

PRELIMINARY OFFICIAL STATEMENT AND NOTICE OF SALE DATED MARCH 7, 2023

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. For tax years beginning after December 31, 2022, however, interest on the Bonds will be included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. 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 "Tax Exemption" herein. The Bonds will not be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

**CITY OF NEW BEDFORD, MASSACHUSETTS
\$29,550,000* GENERAL OBLIGATION STATE QUALIFIED
MUNICIPAL PURPOSE LOAN OF 2023 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, 2023. 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
2024	\$ 280,000	%	%		2039	\$ 1,000,000	%	%	
2025	275,000				2040	1,055,000			
2026	295,000				2041	935,000			
2027	1,410,000				2042	990,000			
2028	1,210,000				2043	860,000			
2029	1,275,000				2044	900,000			
2030	1,340,000				2045	930,000			
2031	1,410,000				2046	970,000			
2032	1,475,000				2047	1,010,000			
2033	1,055,000				2048	1,060,000			
2034	1,110,000				2049	1,110,000			
2035	1,170,000				2050	1,145,000			
2036	1,220,000				2051	640,000			
2037	1,280,000				2052	670,000			

THE BONDS ARE BEING OFFERED FOR SALE AT 11:00 A.M. (EASTERN TIME) ON TUESDAY, MARCH 14, 2023 VIA PARITY IN THE MANNER SET FORTH IN THE NOTICE OF SALE. REFERENCE IS MADE TO THE NOTICE OF SALE DATED MARCH 7, 2023 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 12, 2023, against payment to the City in federal funds.

*Preliminary, subject to change.

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
SUMMARY STATEMENT	3	Tax Limitations	41
Statement of Values	4	Pledged Taxes	42
NOTICE OF SALE	5	Community Preservation Act	42
Bidding Parameters	6	CITY FINANCES	44
Establishment of Issue Price	7	Budget and Appropriation Process	44
Exhibit 1 – Form of Issue Price Certificates	10	Budget Trends	44
OFFICIAL STATEMENT	16	Education Reform	45
THE BONDS	16	State School Building Assistance Program	45
Description of the Bonds	16	Investment of City Funds	46
Redemption Provisions	16	Long Range Forecasting	47
Record Date	17	Fiscal Policies	47
State Qualified Bonds	17	Program Performance Management	47
Book-Entry Transfer System	18	Annual Audits	48
Authorization of the Bonds and Use of Proceeds	19	Financial Statements	48
Principal Payments by Purpose	20	Governmental Funds Balance Sheet	
Tax Exemption	20	- June 30, 2022	49
Risk of Future Legislative Changes and/or		- June 30, 2021	50
Court Decisions	21	- June 30, 2020	51
Security and Remedies	22	Statements of Revenues, Expenditures and	
Opinion of Bond Counsel	23	Changes in Fund Balance	
Rating	23	- June 30, 2022	53
Financial Advisory Services of Hilltop Securities	23	- June 30, 2021	54
Continuing Disclosure	24	- June 30, 2020	55
CITY OF NEW BEDFORD, MASSACHUSETTS		- June 30, 2019	56
General	25	- June 30, 2018	57
Principal Executive Officers	25	Free Cash	59
Municipal Services	25	Stabilization Funds	59
Corona Virus (COVID-19) Disclosure	25	INDEBTEDNESS	60
Education	27	Authorization Procedure and Limitations	60
Public School Enrollments	27	Debt Limits	60
Economic Overview	27	Types of Obligations	60
Tourism	27	General Obligation use of Summary	62
Population, Income and Wealth Levels	29	General Obligation Debt Ratios	62
Population Trends	29	General Obligation Debt Service Requirements	63
Industry and Commerce	30	Projected Principal Payments by Purpose	64
Largest Employers	30	Authorized Unissued Debt and	
Labor Force, Employment and Unemployment Rate	31	Prospective Financing	65
Building Permits	31	Debt Impact Analysis – Tax Supported Debt Only	65
Transportation	31	Coverage of Qualified Debt Service	66
Climate Resiliency	31	Overlapping Debt	67
Cybersecurity	32	Contractual Obligations	68
Economic Development Initiatives	32	RETIREMENT Plan	71
PROPERTY TAXATION		Other Post-Employment Benefits	73
Tax Levy Computation	35	EMPLOYEE RELATIONS	74
Assessed Valuations and Tax Levies	35	LITIGATION	74
Classification of Property	37	APPENDIX A – City of New Bedford Fiscal 2022 Audit	
Largest Taxpayers	38	APPENDIX B – Proposed Form of Legal Opinion	
State Equalized Valuation	38	APPENDIX C – Proposed Form of Continuing	
Abatements and Overlay	39	Disclosure Certificate	
Tax Collections	40	APPENDIX D – City of New Bedford Fiscal Policies	
Tax Titles and Possessions	40	APPENDIX E – City of New Bedford FY22-26 Capital	
Sale of Tax Receivables	41	Improvement Program	
Taxation to Meet Deficits	41		

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 his 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:	Tuesday, March 14, 2023, 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:	\$29,550,000* General Obligation State Qualified Municipal Purpose Loan of 2023 Bonds, see "THE BONDS - Book-Entry Transfer System" herein.
Preliminary Official Statement Dated:	March 7, 2023.
Dated Date of the Bonds:	As of their date of delivery.
Principal Due:	Serially April 1, 2024 through April 1, 2053 as detailed herein.
Interest Payable:	Semiannually on April 1 and October 1, commencing October 1, 2023.
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 \$ 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 12, 2023, against payment in federal funds.
Additional Information:	Questions concerning the Official Statement should be addressed to Mr. Ray DeBarros, 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

\$29,550,000* GENERAL OBLIGATION STATE QUALIFIED MUNICIPAL PURPOSE LOAN OF 2023 BONDS

The City of New Bedford, Massachusetts (the "City") will receive electronic (as described herein) proposals until 11:00 A.M., Eastern Time, Tuesday, March 14, 2023, for the purchase of the following described General Obligation State Qualified Municipal Purpose Loan of 2023 Bonds of the City (the "Bonds"):

\$29,550,000* General Obligation State Qualified Municipal Purpose Loan of 2023 Bonds payable April 1 of the years and in the amounts as follows:

Due April 1	Principal Amount*	Due April 1	Principal Amount*
2024	\$ 280,000	2039	** \$ 1,000,000
2025	275,000	2040	** 1,055,000
2026	295,000	2041	** 935,000
2027	1,410,000	2042	** 990,000
2028	1,210,000	2043	** 860,000
2029	1,275,000	2044	** 900,000
2030	1,340,000	2045	** 930,000
2031	1,410,000	2046	** 970,000
2032	1,475,000	2047	** 1,010,000
2033	** 1,055,000	2048	** 1,060,000
2034	** 1,110,000	2049	** 1,110,000
2035	** 1,170,000	2050	** 1,145,000
2036	** 1,220,000	2051	** 640,000
2037	** 1,280,000	2052	** 670,000
2038	** 990,000	2053	** 480,000

*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, 2023.

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, 2032 are not subject to redemption prior to their stated maturity dates. Bonds maturing on and after April 1, 2033 are subject to redemption prior to their stated maturity dates, at the option of the City, on and after April 1, 2032, 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, 2033, 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 \$ WILL BE CONSIDERED.**

The Bond structure does not reflect any premium. After determination of the winning bid, the City reserves the right to decrease the aggregate principal amount of the Bonds by the net premium to be received and to restructure the Bonds to essentially mirror the current amortization schedule, after first applying premium to eliminate or reduce, the shortest purposes first. **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 12, 2023, 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 7, 2023, (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 his 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 7, 2023, 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 12, 2023 for settlement in federal funds.

CITY OF NEW BEDFORD, MASSACHUSETTS
/s/ Ray DeBarros, City Treasurer

March 7, 2023

**Issue Price Certificate for Use If the Competitive
Sale Requirements Are Met
\$29,550,000*
City of New Bedford, Massachusetts
General Obligation State Qualified Municipal Purpose Loan of 2023 Bonds
Dated April 12, 2023**

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 14, 2023.

(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: _____, 2023

[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

\$29,550,000*

City of New Bedford, Massachusetts

General Obligation State Qualified Municipal Purpose Loan of 2023 Bonds

Dated April 12, 2023

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: _____, 2023

[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

\$29,550,000*

City of New Bedford, Massachusetts

General Obligation State Qualified Municipal Purpose Loan of 2023 Bonds

Dated April 12, 2023

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) _____, 2023 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: _____, 2023

[SUCCESSFUL BIDDER] [REPRESENTATIVE]

By: _____

Name:

Title:

*Preliminary, subject to change.

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

OFFICIAL STATEMENT

CITY OF NEW BEDFORD, MASSACHUSETTS

\$29,550,000* GENERAL OBLIGATION STATE QUALIFIED MUNICIPAL PURPOSE LOAN OF 2023 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 \$29,550,000* stated principal amount of its General Obligation State Qualified Municipal Purpose Loan of 2023 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, 2023 and semiannually thereafter on April 1 and October 1 of each year 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, 2032 shall not be subject to redemption prior to their stated maturity dates. Bonds maturing on or after April 1, 2033 shall be subject to redemption prior to maturity, at the option of the City, on or after April 1, 2032, 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, 2033), 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 7, 2023 relating to the Bonds (subject to change as provided herein). 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. Proceeds of the Bonds may be transferred or re-appropriated to other capital projects to the extent projects are completed or abandoned and such proceeds remain unspent.

