

COMMITTEE ON FINANCE - September 18, 2019
MEETING AT 7:30 PM, City Hall, 133 William Street, New Bedford, MA City
Council Chambers - Room 214
AGENDA

1. COMMUNICATION, R. Renee Fernandes, Treasurer/Collector to Councillor Joseph P. Lopes, Chairman, Committee on Finance, requesting a Finance Committee meeting to present a request for permanent financing for Massachusetts Clean Water Trust Loan CW-17-10; this loan is for the inspection of 34.6 miles of collector sewer pipe, the implementation of a flow monitoring program and a prioritized plan to investigate and repair critical components of the collection system; the loan amount of \$4,646,000 would be financed at 2% in the Trust's Series 22 Pool, expected to close October 24, 2019. (Ref'd from Committee 9/10/19)

INVITEES: R. Renee Fernandes, Treasurer/Collector; Molly Gilfeather, Department of Public Infrastructure; Jamie Ponte, Commissioner, Department of Public Infrastructure; Ari J. Sky, Chief Financial Officer

Chair Suggests 'No Further Action' and 'Report Out to the Full City Council'

2. COMMUNICATION, Councillor Morad, submitting a letter from Members of the City of New Bedford's EMS Department, regarding Group IV Retirement Benefits. (To be Referred to the Committee on Finance.) (Ref'd 10/26/17)

3. RELATED MOTION, Council President Morad, requesting that the Committee on Finance request that CFO Sky provide the Committee with a list of vacant city-owned property that is centrally located, for the purpose of relocating the City's Animal Control Division. (Ref'd from Committee 3/19/19) (3/21/19-letter sent to CFO Sky requesting this information) (3/26/19-email from Ari Sky to all Councillors providing the information requested)

4. COMMUNICATION, Mayor Mitchell, to City Council, submitting AN ORDER for the TRANSFER of \$20,000.00 from PLANNING, SALARIES & WAGES, to PLANNING, CHARGES & SERVICES. (Ref'd 3/28/19)

4a. AN ORDER, (Ref'd 3/28/19)

4b. COMMUNICATION, from Tabitha Harkin, City Planner, to Councillor Joseph P. Lopes, Chairman, Committee on Finance, stating that the planning Department is no longer in need of the ORDER for the TRANSFER of \$20,000.00 from PLANNING, SALARIES & WAGES, to PLANNING, CHARGES & SERVICES, which was referred from Council on March 28, 2019. (Ref'd from Committee 6/5/19)

5. RELATED MOTION, Councillor Rebeiro, requesting, that a member of the Administration appear before the Committee on Finance to determine which stations will be consolidated/closed due to the construction of the new South Public Safety Center. (Ref'd 3/28/19)

6. COMMUNICATION, Council President Morad, submitting an email from the Friends of Hazelwood Park, regarding their upcoming request for Community Preservation Act funding. (Ref'd 4/11/19)

In accordance with the Americans with Disabilities Act (ADA), if any accommodations are needed, please contact the Clerk of Committees Office at 508-979-1482. Requests should be made as soon as possible but at least 48 hours prior to the scheduled meeting.



Item Title:

COMMUNICATION re Massachusetts Clean Water Trust Loan

Item Detail:

1. COMMUNICATION, R. Renee Fernandes, Treasurer/Collector to Councillor Joseph P. Lopes, Chairman, Committee on Finance, requesting a Finance Committee meeting to present a request for permanent financing for Massachusetts Clean Water Trust Loan CW-17-10; this loan is for the inspection of 34.6 miles of collector sewer pipe, the implementation of a flow monitoring program and a prioritized plan to investigate and repair critical components of the collection system; the loan amount of \$4,646,000 would be financed at 2% in the Trust's Series 22 Pool, expected to close October 24, 2019. (Ref'd from Committee 9/10/19)

Additional Information:

ATTACHMENTS:

Description	Type
<input type="checkbox"/> Request to Finance CW-17-10	Cover Memo
<input type="checkbox"/> Vote of the Finance Committee CW-17-10	Cover Memo
<input type="checkbox"/> Loan Questionnaire CW-17-10	Cover Memo



CITY OF NEW BEDFORD
MASSACHUSETTS
OFFICE OF THE TREASURER

Mark P. Fuller
Assistant Treasurer

Blair S. Bailey
Tax Title Attorney

R. Renee Fernandes
Treasurer – Collector

September 10, 2019

Councilor Joseph Lopes
Finance Committee Chairman
133 William Street, 2nd Floor
New Bedford, MA 02740

Dear Councilor Lopes:

Thank you for allowing me to appear on the September 18, 2019 Finance Committee meeting agenda. I will be presenting a request for permanent financing for Massachusetts Clean Water Trust Loan CW-17-10. This loan is for the inspection of 34.6 miles of collector sewer pipe, the implementation of a flow monitoring program and a prioritized plan to investigate and repair critical components of the collection system. The loan amount, \$4,646,000 will be financed at 2% in the Trust's Series 22 Pool expected to close October 24, 2019.

I am including a copy of the Massachusetts Clean Water Trust Loan Questionnaire and the vote prepared by bond counsel for consideration. Should you require additional information about the scope of this project, please contact Jamie Ponte or Molly Gilfeather at the Department of Public Infrastructure.

Thank you for your consideration.

Respectfully,

R. Renee Fernandes
Treasurer-Collector

c: Ari Sky, CFO
Jamie Ponte, DPI Commissioner
Molly Gilfeather, DPI

VOTE OF THE COMMITTEE ON FINANCE

I, the Clerk of the Committee on Finance of the City Council of the City of New Bedford, Massachusetts, certify that at a meeting of the Committee held September 18, 2019, of which meeting all members of the Committee were duly notified and at which a quorum was present, the following votes were passed by a vote of __ in favor and __ against, all of which appears in the official records of the Committee in my custody:

Voted: (i) to approve the delivery of a 2% bond of the City to the Massachusetts Clean Water Trust (the "Trust") with respect to Loan Commitment CW-17-10 (the "Commitment") in the amount of \$4,646,600, as authorized under M.G.L. c.44, §7(7) and an order of the City Council approved by the Mayor on November 23, 2016, which authorized a total borrowing of \$25,000,000, such bond to be delivered on the date of the Trust's Pool 22 Series, (ii) to approve the related Financing Agreement and the execution and delivery thereof by the Treasurer.

I further certify that the votes were taken at a meeting open to the public, that no vote was taken by secret ballot, that a notice stating the place, date, time and agenda for the meeting (which agenda included the adoption of the above vote) was filed with the City Clerk and a copy thereof posted in a manner conspicuously visible to the public at all hours in or on the municipal building that the office of the City Clerk is located or, if applicable, in accordance with an alternative method of notice prescribed or approved by the Attorney General as set forth in 940 CMR 29.03(2)(b), at least 48 hours, not including Saturdays, Sundays and legal holidays, prior to the time of the meeting and remained so posted at the time of the meeting, that no deliberations or decision in connection with the sale of the Interim Loan Notes or the Bonds were taken in executive session, all in accordance with G.L. c.30A, §§18-25 as amended.

Dated: September 18, 2019

Clerk of the Committee on Finance

MASSACHUSETTS CLEAN WATER TRUST

LOAN QUESTIONNAIRE

Note: The following information must be provided to the Trust with respect to each “Project” to be funded in whole or in part from one or more Loans made by the Trust to the Borrower. If the Borrower has received Loan Commitments for more than one Project, separate Questionnaires should be completed for each Project. Separate discrete elements or segments of a facility (other than design) are deemed to be separate Projects for which separate Questionnaires are requested.

