

**COMMITTEE ON FINANCE - October 22, 2019**  
**MEETING AT 6:00 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, presenting a request for interim loan financing for the Massachusetts Clean Water Trust project CW-19-17; this interim loan, in the amount of \$260,000, is part of the \$25,000,000 authorization voted by the council in October, 2016 to finance the Asset Management Program, an integrated plan for prioritized inspection, renewal and/or replacement of critical components in the City's collection system using a risk-based approach. (Ref'd from Committee 10/3/19)

***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. WRITTEN MOTION, Councillor Lopes, requesting that CFO Sky, City Treasurer Fernandes and DPI Commissioner Ponte review the ongoing posting delays of the online water & sewer payments with the City's current lockbox provider. (To be Referred to the Committee on Finance.) (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 Interim Loan Financing / MA Clean Water Trust Project CW-19-17

Item Detail:

1. COMMUNICATION, R. Renee Fernandes, Treasurer/Collector to Councillor Joseph P. Lopes, Chairman, Committee on Finance, presenting a request for interim loan financing for the Massachusetts Clean Water Trust project CW-19-17; this interim loan, in the amount of \$260,000, is part of the \$25,000,000 authorization voted by the council in October, 2016 to finance the Asset Management Program, an integrated plan for prioritized inspection, renewal and/or replacement of critical components in the City's collection system using a risk-based approach. (Ref'd from Committee 10/3/19)

Additional Information:

ATTACHMENTS:

Description	Type
❑ Request to Finance - CW-19-17	Cover Memo
❑ MA Clean Water Trust - Questionnaire	Cover Memo
❑ MA Clean Water Trust - Vote	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

October 9, 2019

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

Dear Councilor Lopes:

Thank you for allowing me to appear on the October 22, 2019 Finance Committee meeting agenda. I will be presenting a request for interim loan financing for the Massachusetts Clean Water Trust project CW-19-17. This interim loan, in the amount of \$260,000 is part of the \$25,000,000 authorization voted by the council in October, 2016 to finance the Asset Management Program, an integrated plan for prioritized inspection, renewal and/or replacement of critical components in the City's collection system using a risk based approach. I am including a copy of the Massachusetts Clean Water Trust Loan Questionnaire. The interim loan is available to the City at an interest rate of 0.0%. The vote, prepared by bond counsel will be distributed, when available.

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

# MASSACHUSETTS CLEAN WATER TRUST

## ASSET MANAGEMENT PLANNING GRANT AND LOAN QUESTIONNAIRE

### PURPOSE

This questionnaire relates to an Asset Management Project to be partially funded with a Grant and partially financed with a Loan from the Massachusetts Clean Water Trust (the "Trust"). It is intended to provide the Trust with information necessary to disburse grant proceeds and to finance loan proceeds.

**Please enter a response for each question.**

If a particular question is not applicable, please respond "N/A".

If a particular question requests information that is unavailable, please include an explanation of *why* the information is unavailable.

**If you have any questions regarding this form please contact your bond counsel or the Trust at 617-367-9333, Attention: Sue Perez, Executive Director (Extension 816).**

### GENERAL INFORMATION

- A. Borrower (Name of City, Town, District, etc.): City of New Bedford
- B. Employer Identification Number: 04-6001402
- C. Loan and Project Identification:
- | <u>Commitment No.</u> | <u>DEP Project No.</u> | <u>Aggregate Loan Obligation</u> |
|-----------------------|------------------------|----------------------------------|
| <u>CW-19-17</u>       | <u>CWSRF 4542</u>      | \$ <u>260,000</u>                |
- D. Wire Transfer Instructions for Loan Disbursements:
- |             |                   |
|-------------|-------------------|
| Bank:       | Citizens Bank, NA |
| Account No. | 1104139461        |
| ABA No.     | 011500120         |

