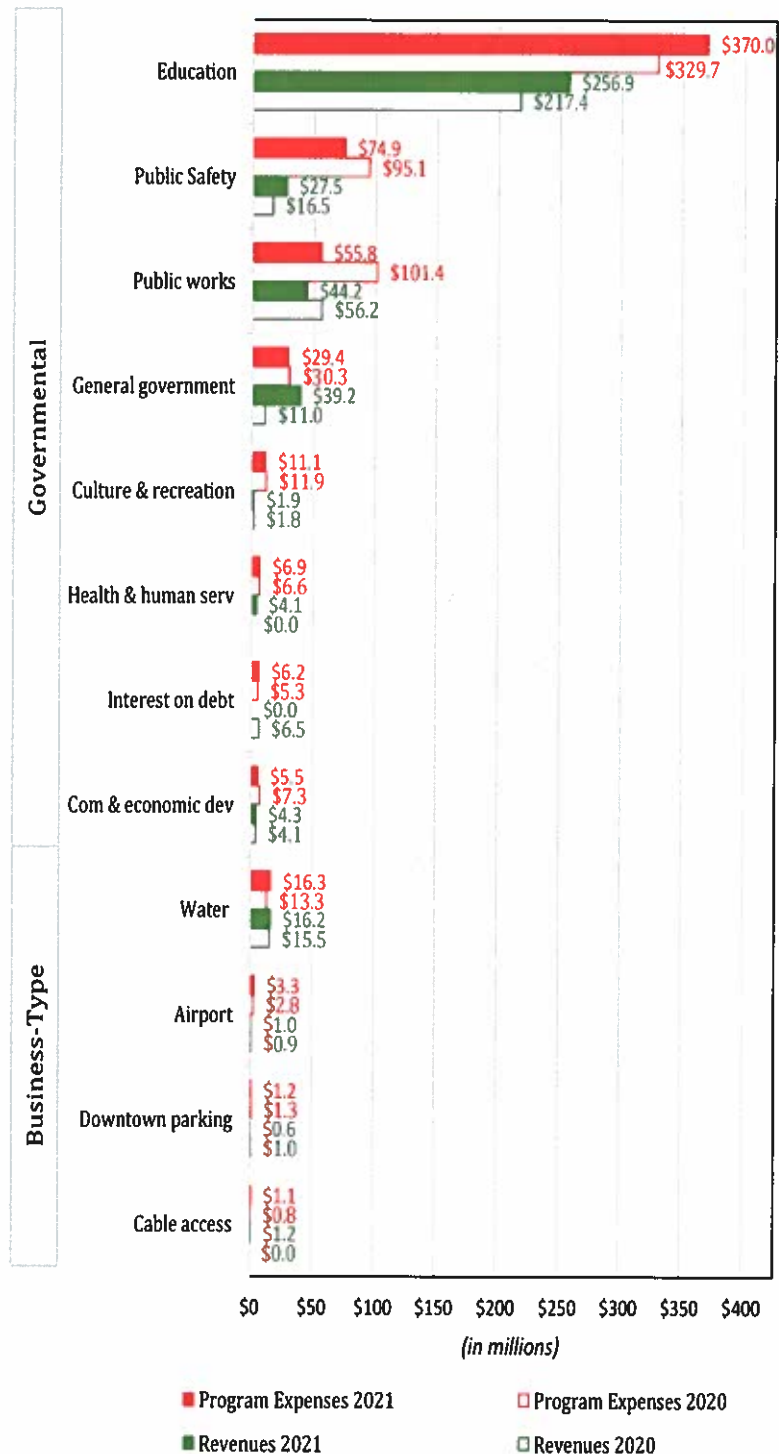
Business-type activities decreased net position by (\$2.9) million in fiscal year 2021 following a 2020 increase of \$3.9 million, as summarized in the table on the previous page. Airport Fund operations drove (\$2.2) million of the decrease as user fees are designed to recover the local share of debt service costs rather than depreciation on infrastructure improvements.

Activities by function:

Education continues to be the largest function of City government, accounting for \$370.0 million, or 66.1%, of primary government program expenses. It's also the largest beneficiary of non-tax revenue sources, receiving \$256.9 million, or 69.4% of expenses, from user fees, contributions, and grants. Fiscal year 2021 net program expenses were \$113.1 million, an increase of \$22.7 million, or 25.1%, over 2020. Beginning in 2021, the School Department is being directly charged for costs of school employees' medical costs and health insurance, which totaled \$23.2 million for the year.

Program expenses for all other governmental activities totaled \$189.8 million, of which \$121.2 million, or 63.9% of expenses, was funded through non-tax sources. Net program expenses of \$68.6 million were 55.4% less than a year ago. Timing differences between recognition of infrastructure capital project expenditures and their permanent financing reduced public works net expenses by (\$42.4) million. Additionally, the direct charging of School employees' medical costs decreased general government net expenses by (\$23.2) million.