Purpose	Principal Amount*	Amount Originally Authorized	Bond Anticipation Notes Outstanding (1)	Statutory Reference	Date of Approval
School Accelerated Repairs	\$ 576,000	\$ 18,128,896	\$ 576,000	Ch. 70B	3/25/2016
Parker Street Waste Site Environmental Cleanup/Remediation	269,000 (2)	6,499,000	269,958	C. 44 s. 8(20)	6/16/2017
Radio Communications	3,140,000	7,662,000	3,200,000 (3)	C. 44 s. 7(1)	4/22/2019
South Public Safety Center	4,415,000	17,000,000	4,500,000 (4)	C. 44 s. 7(1)	5/7/2019
Police Headquarters Renovations 2	1,275,000	1,300,000	1,300,000 (5)	C. 44 s. 7(1)	6/30/2020
Fire Headquarters Interior Renovations	650,000	665,000	665,000 (6)	C. 44 s. 7(1)	6/30/2020
Road and Infrastructure	1,960,000	2,000,000	2,000,000 (7)	C. 44 s. 7(1)	6/30/2020
Elwyn G. Campbell School Feasibility Study	30,000	150,000	30,000	Ch. 70B	2/24/2021
Road Improvements	2,500,000	2,500,000	2,500,000	C. 44 s. 7(1)	6/1/2021
Pulaski School (HVAC)	590,000	590,000	544,062	C. 44 s. 7(1)	6/1/2021
Hillman Complex Renovations (Bldg. 9)	500,000	500,000	213,103	C. 44 s. 7(1)	6/1/2021
Howland Green Library Renovations	420,000	420,000	75,000	C. 44 s. 7(1)	6/1/2021
Park Improvement Bonds	400,000	400,000	400,000	C. 44 s. 7(1)	6/1/2021
Lawler Library Renovations	363,000	363,000	75,000	C. 44 s. 7(1)	6/1/2021
Art Museum Remodeling	310,000	310,000	75,000	C. 44 s. 7(1)	6/1/2021
Monkey Island Improvements Planning	252,000	252,000	252,000	C. 44 s. 7(1)	6/1/2021
High School Improvements	250,000	250,000	250,000	C. 44 s. 7(1)	6/1/2021
Water	9,200,000	71,800,000	10,900,000	C. 44 s. 8(4) & 8(5)	12/7/2021
Fire Pumper Truck & Aerial Ladder Truck	2,450,000	2,450,000	2,450,000	C. 44 s. 7(1)	2/16/2022
	\$ 29,550,000 *		\$ 30,275,123		

*Preliminary, subject to change.

(1) Payable April 13, 2023. To be retired with the Bond proceeds, except as noted below.

(2) Final sizing will include an additional \$958 of proceeds.

(3) Payable April 13, 2023. To be retired, in part, with the Bond proceeds and \$60,000 revenue funds of the City.

(4) Payable April 13, 2023. To be retired, in part, with the Bond proceeds and \$85,000 revenue funds of the City.

(5) Payable April 13, 2023. To be retired, in part, with the Bond proceeds and \$25,000 revenue funds of the City.

(6) Payable April 13, 2023. To be retired, in part, with the Bond proceeds and \$15,000 revenue funds of the City.

(7) Payable April 13, 2023. To be retired, in part, with the Bond proceeds and \$40,000 revenue funds of the City.

Principal Payments by Purpose*

Year	General*	School*	Water*	Total*
2024	\$ 94,000	\$ 21,000	\$ 165,000	\$ 280,000
2025	95,000	25,000	155,000	275,000
2026	95,000	30,000	170,000	295,000
2027	1,195,000	40,000	175,000	1,410,000
2028	1,000,000	30,000	180,000	1,210,000
2029	1,045,000	35,000	195,000	1,275,000
2030	1,100,000	40,000	200,000	1,340,000
2031	1,155,000	40,000	215,000	1,410,000
2032	1,215,000	40,000	220,000	1,475,000
2033	785,000	35,000	235,000	1,055,000
2034	830,000	35,000	245,000	1,110,000
2035	875,000	40,000	255,000	1,170,000
2036	910,000	45,000	265,000	1,220,000
2037	955,000	50,000	275,000	1,280,000
2038	650,000	50,000	290,000	990,000
2039	655,000	50,000	295,000	1,000,000
2040	695,000	50,000	310,000	1,055,000
2041	565,000	50,000	320,000	935,000
2042	595,000	55,000	340,000	990,000
2043	455,000	55,000	350,000	860,000
2044	470,000	60,000	370,000	900,000
2045	485,000	60,000	385,000	930,000
2046	510,000	60,000	400,000	970,000
2047	530,000	65,000	415,000	1,010,000
2048	555,000	70,000	435,000	1,060,000
2049	580,000	75,000	455,000	1,110,000
2050	600,000	75,000	470,000	1,145,000
2051	70,000	80,000	490,000	640,000
2052	75,000	85,000	510,000	670,000
2053	65,000	-	415,000	480,000
Total	<u>\$ 18,904,000</u>	<u>\$ 1,446,000</u>	<u>\$ 9,200,000</u>	<u>\$ 29,550,000</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. For tax years beginning after December 31, 2022, however, interest on the Bonds will be included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. 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 will not be 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 above (see “Serial Bonds and Notes” under “TYPES OF OBLIGATIONS” above) 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 TAX” 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 “DEBT LIMITS” below.) Upon certification by the city solicitor or town council that no appeal can or will be taken, or as otherwise required by a municipality’s charter, ordinances, or by-laws, judgments may also be paid from available funds without appropriation and included in the next tax levy unless other provision is made. Any such payments shall be reported to the city or town’s assessors by the city or town’s auditor or accountant (or other officer having similar duties). The assessors shall include amounts of such payments in the aggregate appropriations assessed in the determination of the next subsequent annual tax rate.

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 TAX” 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, 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 for such activity. 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 “TYPES OF OBLIGATIONS” above) 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 or a regional transit authority) of which it is a member, for costs of the Massachusetts Water Resources Authority if the city or town is within the territory served by the Authority, for any debt service due on obligations issued to the Massachusetts School Building Authority, or for charges necessary to meet obligations under the Commonwealth’s Water Pollution Abatement 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 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 currently 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, 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. If obtained, the rating will only reflect the rating agency’s views and will be subject to revision or withdrawal, which could affect the price and marketability 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 101,079 (2020 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 2023
Treasurer/Tax Collector	Ray DeBarros	January 2023	(1)
City Clerk	Dennis Farias	August 2014	(1)
City Auditor	Emily Arpke	August 2022	(1)
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 not previously been 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 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 Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") which includes various forms of financial relief. The City has incurred \$8,340,616 in COVID expenses to date and has received \$8,253,227 for eligible funds from the CARES Act.

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 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 CARES 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 ("CSLFR"), 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; to date \$2,367,549 has been spent, \$11,028,235 has been contractually obligated but not spent, and \$11,111,404 has been approved for spending but is not currently contractually obligated. 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. Of the City's county allocation, the City has received and spent \$1,417,903. 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 Fiscal Year 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.

The Fiscal Year 2022 budget was the second budget developed since the start of the pandemic. The impacts on revenues and expenditures continue to be broadly felt across City government; the City has continued a cautious, conservative approach to budgeting. At the same time, there is reason for cautious optimism. The City has been able to successfully manage the fiscal emergency because of its willingness to make tough decisions that are in the interest of the City's long-term fiscal health.

Working together with the City Council, the City has taken a surgical approach to expenditure reductions that has not jeopardized public safety or decimated essential services relied on by its residents. In addition, the ongoing distribution of an effective vaccine means that the City can begin to take measures aimed at rejuvenating the local economy, and the Federal government has appropriated significant aid to state and local governments to aid in that process.

The Fiscal Year 2022 budget included the addition of 11 positions in the General Fund and five positions in the Enterprise Funds, restoring less than half of the positions that were eliminated from the budget during the Fiscal Year 2021 budget cycle. These positions are specifically targeted at maintaining operations, enabling the City government to respond effectively to the gradual return of tourism, economic development and business activity, and to maintain compliance with Federal directives regarding the maintenance of the City's utility infrastructure.

The City's unaudited Statements of Revenue, Expenditures, and Changes in Fund Balance for its governmental funds for the fiscal year ended June 30, 2022 incorporate management's most recent expectations for a \$0.90 million excess of General Fund revenues and other financing sources over expenditures. This would bring the General Fund's fund balance to \$33.62 million as of June 30, 2022, of which \$25.04 million is unassigned and an additional \$5.89 million is held in stabilization funds. However, approximately \$2.7 million of unassigned fund balance is expected to be reclassified as assigned once carryovers of encumbrances are finalized. After this reclassification, stabilization and unassigned fund balances will aggregate to \$28.2 million, or 7.3% of annual expenditures, a modest improvement over 7.1% reported a year earlier.

While the City's Fiscal Year 2021 (audited) and Fiscal Year 2022 (unaudited) results improved from the effects of COVID-19 experienced 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				
	2018	2019	2020	2021	2022
Pre-School	551	481	286	500	538
Elementary	6,879	6,670	6,334	6,120	6,112
Middle School (6-8)	3,104	3,166	3,073	2,885	2,797
High School (9-12)	2,311	2,563	2,872	2,999	3,075
Total	12,845	12,880	12,565	12,504	12,522

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 it's largely textile based economy in a post-industrial and post-war era.

New Bedford has proven resilient and adaptable in an ever-changing economic landscape for mid-sized American cities. 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 45,000 jobs with an unemployment rate that ranged between 4.1% and 5.5%. While New Bedford's unemployment rate spiked to 24.2% at the height of the pandemic, it fell back to 5.8% by December 2022. And by the close of 2021 the City's labor force stood at 44,237—putting it nearly on track to its high before the COVID-19 pandemic began and gaining back more than 3,000 of the jobs lost during the pandemic.

There is significant private sector interest in New Bedford—from real estate development, to expanding businesses, and entrepreneurs alike. During the past year the City's pipeline of 84 business and real estate development projects is now stronger than ever. In total, this pipeline represents more than \$402 million in development value, as many as 3,111 jobs being created or retained, and as many as 684 new residential units to be constructed. While many of these projects have had to deal with supply-chain delays or early inflationary pressures, they continued nonetheless throughout the City.