**CONTACT INFORMATION**

**A.     *Chief Financial Officer***

Name:               Ari Sky  
Title:               Chief Financial Officer  
Address:            133 William Street, New Bedford, MA 02740

E-mail Address:   ari.sky@newbedford-ma.gov  
Telephone:         (508) 979-1441

**B.     *Treasurer***

Name:               R. Renee Fernandes  
Address:            133 William Street, New Bedford, MA 02740

E-mail Address:   Renee.Fernandes@newbedford-ma.gov  
Telephone:         (508) 979-1425

**C.     *Department of Public Works Contact Person***

Name:               Molly Gilfeather  
Title:               Finance & Operations Manager  
Address:            1105 Shawmut Ave., New Bedford, MA 02746

E-mail Address:   molly.gilfeather@newbedford-ma.gov  
Telephone:         (508)979-1550 x67316

**D. Bond Counsel:**

Firm Name: Locke Lord LLP  
 Attention: Brenda M. McDonough  
 Address: 111 Huntington Avenue  
 Boston, MA 02199

E-mail Address: Brenda.McDonough@lockelord.com  
 Telephone: (617)239-0684

**E. Financial Advisor:**

Firm Name: First Southwest a division of Hilltop Securities  
 Attention: Cinder McNerney  
 Address: 54 Canal Street  
 Suite 320  
 Boston, MA 02114

E-mail Address: cinder.mcnerney@hilltopsecurities.com  
 Telephone: (617) 619-4408

**FINANCIAL REVIEW**

- A. Current Credit Rating(s) (**Attach** most recent rating report for each rating received):
1. S&P: AA-/Stable
  2. Fitch: \_\_\_\_\_
  3. Moody's: A1/Stable
  4. Other (specify): \_\_\_\_\_
- B. Source(s) of Loan repayment (*check all that apply*)
1. ☒ Utility Rate Increase
  2. ☐ Tax Increase
  3. ☐ Betterments
  4. ☒ Other (Describe): Current rates
- C. Cash flow sufficiency. **Attach** a cash flow statement showing that the source(s) listed above will provide sufficient funds to make each estimated semiannual debt service payment on the Loan.

**THE PROJECT** *(your Department of Public Works may be helpful with this information)***A. Brief description of the Project:**

The Asset Management Program is aimed at developing an integrated plan for prioritized inspection, renewal, and/or replacement of critical components in the city's collection system using a risk based approach. It will include water distribution and stormwater data collection and planning, as well as update the City's existing water system hydraulic model and upgrade GIS data.

**B. Estimated Total Cost of the Project** *(include all eligible and ineligible costs of the Project, regardless of source of financing, and any contingency included in the Project budget):*     \$ 410,000**C. Sources of Funding of Estimated Total Project Cost:****Trust Funding:**

This Grant: ..... \$ 150,000

This Loan: ..... \$ 260,000

**Prior Loans:**

Loan No. .... \$

Loan No. .... \$

**Future Loans:**

Approved by DEP ..... \$

Pending DEP Approval ..... \$

**Other Long-Term Debt of the Borrower:**

Prior Bond Issues ..... \$

**Future Bond Issues:**

Authorized ..... \$

To be Authorized ..... \$

BANs to be Retired from Revenues ..... \$

**Other Grants:**

Federal ..... \$

State ..... \$

Cash Contribution: ..... \$

In-Kind Services: ..... \$

Appropriation from (specify) ..... \$

Estimated investment earnings<sup>(1)</sup> ..... \$

Other (specify): ..... \$

**Estimated Total Cost of the Project<sup>(2)</sup>:** ..... \$ 410,000

(1) Excluding investment earnings on this Loan.

(2) Amount should equal Estimated Total Cost of the Project listed at D(2) above.