Business-type activities, which are intended to be self-sufficient, incurred net program expenses of \$2.9 million, which was (\$1.1) million below the prior year due to additional FAA and MassDOT grants for airport runway improvements.



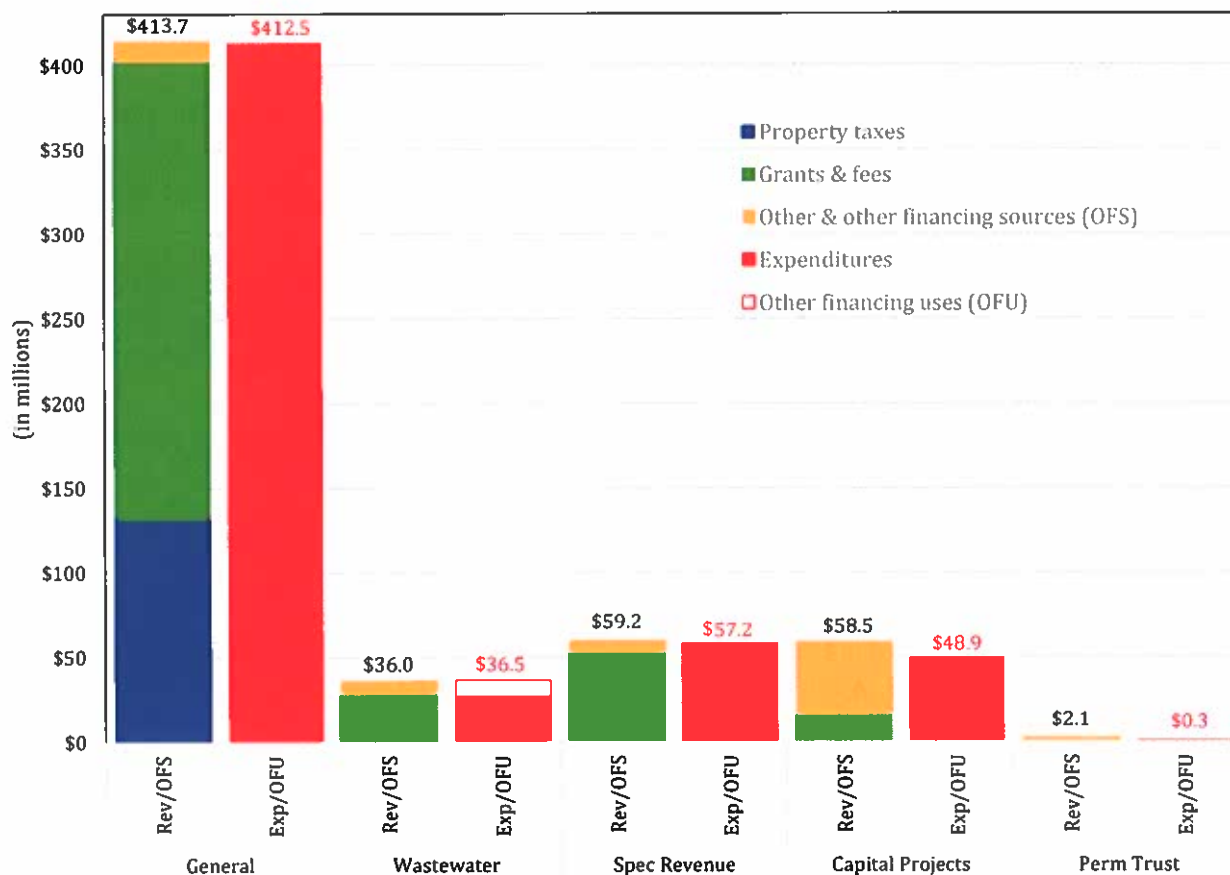
GOVERNMENT FUNDS FINANCIAL ANALYSIS

This analysis is based on the City's governmental, proprietary, and fiduciary funds. As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds:

The focus of the City's governmental funds is to provide information on the near-term inflows, outflows, and balances of spendable resources, particularly in unassigned fund balance, which serves as a useful measure of the City's financial position at the end of each fiscal year.

Combined fund balance of all governmental funds increased \$14.1 million during the year to close at \$79.9 million as of June 30, 2021. Total revenues and other financing sources (OFS) of \$569.5 million were \$65.8 million, or 13.1%, higher than in 2020, while expenditures and other financing uses (OFU) rose \$42.2 million, or 8.2%, to \$555.4 million. The table below shows fiscal year 2021 activity for each governmental fund.



Governmental Funds, FY 2021

Of total fund balance, \$60.1 million is either nonspendable or restricted. Fund balances committed - which represent stabilization funds, assigned, and unassigned total \$19.8 million at June 30, 2021, \$8.8 million above the previous year. A breakdown of the components within each category of fund balance is presented in Note 16 on page 78 of the financial statements.