Highlights from the past year include:

- The City celebrated the groundbreaking and ribbon cutting of the state-of-the-art Tonix Pharmaceuticals Advanced Development Center for accelerated research, development and analytical capabilities. The 45,000 square foot facility will employ up to 70 researchers, scientists, manufacturing and technical support staff.
- Efforts to reimagine New Bedford State Pier in partnership with MassDevelopment and the City lead to the release of a request for proposals for comprehensive redevelopment in the spring 2022. Several proposals were submitted to MassDevelopment and an award is expected in FY23.
- Eighteen & Union is a redevelopment project on the lower block of Union Street facing Route 18 that began construction in 2022. This \$10 million investment by LaFrance Hospitality will rehabilitate three historic structures and create 28 units of new housing and two commercial spaces.
- In 2022 City hosted a delegation of Belgian companies to explore opportunities for investment in the region's growing offshore wind market. The Belgian delegation was the third foreign trade mission to visit New Bedford this year with an interest in forging relationships with local stakeholders and learning about the City's marketplace assets and advantages in offshore wind. City representatives also visited the UK as part of the Northern Powerhouse Trade Mission organized by the Department of International Trade. The trip provided an opportunity to tour several locations in northern England key to the UK's thriving offshore wind industry and deepen business relationships.
- With all state and local approvals in hand, in the spring of 2022 the City released a request for proposals for a new 100-acre advanced manufacturing campus on a portion of the municipal golf course at the strategic intersection of I-195 and Route 140.
- As a result of planning work undertaken in fiscal year 2022, two city-owned properties, long associated with the New Bedford Harbor Superfund Site, could soon be the key anchors of the Upper Harbor River Walk project.
- TOD district zoning efforts for SouthCoast Rail were begun as construction activities in the Church Street area also continued. Planning for the new pedestrian bridge over Route 18 also was in full swing as a signature element serving as a gateway to the downtown.
- The City launched NBForward! and NB100! – two new programs to help finance the dreams of existing and aspiring small businesses in New Bedford. In total, \$3.3 million in SBA and municipal ARPA funding was made available to the NBEDC to support local businesses and entrepreneurs.
- During fiscal year 2022, the \$107,600 from the City's Arts, Culture, and Tourism fund leveraged an additional total amount of \$1,173,816 from Arts Midwest, Barr Foundation, Bristol County Savings Bank, MassDevelopment/TDI, Mass Cultural Council, New Bedford Local Cultural Council, New England Foundation for the Arts, SouthCoast Community Foundation, Southeastern Massachusetts Visitors Bureau, and grantees of Wicked Cool Places and Art is Everywhere!

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:

Fiscal Year	Number of Visits (1)
2022	424,616
2021	207,573 (2)
2020	420,779 (3)
2019	593,326
2018	586,563

Source: City Director of Tourism and Marketing.

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

(2) Incomplete data due to recording issues.

(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>2020</u>	<u>2010</u>	<u>2000</u>	<u>1990</u>	<u>1980</u>
101,079	95,072	93,768	99,922	98,478

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				
	2017	2018	2019	2020	2021
Natural Resources and Mining	992	1,005	887	930	1,037
Construction	1,261	1,189	1,213	1,168	1,271
Manufacturing	5,639	5,441	5,059	4,263	4,528
Trade, Transportation and Utilities	6,050	5,964	6,094	5,644	5,700
Information	186	181	180	212	208
Financial Activities	1,056	1,044	1,049	990	932
Professional and Business Services	3,285	3,259	3,618	3,505	3,932
Education and Health Services	13,283	12,674	12,904	12,094	12,116
Leisure and Hospitality	3,074	3,076	3,140	2,660	3,066
Other Services	1,179	1,160	1,198	1,063	1,150
Public Administration	1,891	1,972	1,992	2,078	1,811
Total Employment	37,896	36,965	37,334	34,605	35,751
Number of Establishments	3,600	3,698	3,654	3,675	3,741
Average Weekly Wages	\$ 914	\$ 955	\$ 937	\$ 995	\$ 1,061
Total Wages	\$ 1,800,229,801	\$ 1,834,840,253	\$ 1,819,165,816	\$ 1,790,558,520	\$ 1,972,977,284

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 2023.

(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 2022, the City had a total labor force of 45,847, of which 43,197 were employed and 2,650, or 5.8% were unemployed, as compared with 3.2% for the Commonwealth (unadjusted).

Year	City of New Bedford		Massachusetts	U.S.
	Labor Force	Unemployment Rate	Unemployment Rate	Unemployment Rate
2021	47,461	8.8%	5.7%	5.4%
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

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.

Fiscal Year	Building Permits Issued	
	No.	Value
2022	3,523	\$156,994,431
2021	3,742	112,133,793
2020	3,068	72,100,844
2019	3,353	134,528,719
2018	3,261	61,506,446

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 IT department continues to implement 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 Security 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 2022 the City has had 41 active pipeline projects in the recruitment and pre-development phase, with a total investment value of \$128 million, an estimated 2,439 new jobs, and 467 new housing units. This recruitment pipeline represents a wide variety of project type, investment value, and location.

Notable examples of the City’s efforts to bring in future development include:

- The redevelopment of New Bedford State Pier in partnership with MassDevelopment and the City led to the release of an RFP for comprehensive redevelopment in the spring. Several proposals were submitted to MassDevelopment and review of those proposal is currently ongoing.
- The Quest Center & Armory District as a key area within a new TOD district, specifically the redevelopment of the Glaser Glass site by New Bedford Research and Robotics who entered into a P&S for the site.

Existing Business Expansion Support

The City continued to see that much of its potential new growth is attributable to the expansion of existing businesses that already call New Bedford home. In 2022 the City actively worked with 29 such businesses or developers on projects with a total value of just over \$114 million. These projects created more than 633 new jobs and added 217 new housing units.

Examples include:

- Eighteen & Union is a redevelopment project on the lower block of Union Street facing Route 18. This \$10 million investment by LaFrance Hospitality began construction in fiscal year 2022 and will rehabilitate three historic structures, create 28 units of new housing, and two commercial spaces.
- Shoreline Marine’s redevelopment of the former Revere Copper site created a 13-acre marine industrial complex on a long vacant and blighted waterfront site. The City worked closely with the Quinn family in permitting, incentives for investment and critical grant support.

Start-up Cultivation and Assistance

In 2022 the City worked with 14 new business ventures ready to bring ideas to reality in New Bedford. With a combined investment value of \$300,000, these start-ups will also bring more than 39 new jobs into the City. The launch of the NB100! program is expected to drive this growth to all-time highs in the year ahead.

New Bedford Ocean Cluster

The New Bedford Ocean Cluster’s (NBOC) mission is to leverage New Bedford’s coastal position, marine knowledge base, and landside capacity to drive employment and wealth creation for residents. The NBOC seeks to leverage and enhance the City and Port of New Bedford’s existing maritime strengths, while advancing innovative programs, start-ups, and technology partnerships. In 2022 the NBOC recruited its first executive director, began implementing robust business-to-business events, and hosted several foreign delegations to the port, underscoring the City’s position as the epicenter of offshore wind in America.

- In late 2021, the NBOC announced the launch of the Act Local program in partnership with Vineyard Wind. The program is designed to maximize the positive economic impacts of the growing offshore wind industry in greater New Bedford by connecting Original Equipment Manufacturers (OEMs) and Tier 1 companies with local businesses interested and able to participate in the offshore wind industry supply chain.
- To develop further economic growth and address gaps in the local supply chain, the NBOC works to attract businesses and foreign direct investment to New Bedford. Serving as a one-stop-shop and first point of contact, the NBOC is providing information and support to both domestic and international companies interested in expanding their business to New Bedford. The NBOC hosted a delegation of Belgian companies to explore opportunities for investment in the region's growing offshore wind market. The Belgian delegation was the third foreign trade mission to visit New Bedford this year with an interest in forging relationships with local stakeholders and learning about the City's marketplace assets and advantages in offshore wind. The NBOC also visited the UK as part of the Northern Powerhouse Trade Mission organized by the Department of International Trade. The trip provided an opportunity to tour several locations in northern England key to the UK's thriving offshore wind industry and deepen business relationships.
- In front of Gov. Charlie Baker, Her Royal Highness Princess Astrid of Belgium and Flanders Minister-President Jan Jambon, the NBOC signed a Memorandum of Understanding with the Belgium Blue Cluster to formally express both parties' intent to explore collaboration, and foster innovation and international trade. The signing was part of an event at the Greentown Labs in Somerville to celebrate leadership in offshore wind development in Massachusetts.

The Advanced Manufacturing Campus at the Golf Course

With all state and local approvals in hand, in the spring of 2022 the City released the request for proposals for a new 100-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. Proposals are expected to be received and reviewed in the fall of 2022.

Upper Harbor Site Redevelopment Planning

As a result of planning work undertaken in 2022, two City-owned properties long associated with the New Bedford Harbor Superfund Site could soon be the key anchors of the Upper Harbor River Walk project. The former AVX site at 740 Belleville Avenue was the source of much of the harbor contamination, but is more than half-way through a remediation process that will enable City to reuse the 10-acre site. EPA, which has been the City's tenant at the Sawyer Street facility near Market Basket, is nearing the end of its decade's long cleanup of the harbor and is slated to turn the site back over to the City by 2025.

With funding from the City's settlement with AVX, it has worked with the architecture and planning firm Utile to develop potential reuse concepts for both sites that will enhance the River Walk project with added public access that will complement each neighborhood.

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 SouthCoast to Boston.

The TOD district zoning efforts of both areas were begun this year as construction activities in the Church Street area also continued. Planning for the new pedestrian bridge over Route 18 was a signature element serving as a gateway to the downtown. Commuter rail service to Boston is scheduled to begin in 2023.

Tax Increment Financing Program

Since the City's inception of the Tax Increment Financing Program in 1996, a total of 119 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.

- 12 such agreements remained active and compliant with the program's reporting requirements. These projects have added more than \$81 million in new private sector investment, have created more than 462 new jobs, and have ensured that more than 826 jobs have been retained in the City.

- While several companies seeking expansion had inquired about the program, one project for Island Creek Oysters was submitted to participate in the program this past year with final approval expected in fiscal year 2023. This project represents nearly \$1 million in new investment and would create as many as 10 new jobs.

COVID-19 Aid for Small Businesses

In 2020 the City 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 offered grant financing through the NBEDC COVID-19 Business Assistance program. The program offered grants of up to \$10,000 in conjunction with matching financing to businesses operating in the City that have been negatively affected by the outbreak of the COVID-19 virus.

In fiscal year 2022, the NBEDC funded 18 grants to small businesses for \$180,000. Over the past two years, a total of 45 businesses received grant funding for \$440,000. Funding for this vital program was provided by COVID-19 Community Development Block Grant Program and Office of Attorney General Maura Healey. In fiscal year 2022 the program ended pending the City's receiving new ARPA funding.

Newly Launched NB100! and NBForward! Business Support Programs

With the firm belief that strong entrepreneurial ecosystems strengthen businesses, close access gaps and help build community wealth, in June 2022 the City launched NBForward! and NB100! – two new programs to help finance the dreams of existing and aspiring small businesses in New Bedford. The new programs had dozens of early applications submitted at the close of the year and are made possible through the US Small Business Administration (SBA) Community Navigator Program supported by the City's American Rescue Plan Act (ARPA) funding package. In total, \$3.3 million in funding was made available to the NBEDC to support local businesses and entrepreneurs.

NBForward!

This program offers at least 100 grants of up to \$20,000 in conjunction with matching loan financing from other, non-ARPA sources, and with payments deferred for three months – along with technical assistance including business planning, resource guidance, and best practices. This program provides resources for businesses to get through the challenges of the next phase of our pandemic recovery, while looking toward investing in and preparing for greater future success.

NB100!

This new program aims to promote entrepreneurship, grow local wealth, and strengthen community bonds by helping 100 new businesses get off the ground while having positive impacts on the City's neighborhoods. NB100! will be specifically tailored to the spirit of innovation and creativity which characterizes entrepreneurship in New Bedford. Indeed, a critical part of NB100! is activating the network of partners who have founded New Bedford SourceLink in order to create connections which will set businesses up for greater success in both the near and long-term. Through NB100!, one hundred eligible businesses may receive grants up to a maximum of \$10,000 – but engagement and support will continue long after grant awards are made.

Quest Center Collaborative Workspace

The New Bedford Quest Center for Innovation is an initiative by the City to provide a focus for entrepreneurial training and a supportive environment for start-up activity.

- The incubator spaces at Quest Center are at full functional capacity with 83 entrepreneurs that are associated with Groundwork and 38 public sector employees from various agencies.
- 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.
- Fiscal year 2022 activity generated income of \$23,400 to the City and the construction was completed for the MassDevelopment funded build-out of the expansion of the Groundwork program in unfinished space in the rear of the second floor. The work was largely accomplished by the talented City craftsmen of the Department of Facilities and Fleet management with assistance from local suppliers and contractors. At the close of fiscal year 2022 this new space was already at near capacity.
- The NBEDC and City began exploring opportunities for the re-use of the vacant areas of the third floor, as the building's close location to the waterfront, downtown, and South Coast Rail proved to be attractive assets sought by private sector interests.

Arts + Culture Plan

The 24-member volunteer leaders of New Bedford Creative Consortium oversee the execution of the City's first-ever arts and culture strategic plan, New Bedford Creative: Our Art, Our Culture, Our Future. Fiscal year 2022, the third year of the approximate 10-year plan, included dozens of projects, three of which are highlighted below:

- Facilitating the final year of being the pilot city for MassDevelopment's TDI Creative Cities to support arts-based economic development, enrich urban life, and expedite the strategies in New Bedford's arts and culture plan.
- Implementing the fourth round of the City's creative placemaking and placekeeping grant program Wicked Cool Places, which aims to make or keep a place where things are happening and people want to be that involve and impact residents, visitors and/or businesses in New Bedford's neighborhoods.
- Launching the first-ever place-based pilot of Creating Connection, a national initiative to make creative expression a recognized, valued, and expected part of everyday life.

TDI Creative Cities

Funded by MassDevelopment and the Barr Foundation, highlights of the final year of TDI Creative Cities included:

- The City's first-ever citywide arts festival 20mi2, a call to co-create, activate, and celebrate all twenty square miles of New Bedford, with a focus on creative entrepreneurship.
- Launching the professional training and development series Peer-to-Peer Sessions, which focused on grant finding, grant writing, marketing, and promotion.
- The third round of the grant program Art Is Everywhere, whereby projects 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 \$70,000 in seven projects city-wide.

Wicked Cool Places

2022 also brought about the completion of the fourth round of the creative placemaking and placekeeping grant program Wicked Cool Places. These projects were funded by the City's Arts, Culture and Tourism Fund, with additional support from Bristol County Savings Bank, Mass Cultural Council, and MassDevelopment. After receiving 35 applications, the City invested \$70,000 in 16 projects city-wide.

Creating Connection

New Bedford Creative was selected as the lead partner on a year-long training and grant program supported by the Barr Foundation. Creating Connection, a national initiative directed by Minneapolis-based Arts Midwest, draws on data-driven strategies to expand audiences and support for the arts by helping organizations deepen relevance and learn new messaging strategies.

Since January 2022, eight New Bedford nonprofit organizations have been learning how to connect their messages and programs to existing community values. Those organizations include 3rd Eye Youth Empowerment, BuyBlackNB, Cape Verdean Association in New Bedford, the Co-Creative Center, Massachusetts Design Art & Technology Institute (DATMA), New Bedford Art Museum/Artworks!, New Bedford Historical Society, and New Bedford Symphony Orchestra.

Activities of the Seaport Cultural District

Since 2014 the downtown Seaport Cultural District, an official designation by the Massachusetts Cultural Council, has served as a center of cultural, artistic and economic activity. In fiscal year 22, the activities of the district included:

- Seaport Art Walk, the district's annual temporary public art installation, partnered with DATMA's SHELTER 2022 to present five new artworks along the waterfront with the theme "Open Spaces."
- Maintained a strong 160+ partnership with four successful partner meetings in collaboration with the New Bedford Whaling National Historical Park and AHA!
- Press for the partnership organizations included features in Art New England, Artscope Magazine, The Arts Fuse, The Boston Globe, Boston Magazine, Boston Public Radio, CommonWealth Magazine, The National Review, The New York Times, The Public's Radio, SouthCoast Today, The South Coast Insider, The South Coast Almanac, 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 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
Total Appropriations (1)	\$ 356,862,641	\$ 379,473,123	\$ 391,443,063	\$ 405,261,717	\$ 435,515,529
Other Local Expenses	237,067	288,935	402,963	705,235	703,989
State & County Assessments	19,439,487	23,579,011	22,288,574	26,918,021	31,526,652
Overlay for Current Year	1,186,867	1,162,176	988,110	317,635	2,204,899
Gross Amount to be Raised	<u>377,726,062</u>	<u>404,503,245</u>	<u>415,122,710</u>	<u>433,202,608</u>	<u>469,951,069</u>
Offsets:					
Estimated Receipts from State (2)	176,207,545	193,194,759	198,203,283	206,823,902	237,128,127
Local Estimated Receipts	73,943,358	77,076,748	77,840,128	81,203,045	82,166,216
Free Cash	2,289,000	4,534,264	1,322,511	1,058,000	-
Other	-	144,244	3,503,036	2,643,104	3,795,642
Total Offsets	<u>252,439,903</u>	<u>274,950,015</u>	<u>280,868,958</u>	<u>291,728,051</u>	<u>323,089,985</u>
Tax Levy	<u>\$ 125,286,159</u>	<u>\$ 129,553,230</u>	<u>\$ 134,253,752</u>	<u>\$ 141,474,557</u>	<u>\$ 146,861,084</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 four classes of taxable property: (1) residential real property, (2) open space land, (3) commercial and (4) industrial. 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 per cent of its share of the total taxable valuation; the effective rate for open space must be at least 75 per cent 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 35 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 five years, or pursuant to a revised schedule as may be issued by the Commissioner.

Related statutes provide that certain 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.

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 his own redetermination of the fair cash value of the taxable property in each municipality. This is known as the “equalized value”. See “DEBT LIMITS” above.

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)
2023	\$ 8,194,386,618	\$ 406,097,440	\$ 8,600,484,058	\$ 146,861,084	\$ 14.29	\$ 29.88
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

(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 2023, 2022, and 2021.

Classification	Assessed Valuation		Assessed Valuation		Assessed Valuation	
	Fiscal 2023	%	Fiscal 2022	%	Fiscal 2021 (1)	%
Real Estate:						
Residential	\$ 7,063,590,736	82.1 %	\$ 5,904,815,861	79.9 %	\$ 5,709,416,255	80.5 %
Commercial	757,454,232	8.8	721,683,418	9.8	685,825,596	9.7
Industrial	373,341,650	4.3	366,845,200	5.0	333,765,850	4.7
Total Real Estate	8,194,386,618	95.3	6,993,344,479	94.7	6,729,007,701	94.9
Personal Property Valuation	406,097,440	4.7	395,020,130	5.3	361,481,590	5.1
	\$ 8,600,484,058	100.0 %	\$ 7,388,364,609	100.0 %	\$ 7,090,489,291	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 2023. All the taxpayers listed are current with their payments, except as noted below.

<u>Name</u>	<u>Nature of Business</u>	<u>Fiscal 2023 Assessed Valuation</u>	<u>% of Total Assessed Value</u>
NSTAR Electric Company (1)	Utility	\$ 173,878,810	2.02 %
NSTAR Gas Company	Utility	156,250,230	1.82
Wamsutta LLC	Housing Development	94,923,200	1.10
Cedar-Fieldstone, LLC	Retail Properties	23,009,200	0.27
AFC Cable Systems Inc.	Manufacturing	18,325,700	0.21
Melville HSG Asso-Lessee	Housing Development	18,116,500	0.21
Rockdale West LLC	Housing Development	17,142,200	0.20
Comcast of Southern N.E. Inc.	Utility	16,557,580	0.19
Bayberry @ New Bedford	Housing Development	14,985,200	0.17
Verizon New England, Inc.	Utility	14,579,300	0.17
Total		<u>\$ 547,767,920</u>	<u>6.37 %</u>

(1) Personal property tax bill due February 1, 2023 for approximately \$1.1 million has not been paid.

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>
2022 (proposed)	\$ 8,074,839,600
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

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 required to be added to the next tax levy.