This Questionnaire pertains solely to permanent Loans for Eligible Costs of the Project. Except as noted herein, do not include information regarding Interim Loans which the Borrower expects to receive from the Trust. All questions should be completed other than those which are not applicable to the Borrower, the Loan or the Project (if such is the case, indicate “NA”). If certain information requested is unavailable attach an explanation.

If you have any questions regarding this form please contact your bond counsel or the Trust at 367-3900, Attention: Sue Perez, Executive Director (Extension 816).

A. GENERAL**City of New Bedford**

1. Name of Borrower:

2. Chief Financial Officer:

Name: **R. Renee Fernandes, Treasurer**
 Address: **133 William Street, New Bedford, MA 02740**
 E-mail address: **Renee.Fernandes@newbedford-ma.gov**

Telephone: **(508) 979-1425**
 Fax: **(508) 961-3078**

3. Employer Identification Number: **04-6001402**

4. Bond Counsel: **Locke Lord LLP**
 Attention: **Brenda M. McDonough**
 Address: **111 Huntington Avenue
 Boston, MA 02199**

Telephone: **(617) 239-0684**
 Fax: **(866) 955-8984**

5. Financial Advisor: **First Southwest a division of Hilltop Securities**
 Attention: **Cinder McNerney**
 Address: **54 Canal Street
 Suite 320
 Boston, MA 02114**

Telephone: **(617) 619-4408**
 Fax: **(617) 619-4411**

6. Wire Transfer Instructions for Loan Disbursements:

Bank: **Citizens Bank, NA**
 Account No. **[REDACTED]**
 ABA No. **[REDACTED]**

7. This Questionnaire pertains to a Loan to finance or refinance Eligible Costs of the Project indicated below to be issued by the Massachusetts Clean Water Trust under the following Loan Commitment (see cover page of Loan Commitment):

<u>Commitment No.</u>	<u>DEP Project No.</u>	<u>Aggregate Loan Obligation</u>
CW-17-10	CWSRF 4170	\$2,996,600.00

B. THE PROJECT

1. Brief description of the Project:

Inspection of 34.6 miles of brick, segmental block, vitrified clay, and concrete interceptor and collector sewer pipe. Also includes the implementation of a flow monitoring program in sanitary portions of the sewer system. Program will provide a prioritized plan for implementing further investigations and repairs to critical components of the collection system.

2. Total Estimated Cost of the Project (include all costs of the Project regardless of source of financing; include costs which are eligible for financial assistance from the Trust and ineligible costs; also include any contingency included in the budget for the Project):

\$ 4,646,600.00

3. Sources of Financing of Total Estimated Project Cost:

Trust Loans⁽¹⁾:This Loan:..... \$ **\$2,996,600.00**

Prior Loans

Future Loans:

Approved by DEP..... **\$1,650,000.00**

Subject to DEP Approval

Other Long-Term Debt of the Borrower:

Prior Bond Issues⁽²⁾

Future Bond Issues:

Authorized

To be Authorized

BANs to be Retired from Revenues

Grants:

Federal

State

Appropriation from

Estimated investment earnings⁽³⁾

Other (specify):

Total **\$ 4,646,600.00**⁽¹⁾ Excluding Interim Loans from the Trust.⁽²⁾ Excluding bonds to be refinanced from proceeds of a Trust Loan.⁽³⁾ Excluding investment earnings on Loan Proceeds.4. Has work on the Project commenced? Yes _____ No ✓

(a) If No, state estimated date of commencement of:

design 12/1/2017construction N/A.

(b) If design or engineering on the Project has commenced, state date of entering into design contract or commencement of in-house design and estimated date of completion of design:

(i) Contract: Commencement _____
Completion _____(ii) In-House: Commencement _____
Completion _____

(c) If construction of the Project has commenced, state date of entering into contract or commencement of in-house construction and estimated date of completion of construction:

(i) Contract: Commencement _____
Completion _____

(ii) In-House: Commencement _____
Completion _____

(d) Estimated final completion date of:

design _____
construction _____.