The General Fund, as the chief operating fund of the City, accounts for 73% of all governmental funds revenue and OFS, and 74% of all expenditures and OFU. General Fund revenues and OFS of \$413.7 million was \$23.0 million, or 5.9%, higher than the prior year, led by a \$12.6 million increase in grants, largely State Cherry Sheet aid. Real and personal property taxes increased by \$5.6 million. Additionally, lease-purchase proceeds increased \$3.4 million. Expenditures and OFU of \$412.5 million increased \$24.6 million, or 6.3%. Excluding employee medical and insurance costs, which were directly charged beginning in 2021, education spending rose \$16.0 million, which was driven by additional Chapter 70 aid that increased the City's required net school spending target. Employee medical and insurance costs, including those incurred by school employees, increased \$2.6 million as utilization rebounded after the pandemic. State and county assessments, primarily in charter school assessments, rose \$1.8 million, while pension plan contributions were \$1.7 million higher. Over the course of 2021, total fund balance increased \$1.2 million to \$32.7 million, which represents 7.9% of expenditures and OFU. Of this, unassigned fund balance and the portion committed in stabilization funds total \$26.4 million as of June 30, 2021, which is a \$0.5 million improvement over the prior year.

The Wastewater Fund accounts for the collection and treatment of wastewater throughout the City. Revenues and OFS of \$36.0 million were \$1.7 million, or 5.0%, higher than in 2020, as water consumption, which drives wastewater billings, rose in the aftermath of the pandemic's outbreak. Expenditures and OFU of \$36.5 million were \$3.2 million, or 9.6%, higher. Engineering services for ongoing EPA-mandated improvements, electricity, and debt service increased by \$1.4 million, \$0.4 million, and \$0.4 million, respectively. A 12.5% across-the-board rate increase was approved and took effect on July 1, 2021 to remediate the risk of future revenue shortages. Fund balance declined (\$0.5) million, or 4.5%, to close at \$10.2 million on June 30, 2021.

Special Revenue funds, including the American Rescue Plan Act and HOME Investment Partnership Program, the latter of which receives funding from the U.S. Department of Housing and Urban Development for affordable housing for low-income families, combined for \$59.2 million in revenues and OFS, up \$5.8 million, or 10.9%, from fiscal year 2020, while expenditures and OFU of \$57.2 million rose \$8.7 million, or 17.9%, over the prior year. In total, fund balances increased \$2.0 million, to \$34.6 million at June 30, 2021. Fund balances of substantially all special revenue funds are restricted for uses intended by grantors, donors, or revolving fund purposes.

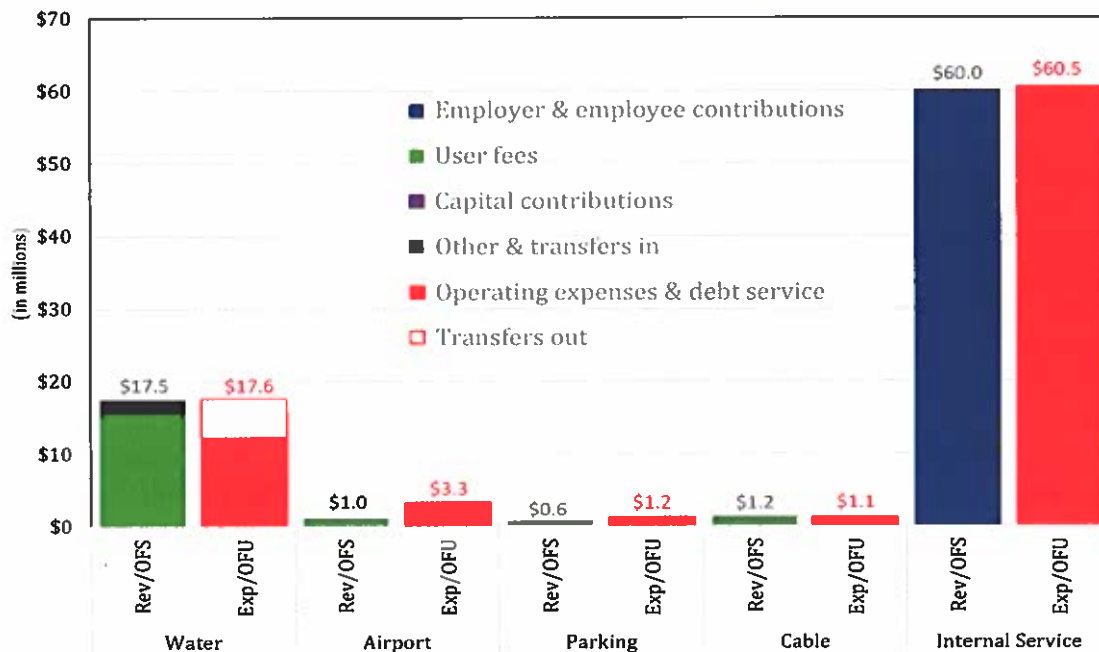
Capital projects funds, including the South Public Safety Center, reported revenues and OFS totaling \$58.5 million, which was \$18.4 million, or 45.9%, above the prior year. Expenditures and OFU of \$48.9 million were \$9.5 million, or 24.1%, higher. Aggregated fund balances increased \$9.6 million, reducing their aggregated deficit to (\$9.0) million at June 30, 2021. Capital fund balances can fluctuate substantially since proceeds from permanent financing, which are recognized as OFS, generally are not secured until the end of a multi-year project. Each project will ultimately balance before it is closed and transferred to the General Fixed Assets Account Group or to a beneficiary enterprise fund.