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.

In 2016, the Commonwealth enacted the Municipal Modernization Act which, among other things, provided for the establishment of a single overlay reserve account, effective as of November 7, 2016 and thereafter. Previously, a municipality had to maintain separate overlay reserves for each fiscal year and could not use the surplus from one year to cover another year’s deficit without undergoing a multistep approval process. With a single overlay reserve, municipalities may now cover the costs of potential abatements or exemptions across multiple fiscal years, thereby avoiding deficits that formerly occurred when abated or exempted amounts exceeded the balance in the overlay account for a particular fiscal year.

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, 2022
	Net Tax Levy (1)	Dollar Amount (3)		
2022	\$ 141,156,922	\$ 317,635	0.23 %	\$ 815,781
2021 (2)	133,265,642	988,110	0.74	430,916
2020	128,391,054	1,162,176	0.91	704,971
2019	124,099,292	1,186,867	0.96	1,102,273
2018	118,770,443	1,184,701	1.00	910,433

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

(2) Revaluation year.

(3) In approving the City’s annual tax rate, the Commissioner of Revenue must determine whether the current overlay reserve account balance is reasonable (i.e., adequate to cover anticipated abatements and exemptions and property tax receivables for all fiscal years). See Chapter 59, Section 25 of the Massachusetts General Laws. In making this determination, the Commissioner considers the following factors: (i) the account balance as of the previous fiscal year; (ii) abatements and exemptions granted and payments made for prior fiscal years; (iii) the average of granted abatements and exemptions and outstanding receivables for the five previous fiscal years; (iv) whether local assessments are scheduled for review and certification before the Department of Revenue; (v) the potential abatement liability in any pending cases; and (vi) other significant factors known to the Commissioner. As of June 30, 2022, the balance in the City’s overlay reserve account was \$2,826,858.

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. (In addition, real property is subject to a lien for certain unpaid municipal charges or fees.) 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, 2022 (2)	
				\$ Amount	% of Net	\$ Amount	% of Net
				2022	\$ 141,474,557	\$ 317,635	\$ 141,156,922	$ 136,649,632	96.8 %	$ 136,649,632	96.8 %
2021	134,253,752	988,110	133,265,642	129,819,685	97.4	131,407,648	98.6
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	115,662,584	97.4

(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.

Fiscal Year End	Total Tax Titles and Possessions
2022	\$15,199,326
2021	20,459,718
2020	19,402,597
2019	18,718,181
2018	18,862,758

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” below) 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 2½ percent of the full and fair cash value. If a city or town exceeds the primary limitation, it must reduce its tax levy by at least 15 percent annually until it is in compliance, provided that the reduction can be reduced in any year to not less than 7½ percent by majority vote of the voters, or to less than 7½ 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 2½ percent, subject to exceptions 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 a 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”.

The statute 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.

Voters may also exclude from the Proposition 2½ limits the amount required to pay specified capital outlay expenditures or 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 if required, or the board of selectmen or the town council of a town may vote to exclude from the Proposition 2½ 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 or 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.

In addition, Proposition 2½ 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) 2½ percent 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 Proposition 2½ any State law to take effect on or after January 1, 1981 imposing a direct service or cost obligation on a city or town will become effective only if accepted or voluntarily funded by the city or town or if 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	Maxium Levy Limit	Actual Levy	Under (Over) Primary Levy Limit	Under (Over) Maximum Levy Limit
2023	\$ 8,600,484,058	\$ 215,012,101	\$ 150,317,691	\$ 146,861,084	\$ 68,151,017	\$ 3,456,607
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

(1) Reflects local assessed valuations.

Pledged Taxes

Taxes on 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 (see "TAX INCREMENT FINANCING FOR DEVELOPMENT DISTRICTS" below).

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 community 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 TAX" 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, 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 on the real property tax levy and any other revenue dedicated pursuant to the CPA. 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 real property taxes, the amounts of other dedicated revenues and the amounts 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 community 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 other 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>
2022	\$ 1,279,090	\$ 526,711
2021	1,200,732	331,059
2020	1,124,171	257,800
2019	1,109,398	190,505
2018	1,163,638	159,226

The balance in the CPA Fund as of June 30, 2022 was \$2,690,103.

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.

	FY19 Budget	FY20 Budget	FY21 Budget	FY22 Budget	FY23 Budget
EXPENDITURES:					
Debt	\$ 11,779,220	\$ 11,992,826	\$ 11,771,047	\$ 8,562,757	\$ 8,562,757
Insurance and Pension	73,092,471	73,699,072	50,565,056 (1)	52,276,502	55,522,172
General Government	27,284,736	27,338,857	28,712,543	30,023,779	32,032,525
Public Safety	47,067,157	48,412,893	47,399,545	48,423,772	52,274,957
Highways and Streets	5,804,833	5,775,569	5,728,405	5,599,418	5,508,360
Sanitation	713,962	741,999	744,680	734,556	749,865
Inspectional Services	1,010,026	1,034,640	1,046,292	1,168,917	1,108,726
Education - School Dept. NSS	137,030,000	146,750,000	179,162,500 (1)	192,237,500	215,072,811
Education - Vocational	5,632,744	5,789,401	5,877,970 (1)	6,400,222	6,072,764
Human Services	5,204,280	4,933,851	4,948,463	4,677,218	4,731,407
Culture and Recreation	4,915,316	5,083,825	5,031,907	5,346,930	5,180,811
CCw/D	-	-	-	-	-
TOTAL APPROPRIATIONS	\$ 319,534,745	\$ 331,552,933	\$ 340,988,408	\$ 355,451,571	\$ 386,817,155
Airport	979,267	1,025,350	1,019,221	1,067,429	1,126,892
Arts & Cultural Special Revenue	102,000	104,244	106,433	107,604	113,953
CCw/D Special Revenue	30,996	40,000	41,000	33,500	30,000
Water	15,336,628	16,800,704	17,176,817	17,548,635	17,631,337
Wastewater	23,277,200	24,176,843	25,089,972	27,704,020	28,579,887
Downtown Parking	878,341	1,033,588	997,329	1,046,314	997,669
Cable Access Enterprise Fund	-	1,362,558	1,198,069	1,297,754	1,298,116
TOTAL APPROPRIATIONS - ALL FUNDS	\$ 360,139,177	\$ 376,096,220	\$ 386,617,249	\$ 404,256,827	\$ 436,595,009

(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.

Fiscal Year	Room Occupancy Tax Revenue
2022	\$ 456,631
2021	275,469
2020	355,533
2019	366,743
2018	295,246

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, 2022 was \$0. As part of the FY2023 budget, the City appropriated \$107,604 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.

Fiscal Year	Meals Tax Revenue
2022	\$ 1,550,778
2021	1,221,572
2020	1,186,432
2019	1,287,332
2018	1,194,201

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.

The range of reimbursement rates for new project grant applications submitted to the Authority is between 31% and 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, §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 §54 of Chapter 44, which permits a broader range of investments than §55, including any bonds or notes that are legal investments for savings banks in the Commonwealth. The restrictions imposed by §§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 FY2028.

Category	FY 2023 Budget	FY 2024 Estimate	FY 2025 Estimate	FY 2026 Estimate	FY 2027 Estimate	FY 2028 Estimate
Beginning Fund Balance:	\$ 33,923,362	\$ 32,723,362	\$ 32,751,515	\$ 32,549,223	\$ 32,921,361	\$ 32,911,673
Revenue						
Property Taxes	\$ 145,082,945	\$ 150,710,019	\$ 154,477,769	\$ 158,339,713	\$ 162,298,206	\$ 166,355,661
Local Receipts	27,811,949	28,311,949	28,811,949	29,311,949	29,811,949	30,311,949
State Aid	236,200,196	244,467,203	253,023,555	261,879,379	271,045,158	280,531,738
Other Financing Sources	9,606,901	6,937,246	7,284,108	7,648,314	8,030,729	8,432,266
Offsets	(504,252)	(504,252)	(504,252)	(504,252)	(504,252)	(504,252)
Total Revenue:	\$ 418,197,739	\$ 429,922,165	\$ 443,093,129	\$ 456,675,103	\$ 470,681,790	\$ 485,127,362
Expenditures						
Salaries & Wages	\$ 69,687,351	\$ 71,777,972	\$ 74,290,201	\$ 76,890,358	\$ 79,581,520	\$ 81,968,966
Charges & Services	22,866,861	23,324,198	23,790,682	24,266,496	24,751,826	25,246,862
Supplies & Materials	4,872,104	4,920,825	4,970,033	5,019,734	5,069,931	5,120,630
Capital Outlay	2,608,215	2,708,215	2,808,215	2,908,215	3,008,215	3,108,215
Snow Removal	450,000	450,000	450,000	450,000	450,000	450,000
Education	215,072,811	219,374,267	224,858,624	231,604,383	238,552,514	245,709,090
Debt Service	8,562,757	8,837,042	9,911,259	9,086,712	9,186,712	9,336,712
Health, Life Insurance & OPEB	19,655,048	20,637,800	21,669,690	22,753,175	23,890,834	25,085,375
Pension Contribution	35,867,124	37,660,480	39,543,504	41,520,679	43,596,713	45,776,549
Voke Tech/Refuse Assessments	6,822,629	6,922,629	7,022,629	7,122,629	7,222,629	7,322,629
State & County Assessments	31,380,584	32,080,584	32,780,584	33,480,584	34,180,584	34,880,584
Other Financing Sources	352,255	-	-	-	-	-
Total Expenditures:	\$ 418,197,739	\$ 428,694,012	\$ 442,095,421	\$ 455,102,965	\$ 469,491,478	\$ 484,005,612
Reserve for Abatements	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
Ending Fund Balance	\$ 32,723,362	\$ 32,751,515	\$ 32,549,223	\$ 32,921,361	\$ 32,911,673	\$ 32,833,423

Notes:

- (1) Long range plan incorporates conservative assumptions regarding state revenue 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, 2022, June 30, 2021 and June 30, 2020 and Statements of Revenues, Expenditures and Changes in Fund Balances for the fiscal years ended June 30, 2022, through June 30, 2018. Said statements are excerpts from the City's audited financial statements.

CITY OF NEW BEDFORD, MASSACHUSETTS
Balance Sheet
Governmental Funds
June 30, 2022 (1)

	General Fund	Wastewater	HOME Investment Program	American Rescue Plan Act (ARPA)	West End Pressure 2nd Treatment	Non-Major Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments, unrestricted	\$ 45,213,659	\$ 9,718,612	\$ 3,040,261	\$ 64,483,433	\$ 11,078,451	\$ 68,795,304	\$ 202,329,720
Cash, restricted	5,832,967	3,769,083	-	-	-	5,127,411	14,729,461
Receivables, net:							
Real estate and personal property taxes	4,439,404	-	-	-	-	-	4,439,404
Tax liens and foreclosures	15,192,379	-	-	-	-	-	15,192,379
Motor vehicle and boat excise	3,632,648	-	-	-	-	-	3,632,648
User charges receivables	-	2,697,813	-	-	-	-	2,697,813
Departmental and other	7,054,806	103,246	-	-	-	-	7,158,052
Loans receivable	-	-	17,493,326	-	-	1,515,284	19,008,610
Other receivables	1,144,396	2,237	-	-	-	1,030,240	2,176,873
Special assessments	45,823	123,869	-	-	-	-	169,692
Due from federal or state government	-	-	-	-	-	14,050,728	14,050,728
Intraentity receivable	1,250,790	-	-	-	-	-	1,250,790
Inventories	-	26,373	-	-	-	-	26,373
Prepaid Assets	260,000	-	-	-	-	-	260,000
Land inventory	1,527,775	-	-	-	-	246,918	1,774,693
Total assets	\$ 85,594,647	\$ 16,441,233	\$ 20,533,587	\$ 64,483,433	\$ 11,078,451	\$ 90,765,885	\$ 288,897,236
Deferred Outflows of Resources							
None	-	-	-	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 85,594,647	\$ 16,441,233	\$ 20,533,587	\$ 64,483,433	\$ 11,078,451	\$ 90,765,885	\$ 288,897,236
LIABILITIES AND FUND BALANCES							
Liabilities:							
Warrants, accounts and accrued expenses payable	\$ 27,187,072	\$ 1,667,254	\$ 1,221	\$ 1,131,270	\$ -	\$ 9,062,822	\$ 39,049,639
Retainage payable	-	-	-	-	-	506,649	506,649
Bonds and notes payable	-	-	-	-	10,900,000	26,922,432	37,822,432
Deposits held	457,041	78,834	-	-	-	-	535,875
Due to other governments	-	-	-	-	-	209	209
Payroll withholdings	62,431	-	-	-	-	-	62,431
Other liabilities	841,563	28,071	-	-	-	8,632,879	9,502,513
Total liabilities	28,548,107	1,774,159	1,221	1,131,270	10,900,000	45,124,991	87,479,748
Deferred Inflows Of Resources							
Deferred Property and excise tax revenues	21,726,569	-	-	-	-	-	21,726,569
Deferred departmental and other receipts	6,305,873	-	-	-	-	326,404	6,632,277
Deferred user fees, fines and charges for services	-	2,955,208	-	-	-	-	2,955,208
Unearned grant income	-	-	-	63,352,163	-	10,311,296	73,663,459
Unearned loan income	-	-	17,493,326	-	-	1,515,284	19,008,610
Total Deferred Inflows of Resources	28,032,442	2,955,208	17,493,326	63,352,163	-	12,152,984	123,986,123
Net Position							
Nonspendable	2,778,565	26,373	-	-	-	5,374,329	8,179,267
Restricted	-	5,298,939	3,039,040	-	178,451	39,998,212	48,514,642
Committed	5,832,967	5,083,837	-	-	-	1,666,533	12,583,337
Assigned	1,779,756	1,302,717	-	-	-	-	3,082,473
Unassigned	18,622,810	-	-	-	-	(13,551,164)	5,071,646
Total Net Position	29,014,098	11,711,866	3,039,040	-	178,451	33,487,910	77,431,365
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 85,594,647	\$ 16,441,233	\$ 20,533,587	\$ 64,483,433	\$ 11,078,451	\$ 90,765,885	\$ 288,897,236

(1) Extracted from 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	1,396,076	-	-	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
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2022 (1)

	General Fund	Wastewater	HOME Investment Program	American Rescue Plan Act (ARPA)	West End Pressure 2nd Treatment	Non-major Governmental Funds	Total Governmental Funds
REVENUE							
Real estate and personal property taxes	\$ 138,325,449	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138,325,449
Motor vehicle and other excise taxes	10,196,929	-	-	-	-	-	10,196,929
MSBA assistance	-	-	-	-	-	808,755	808,755
Tax liens and foreclosures	2,040,212	165,497	-	-	-	-	2,205,709
Penalties and interest on taxes	1,373,894	-	-	-	-	-	1,373,894
Licenses and permits	2,734,951	-	-	-	-	-	2,734,951
Fines and forfeitures	169,704	-	-	-	-	-	169,704
Investment income	201,582	140,083	6,217	43,560	-	164,434	555,876
Intergovernmental - operating grants	54,706,755	-	144,636	1,439,469	-	60,557,286	116,848,146
Intergovernmental - operating grant - Chapter	173,746,586	-	-	-	-	-	173,746,586
Intergovernmental - capital grants	-	4,458,648	-	-	-	11,360,760	15,819,408
Charges for services	14,281,581	26,397,294	-	-	-	1,493,110	42,171,985
Other - indirects	542,862	-	-	-	-	-	542,862
Special assessments and betterments	-	11,219	-	-	-	-	11,219
Payment in lieu of taxes	353,869	-	-	-	-	-	353,869
Miscellaneous	298,670	63,055	335,561	-	-	20,679,151	21,376,437
TOTAL REVENUES	398,973,044	31,235,796	486,414	1,483,029	-	95,063,496	527,241,779
EXPENDITURES							
General Government	9,659,427	-	-	1,483,029	-	20,428,141	31,570,597
Public Safety	54,720,894	-	-	-	-	5,429,994	60,150,888
Education	221,325,644	-	-	-	-	47,229,718	268,555,362
Public works	15,448,367	14,713,642	-	-	-	2,372,136	32,534,145
Community and economic development	-	-	619,862	-	-	7,136,834	7,756,696
Health and human services	4,049,185	-	-	-	-	2,297,150	6,346,335
Culture and recreation	5,125,450	-	-	-	-	1,165,316	6,290,766
Pension benefits	33,887,885	-	-	-	-	-	33,887,885
Health and other insurance	18,173,137	-	-	-	-	-	18,173,137
Miscellaneous	13,068,476	-	-	-	-	-	13,068,476
Intergovernmental:							
State and county charges	26,493,234	-	-	-	-	-	26,493,234
Capital outlay:							
General government	-	-	-	-	-	2,658,327	2,658,327
Public Safety	-	-	-	-	-	3,146,904	3,146,904
Education	-	-	-	-	-	715,719	715,719
Public works	-	764,925	-	-	-	9,605,731	10,370,656
Culture and creation	-	-	-	-	-	218,767	218,767
Debt service:							
Principal payments	4,735,200	9,608,065	-	-	-	-	14,343,265
Short-term note interest	397,280	-	-	-	-	-	397,280
Bond interest costs	3,416,408	2,509,981	-	-	-	-	5,926,389
TOTAL EXPENDITURES	410,500,587	27,596,613	619,862	1,483,029	-	102,404,737	542,604,828
Excess (deficiency) of Revenues Over Expenditures	(11,527,543)	3,639,183	(133,448)	-	-	(7,341,241)	(15,363,049)
OTHER FINANCING SOURCES (Uses)							
Bond issuance	-	-	-	-	-	7,235,000	3,178,524
Bond premiums	3,553	-	-	-	178,451	1,010,673	602,553
Insurance proceeds	-	-	-	-	-	92,678	92,678
Issuance of capital leases	774,505	-	-	-	-	-	774,505
Transfers in	13,211,911	6,701,805	-	-	-	41,805	19,955,521
Transfers out	(6,171,690)	(8,880,748)	-	-	-	(1,312,744)	(16,365,182)
Total Other Financing Sources and Uses	7,818,279	(2,178,943)	-	-	178,451	7,067,412	3,792,797
Change in Net Position	(3,709,264)	1,460,240	(133,448)	-	178,451	(273,829)	60,215,820
Net Position - beginning of year (restated)	32,723,362	10,251,626	3,172,488	-	-	33,761,739	79,909,215
Net Position - end of year	\$ 29,014,098	\$ 11,711,866	\$ 3,039,040	\$ -	\$ 178,451	\$ 33,487,910	\$ 77,431,365

(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	<u>\$ 31,482,850</u>	<u>\$ 10,730,971</u>	<u>\$ 2,585,210</u>	<u>\$ (9,159,716)</u>	<u>\$ 30,182,251</u>	<u>\$ 65,821,566</u>

(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	<u>\$ 27,978,085</u>	<u>\$ 7,951,829</u>	<u>\$ 15,326,065</u>	<u>\$ 51,255,979</u>

(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
2022 (estimated)	\$ 7,000,000	\$ 1,000,000	\$ (300,000)	\$ 100,000
2021	7,306,456	1,084,049	(332,419)	174,460
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

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
2022	\$ 4,328,426	\$ 1,504,543	\$ 3,546,541	\$ 52,645
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

INDEBTEDNESS

Authorization Procedure and Limitations

Serial bonds and notes are authorized by vote of two thirds of all the members of the city council (subject to the mayor's veto where the mayor has a veto power) or a two thirds vote of the town meeting. Provision is made in some cities and towns for a referendum on the borrowing authorization if there is a timely filing of a petition bearing the requisite number of signatures. Refunding bonds and notes are authorized by the city council, the selectmen or either the prudential committee or the commissioners of a district if there is no prudential committee. 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 debt 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 incurred by the treasurer with the approval of the selectmen, mayor or city manager as the case may be.

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 if such debt is authorized by a two-thirds vote of the city or town and such debt is payable within the periods so specified in Mass. Gen. Laws. c. 44, §8. 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, solid waste disposal facility bonds and economic development bonds supported by tax increment financing, bonds for water, housing, urban renewal and economic development (subject to various debt limits), and electric, gas, community antenna television systems, and telecommunications systems. 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. Bonds or notes may be made callable and redeemed prior to their maturity, and a redemption premium may be paid. Refunding 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 end of the fiscal year in which any of the bonds or notes being refunded thereby is payable, 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. 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 TAX” below.) 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 since fiscal year 2013.

Grant Anticipation Notes. These are issued for temporary financing in anticipation of federal grants and state and county reimbursements for any purpose for which the city or town may incur debt that may be payable over a term of five years or longer. 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 which are members of the New England Power Pool may issue electric revenue bonds, and notes in anticipation of such bonds, subject to the approval of the Department of Public Utilities. This article is not intended to summarize laws relating to revenue bonds or to notes issued in anticipation of them. Industrial revenue bonds are also outside the scope of this article.

**General Obligation Direct Debt Summary
As of June 30, 2022,
Including Subsequent Issues**

General Obligation Bonds:

Outstanding as of June 30, 2022, Including Subsequent Issues		
School (1)	\$ 46,195,222	
Water (2)	7,737,800	
Sewer (2)	38,598,000	
MCWT (3)	105,290,152	
General (4)	53,936,200	
Airport (5)	1,347,778	
Parking	4,685,000	
Total Outstanding		\$ 257,790,152

This Issue of Bonds to be dated April 12, 2023 29,550,000 *

Temporary Loans:

Bond Anticipation Notes Outstanding (6)	37,822,432	
Less:		
To Be Retired with Bond Proceeds	(28,350,123)	
To Be Retired with Revenue Funds of the City	(225,000)	
Pending Issue of New Money Bond Anticipation Notes (7)	7,128,242	
Total Short-Term Outstanding (7)		16,375,551

Total Direct Debt after This Issue \$ 274,165,703

*Preliminary, subject to change.

- (1) \$28,250,000 is outside the City's debt limit.
- (2) Not subject to the City's general debt limit. Self-supporting.
- (3) Issued to Massachusetts Clean Water Trust (the "Trust"). Not subject to the City's general debt limit. Self-supporting.
- (4) \$5,859,000 is outside the City's debt limit.
- (5) Outside the City's debt limit.
- (6) Payable April 13, 2023.
- (7) Issued concurrent with the Bonds, to be payable April 11, 2024.

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
2022	\$ 211,977,135	101,079	\$ 6,947,603,100	\$ 2,097	3.05 %
2021	216,793,767	101,079	6,947,603,100	2,145	3.12
2020	171,993,514	101,079	6,079,471,600	1,702	2.83
2019	154,820,046	101,079	6,079,471,600	1,532	2.55
2018	156,119,668	101,079	5,618,295,200	1,545	2.78

(1) 2020 U.S. Bureau of the Census.

(2) 2016 equalized valuation used for fiscal 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 Clean Water Trust ("MCWT") to pay portion of such debt service.

**CITY OF NEW BEDFORD
GENERAL OBLIGATION BONDS (1)
As of June 30, 2022,
Including Subsequent Issues**

Fiscal Year	Outstanding		Less MCWT Subsidies	Total Net Debt Service
	Principal	Interest		
2023	\$ 10,548,070	\$ 5,990,645	\$ (237,895)	\$ 16,300,820
2024	10,665,410	8,328,480	(177,060)	18,816,830
2025	11,396,598	7,138,033	(192,756)	18,341,875
2026	11,530,250	6,817,660	(126,885)	18,221,024
2027	10,872,534	6,432,438	(121,471)	17,183,501
2028	10,105,445	6,072,805	(115,847)	16,062,403
2029	10,198,941	5,725,820	(110,065)	15,814,696
2030	10,073,795	5,381,124	(104,073)	15,350,846
2031	10,261,976	5,049,911	(93,138)	15,218,749
2032	10,092,333	4,732,217	-	14,824,550
2033	9,934,925	4,426,657	-	14,361,582
2034	10,045,978	4,138,053	-	14,184,032
2035	10,170,605	3,853,264	-	14,023,870
2036	9,632,568	3,569,110	-	13,201,678
2037	9,637,787	3,291,310	-	12,929,097
2038	9,283,999	3,006,579	-	12,290,578
2039	9,502,276	2,729,356	-	12,231,633
2040	8,920,464	2,459,651	-	11,380,116
2041	8,547,913	2,206,896	-	10,754,809
2042	7,906,736	1,968,312	-	9,875,048
2043	8,166,094	1,735,881	-	9,901,975
2044	7,359,197	1,504,740	-	8,863,937
2045	7,182,830	1,288,205	-	8,471,035
2046	7,072,761	1,069,902	-	8,142,664
2047	5,489,516	854,523	-	6,344,039
2048	5,342,527	690,447	-	6,032,974
2049	5,187,887	532,096	-	5,719,982
2050	4,919,325	380,040	-	5,299,365
2051	3,106,411	249,381	-	3,355,792
2052	2,270,000	140,000	-	2,410,000
2053	2,365,000	47,300	-	2,412,300
	<u>\$ 257,790,152</u>	<u>\$ 101,810,838</u>	<u>\$ (1,279,191)</u>	<u>\$ 358,321,799</u>

(1) Does not include debt service on the \$29,230,000 outstanding sewer revenue bonds issued to the MCWT, the debt service on which is and is expected to be self-supporting.

Principal Payments by Purpose

The following table sets forth the principal payments by purpose on outstanding issues of general obligation bonds of the City as of June 30, 2022, including subsequent issues.

Fiscal Year	School (1)	Water (2)	Sewer (2)	MCWT (3)	General (4)	Airport (5)	Parking	Total
2023	\$ 1,733,722	\$ 719,800	\$ 558,000	\$ 4,963,070	\$ 2,380,700	\$ 77,778	\$ 115,000	\$ 10,548,070
2024	1,781,500	746,000	596,000	5,115,410	2,231,500	75,000	120,000	10,665,410
2025	1,883,000	473,000	1,294,000	5,231,598	2,310,000	80,000	125,000	11,396,598
2026	1,747,000	500,000	1,098,000	4,920,250	3,050,000	80,000	135,000	11,530,250
2027	1,798,000	526,000	1,157,000	4,847,534	2,319,000	85,000	140,000	10,872,534
2028	1,687,000	548,000	815,000	4,560,445	2,265,000	85,000	145,000	10,105,445
2029	1,645,000	560,000	735,000	4,668,941	2,355,000	85,000	150,000	10,198,941
2030	1,740,000	575,000	775,000	4,288,795	2,455,000	85,000	155,000	10,073,795
2031	1,790,000	585,000	810,000	4,386,976	2,425,000	100,000	165,000	10,261,976
2032	1,860,000	600,000	850,000	4,187,333	2,325,000	100,000	170,000	10,092,333
2033	1,815,000	620,000	895,000	4,284,925	2,070,000	75,000	175,000	9,934,925
2034	1,895,000	635,000	950,000	4,265,978	2,095,000	25,000	180,000	10,045,978
2035	1,955,000	650,000	995,000	4,365,605	1,985,000	30,000	190,000	10,170,605
2036	2,005,000	-	1,045,000	4,467,568	1,890,000	30,000	195,000	9,632,568
2037	2,080,000	-	1,095,000	4,292,787	1,940,000	30,000	200,000	9,637,787
2038	2,150,000	-	1,160,000	3,733,999	2,000,000	30,000	210,000	9,283,999
2039	2,220,000	-	1,165,000	3,822,276	2,050,000	30,000	215,000	9,502,276
2040	1,675,000	-	1,220,000	3,850,464	1,925,000	30,000	220,000	8,920,464
2041	1,720,000	-	1,280,000	3,652,913	1,640,000	30,000	225,000	8,547,913
2042	1,770,000	-	1,330,000	2,866,736	1,665,000	35,000	240,000	7,906,736
2043	1,835,000	-	1,390,000	2,936,094	1,725,000	35,000	245,000	8,166,094
2044	1,630,000	-	1,440,000	2,214,197	1,785,000	35,000	255,000	7,359,197
2045	1,645,000	-	1,500,000	2,267,830	1,490,000	20,000	260,000	7,182,830
2046	1,535,000	-	1,560,000	2,322,761	1,365,000	20,000	270,000	7,072,761
2047	590,000	-	1,630,000	1,989,516	1,170,000	20,000	90,000	5,489,516
2048	430,000	-	1,690,000	1,907,527	1,200,000	20,000	95,000	5,342,527
2049	415,000	-	1,760,000	1,952,887	1,060,000	-	-	5,187,887
2050	320,000	-	1,835,000	1,999,325	765,000	-	-	4,919,325
2051	270,000	-	1,910,000	926,411	-	-	-	3,106,411
2052	280,000	-	1,990,000	-	-	-	-	2,270,000
2053	295,000	-	2,070,000	-	-	-	-	2,365,000
	<u>\$ 46,195,222</u>	<u>\$ 7,737,800</u>	<u>\$ 38,598,000</u>	<u>\$ 105,290,152</u>	<u>\$ 53,936,200</u>	<u>\$ 1,347,778</u>	<u>\$ 4,685,000</u>	<u>\$ 257,790,152</u>

(1) \$28,250,000 is outside the City's debt limit.

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

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

(4) \$5,859,000 is outside the City's debt limit.

(5) Outside the City's debt limit.

Authorized Unissued Debt and Prospective Financing

Following delivery of the Bonds and Notes, the City will have approximately \$388 million of bonds authorized for various school construction/improvement projects (\$16 million), sewer (\$235 million), water (\$90 million), airport (\$15 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 (currently in draft form) covers the period from FY 2022 through FY 2026. A copy of the proposed CIP can be found in Appendix E, "City of New Bedford FY 22-26 Capital Improvement Program."

Debt Impact Analysis – Tax Supported Debt Only

FY 2022-2026 Capital Improvement Program Debt Impact Analysis

Description	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Debt Issuance					
Existing Debt	\$92,834,400	\$95,131,422	\$101,151,958	\$121,857,665	\$129,198,633
Plus New Issues	7,032,222	10,127,736	25,099,207	14,472,000	12,527,000
Less Retirement	(4,735,200)	(4,107,200)	(4,393,500)	(7,131,032)	(4,822,000)
Net Outstanding Debt	\$95,131,422	\$101,151,958	\$121,857,665	\$129,198,633	\$136,903,633
Projected Debt Service (1)(2)	8,562,757	8,576,451	8,837,042	9,911,259	9,086,712
Projected Lease Payments (3)	1,617,658	2,091,578	2,406,615	3,011,678	2,999,582
Total Debt Payments:	\$10,180,415	\$10,668,029	\$11,243,657	\$12,922,937	\$12,086,294
Debt to Est. Property Value (2% annual growth): < 3%	1.3%	1.3%	1.5%	1.5%	1.5%
Debt to Per Capita Income (1% annual growth): < 6%	3.7%	3.9%	4.6%	4.8%	5.0%
Debt Payments to GF Expenditures: < 10%	2.2%	2.0%	2.0%	2.1%	1.9%
Assessed Valuation	\$7,445,013,756	\$7,817,264,443	\$8,208,127,665	\$8,618,534,049	\$9,049,460,751
Per Capita Income	26,788	27,324	27,870	28,428	28,996
GF Budget	390,279,576	418,197,699	439,107,584	461,062,963	484,116,111

(1) Includes long-term issues in 2022 (\$7,032,222), 2023 (\$10,127,736), 2024 (\$12,484,207) and 2025 (\$1,200,000) of previously authorized debt.

(2) Includes estimated short-term BAN debt:

FY 2022: \$411,149

FY 2023: \$773,863

FY 2024: \$587,351

FY 2025: \$545,897

FY 2026: \$677,060

(3) 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
2023	\$ 9,210,732	\$ 237,128,127	25.74
2024	11,648,293	241,870,690	20.76
2025	11,257,514	246,708,103	21.91
2026	11,441,652	251,642,265	21.99
2027	10,585,467	256,675,111	24.25
2028	9,855,233	261,808,613	26.57
2029	9,601,270	267,044,785	27.81
2030	9,617,381	272,385,681	28.32
2031	9,479,572	277,833,394	29.31
2032	9,289,350	283,390,062	30.51
2033	8,820,240	289,057,864	32.77
2034	8,754,040	294,839,021	33.68
2035	8,587,632	300,735,801	35.02
2036	7,759,048	306,750,517	39.53
2037	7,755,823	312,885,528	40.34
2038	7,769,648	319,143,238	41.08
2039	7,704,995	325,526,103	42.25
2040	6,909,198	332,036,625	48.06
2041	6,563,835	338,677,358	51.60
2042	6,547,956	345,450,905	52.76
2043	6,570,132	352,359,923	53.63
2044	6,314,231	359,407,121	56.92
2045	5,917,613	366,595,264	61.95
2046	5,585,438	373,927,169	66.95
2047	4,172,425	381,405,712	91.41
2048	3,987,638	389,033,827	97.56
2049	3,671,525	396,814,503	108.08
2050	3,247,713	404,750,793	124.63
2051	2,409,000	412,845,809	171.38
2052	2,410,000	421,102,725	174.73
2053	2,412,300	429,524,780	178.06
	\$ 225,856,891		

(1) As of June 30, 2022, including subsequent issues. Does not include this issue of State Qualified Bonds.

(2) Includes total state aid available for coverage based on the City's estimated FY 2023 state aid receipts. State aid is increased at a rate of 2% each year after FY 2023. 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, 2022, the City's gross share of such debt and the fiscal 2023 dollar assessment to the City by each entity.

<u>Overlapping Entity</u>	<u>Outstanding Debt</u>	<u>New Bedford Estimated Share (1)</u>	<u>2023 Dollar Assessment (2)</u>
Greater New Bedford Regional Refuse Management District (3)	\$0	84.96%	\$749,865
Bristol County (4)	\$48,924,361	11.89%	\$713,115
Southeastern Regional Transportation Authority (5)	\$0	N.A.	\$1,337,267
Greater New Bedford Regional Vocational Technical High School District (6)	\$2,250,000	77.00%	\$6,072,764

(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 that are not subject to annual appropriation, 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.

Municipal electric departments have statutory power to enter into long term contracts for joint ownership and operation of generating and transmission facilities and for the purchase or sale of capacity, including contracts requiring payments without regard to the operational status of the facilities.

Pursuant to the Home Rule Amendment to the Massachusetts Constitution, (see "CONSTITUTIONAL STATUS AND FORM OF GOVERNMENT" above), cities and towns may also be empowered to make other contracts and leases. 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 2022 was \$6,087,764 and the budgeted cost for fiscal 2023 is \$6,689,465.

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 2022 was \$3,713,760 and the budgeted cost for fiscal 2023 is \$4,489,800.

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 2022 was \$45,353,203 and the budgeted cost for fiscal 2023 is \$5,477,172.

The City has three 7-year contracts with PNC Equipment Finance and thirteen contracts with All American Investment Group, ranging in length from 2 to 5 years, 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 \$1,908,705 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.

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
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	<u>\$ 3,684,000.00</u>	<u>\$ 1,015,355.25</u>	<u>\$ 4,699,355.25</u>

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. 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.

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, 2021 there were 1,519 retired persons and surviving beneficiaries and 294 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
2023 (budgeted)	\$35,867,124
2022 (unaudited)	33,861,558
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 and towns is generally provided on a pay-as-you-go basis. The Governmental Accounting Standards Board (“GASB”) promulgated accounting standards that 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 the payment of these costs as the liability for such costs accrues, 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 the cost of 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.

The recent trend in the City’s annual contributions for its other post-employment benefits is as follows:

Fiscal Year	Benefit Costs (1)
2023 (estimated)(2)	\$ 17,092,009
2022 (unaudited)	15,731,140
2021	14,714,575
2020	15,742,454
2019	16,320,791
2018	16,720,767

(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 average actual costs from the last six fiscal years plus the percentage increase that occurred from fiscal year 2021 into fiscal year 2022 to be conservative.

The Governmental Accounting Standards Board (“GASB”) Statement No. 75, “Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions,” replaces the requirements of Statement No. 45, “Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions.” GASB Statement No. 75 introduces a new actuarial cost method and discount rate as well as new disclosure and methodologies for reporting plan liability and OPEB expenses. It establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. 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 2022, nothing was funded from the Free Cash certification leaving the total funding to \$2,215,483 since the inception of the fund. The OPEB Trust Fund balance as of June 30, 2022 was \$3,346,678.

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 January 6, 2023, the City employed approximately 3,899 full- and part-time workers, of whom 2,708 are employed by the School Department, 292 by the Police Department, 236 by the Fire Department, 66 by the Department of Facilities and Fleet Management, 153 by the Department of Public Infrastructure and the balance of 444 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 3,899 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 of New Bedford 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 is in negotiations for a successor contract. AFSCME Local 851, Unit B, which represents EMS employees, had a contract in effect through June 30, 2023. The New Bedford Firefighters union, Local 841, has a contract through June 30, 2025. The New Bedford Police Union had a contract through June 30, 2021, as a result of an interest arbitration award, and is in negotiations for a successor contract.

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, had a contract through July 31, 2022, and is currently in mediation 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, 2025.

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.

The City notes that late in calendar year 2022 the Zoning Board of Appeals (ZBA) denied a special permit application filed by Recovery Connection Centers of America (RCCA) relative to property on Union Street. RCCA filed a suit against the City in state Land Court seeking a reversal of the decision (but no money damages). It is anticipated this action will be dismissed voluntarily. However, counsel for RCCA has indicated an intention to file a separate civil rights action for alleged violations of the Americans With Disabilities Act in Federal Court. The City maintains a policy of insurance for Civil Rights claims.

The City also 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/ Ray DeBarros, City Treasurer

March 7, 2023

PROPOSAL FOR BONDS

Ray DeBarros, City Treasurer
 City of New Bedford, Massachusetts
 c/o Hilltop Securities Inc.
 54 Canal Street, 3rd Floor
 Boston, MA 02114

March 14, 2023

Dear Mr. DeBarros:

For \$29,550,000* City of New Bedford, Massachusetts, General Obligation State Qualified Municipal Purpose Loan of 2023 Bonds as further described in your Notice of Sale dated March 7, 2023, which Notice of Sale is hereby made a part of this proposal, we bid.....and accrued interest to date of delivery for each \$100 par value of bonds, bearing interest at the rate or rates per annum as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	
2024	.....%	2039 %	**
2025	2040	.....	**
2026	2041	.....	**
2027	2042	.....	**
2028	2043	.....	**
2029	2044	.....	**
2030	2045	.....	**
2031	2046	.....	**
2032	2047	.....	**
2033	** 2048	.....	**
2034	** 2049	.....	**
2035	** 2050	.....	**
2036	** 2051	.....	**
2037	** 2052	.....	**
2038	** 2053	.....	**

****TERM BONDS (Optional – No more than three Term Bonds.)**

<u>Year of Mandatory Redemption</u>	<u>Year of Maturity</u>	<u>Interest Rate</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

The undersigned hereby acknowledges receipt of the Preliminary Official Statement referred to in the aforementioned Notice of Sale.

The following is our computation of the net interest cost and percent true interest cost calculated in accordance with the Notice of Sale, is for informational purposes only, and is subject to verification prior to award.

Gross Interest Cost	\$ _____	
Underwriters Premium	\$ _____	BIDS MUST INCLUDE A PREMIUM OF AT LEAST \$ _____
Net Interest Cost	\$ _____	
Percent True Interest Cost	_____ %	
	(four decimals)	

Hilltop Securities Inc. would be pleased to assist you in entering your bid on these Bonds if you will mail your signed bid form in advance and telephone figures about one-half hour before the time of sale. The City and Hilltop Securities Inc. are not responsible for errors in bids submitted in this manner.

**TELEPHONE (617) 619-4400
 HILLTOP SECURITIES INC.**

*Preliminary, subject to change.