## D. Design and construction schedule

1. Has design/engineering of the Project commenced?

- i. ☒ Yes; or  
 ii. ☐ No, design/engineering is expected to commence on \_\_\_/\_\_\_/\_\_\_

2. Has construction of the Project commenced?

- i. ☐ Yes; or  
 ii. ☐ No, construction is expected to commence on \_\_\_/\_\_\_/\_\_\_

3. The Project is expected to be completed/placed-in-service on 12 / 31 / 2019

## E. Payment Schedule (Loan Eligible Costs Only)

1. Final payment of Project Costs from the Loan is expected to be made on  
1 / 30 / 2020

- i. **Attach** a schedule showing the expected amounts of Project Costs to be paid with this Loan monthly, from the date of this questionnaire until all proceeds of this Loan are spent.

2. Payments to date:

- i. No Project Costs have yet been paid ☒ ; or  
 ii. Project Costs were first paid on \_\_\_/\_\_\_/\_\_\_ and Project Costs to date have been paid from (*check all that apply*):

1. ☐ BAN proceeds  
 2. ☐ Revenue cash  
 3. ☐ Bond proceeds  
 4. ☐ Other (specify) \_\_\_\_\_

3. This Loan was authorized on 11 / 23 / 2016 (**Attach** a copy of the borrowing authorization).4. Were any Project Costs paid *before* the borrowing authorization?

- i. ☒ No; or  
 ii. ☐ Yes.

If Yes, describe the amount, timing, and purpose of such payments.

<u>Date(s)</u>	<u>Amount(s)</u>	<u>Purpose(s)</u>
___/___/___	_____	_____
___/___/___	_____	_____



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

1. ☒ No; or
2. ☐ Yes. (If Yes, answer the following two questions):

- i. Describe the nature and amount of the non-capitalized costs and the relationship of such costs to capitalized costs of the Project.

- ii. Will any non-capitalized costs be incurred *after* the Project is placed in service?

1. ☐ Yes; or
2. ☐ No.

- G. **Private Use.** Will any portion of the Project be owned, leased, managed/operated, or otherwise used (other than as a member of the general public\*) by a person or entity other than a state or local governmental unit?

1. ☒ No; or
2. ☐ Yes. (If Yes, answer questions i through v below):

- i. Identify the user: \_\_\_\_\_

- ii. Check the line(s) below which best describe the *use*:

- ☐ Owned (attach documents allowing Borrower's use)  
☐ Leased (attach lease)  
☐ Managed/operated (attach the applicable contract)  
☐ Other (attach related documents/agreements)

- iii. Check the line(s) below which best describe the *user*:

- ☐ Federal governmental unit  
☐ Private, for profit entity  
☐ 501(c)(3) nonprofit organization  
☐ Other (describe) \_\_\_\_\_

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\* 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 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.

iv. Will the nongovernmental user pay for use of the Project?

1. ☐ No; or
2. ☐ Yes. (If Yes, describe such payments, including amounts and period over which payments are to be made).

v. List the Total area or volume of the Project (in square feet or by volume)

vi. List the managed/operated by, leased to, owned by, or otherwise used by the users listed above (if the entire Project is to be managed/operated, leased, owned or otherwise used by the user, simply enter "All" under the appropriate column)

	Area (or volume) used by non-governmental entity	% of total area (or volume) of Project to be used by non-governmental entity(s)
Managed/operated by:		0.00%
Leased to:		0.00%
Owned by:		0.00%
Other use by:		0.00%
<b>Total Percentage</b>		0.00%