Permanent trust funds reported revenue and OFS of \$2.1 million, and expenditures and OFU of \$0.3 million, increasing fund balance by \$1.7 million, or 17.7%, to \$11.4 million as of June 30, 2021. These funds generated \$1.2 million more in investment earnings and \$0.4 million more in contributions and sales of cemetery lots than a year earlier, driving the increase. All fund balances in permanent trust funds are nonspendable or restricted.

Proprietary funds:

The City's proprietary funds consist of enterprise funds for water, airport, downtown parking, and cable access operations, and one internal service fund for the City's self-insured health plans. The enterprise funds provide the same type of information as the business-type activities of the government-wide financial statements, only in more detail. The internal service fund primarily services governmental-type funds and is therefore categorized as a governmental activity.

As of June 30, 2021, net position in enterprise funds of \$20.0 million was (\$2.9) million, or (12.6%), less than a year ago. The internal service fund's net position of \$3.8 million was (\$0.4) million, or (9.9%), below the prior year. Changes in each fund's net position are summarized in the table below.



Proprietary Funds, FY 2021

The decrease in enterprise funds was primarily attributable to the Airport Fund, where user rates that are designed to recover costs on a cash basis were insufficient to recover GAAP-basis depreciation on infrastructure improvements, resulting in the (\$2.3) million decrease to its net position. The Downtown Parking fund accounted for the remaining (\$0.6) million decrease. A suspension of parking fees implemented at the onset of the pandemic was lifted in July 2020, but collections were down (\$0.3) million, or (50.0%), through the first six months of fiscal 2021. Additionally, rate increases needed to cover debt service on garage improvements were deferred until fiscal year 2022.

The City's internal services fund is its medical claims trust fund, which accounts for all medical claims incurred in its self-insured health plan and all premiums from other indemnity plans. User funds are then invoiced for their specific share of expenditures. The (\$0.4) million decrease in net position is the result of timing differences between the accrual of certain year-end expenditures and recognition of revenue from user funds. As of June 30, 2021, net position was 6.3% of the employer share of annual medical claims, premiums, and administrative fees, down from 8.0% a year earlier.

Fiduciary funds:

Fiduciary funds are held in trust for the benefit of external entities and cannot be used to fund City operations. However, the City has potential obligations to the extent of its share of the net pension liability (NPL) in the multi-employer pension plan of which it is a member, and the net OPEB liability (NOL) of its OPEB Trust Fund. Neither of these obligations are presented in fiduciary fund financial statements, but they are integral in gaining an understanding of the City's overall financial health. Liabilities associated with pension and OPEB trust funds are based on actuarial studies and represent estimates of future potential liabilities incorporating a set of known factors at the time the studies were completed. Copies of the most recent actuarial valuation studies for both pension and OPEB plans, dated January 1 and June 30, 2020, respectively, are available by contacting the Office of the Chief Financial Officer, 133 William Street, New Bedford, MA 02740.

Pension plan:

The City is the largest of five employers participating in the New Bedford Contributory Retirement System (Plan), whose most recent fiscal year ended December 31, 2020. The Plan's total pension liability as of that date, which can be found in the required supplementary information section of these financial statements, was \$758.7 million, an increase of \$15.5 million, or 2.1%, over the previous year, while its net position increased \$45.0 million, or 12.3%, to \$410.3 million. The Plan's net pension liability on December 31, 2020 was \$348.3 million, of which \$305.2 million, or 87.6%, represented the City's proportionate share.

Plan assets returned 13.4% during calendar year 2020 compared to a 19.4% return in 2019. Equity markets, in which 54.9% of plan assets are invested, continued to perform strongly as emerging markets, international, and domestic equities posted respective returns of 22.1%, 16.1%, and 15.9% in 2020 compared to 19.2%, 22.4%, and 33.8%, respectively, the year before. For the six months ended June 30, 2021, these equity markets continued to remain strong, helping the plan to achieve a 10.0% overall gain. With its strong performance, the plan's fiduciary net position rose to 54.1% of total pension liability as of December 31, 2020, its highest funded ratio since comparable data meeting the parameters of GASB 68 could be collected. Note 9 to the financial statements (which begins on page 57) and the required supplementary information on pages 92-96 provide further detail on the Plan and the City's employer liabilities.

Other post-employment benefits plan:

To address its obligations associated with providing post-employment benefits to retirees, the City established a single-employer OPEB trust fund in February 2016 with an initial contribution of \$0.8 million. In November of that year, an OPEB Trust Fund funding policy was adopted that requires a minimum of 10% of each year's certified free cash to be transferred to this fund. During fiscal year 2021, \$0.6 million of free cash was transferred into the OPEB Trust Fund, and investment earnings added another \$0.7 million, bringing fiduciary net position to \$3.3 million, a 62.5% increase in just the past year.

Over the course of the fiscal year, total OPEB liability increased \$18.9 million, or 3.0%, to \$641.8 million. The plan's assets now stand at 0.5% of total OPEB liability as of June 30, 2021, up from 0.3% a year earlier. Note 10 to the financial statements (which begins on page 64) and the required supplementary information on pages 98-99 provide further detail on the OPEB trust fund and the City's employer liabilities.

Budgetary Highlights

General Fund adopted vs. revised budgets:

The City adopted a fiscal year 2021 General Fund budget totaling \$363.9 million, which was \$8.9 million, or 2.5%, higher than in fiscal year 2020. The 2021 adopted budget consisted of \$341.0 million in City Council appropriations and \$22.9 million in State and county assessments.

During the year, adjustments of \$8.5 million increased the revised budget to \$372.4 million. Those adjustments are summarized as follows:

- Increase of \$6.5 million in supplemental appropriations funded by increased Chapter 70 State aid subsequent to adoption of the budget.
- Increase of \$1.2 million to fund the carryover of encumbrances against fiscal year 2020 appropriations.
- Increase of \$1.1 million from appropriations of free cash certified by the DOR as of July 1, 2020, which funded transfers of \$0.6 million to the OPEB Trust Fund and \$0.5 million to the General Fund stabilization fund, both in accordance with established City financial policies.
- Decrease of (\$0.3) million in State and county assessments, with a corresponding reduction in the required tax levy resulting from completion of the annual Tax Rate Recapitulation used by the DOR to approve the City's real and personal property tax rates.

The DOR conducts a review of each Massachusetts municipality's year-end balance sheets to determine how much of its General Fund unassigned fund balance may be available for local government appropriations. The amount so determined is certified as free cash. As of June 30, 2020, the City's General Fund reported \$12.3 million of unassigned fund balance, of which \$2.3 million was certified as free cash. As noted above, the City Council actually appropriated \$1.1 million of this amount, and authority to appropriate the remaining \$1.2 million lapsed on June 30, 2021, where it will become part of the July 1, 2021 balance sheet review, which has not yet been undertaken.

General Fund actual results vs. revised budget:

General Fund operations generated a budgetary surplus of \$8.0 million in fiscal year 2021, the combined result of favorability of \$1.7 million in revenues and other financing sources, plus \$6.3 million in expenditures and other financing uses.

Revenue favorability was led by real estate and personal property taxes, which are budgeted at 100% of the current tax levy certified by DOR and do not consider unpaid prior year taxes. In fiscal year 2021, strong collections of prior year taxes drove total collections to 101.2% of the January 1, 2021 tax levy, accounting for \$1.6 million in favorability. Additionally, motor vehicle tax collections surpassed a conservative budget estimate by \$1.1 million. Partially offsetting these, departmental receipts, which are largely affected by the general economy, were (\$1.2) million under budget.

Education, with favorability of \$3.2 million, was the best performer against budget. Remote learning drove down student transportation costs throughout the spring semester, and School management did not transfer circuit breaker fund expenditures into the General Fund in order to absorb favorability. Health insurance costs, which include medical claims incurred under the City's self-insurance plan, generated \$1.9 million in savings against budget as utilization increases were less than expected. In health and human services, where much of the existing workforce was redeployed to COVID-19 response efforts that were funded under the CARES Act, and benefits paid to a declining veterans population continued to drop, expenditures were \$0.9 million favorable.

Capital Assets and Debt Administration

Capital assets:

At June 30, 2021, capital assets totaled \$571.6 million net of accumulated depreciation, an increase of \$23.6 million, or 4.3%, over the prior year. Net capital assets used in governmental activities increased \$10.1 million, comprised of \$40.4 million in new construction projects in progress and \$6.7 million in new additions net of retirements, offset by \$37.0 million in depreciation. Business-type capital assets increased \$13.5 million, the net effect of \$18.7 million in new infrastructure projects in progress, offset by \$5.2 million in depreciation. Additional information on the City's capital assets can be found in Note 8 to the financial statements (page 56).