(e) Estimated date of final payment of Project Costs from proceeds of the Loan:

3/31/2020

5. Attach a schedule of estimated monthly disbursements required to pay or refinance Project Costs prepared on the following assumptions:

(i) Assume that the Closing Date for the Loan is the first day of the month following the date of this Questionnaire and that proceeds of the Loan will be available to pay all Costs of the Project payable after the Closing Date;

(ii) Assume that all Project Costs paid by the Borrower prior to the Closing Date of the Loan from the proceeds of BANs will be reimbursed to the Borrower and applied to retire the BANs at maturity or upon earlier redemption of the BANs (the schedule should indicate the amount of Loan proceeds to be applied to retire BANs and the maturity date(s) thereof);

(iii) Assume that any unexpended BAN proceeds held on the Closing Date of the Loan will be used to retire the BANs at maturity or upon earlier redemption;

(iv) Assume that all Project Costs paid by the Borrower from moneys of the Borrower other than the proceeds of BANs will be reimbursed to the Borrower on the Closing Date of the Loan (the schedule should indicate the amount of Loan proceeds which are expected to be applied to reimburse that Borrower for such Costs); and

(v) Do not include disbursements for costs of issuance or for any interest expense on BANs or any Interim Loan from the Trust.

6. If work on the Project has commenced:

(a) To date, what has been the source of funds to pay Eligible Project Costs (check all that apply):

- (i) BAN proceeds _____
- (ii) Revenue cash _____
- (iii) Bond proceeds _____
- (iv) Other (specify) _____

(b) Date of first payment of Project Costs:

(c) If any Project Costs were paid from revenue cash (even if later reimbursed from borrowed funds), indicate:

(i) Date the Borrower took some form of official action indicating an intent to borrow funds to reimburse the Borrower for these Project Costs _____. (Please attach a copy of the vote, resolution or other instrument indicating such official action).

(ii) Purpose, amounts and dates of expenditures, if any, made before official action:

<u>Purpose</u>	<u>Amount</u>	<u>Date</u>
----------------	---------------	-------------

7. Has the Project been completed? Yes _____ No ☒.

(a) If yes, on what date was the Project placed in service?

8. Will any portion of the proceeds of the Loan be used to pay (or reimburse the Borrower for the payment of) non-capitalized costs (e.g., salaries, utilities, supplies, ordinary repairs and maintenance or other operating costs including interest on debt)?

Yes _____ No ☒. If Yes, describe the nature and amount of these costs and the relationship of these costs to capital costs of the Project. Also indicate whether any of these costs will be (have been) incurred after the date the Project will be (was) placed in service.

9. Will any portion of the Project be owned _____, leased _____, managed _____ or used (other than as a member of the general public^{*}) _____ by an entity other than a state or local governmental unit? Yes _____ No ☒. If Yes, please complete the following:

(a) Identify the non-governmental entity or entities:

(b) Please check the line(s) below which best describe the non-governmental entity or entities identified in (a) above.

_____ Federal governmental unit
 _____ Private, for profit entity
 _____ 501(c)(3) nonprofit organization
 _____ Other (please describe):

(c) Please describe the manner of such use and attach the lease, management or other contract (if leased describe the terms of the agreement, including the identity of the lessee and lessor, the contract term, and rental amount; if managed complete paragraph (e) below; if otherwise "used", describe the percentage of the Project used by such entity and whether the user is required to make payments irrespective of its actual use):

(d) Will the nongovernmental entity make any other payments for use of the Project? Yes _____ No _____. If yes, please describe such payments, including amounts and period over which payments are to be made.

^{*} The use of a project in the same manner as other members of the general public is not a "private use" for purposes of this question. For example, the provision of sewer service to a private company is not a private use, even if the charges reflect a volume discount, so long as the same service and discount is available to other members of the public on the same basis. On the other hand, take or pay contracts or other output contracts with private businesses should be noted.