**REFINANCING OF DEBT**

A. **BANs.** Will any proceeds of the Loan be applied to the payment of outstanding BANs (or other temporary debt)?

1. ☒ No ; or
2. ☐ Yes (*provide the following information separately for each issue of BANs to be repaid in whole or in part from the proceeds of the Loan*):
  - i. Total BAN principal outstanding: \$ \_\_\_\_\_
  - ii. Amount of BAN used for Project (*dollar amount or "All"*) \$ \_\_\_\_\_
  - iii. BAN issue date (if BAN refunded another borrowing, list 'new money' issue date): \_\_\_\_/\_\_\_\_/\_\_\_\_
  - iv. BAN maturity date: \_\_\_\_/\_\_\_\_/\_\_\_\_
  - v. Is BAN prepayable prior to maturity?
    1. ☐ No; or
    2. ☐ Yes, BAN is prepayable on or after \_\_\_\_/\_\_\_\_/\_\_\_\_
  - vi. Estimate total investment earnings on BAN proceeds: \$ \_\_\_\_\_
  - vii. Such investment earnings were (will be) used to pay:
    1. ☐ Debt Service
    2. ☐ Project Costs
    3. ☐ Other (specify) \_\_\_\_\_

B. **Bonds.** Will any proceeds of the Loan be applied to the payment of outstanding bonds (or other long-term debt)?

1. ☒ No ; or
2. ☐ Yes (**attach** a copy of the closing transcript for the bonds, and provide the following information separately for each bond issue to be repaid in whole or in part from proceeds of this Loan):
  - i. Unspent proceeds
    1. ☐ All proceeds have been spent; or
    2. \$ \_\_\_\_\_ of unspent bond proceeds remain; they are expected to be spent on or before \_\_\_\_/\_\_\_\_/\_\_\_\_
  - ii. Investment earnings
    1. ☐ There were (will be) no investment earnings; or
    2. ☐ Investment earnings were (will be) used for:

- a. ☐ Debt Service  
 b. ☐ Project Costs  
 c. ☐ Other (specify) \_\_\_\_\_

## LITIGATION

- A. 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?

1. ☒ No ; or  
 2. ☐ Yes\*

- B. 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?

1. ☒ No ; or  
 2. ☐ Yes\*

\* If you answered Yes to *either* of the questions in this LITIGATION section, **attach** a detailed description of the litigation, inquiry, investigation, claim or other proceeding, **and** list contact information for your counsel for this purpose in the fields below:

Firm:

Attorney:

Address:

Telephone:

## LOAN STRUCTURING

- A. Please check the preferred loan term:

1. ☒ 5 Years  
 2. ☐ Other: \_\_\_\_\_ years\*

\*The maximum loan term for any Asset Management Planning Program Loan is 5 years.

B. Please check the preferred loan amortization:

1. ☐ Level principal
2. ☒ Level debt service

**OTHER INFORMATION.** If you have any other relevant information to provide or an additional structuring or other request to make, please include it below.

By signing below, I certify that, to the best of my knowledge and belief, all information set forth in this Loan Questionnaire is correct and complete as of the date below.

Date: 09/26/2019

By: R. Renee Fernandes  
 Authorized Officer Name: R. Renee Fernandes  
 Title: Treasurer

## 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 October 22, 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 sale of a zero percent \$260,000 Interim Loan Note of the City to the Massachusetts Clean Water Trust (the "Trust"), with respect to Loan Commitment CW-19-17, such Note to be dated and delivered upon such dates as shall be determined by the Treasurer, (ii) to approve the related Financing Agreement and the execution and delivery thereof by the Treasurer, and (iii) to approve the delivery of the related Bond to the Trust upon such terms and at such subsidized rate of interest as is available from the Trust pursuant to the related Financing Agreement on the date or dates of delivery of the Bonds, such date or dates of delivery to be as determined by the Trust and approved 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 Note or the Bond were taken in executive session, all in accordance with G.L. c.30A, §§18-25 as amended.

Dated: October 22, 2019

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Clerk of the Committee on Finance



Item Title:

WRITTEN MOTION Posting Delays / Online Water & Sewer Payments

Item Detail:

2. WRITTEN MOTION, Councillor Lopes, requesting that CFO Sky, City Treasurer Fernandes and DPI Commissioner Ponte review the ongoing posting delays of the online water & sewer payments with the City's current lockbox provider. (To be Referred to the Committee on Finance.) (Ref'd 4/11/19)

Additional Information:



Item Title:  
Accessibility Statement

Item Detail:

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