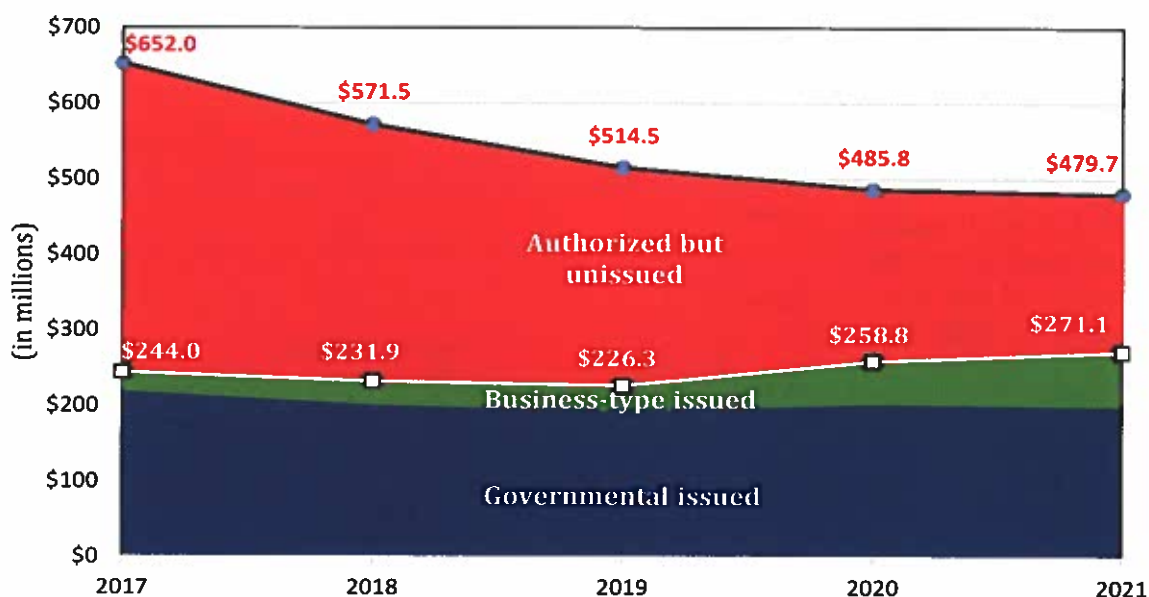
Short- and long-term debt:

The City's debt is composed of bonds, loans from State agencies, bond anticipation notes (BANs), capital lease-purchases, and accrued compensated absences. Combined debt totaled \$305.4 million at June 30, 2021, of which \$232.8 million is for governmental activities and \$72.6 million is for business-type activities. Total debt increased \$13.7 million, or 4.7%, over last year. Governmental activities debt decreased (\$1.5) million, while debt for business-type activities increased \$15.2 million.

Bonded debt, including State agency loans and BANs, totaled \$271.1 million as of June 30, 2021. As the graph below illustrates, this is the highest level of outstanding bonded debt in the past five years, reflecting the City's continued commitment to replacing aged infrastructure within affordable parameters. Outstanding bonded debt is now at 3.8% of assessed property values, the second-lowest level in the past five years.

As of June 30, 2021, the City had \$208.6 million of remaining bond authorizations. Additional information on long-term debt is included in Note 15 on page 73 of the financial statements.

**Bonded debt issued and unissued
(FY 2017 - 2021)**



Economic Factors and Next Year's Budget and Rates

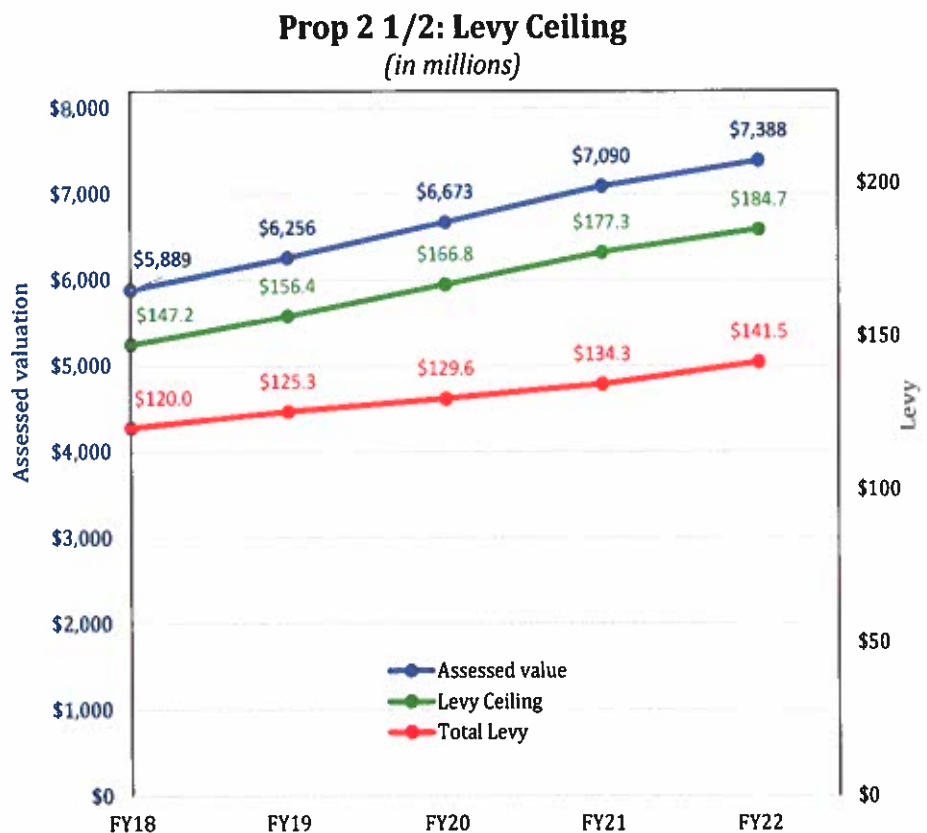
Sustained growth in New Bedford's economy is expected to continue beyond fiscal year 2021, generating revenue streams sufficient to fund 2022 appropriations. The City is required to legally adopt budgets for its General Fund and Wastewater Fund, each of which is reported as a governmental fund-type in the accompanying financial statements, and for its Water, Airport, Cable Access, and Downtown Parking enterprise funds, each of which is reported as a proprietary-fund-type. Economic factors do not generally affect funds beyond those under legal budgetary control since spending is capped to available revenue sources, so these funds will not be discussed further.

General fund:

In June 2021, the City Council adopted a fiscal year 2022 expenditure budget of \$382.4 million, \$12.2 million, or 3.3%, higher than the prior year's revised budget. This increase was primarily driven by \$6.3 million in school spending, \$4.6 million in State assessments for charter school tuitions, and \$1.7 million in pension plan contributions. In addition to expenditure increases, \$5.7 million more in revenue is needed to replace last year's appropriation of free cash, which is not being utilized to balance the 2022 budget, and \$0.3 million more must be raised to cover certain 2021 deficits.

State aid, primarily in Chapter 70 funding, will increase by \$8.3 million, and \$1.2 million is available under the ARPA revenue loss provisions of the Final Rule. Overlay reserves will be reduced by \$0.9 million and \$0.4 million more is expected in local receipts, leaving a tax levy increase of \$7.2 million.

Under Proposition 2½, Massachusetts communities generally cannot levy taxes in excess of 2.5% of assessed value (levy ceiling). Growth in property values is a key factor in the City's ability to finance government activities. As of December 31, 2021, assessed value of real and personal property reached \$7.39 billion, an all-time high and 4.2% over the previous year. Assessed values have now increased in each of the last eight years with a compounded annual growth rate of 4.4% over that period. This trend has been fueled by a strong real estate market and by new growth, which has remained steady over the past five years as summarized in the chart on the facing page.



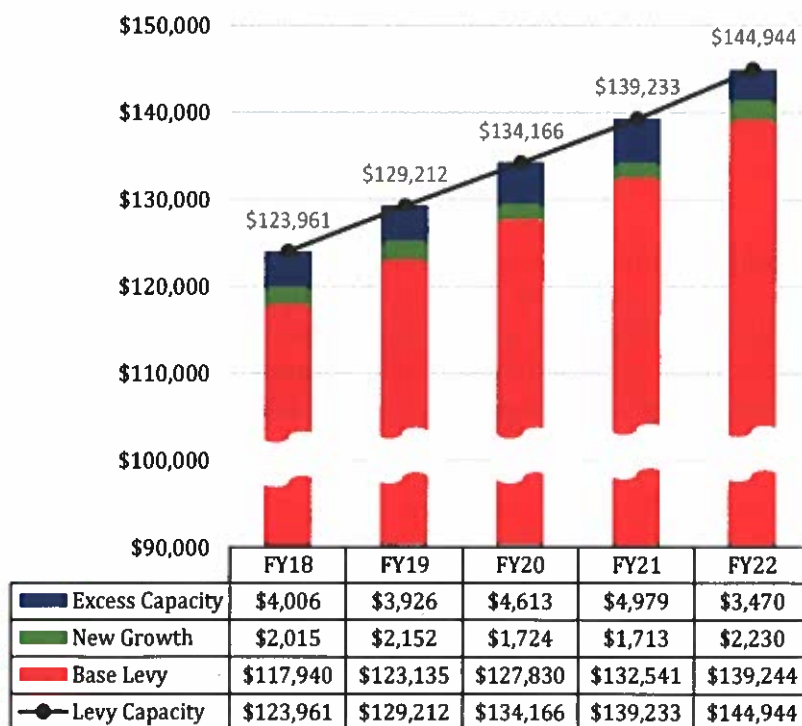
FY 2022's tax levy of \$141.5 million is \$43.2 million below the levy ceiling ...

Additionally, municipalities cannot increase tax levies by more than 2.5% each year, excluding new growth and certain overrides and exemptions (levy limit). New growth factors heavily in the City's ability to finance governmental activities, as it provides a dollar-for-dollar increase to the levy limit in the year in which it is first added to the tax rolls and is accretive to future levies. Calendar year 2021 construction activity with an assessed value of \$32.6 million, along with another \$44.9 million in tangible personal property growth, added \$2.2 million to the December 31, 2021 levy limit. The number of new building permits issued, which has risen in each of the last five years, continues to remain strong. Permits valued at \$112 million were issued during fiscal year 2021, a leading indicator of continued new growth into 2022 and beyond.

The tax levy at December 31, 2021 is at \$141.5 million, which is \$7.2 million, or 5.4%, above the prior year, (\$43.2) million below the City's levy ceiling, and (\$3.5) million below its levy limit. Preservation of excess levy capacity has been a key objective in establishing each year's tax levy, but the economic constraints caused by the pandemic required the City to tap into \$1.5 million of excess levy capacity when setting the fiscal year 2022 tax rates.

Under the process established by Massachusetts law, tax levies sufficient to balance the fiscal year's budget must be finalized and tax rates set by December 31 after a comprehensive review of all revenues collected outside the tax levy. By conservatively forecasting non-levy revenue, the risk of unanticipated increases to the tax levy should these forecasts not be realized is mitigated. Nevertheless, management remains confident that many sources of non-levy revenue will be higher in 2022 as the economy continues to rebound.

Prop 2 1/2: Levy Limit (in thousands)



... while FY 2022's tax levy is \$3.5 million below the levy limit.

Wastewater fund:

Fiscal year 2022 budgeted expenditures of \$27.7 million represent a \$2.3 million, or 9.1%, increase above the 2021 revised budget. The largest increases are \$1.1 million in engineering fees for continued system improvements projects required under an EPA consent decree, \$0.6 million in payments on long-term debt used to finance the local share of completed projects, and \$0.4 million in electricity.

The 2022 budget was balanced without any appropriation from fund balance, so current year revenues must replace the \$1.3 million stabilization fund appropriation used last year. This required a 12.5% across-the-board rate increase that took effect on July 1, 2021.

Enterprise funds:

Water:

Budgeted expenditures in the Water Fund, which accounts for 84% of all enterprise funds appropriations, total \$17.5 million, a decrease of (\$1.3) million, or (6.6%), from the 2021 revised budget. The primary driver was the elimination of (\$1.3) million in capital expenditures related to two 2021 water main and service lateral replacement projects that were funded through an appropriation from the water stabilization fund and are not recurring in 2022. Engineering services was also reduced by (\$0.7) million, primarily because much of the 2021 budget was encumbered into 2022 where it will fund a substantial portion of required services. Offsetting these reductions, the addition of \$23.0 million in new bonds will increase debt service by \$0.9 million.

The prior year budget was balanced with a \$1.7 million appropriation from Water's equivalent of free cash, which is not available for 2022. Additionally, actual fiscal year 2021 revenues fell (\$1.6) million short of budget. To close these gaps, the 2022 budget will require both a \$2.0 million transfer from water stabilization and an 8.5% across-the-board rate increase, which was implemented effective October 1, 2021.

Airport:

Fiscal year 2022 budgeted expenditures of \$1.1 million represent an increase of 4.7%, or less than \$0.1 million, with no significant fluctuations in any expenditure component. Following a December 2017 FAA Part 139 certification that allows the airport to expand passenger service, fees for all services that benefit lessees and passengers were increased in July 2020. Although fiscal year 2021 actual revenues fell (\$0.1) million short of budget, management expects 2022 revenues to be sufficient to fund the budget with no further rate increases required.

Downtown Parking:

Budgeted expenditures will decrease (4.9%), or less than (\$0.1) million, to \$1.0 million. This decrease was achieved through the elimination of capital expenditures in the coming year. Among all enterprise funds, Downtown Parking was hit hardest by the pandemic, as the City offered free parking through June 30, 2020. Revenues struggled throughout, particularly over the first six months. Balancing the 2021 budget required a \$0.5 million appropriation of free cash, which is no longer available. To compensate, rates were increased for downtown meters and at public garages, but a \$0.3 million subsidy is anticipated to be needed in balancing this year's budget.



Above: The Quittacas Treatment Plant, located in East Freetown, MA, capable of treating 45 million gallons of water per day. Below: Intake from one of five ponds providing water to New Bedford and surrounding communities enters the treatment process. (Photo credits: WES Construction).



Right: The Elm Street Garage, the largest of two public garages that provide a combined 1,373 parking spaces in downtown New Bedford. Originally constructed in the 1970s, the garage underwent \$5.6 million in renovations completed in 2019, which included structural stabilization, enhancements to the appearance of its façade, redesign and installation of new LED lighting and security for interior spaces, and a redesigned entrance lobby. (Photo credit: Destination New Bedford)



Cable:

For 2022, expenditures are budgeted at \$1.3 million, which is \$0.1 million more than in the prior year, largely in capital expenditures. The City recently entered a new contract with Comcast that increases the City's share of subscription fees from 4% to 5%. The resulting revenue increase is sufficient to fully fund its fiscal year 2022 budget.

Requests for Information

This discussion and analysis is intended to provide a general overview of the City's financial results for all interested parties. Questions concerning any of the information provided here or throughout the entirety of this financial report, or requests for additional financial information, should be addressed to the Office of the Chief Financial Officer, 133 William Street, New Bedford, Massachusetts 02740.