(e) List the area of the Project (in square feet or by volume use) used by the nongovernmental entity (including area subject to management contract) and the total area or volume of the Project (if the entire Project is to be used or managed by the nongovernmental entity simply enter "all" under the appropriate column);

	Area or volume used by non-governmental entity	Total area or volume of Project	% of total area or volume of Project to be used by non-governmental entity
Managed By:			
Leased To:			
Owned By:			

TOTAL:

10. If the Project is or will be managed by a non-governmental entity pursuant to a management contract, please answer the following questions and attach a copy of the contract:

(a) Does the contract have a term, including any options to renew, of no more than 5 years? Yes ____ No ____.

(b) Does the Borrower have the option to cancel the contract at the end of any three-year period without incurring any penalty? Yes ____ No ____.

(c) Does the contract compensate the manager, in whole or in part, on the basis of a share of net profits? Yes ____ No ____.

(d) Is at least 50% of the manager's annual compensation based on a periodic fixed fee? Yes ____ No ____.

C. REFINANCING OF INDEBTEDNESS

1. Will any proceeds of the Loan be applied to repay any outstanding BANs or other temporary indebtedness with respect to the Project other than an Interim Loan from the Trust? Yes ____ No ☒. Will any proceeds of the Loan be applied to refund, refinance or otherwise pay debt service on any bonds or other long-term indebtedness with respect to the Project? Yes ____ No ☒. (If the answer to both of the foregoing questions is No, skip to Paragraph (D) below.)

2. If there are any outstanding BANs or other temporary indebtedness which will be repaid from proceeds of the Loan, provide the following information separately for each issue of BANs or other temporary debt to be repaid in whole or in part from the proceeds of the Loan:

- (a) Principal amount outstanding:
- (b) Issue date (original issue date in the case of temporary debt issued to repay prior temporary debt):
- (c) Maturity Date:
- (d) Is the temporary debt prepayable prior to maturity? Yes ____ No ____ . If Yes, when?
- (e) Was the temporary debt part of an issue with purposes in addition to the payment of cost of the Project? Yes ____ No ____ . If Yes, what portion of the principal amount of the debt was issued for Project Costs?
- (f) If the principal amount of the temporary debt outstanding issued to pay Project Costs is greater than the Aggregate Loan Obligation of the Loan, what is the source of funds to repay the remaining temporary debt?
- (g) Do any proceeds of the temporary debt remain unexpended? Yes ____ No ____ . If Yes, how much?
- (h) To what use or purpose have investment earnings on the proceeds of the temporary debt been applied? Debt Service ____; Project Costs ____; Other (specify): ____ . What is the total estimated amount of investment earnings?

3. If there is any long-term indebtedness (bonds, loans, etc.) which will be refunded or refinanced with proceeds of the Loan, provide the following information separately for each issue of bonds or other long-term indebtedness to be refunded or refinanced:

- (a) Principal amount outstanding:

- (b) Issue date (original issue date in the case of a series of refundings):
- (c) Maturity dates and interest rates (attach schedule):
- (d) Redemption provisions including optional and mandatory (i.e., sinking fund) redemption dates and amounts and redemption prices (attach schedule):
- (e) Were the bonds or other long-term debt part of an issue with purposes in addition to the payment of costs of the Project (or repayment of BANs issued for that purpose)?
Yes ____ No _____. If Yes, what portion of the principal amount of the debt outstanding was issued for Project Costs?
- (f) Do any proceeds of the bonds or other long-term debt remain unexpended?
Yes ____ No _____. If Yes, how much?
- (g) Were any proceeds of the bonds or other long-term debt invested following issuance? Yes ____ No _____. If Yes, to what purpose were the earnings applied? Debt Service _____; Project Costs _____; Other (specify): _____.
What is the total estimated amount of investment earnings?

D. LITIGATION

1. Is any action, suit, proceeding, inquiry or investigation before or by any court, public board or other body presently pending or, to your knowledge, threatened, against or affecting the Borrower seeking to restrain or enjoin the execution and delivery by the Borrower of a Loan Agreement for the Loan or the issuance and delivery of the Borrower's Local Governmental Obligations to evidence and secure the Loan or challenging any proceeding of the Borrower with respect to the Loan or the Project, or contesting or affecting the validity or enforceability of the Loan Commitment, the Loan or any such proceedings?
Yes ____ No ✓.

If Yes, attach a detailed description of the litigation or other proceeding or claim and indicate below the name, address and telephone number of your counsel for these purposes.

2. Is any litigation or other proceeding pending or, to your knowledge, threatened against or affecting the Borrower which, if determined adversely to the Borrower, would likely result, either individually or in the aggregate, in final judgments which would materially adversely affect the ability of the Borrower to repay the Loan? Yes ____ No ✓.

If Yes, attach a detailed description of the litigation, proceeding or other claim and indicate below the name, address and telephone number of your counsel for these purposes.

E. **REQUESTED LOAN TERM**

1. Please indicate the number of years you would like your loan to be amortized for.

20 Years ✓

30 Years _____

Other (specify) _____

* * *

To the best of my knowledge and belief, the information set forth above is correct and complete as of the date hereof.

Date: _____

Treasurer of Borrower

Name: **R. Renee Fernandes**

Title: **Treasurer**



Item Title:

COMMUNICATION re EMS Retirement Benefits

Item Detail:

2. COMMUNICATION, Councillor Morad, submitting a letter from Members of the City of New Bedford's EMS Department, regarding Group IV Retirement Benefits. (To be Referred to the Committee on Finance.) (Ref'd 10/26/17)

Additional Information:



Item Title:

RELATED MOTION re Vacant Property / Animal Control

Item Detail:

3. RELATED MOTION, Council President Morad, requesting that the Committee on Finance request that CFO Sky provide the Committee with a list of vacant city-owned property that is centrally located, for the purpose of relocating the City's Animal Control Division. (Ref'd from Committee 3/19/19) (3/21/19-letter sent to CFO Sky requesting this information) (3/26/19-email from Ari Sky to all Councillors providing the information requested)

Additional Information:



Item Title:

COMMUNICATION re TRANSFER ORDER / PLANNING DEPT

Item Detail:

4. COMMUNICATION, Mayor Mitchell, to City Council, submitting AN ORDER for the TRANSFER of \$20,000.00 from PLANNING, SALARIES & WAGES, to PLANNING, CHARGES & SERVICES. (Ref'd 3/28/19)

4a. AN ORDER, (Ref'd 3/28/19)

4b. COMMUNICATION, from Tabitha Harkin, City Planner, to Councillor Joseph P. Lopes, Chairman, Committee on Finance, stating that the planning Department is no longer in need of the ORDER for the TRANSFER of \$20,000.00 from PLANNING, SALARIES & WAGES, to PLANNING, CHARGES & SERVICES, which was referred from Council on March 28, 2019. (Ref'd from Committee 6/5/19)

Additional Information:



Item Title:

RELATED MOTION re South Public Safety Center

Item Detail:

5. RELATED MOTION, Councillor Rebeiro, requesting, that a member of the Administration appear before the Committee on Finance to determine which stations will be consolidated/closed due to the construction of the new South Public Safety Center. (Ref'd 3/28/19)

Additional Information:



Item Title:

COMMUNICATION re Community Preservation Act Funding

Item Detail:

6. COMMUNICATION, Council President Morad, submitting an email from the Friends of Hazelwood Park, regarding their upcoming request for Community Preservation Act funding. (Ref'd 4/11/19)

Additional Information:



Item Title:
Accessibility Statement

Item Detail:

In accordance with the Americans with Disabilities Act (ADA), if any accommodations are needed, please contact the Clerk of Committees Office at 508-979-1482. Requests should be made as soon as possible but at least 48 hours prior to the scheduled meeting.

Additional Information: