



Lowell City Council

Regular Meeting Agenda

Michael Q. Geary
City Clerk

Date: April 14, 2020

Time: 6:30 PM

Location: City Council Chamber, 375 Merrimack Street, 2nd Floor, Lowell, MA

1. ROLL CALL

2. MAYOR'S BUSINESS

2.1. Communication - Remote Participation

Pursuant to Governor Baker's Emergency Order modifying the State's Open Meeting Law issued March 12, 2020, meetings will be held using remote participation as follows: Members wishing to speak regarding a specific agenda item shall register to speak in advance by sending email to City Clerk indicating the agenda item and a phone number to call so that you may be conferenced in to the meeting. Email address is MGEARY@LOWELLMA.GOV. If no access to email you may contact City Clerk at 978-674-4161.

3. CITY CLERK

3.1. Minutes Of City Council Meeting March 24th, For Acceptance.

Documents:

[2020 MARCH 24 CC MINUTES.PDF](#)

4. AUDITOR BUSINESS

4.1. Communication - Memo FY19 Audited Financial Statements.

Documents:

[2020 APRIL 14 MEMO FY19 AUDIT.PDF](#)
[2020 APRIL 14 FY19 FIN STATEMENTS.PDF](#)
[2020 APRIL 14 LOWELL FY19 MANAGEMENT LETTER.PDF](#)
[2020 APRIL 14 FY19 SEFA GRANTS.PDF](#)

4.2. Communication - Memo Free Cash Certification.

Documents:

[2020 APRIL 14 MEMO FREE CASH CERT.PDF](#)
[2020 APRIL 14 FY19 FREE CASH CALC.PDF](#)

5. GENERAL PUBLIC HEARINGS

5.1. Ordinance-Amend Certain Sections Of 10.3 Entitled Hamilton Canal District Form Based Code.

Documents:

[ORDINANCE-AMEND CERTAIN SECTIONS OF 10.3 ENTITLED HAMILTON CANAL DISTRICT FORM BASED CODE.PDF](#)

6. COMMUNICATIONS FROM CITY MANAGER

6.1. Motion Responses

- A) Motion Response - Councilors Holding Multiple Elective Offices
- B) Motion Response - Residency Requirement
- C) Motion Response - Sick Bank
- D) Motion Response - Christian Ave
- E) Motion Response - City-wide Spring Cleaning Schedule
- F) Motion Response - Yard Waste Pick-Up Schedule
- G) Motion Response - Middlesex Street Sign Removal
- H) Motion Response - Illegal Dumping
- I) Motion Response - Homeless Resources Booklet
- J) Motion Response - Vacant-Dilapidated Properties in the Acre Redevelopment Plan
- K) Motion Response - Opportunity Zones
- L) Motion Response - Small Business Earmark
- M) Motion Response - Lord Overpass Parking
- N) Motion Response - Rourke Bridge Update
- O) Motion Response - Bicentennial Planning

Documents:

[A\) MOTION RESPONSE - COUNCILORS HOLDING MULTIPLE ELECTIVE OFFICES.PDF](#)

[B\) MOTION RESPONSE - RESIDENCY REQUIREMENT.PDF](#)

[C\) MOTION RESPONSE - SICK BANK.PDF](#)

[D\) MOTION RESPONSE - CHRISTIAN AVE.PDF](#)

[E\) MOTION RESPONSE - CITY-WIDE SPRING CLEANING SCHEDULE.PDF](#)

[F\) MOTION RESPONSE - YARD WASTE PICK-UP SCHEDULE.PDF](#)

[G\) MOTION RESPONSE - MIDDLESEX STREET SIGN REMOVAL.PDF](#)

[H\) MOTION RESPONSE - ILLEGAL DUMPING.PDF](#)

[I\) MOTION RESPONSE - HOMELESS RESOURCES BOOKLET.PDF](#)

[J\) MOTION RESPONSE - VACANT-DILAPIDATED PROPERTIES IN THE ACRE REDEVELOPMENT PLAN.PDF](#)

[K\) MOTION RESPONSE - OPPORTUNITY ZONES.PDF](#)

[L\) MOTION RESPONSE - SMALL BUSINESS EARMARK.PDF](#)

[M\) MOTION RESPONSE - LORD OVERPASS PARKING.PDF](#)

[N\) MOTION RESPONSE - ROURKE BRIDGE UPDATE.PDF](#)

[O\) MOTION RESPONSE - BICENTENNIAL PLANNING.PDF](#)

6.2. Informational Reports

- P) Informational - Coronavirus Response and Preparedness
- Q) Informational - FY2019 Audit Memo
- R) Informational - Construction Projects

Documents:

[P\) INFORMATIONAL - CORONAVIRUS RESPONSE AND PREPAREDNESS.PDF](#)
[Q\) INFORMATIONAL - FY2019 AUDIT MEMO.PDF](#)
[R\) INFORMATIONAL - CONSTRUCTION PROJECTS.PDF](#)

- 6.3. Communication - Planning Board Recommendation Regarding Zoning Amendments Of 10.3 Hamilton Canal District Form Based Code.

Documents:

[2020 APRIL 14 PB RECOMMENDATION HCD ZONING.PDF](#)

- 6.4. Communication - Accept Resignation Of Jeffrey Wilson From Lowell Commission On Disability

Documents:

[COMMUNICATION - ACCEPT RESIGNATION OF JEFFREY WILSON FROM LOWELL COMMISSION ON DISABILITY.PDF](#)

- 6.5. Communication - Appoint Mary Katherine Lapinski To Board Of Parks

Documents:

[COMMUNICATION - APPOINT MARY KATHERINE LAPINSKI TO BOARD OF PARKS.PDF](#)

7. VOTES FROM THE CITY MANAGER

- 7.1. Vote - Appropriate \$7,462,706 From 7.1.19 Certified Free Cash

Documents:

[VOTE - APPROPRIATE 7,462,706.00 FROM 7.1.19 CERTIFIED FREE CASH.PDF](#)

- 7.2. Vote-Auth CM Accept Expend \$1,125 From Massachusetts Board Of Library Commissioners

Documents:

[VOTE-AUTH CM ACCEPT EXPEND 1,125.00 FROM MASSACHUSETTS BOARD OF LIBRARY COMMISSIONERS.PDF](#)

- 7.3. Vote-Auth CM Accept Expend \$125,000 From Comm Of MA Via The Executive Office Of Labor And Workforce Dev

Documents:

[VOTE-AUTH CM ACCEPT EXPEND 125,000.00 FROM COMM OF MA VIA THE EXECUTIVE OFFICE OF LABOR AND WORKFORCE DEV.PDF](#)

- 7.4. Vote-Auth CM Accept Expend 10K From Mass State Historical Records Advisory Bd And Mass Genl Court

Documents:

[VOTE-AUTH CM ACCEPT EXPEND 10K FROM MASS STATE HISTORICAL RECORDS ADVISORY BD AND MASS GENL COURT.PDF](#)

7.5. Vote-Auth CM Execute Amendment #2-Mass Dept Of Transportation - RMV Lease

Documents:

[VOTE-AUTH CM EXECUTE AMENDMENT 2-MASS DEPT OF TRANSPORTATION - RMV LEASE.PDF](#)

7.6. Vote - Home Rule Petition For City Councilor Restrictions

Documents:

[VOTE - HOME RULE PETITION FOR CITY COUNCILOR RESTRICTIONS.PDF](#)

8. RESOLUTIONS

8.1. Resolution-Support HD4935 Moratorium On Evictions And Foreclosures During COVID 19 Emergency

Documents:

[RESOLUTION-SUPPORT HD4935 MORATORIUM ON EVICTIONS AND FORECLOSURES DURING COVID 19 EMERGENCY.PDF](#)

9. REPORTS (SUB/COMMITTEE, IF ANY)

10. PETITIONS

10.1. Claim - (1) Personal Injury.

10.2. New Cingular Wireless (D/B/A AT&T) - Request Permission To Install Small Cell Facility On Existing Pole Located At 319 Market Street.

Documents:

[2020 APRIL 14 ATT SMALL CELL 319 MARKET ST.PDF](#)

10.3. New Cingular Wireless (D/B/A AT&T) - Request Permission To Install Small Cell Facility On Existing Pole Located At 405 Lawrence Street.

Documents:

[2020 APRIL 14 ATT SMALL CELL 405 LAWRENCE.PDF](#)

10.4. New Cingular Wireless (D/B/A AT&T) - Request Permission To Install Small Cell Facility On Existing Pole Located At 56 Oak Street.

Documents:

[2020 APRIL 14 ATT SMALL CELL 56 OAK ST.PDF](#)

- 10.5. New Cingular Wireless (D/B/A AT&T) - Request Permission To Install Small Cell Facility On Existing Pole Located At 60 Lafayette Street.

Documents:

[2020 APRIL 14 ATT SMALL CELL 60 LAFAYETTE ST.PDF](#)

- 10.6. New Cingular Wireless (D/B/A AT&T) - Request Permission To Install Small Cell Facility On Existing Pole Located At 878 Lakeview Avenue.

Documents:

[2020 APRIL 14 ATT SMALL CELL 878 LAKEVIEW AVE.PDF](#)

11. CITY COUNCIL - MOTIONS

- 11.1. C. Mercier - Req. City Mgr. Have Parking Director Develop A Plan To Allow Handicap Residents From The Appleton Mills Apartments To Have First Access To The Handicap Spaces Once The Garage Is Finished And Allow Handicap Residents To Park In The UMass-Lowell Lot In The Interim.
- 11.2. C. Mercier - Req. City Mgr. Find Ways And Means To Have City Vendors That Are Responsible For Sending Out Property Tax Bill, Excise Tax Bills, Etc. Offer A Grace Period For Payment During These Difficult Times.
- 11.3. C. Nuon - Req. City Mgr. Due To Covid-19 Crisis, Extend The Appeals Period For Any Citation, Ticket Or Fine Issued By The City; In Addition Relax Any Time Lines For Late Fees And/Or Municipal Licenses Until Emergency Orders Are Lifted.
- 11.4. C. Nuon - Req. City Mgr. And Law Department, Due To Covid-19 Crisis, Consult With Non-Profit Housing Organizations (CTI, CBA, Merrimack Valley Housing Partnership) In Order To Use Community Preservation Act (CPA) For Rental Assist Programs.
- 11.5. C. Elliott - Req. City Mgr. Have Proper Department Suspend Parking Ticketing During Stay At Home Order.
- 11.6. C. Chau - Req. City Mgr. Contact Comcast, Verizon And Other Internet Providers To The City And Request/Negotiate Reduced Fees And Service Charges During The Covid-19 Emergency Period.
- 11.7. C. Chau - Req. City Mgr. Incorporate The Standardized Covid-19 Information Provide By The Commonwealth Of Massachusetts Into A Comprehensive Neighborhood Report Regarding Covid-19 Cases.

12. ANNOUNCEMENTS

13. ADJOURNMENT

Office of the City Clerk - 375 Merrimack Street - Phone: 978.674.4161



Lowell City Council

Regular Meeting Minutes

Michael Q. Geary
City Clerk

Date: March 24, 2020

Time: 6:30 PM

Location: City Council Chamber, 375 Merrimack Street, 2nd Floor, Lowell, MA

1. ROLL CALL

Roll Call showed 9 present.

M. Leahy presiding. Meeting was conducted via teleconference with audio stream by LTC and recorded due to Covid-19 pandemic.

M. Leahy requested recognition of the passing of Jack Sheehan, Jr. and John Noreau.

2. CITY CLERK

2.1. Minutes of Public Safety SC March 10th; City Council Meeting March 10th, for acceptance.

In City Council, minutes read, **Motion** "To accept and place on file" by C. Samaras, seconded by C. Drinkwater. So voted.

2.2. Vote-Cancel Council Meeting 4.21.20.

In City Council, vote was removed from the agenda per M. Leahy as the matter would be mute as no meeting would be scheduled.

3. COMMUNICATIONS FROM CITY MANAGER

3.1. Motion Responses.

In City Council, **Motion** "To accept and place on file" by C. Mercier, seconded by C. Samaras. So voted.

A) Motion Response – Coronavirus – Manager Donoghue updated the response of the City regarding the virus commenting on aid from the State and the procedures of the City that have been put in place. Manager Donoghue noted the importance to protect the citizens and the efforts of all towards the result. Manager Donoghue noted several



methods of communication being used to provide information to the public, including the use of the Code Rep App. Manager Donoghue noted the many partners with the City, both public and private, who have assisted with all of the efforts. Registered speaker, Dr. Adam Westin (LGH), addressed the body commenting on the response of the hospital in its preparedness indicating that their partnership with Tufts has been a great benefit with the response to the virus. Dr. Westin commented on the virus itself and how it is progressing. Registered Speaker, JoAnn Keegan (Director of Health), addressed the body commenting the Mass DPH involvement with the City in terms of information and supplies. Ms. Keegan noted that all local health departments are united in the response efforts and commented on the number of nurses available in the City. C. Chau commented on the need for an update and questioned the facilities and supplies available at LGH. Dr. Westin commented on space and supplies available at the facility as well as the staffing in place. C. Conway commented on the response to his motion regarding the virus and noted that it was thorough and further noted the assistance of our partners throughout the City. C. Drinkwater noted the efforts of the City and stated that things are being done the best they can with what is available; further questioned the amount of ventilators that are available. Dr. Westin noted the number that would be available and how that could be increased. C. Elliott commented on the work in the City and noted the increase number of test being administered. Dr. Westin outlined the testing procedures at LGH. Ms. Keegan noted that do not need a primary care physician to obtain a test. C. Mercier commented on the use of City and school nurses. Manager Donoghue noted that school nurses can be redirected to assist in other areas per state of emergency. C. Nuon lauded the efforts of whole team including first responders and health department. Ms. Keegan noted that the State would be providing additional test units. C. Rourke questioned if there could be a City State of Emergency. Manger Donoghue noted that because there is a federal and state emergency that it would not be needed but in future it may be good to put in ordinance governing that. C. Samaras thanked all for their efforts and questioned the critical need for ventilators. C. Samaras questioned the use of UML space in this case. Dr. Westin noted that was not part of procedure at this point. Manager Donoghue thanked the speakers for their input.

B) Motion Response - Cambodia Town – None.

C) Motion Response - SE Asian Festival – None.

D) Motion Response - Francis Gate and Hadley House – None.

E) Motion Response - Level 3 Sex Offenders – None.



3.2. Petition Responses

F) Petition Response - Waite St. – None.

G) Petition Response - HC Spot Common Ave. – None.

3.3. Communication - Accept Resignation of David Ellingson -Lowell Commission on Disability.

In City Council, **Motion** “To accept and place on file” by C. Drinkwater, seconded by C. Conway. So voted. C. Mercier questioned if Jeff Wilson resigned from the commission.

4. VOTES FROM THE CITY MANAGER

4.1. Vote-Accept and Expend Urban Grant from Exec Office of Housing and Economic Dev.

In City Council, Read twice, full reading waived with no objections. **Motion** to adopt by C. Rourke, seconded by C. Samaras. Adopted per Roll Call vote 9 yeas. So voted. Manager Donoghue noted it was a DPD grant that will assist with interaction with Transitional Living Center.

4.2. Vote-Auth CM Ex Project Funding Agreement-MSBA.

In City Council, Read twice, full reading waived with no objections. **Motion** to adopt by C. Mercier, seconded by C. Nuon. Adopted per Roll Call vote 9 yeas. So voted.

4.3. Vote-Auth CM Ex Tax Increment Financing Agreement-Legacy Hotel LLC.

In City Council, Read twice, full reading waived with no objections. **Motion** to adopt by C. Elliott, seconded by C. Drinkwater. Adopted per Roll Call vote 9 yeas. So voted. Manager Donoghue outlined the TIF and the project that would create jobs and enhance downtown. C. Elliott commented on the project and supported the investment in the downtown. C. Nuon noted it was a good area for a hotel and it would enhance economic development. C. Mercier noted it was an exciting project being done by a great family. Manager Donoghue provided time line for the project.

4.4. Vote-License Agreement-Jackson St-291.

In City Council, Read twice, full reading waived with no objections. **Motion** to adopt by C. Conway, seconded by C. Chau. Adopted per Roll Call vote 9 yeas. So voted. Registered speaker, Matthew Curtin (WinnCompanies), addressed the Council. C. Rourke noted Parcel 5 was currently being used for parking and questioned where



parking was going to be. Manager Donoghue noted mitigation plan for residents. C. Rourke questioned if Parcel 5 was sold. Manager Donoghue noted it was a license agreement that the City could terminate. C. Rourke requested parking report and plan for that area. C. Mercier identified the parcel. Manger Donoghue noted it was not part of the UML spaces. C. Elliott questioned Parcel 5 ability to be marketed with this vote. Manager Donoghue noted the flexibility of the agreement.

5. ORDERS FROM THE CITY MANAGER

5.1. Order-60 day trial – various.

In City Council, Read twice, full reading waived with no objections. **Motion** to adopt by C. Samaras, seconded by C. Nuon. Adopted per Roll Call vote 9 yeas. So voted.

6. REPORTS (SUB/COMMITTEE, IF ANY)

6.1. Wire Insp. - National Grid - Request installation of 50 feet of underground electric conduit at Bridge and French Streets.

In City Council, **Motion** to adopt and accept accompanying order by C. Chau, seconded by C. Drinkwater. So voted.

6.2. Wire Insp. - National Grid - Request permission to install 10 feet of underground electric conduit at Prescott and Merrimack Streets (Kearney Square).

In City Council, **Motion** to adopt and accept accompanying order by C. Nuon, seconded by C. Rourke. So voted.

7. PETITIONS

7.1. Claim - (1) Property Damage.

In City Council, **Motion** to refer to Law Department for report and recommendation by C. Samaras, seconded by C. Mercier. So voted.

7.2. Misc. - Rene/Maria Carrasquillo request updating crosswalk at intersection of Keene and Gorham Streets.

In City Council, **Motion** to refer to Transportation Engineer for report and recommendation by C. Chau, seconded by C. Elliott. So voted.



7.3. Misc. - Sideth Kuch (for the benefit of Sambo Mak and Pharindy Lao) request installation of handicap parking sign 682 Broadway Street.

In City Council, **Motion** to refer to Transportation Engineer for report and recommendation by C. Drinkwater, seconded by C. Conway. So voted. C. Mercier commented on legality of request as it is for two spaces.

7.4. Misc. - Fengboa Xu (for the benefit of Jennifer Mallias) request installation of handicap parking sign at 740 Lawrence Street.

In City Council, **Motion** to refer to Transportation Engineer for report and recommendation by C. Nuon, seconded by C. Rourke. So voted.

8. CITY COUNCIL - MOTIONS

8.1. C. Nuon - Req. City Council cease meeting in person for meetings and find an on-line or telephonic method to convene until the Caronavirus threat has ended.

In City Council, seconded by C. Mercier. C. Nuon noted the motion is mute as arrangements have been made.

8.2. C. Nuon - Req. City Mgr. appoint a coordinator of services to work with non-profits and volunteer organizations who are assisting residents with needs resulting from current health crisis; coordinator would direct residents to group best suited for aid.

In City Council, seconded by C. Conway, referred to City Manager. So voted. C. Nuon commented on the need to coordinate all groups in and outside City Hall; indicating that there would not have to be a position created for that purpose. M. Leahy recognized the many volunteers distributing food throughout the City. C. Conway noted that coordination of services would mean more effective services. Manager Donoghue noted that it may be possible to shift some responsibilities in departments. C. Samaras noted the need for assistance as well as non-profit support.

8.3. C. Samaras - Req. City Council consider going to a Summer schedule for remaining Spring term.

In City Council, seconded by C. Rourke, Summer schedule to begin immediately adopted per Roll Call vote 9 yeas. So voted. C. Samaras noted the reason for request would be to ensure best possible use of time. C. Chua indicated at first that the need is there to inform public so it would be best if schedule remained same; after further discussion he indicated that he would support motion. C. Drinkwater indicated that the



meetings were an important aspect of informing the public. C. Conway noted that the office of the Manager primary focus should be on combatting the virus and not motion responses at this point. C. Rourke noted that use of time is critical at this juncture and that any sensitive matter can always be brought before Council as a special meeting. Manager Donoghue noted that Council Rules indicate that meetings are to be held on the second and fourth Tuesday of each month. C. Nuon noted that emergency meetings could be called if needed. C. Elliott noted the efforts of the Manager's office should be focused on Covid-19.

8.4. C. Drinkwater - Req. City Council adopt a resolution in support of HD.4935, "An Act Providing for a Moratorium on Evictions and Foreclosures during the COVID-19 Emergency".

In City Council, seconded by C. Nuon, referred to City Manager/Law Department. Adopted per Roll Call vote 9 yeas. So voted. C. Drinkwater noted this was a public health crisis with economic circumstances and this act as well as additional State act would assist homeowners.

8.5. C. Drinkwater - Req. City Mgr. update the uniform Catastrophic Sick Bank Policy to make employees eligible for up to 30 days of leave due to COVID-19 infection, quarantine or isolation as directed by a physician or authorized public health authority.

In City Council, seconded by C. Elliott, referred to City Manager. So voted. C. Drinkwater noted the need to protect the workforce of the City. C. Mercier commented on sick bank pool. C. Conway noted that there will be need for resources.

9. ANNOUNCEMENTS

In City Council, C. Rourke noted that 2020 Census is in progress and questioned if procedures are changing.

10. ADJOURNMENT

In City Council, **Motion** to Adjourn C. Elliott, seconded by C. Conway. So voted.

Meeting adjourned at 8:35 PM.

Michael Q. Geary, City Clerk

Tina Masiello
City Auditor

MEMORANDUM

TO: Mayor Leahy
And Members of City Council

FROM: Tina Masiello, City Auditor

DATE: March 30, 2020

RE: FY19 Audited Financial Statements

Mr. Mayor and City Councilors,

Powers & Sullivan, LLC (P&S), an independent audit firm, have completed the Audit related to the FY19 Financial Statements. Included are the FY19 Management Representation Letter, FY19 Audited Financial Statements, and FY19 Statement of Federal Expenditures (SEFA).

The Management Representation Letter was issued and dated February 14, 2020. Many previous years' comments have been remedied. Two remain open and are currently being address. Four new comments were issued. These new comments have all been addressed in some fashion and will be remedied within the next 6-9 months.

The audited Financial Statements were issued and dated February 14, 2020. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. I am happy to report the City of Lowell's Financial Statements were issued an unqualified opinion ("clean opinion").

The Statement of Federal Expenditures (SEFA) was issued and dated March 6, 2020. The opinion of the P&S is the SEFA complied, in all material aspects, with the types of compliance requirements that could have a direct and material effect on each of its major federal programs. Two prior year findings were considered resolved by P&S and one current year finding has been addressed as of the date of the SEFA and has been resolved.

The attachments can be somewhat cumbersome, if you have any specific questions or concerns, please feel free to contact me.

Tina Masiello
City Auditor

Thank you,

Tina Masiello, CPA
City Auditor

cc: Eileen M. Donoghue, City Manager
Conor Baldwin, CFO

CITY OF LOWELL, MASSACHUSETTS

***REPORT ON EXAMINATION OF
BASIC FINANCIAL STATEMENTS***

FOR THE YEAR ENDED JUNE 30, 2019

CITY OF LOWELL, MASSACHUSETTS

REPORT ON EXAMINATION OF BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

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Independent Auditor's Report

To the Honorable Mayor and City Council
City of Lowell, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lowell, Massachusetts, as of and for the year ended June 30, 2019 (except for the Lowell Contributory Retirement System which is as of and for the year ended December 31, 2018), and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lowell, Massachusetts, as of June 30, 2019 (except for the Lowell Contributory Retirement System which is as of and for the year ended December 31, 2018), and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2020, on our consideration of the City of Lowell, Massachusetts' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lowell's internal control over financial reporting and compliance.

Powers + Sullivan, LLC

February 14, 2020

Management's Discussion and Analysis

Management's Discussion and Analysis

As management of the City of Lowell (the "City"), we offer readers of these basic financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2019. We encourage readers to consider the information presented in this report.

Financial Highlights

Government-wide

- The City's overall liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$515.2 million, at the close of 2019, an overall decrease of \$19.0 million from the prior year. The decrease is primarily the result of the increase in the net other postemployment benefit (OPEB) liability and its associated deferred outflows/inflows of \$19.6 million, an increase in the net pension liability and its associated deferred outflows/inflows of \$11.2 million. These decreases were offset by the receipt of \$6.7 million of capital grants and general fund positive budgetary results.
- Governmental net position decreased by \$9.8 million. The decrease is attributable to the \$9.1 million increase in the net OPEB liability and its associated deferred outflows/inflows of resources, a net increase in the net pension liability and its associated deferred outflows/inflows of \$7.2 million. These decreases were offset by positive budgetary results and the timing between the receipt of grant funds and the actual expense of such funds.
- Business-type activities experienced a combined \$9.2 million decrease in net position, primarily due to the increase of the net OPEB liability and net pension liability.
- Overall governmental long-term debt increased by \$10.0 million and business-type long-term debt increased by \$5.0 million, not including premiums. Please see Note 7 for more information on the City's long-term bonds.

Fund Financial Statements

- As of the close of the current year, the City's governmental funds reported combined ending fund balance of \$42.6 million, an increase of \$10.9 million in comparison with the prior year.
- The City issued \$56.3 million of general obligation bonds on September 17, 2019, \$21.7 million related to bond anticipation notes outstanding at year end. As such, the City has recognized bond proceeds of \$16.2 million in the governmental funds, \$3.5 million in the parking enterprise fund, \$40 thousand in the sewer enterprise fund, and \$1.9 million in the water enterprise fund. See Note 7 for more information.
- The water fund issued \$9.4 million of Massachusetts Clean Water Trust loans during fiscal year 2019. See Note 7 for more information.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. These basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements - The *government-wide financial statements* are designed to provide readers with a broad overview of the financial position of the City.

The government-wide financial statements are presented using the accrual basis of accounting, which presents a view of the City's financial position in a manner similar to private-sector business.

The *statement of net position* presents information on all assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees or charges (*business-type activities*). The governmental activities include general government, public safety, education, public works, human services, culture and recreation, and interest. The business type activities include costs relating to the water, sewer, and parking activities.

The financial statements include not only the City itself (known as the *primary government*), but also a legally separate public employee retirement system for which the City is financially accountable. Financial information for this *component unit* is reported within the fiduciary fund statements.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary and fiduciary funds.

Governmental funds - *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains approximately 800 individual governmental funds. Information for the general fund is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. Data from the other funds are combined into a single, aggregate presentation under the caption *nonmajor governmental funds*. The general fund is the only major governmental fund reported.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds – The City maintains two types of proprietary funds.

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses the enterprise funds to account for its water, sewer, and parking operations.

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. The City uses internal service funds to account for health insurance activities and workers compensation benefits. Because these services primarily benefit governmental rather than business-type activities, they have been included within *governmental activities* in the government-wide financial statements. In July 2012, the City entered the Group Insurance Commission and its health insurance activities are now premium based.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs.

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into three classifications: pension and other employee benefits trust fund, private purpose trust funds, and agency funds. Private purpose trust funds are used to account for trust arrangements that benefit individuals, private organizations, or other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Therefore, agency funds are not included within the statement of revenues, expenses and changes in net position.

The City is the trustee, or fiduciary, for its employees' pension plan. The City's fiduciary activities are reported in the statement of fiduciary net position and statement of changes in fiduciary net position. These activities are excluded from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

The City established an OPEB trust fund to account for funds set aside to help offset future postemployment benefits for retirees. There were no contributions in the current year, only investment income. These activities are excluded from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

Notes to the basic financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's overall liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$515.2 million at the close of 2019, an overall decrease of \$19.0 million from the prior year.

Net position of \$291.9 million reflects its net investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$21.3 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, a deficit of \$828.4 million, reflects the impact of the \$697.1 million net other postemployment benefit liability and the \$280.1 million net pension liability.

Details related to the City's governmental and business-type activities follow.

Governmental Activities

At the end of the current year, the City is able to report positive balances in two out of three categories of net position. The governmental activities liabilities and deferred inflows of resources exceeded assets and deferred outflows by \$557.6 million at the close of 2019.

	2019	2018
Assets:		
Current assets.....	\$ 102,779,978	\$ 93,008,293
Noncurrent assets (excluding capital).....	4,355,375	5,693,835
Capital assets, non depreciable.....	44,380,063	34,506,080
Capital assets, net of accumulated depreciation...	254,395,132	257,877,413
Total assets.....	405,910,548	391,085,621
Deferred outflows of resources.....	99,410,663	17,359,503
Liabilities:		
Current liabilities (excluding debt).....	40,509,624	35,102,804
Noncurrent liabilities (excluding debt).....	929,345,694	821,670,524
Current debt.....	10,613,188	16,625,496
Noncurrent debt.....	72,982,197	65,128,959
Total liabilities.....	1,053,450,703	938,527,783
Deferred inflows of resources.....	9,462,562	17,671,422
Net position:		
Net investment in capital assets.....	226,235,261	224,796,936
Restricted.....	21,329,870	23,131,250
Unrestricted.....	(805,157,185)	(795,682,267)
Total net position.....	\$ (557,592,054)	\$ (547,754,081)

A significant portion of the City's governmental activities net position, \$226.2 million, reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net position of \$21.3 million represents resources that are subject to external restrictions on how they may be used. The deficit balance of unrestricted net position in the amount of \$805.2 million is due to the recognition of the net pension liability of \$256.9 million and the net OPEB liability of \$663.7 million.

Included within the governmental activities noncurrent assets, unrelated to capital assets, are \$3.5 million in future school construction reimbursement grants and \$850,000 of loans receivable.

Governmental activity liabilities include \$81.4 million in general obligation bonds; \$2.2 million of notes payable; \$13.2 million in liabilities for unused vacation, special leave, and enhanced longevity benefits; and \$3.8 million in future workers' compensation benefits.

The key elements of governmental activities are as follows:

	2019	2018
Program Revenues:		
Charges for services.....	\$ 14,943,135	\$ 13,484,864
Operating grants and contributions.....	242,178,061	236,540,909
Capital grants and contributions.....	6,712,289	6,437,514
General Revenues:		
Real estate and personal property taxes, net of tax refunds payable.....	132,122,486	127,212,001
Tax and other liens.....	664,603	99,335
Motor vehicle and other excise taxes.....	10,745,444	10,115,419
Hotel/motel tax.....	346,888	331,215
Meals tax.....	1,292,366	1,238,909
Penalties and interest on taxes.....	1,247,038	1,348,397
Payments in lieu of taxes.....	465,612	433,476
Grants and contributions not restricted to specific programs.....	26,364,059	25,705,098
Unrestricted investment income.....	957,818	465,166
Gain on sale of capital assets.....	-	584,665
Miscellaneous.....	176,191	103,300
Total revenues.....	438,215,990	424,100,268
Expenses:		
General government.....	21,501,176	20,245,700
Public safety.....	81,783,529	78,569,798
Education.....	301,369,015	301,769,143
Public works.....	17,596,308	18,091,254
Health and human services.....	14,590,887	14,081,807
Culture and recreation.....	8,042,130	8,664,887
Interest.....	3,190,918	1,967,798
Total expenses.....	448,073,963	443,390,387
Excess (Deficiency) before transfers.....	(9,857,973)	(19,290,119)
Transfers.....	20,000	-
Change in net position.....	(9,837,973)	(19,290,119)
Net position, beginning of year.....	(547,754,081)	(528,463,962)
Net position, end of year.....	\$ (557,592,054)	\$ (547,754,081)

The decrease is attributable to the \$9.1 million increase in the net OPEB liability and its associated deferred outflows/inflows of resources, a net increase in the net pension liability and its associated deferred outflows/inflows of \$7.2 million. These decreases were offset by positive budgetary results, the receipt of \$6.7 million of capital grants, and the timing between the receipt of grant funds and the actual expense of such funds.

Business-type Activities

The following summarizes the key financial components of the City’s business-type activities:

	2019	2018
Assets:		
Current assets.....	\$ 37,854,167	\$ 38,454,876
Capital assets, non depreciable.....	26,278,767	14,671,887
Capital assets, net of accumulated depreciation....	209,449,243	213,546,034
Total assets.....	273,582,177	266,672,797
Deferred outflows of resources.....	6,406,265	1,300,346
Liabilities:		
Current liabilities (excluding debt).....	5,593,529	4,351,761
Noncurrent liabilities (excluding debt).....	56,727,029	36,583,695
Current debt.....	30,296,100	33,947,146
Noncurrent debt.....	144,118,011	140,204,435
Total liabilities.....	236,734,669	215,087,037
Deferred inflows of resources.....	853,215	1,326,022
Net position:		
Net investment in capital assets.....	65,624,220	60,833,885
Unrestricted.....	(23,223,662)	(9,273,801)
Total net position.....	\$ 42,400,558	\$ 51,560,084

Business type activities assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$42.4 million at the close of 2019.

Net position of \$65.6 million reflects its net investment in capital assets less any debt used to acquire those assets that are still outstanding. The deficit balance of *unrestricted net position* of \$23.2 million is due to the net pension liability of \$23.2 million and the net OPEB liability of \$33.4 million.

	2019	2018
Program Revenues:		
Charges for services.....	\$ 44,695,466	\$ 40,822,019
Capital grants and contributions.....	1,004,085	882,797
General Revenues:		
Unrestricted investment income.....	872	3,768
Total revenues.....	45,700,423	41,708,584
Expenses:		
Water.....	15,681,915	11,735,911
Sewer.....	31,353,035	21,513,295
Parking.....	7,804,999	5,894,414
Total expenses.....	54,839,949	39,143,620
Excess (Deficiency) before transfers.....	(9,139,526)	2,564,964
Transfers.....	(20,000)	-
Change in net position.....	(9,159,526)	2,564,964
Net position, beginning of year.....	51,560,084	48,995,120
Net position, end of year.....	\$ 42,400,558	\$ 51,560,084

The water enterprise fund net position decreased by \$3.7 during the current year. The decrease is primarily due to the increase in the net OPEB and net pension liabilities in the current year.

The sewer enterprise fund net position decreased by \$6.4 million during the current year. The decrease is primarily due to the increase in the net OPEB and net pension liabilities in the current year.

The parking enterprise fund net position increased by \$957,000 in the current year. The change is primarily due to the increased parking fees approved in the Spring of 2018 which offset the increase in the net OPEB and net pension liabilities in the current year.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - The focus of *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the end of the year, governmental funds reported combined ending fund balances of \$42.6 million, an increase of \$10.9 million in comparison with the prior year. The increase is primarily attributable to the positive budgetary results in the general fund and the issuance of bonds in the nonmajor funds offset by capital related expenditures of bond proceeds.

The general fund is the chief operating fund. At the end of the current year, unassigned fund balance of the general fund equaled \$21.9 million (which includes \$11.8 million set aside as stabilization), while total fund balance was \$24.2 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned and total fund balance represents 5.8% and 6.4% of general fund expenditures, respectively.

The general fund increased by \$4.8 million during 2019. This was primarily due to the \$5.3 million of positive budgetary results offsetting a \$522,000 decrease in the employee benefits trust reported within the general fund.

General fund revenues and other financing sources totaled \$380.8 million for 2019, an increase of \$5.5 million compared to the previous year. The increase primarily relates to real estate and personal property taxes and intergovernmental State aid.

Total general fund expenditures and other financing uses totaled \$376.0 million, a decrease of \$3.7 million over the previous year. The decrease in expenditures and other financing uses is a result of strong budgetary controls with the largest turn backs seen in state and county charges and general government.

Nonmajor governmental funds increased \$6.0 million which can be attributed to the \$16.2 million issuance of bonds less the capital expenditures that occurred in 2019 related to the bond issue.

The internal service fund had an ending fund balance of \$2.9 million, an increase of \$523,000 over the prior year. The increase is the result of a \$400,000 payment from the general fund due to the City's agreement with the Lowell Public Employee Committee for the distribution of the employee share of the health benefits trust fund. In July of 2012, the City entered into the Group Insurance Commission (GIC) and its health insurance activities are now premium based. The City is now working to use the remaining balance in the internal service fund for health insurance related costs.

General Fund Budgetary Highlights

The difference between the original budget of \$353.1 million and the final amended budget of \$357.2 million amounted to a net increase of \$4.1 million. During 2019, the Council approved transfers from free cash totaling \$2.2 million to the general stabilization fund and \$251,000 to the OPEB trust fund. The Council further approved use of free cash within the general fund of \$84,000 for the City Manager's contingency line. The Council also approved various supplemental appropriations from other available funds, as well as transfers between departments representing minor increases and decreases in various budget line items.

Revenues came in higher than budgeted by \$3.3 million while expenditures came in \$4.7 million lower than budgeted. The largest revenue surplus related to departmental and other revenues of \$1.5 million which was primarily due to an electric rebate of \$951,000.

Capital Asset and Debt Administration

Capital Assets - The City's investment in capital assets for governmental activities as of June 30, 2019, amounts to \$298.8 million, net of accumulated depreciation. The investment in capital assets includes land, buildings, improvements, infrastructure, vehicles, machinery and equipment, books, and software. Major governmental additions included Hamilton canal district construction, High school construction, purchase of 75 Archand Drive, and roadway improvements.

The City's investment in capital assets for business-type activities as of June 30, 2019, amounts to \$235.7 million, net of accumulated depreciation. The investment in capital assets for the business-type activities predominately

relates to both sewer and water infrastructure and systems as well as the various parking garage facilities. Major current year additions included Duck Island facility upgrades, water main improvements, sewer improvements and parking garage upgrades.

Additional information on the City's capital assets may be found in Note 4 to the basic financial statements.

Long-term debt – At June 30, 2019, the City had total governmental bonded debt of \$78.6 million. Of this amount \$77.6 million is a general obligation of the City and the remaining \$1.0 million is guaranteed debt under the Section 108 Loan Program. The City issued general obligation bonds totaling \$16.2 million during fiscal year 2019.

The sewer enterprise fund has \$83.3 million in long-term debt that is supported by the sewer rates and future MCWT principal and interest subsidies. The fund issued general obligation bonds of \$40,000 during fiscal year 2019. Currently, the City has \$16.9 million in authorized and unissued long-term debt relating to future sewer projects.

The water enterprise fund has \$42.3 million in long-term debt that is supported by the water rates and future MCWT principal and interest subsidies. The fund finalized loans with MCWT for \$9.4 million and issued \$1.9 million of general obligation bonds during fiscal year 2019. Currently, the City has \$15.0 million in authorized and unissued long-term debt relating to future water projects.

The parking enterprise fund has \$27.7 million in long-term debt that is supported by parking fees. The fund issued general obligation bond totaling \$3.5 million during fiscal year 2019. Currently, the City has \$35.4 million in authorized and unissued long-term debt relating to future parking projects.

Please see Note 6 and 7 for more information related to debt activity.

Next Year's Budget

Mayor William J. Samaras and the Lowell City Council unanimously approved the City Manager's proposed FY2020 general fund operating budget of \$334.4 million on June 11, 2019 after a public hearing in the City Council Chambers at Lowell City Hall. The total increase in general fund appropriations over fiscal year 2019 was \$8.5 million. Notable drivers of increased expenditures included fixed costs, such as a \$1.7 million increase in the PERAC pension assessment, a \$472,000 increase in the appropriation for health insurance costs, a \$1.9 million of the \$2.1 million increase in Cherry Sheet assessments from the Commonwealth attributable to the City's assessment for Charter Schools, and a \$700,000 expense for the City's "contaminated recycling." Personnel costs also factored into the formulation of the 2020 budget as all the municipal collective bargaining units' contracts expired on June 30, 2018; roughly \$1.6 million was appropriated to absorb the financial impact of collective bargaining with the City's 17 unions.

The FY2020 budget included an overall \$12.7 million increase in education spending, including both the Lowell Public School District and the assessment from the Greater Lowell Regional Technical High School. Of the \$179.3 million appropriated by the City Council to the Lowell Public Schools, 90.9% of the funding source is from the Commonwealth's Chapter 70 education aid and the balance of \$16.3 million is funded through the tax levy in direct cash support. Other major priority areas of the budget, such as public safety, were level funded, federal grant money which had previously supported staffing in the Fire Department (LFD). In the Health and Human Services Department, the City Administration used the FY2020 budget to further address the opioid crisis by adding new personnel in the Health Department to address a symptom of the opioid crisis, discarded needles throughout City parks and open space. The syringe collection program was implemented and funded in the FY2020 budget, as well as continued local funding for other outreach efforts in the health department.

In addition to the FY2020 budget for the general fund, the City Council approved the City Manager's budgets for City's three enterprise funds for water, sewer, and parking in the amounts of \$11.1 million, \$18.5 million, and \$6.8 million, respectively. Appropriations for business-type activities increased year-over-year by \$400,000 in the water enterprise and \$400,000 million in the sewer enterprise. In FY2020, the amount budgeted to reimburse the general fund for administrative overhead was \$9.01 million, level funded from FY2019.

Several targeted investments were incorporated by the City Manager into the FY2020 operating budget to support the priorities of the City Council, such as public safety and economic development. Concurrent with the FY2020 operating budget, the City Council unanimously approved the City Manager's proposed update to the City's comprehensive five-year capital improvement plan ("CIP") and a loan order in the amount of \$25 million support strategic investments in the general fund. The loan order included funding for public safety communication upgrades, relocation costs, various projects supporting the Hamilton Canal Innovation District, paving, building improvements, traffic calming, among other projects. Aside from the projects incorporated in the City Manager's CIP, the City Council approved a \$341 million loan order for the Lowell High School project. Furthermore, the City Council approved loan orders in the amounts of \$45 million and \$67 million for the City's water and sewer enterprise funds, respectively, to support their infrastructure overhaul.

The fiscal year 2020 tax levy was submitted to the Department of Revenue on December 12, 2019 at \$138,331,643, a budgeted increase of 2.25% plus the 2020 certified new growth of over \$2.5 million. Total appropriations in all funds including the general fund and enterprise funds totaled \$407,340,917, including \$29,061,793 in "cherry sheet" charges and a \$1,135,655 allowance for abatements and exemptions. The total estimated receipts and other revenue sources raised to support those appropriated and other unappropriated expenses totaled \$269,009,274. Of that total, \$194,934,560 came from local aid from the Commonwealth (Chapter 70, UGGA, and other "cherry sheet" receipts), \$1,192,791 from MSBA reimbursements for completed projects, and \$23,657,090 in local receipts. \$46,652,739 of the total amount raised was from the City's enterprise funds and \$1,950,637 was appropriated by the Lowell City Council in other available funds to support the budget.

Management continued to make strides in improving internal controls and strengthening the overall financial management of the City in FY2019 and into the FY2020 operating year. Most notably, the City Treasurer balanced and finalized all bank reconciliations an item noted as a control issues in prior year reports. In a report issued by Standard & Poor's related to a \$56,250,000, 25-year general obligation state qualified bond issue and a \$4,388,667, 358-day Bond Anticipation Note issuance in September of 2019, the ratings agency commented on Lowell's "very strong management", "strong budgetary performance", and "strong debt and contingent liability profile". In the report, S&P wrote, "we view the City's management as very strong, with "strong" financial policies and practices under our FMA methodology, indicating financial practices are strong, well embedded, and likely sustainable. Officials are conservative with revenue and expenditure assumptions, and they consider historical trends when developing the budget. They have the flexibility to amend the budget as needed, and management monitors performance regularly and makes monthly reports on budget-to-actual results to the city council. Management performs formal financial forecasting and maintains a five-year CIP it updates annually."

Requests for Information

This financial report is designed to provide a general overview of the City of Lowell's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Auditor, City Hall 375 Merrimack Street, Lowell, MA 01852.

Basic Financial Statements

STATEMENT OF NET POSITION

JUNE 30, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 59,374,324	\$ 27,551,114	\$ 86,925,438
Investments.....	1,839,943	-	1,839,943
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	2,460,526	-	2,460,526
Tax liens.....	1,432,147	204,439	1,636,586
Motor vehicle and other excise taxes.....	2,036,585	-	2,036,585
User fees.....	689,998	9,067,752	9,757,750
Departmental and other.....	389,947	1,030,862	1,420,809
Intergovernmental.....	29,132,819	-	29,132,819
Loans.....	282,642	-	282,642
Tax foreclosures.....	4,929,547	-	4,929,547
Working capital deposit.....	211,500	-	211,500
Total current assets.....	102,779,978	37,854,167	140,634,145
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Intergovernmental.....	3,505,375	-	3,505,375
Loans.....	850,000	-	850,000
Capital assets, nondepreciable.....	44,380,063	26,278,767	70,658,830
Capital assets, net of accumulated depreciation.....	254,395,132	209,449,243	463,844,375
Total noncurrent assets.....	303,130,570	235,728,010	538,858,580
TOTAL ASSETS.....	405,910,548	273,582,177	679,492,725
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows for refunding debt.....	7,641	-	7,641
Deferred outflows related to pensions.....	35,221,328	3,177,294	38,398,622
Deferred outflows related to other postemployment benefits.....	64,181,694	3,228,971	67,410,665
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	99,410,663	6,406,265	105,816,928
LIABILITIES			
CURRENT:			
Warrants payable.....	11,362,519	3,352,499	14,715,018
Accrued payroll.....	13,507,183	108,388	13,615,571
Tax refunds payable.....	189,700	-	189,700
Accrued interest.....	1,527,176	1,763,240	3,290,416
Other liabilities.....	5,780,757	-	5,780,757
Compensated absences.....	7,511,689	369,402	7,881,091
Workers' compensation.....	630,600	-	630,600
Notes payable.....	2,245,027	19,383,275	21,628,302
Bonds payable.....	8,368,161	10,912,825	19,280,986
Total current liabilities.....	51,122,812	35,889,629	87,012,441
NONCURRENT:			
Compensated absences.....	5,661,280	163,716	5,824,996
Workers' compensation.....	3,119,900	-	3,119,900
Net pension liability.....	256,891,644	23,174,036	280,065,680
Net other postemployment benefits liability.....	663,672,870	33,389,277	697,062,147
Bonds payable.....	72,982,197	144,118,011	217,100,208
Total noncurrent liabilities.....	1,002,327,891	200,845,040	1,203,172,931
TOTAL LIABILITIES.....	1,053,450,703	236,734,669	1,290,185,372
DEFERRED INFLOWS OF RESOURCES			
Taxes paid in advance.....	4,405	-	4,405
Deferred inflows related to pensions.....	9,458,157	853,215	10,311,372
TOTAL DEFERRED INFLOWS OF RESOURCES.....	9,462,562	853,215	10,315,777
NET POSITION			
Net investment in capital assets.....	226,235,261	65,624,220	291,859,481
Restricted for:			
Chapter 17 special reserve.....	1,150	-	1,150
Streets.....	2,731,180	-	2,731,180
Community development.....	6,696,011	-	6,696,011
Loans.....	1,132,642	-	1,132,642
Permanent funds:			
Expendable.....	353,343	-	353,343
Nonexpendable.....	1,847,352	-	1,847,352
Gifts and grants.....	8,568,192	-	8,568,192
Unrestricted.....	(805,157,185)	(23,223,662)	(828,380,847)
TOTAL NET POSITION.....	\$ (557,592,054)	\$ 42,400,558	\$ (515,191,496)

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
<i>Governmental Activities:</i>					
General government.....	\$ 21,501,176	\$ 5,372,425	\$ 2,745,640	\$ 148,591	\$ (13,234,520)
Public safety.....	81,783,529	4,508,978	4,271,876	13,445	(72,989,230)
Education.....	301,369,015	551,523	222,500,984	383,899	(77,932,609)
Public works.....	17,596,308	3,654,847	1,178,834	6,049,028	(6,713,599)
Human services.....	14,590,887	543,142	11,036,100	117,326	(2,894,319)
Culture and recreation.....	8,042,130	312,220	444,627	-	(7,285,283)
Interest.....	3,190,918	-	-	-	(3,190,918)
Total Governmental Activities.....	448,073,963	14,943,135	242,178,061	6,712,289	(184,240,478)
<i>Business-Type Activities:</i>					
Water.....	15,681,915	11,271,736	-	734,331	(3,675,848)
Sewer.....	31,353,035	24,725,409	-	187,144	(6,440,482)
Parking.....	7,804,999	8,698,321	-	82,610	975,932
Total Business-Type Activities.....	54,839,949	44,695,466	-	1,004,085	(9,140,398)
Total Primary Government.....	\$ 502,913,912	\$ 59,638,601	\$ 242,178,061	\$ 7,716,374	\$ (193,380,876)

(Continued)

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page..... \$	(184,240,478)	(9,140,398)	(193,380,876)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	132,122,486	-	132,122,486
Tax and other liens.....	664,603	-	664,603
Motor vehicle and other excise taxes.....	10,745,444	-	10,745,444
Hotel/motel tax.....	346,888	-	346,888
Meals tax.....	1,292,366	-	1,292,366
Penalties and interest on taxes.....	1,247,038	-	1,247,038
Payments in lieu of taxes.....	465,612	-	465,612
Grants and contributions not restricted to specific programs.....	26,364,059	-	26,364,059
Unrestricted investment income.....	957,818	872	958,690
Miscellaneous.....	176,191	-	176,191
<i>Transfers, net</i>	20,000	(20,000)	-
Total general revenues and transfers.....	<u>174,402,505</u>	<u>(19,128)</u>	<u>174,383,377</u>
Change in net position.....	(9,837,973)	(9,159,526)	(18,997,499)
<i>Net position:</i>			
Beginning of year.....	<u>(547,754,081)</u>	<u>51,560,084</u>	<u>(496,193,997)</u>
End of year..... \$	<u><u>(557,592,054)</u></u>	<u><u>42,400,558</u></u>	<u><u>(515,191,496)</u></u>

(Concluded)

See notes to basic financial statements.

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2019

	General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents.....	\$ 33,983,017	\$ 22,509,169	\$ 56,492,186
Investments.....	-	1,839,943	1,839,943
Receivables, net of uncollectibles:			
Real estate and personal property taxes.....	2,460,526	-	2,460,526
Tax liens.....	1,432,147	-	1,432,147
Motor vehicle and other excise taxes.....	2,036,585	-	2,036,585
User fees.....	689,998	-	689,998
Departmental and other.....	386,247	3,700	389,947
Intergovernmental.....	19,446,125	13,192,069	32,638,194
Loans.....	-	1,132,642	1,132,642
Tax foreclosures.....	4,929,547	-	4,929,547
Working capital deposit.....	211,500	-	211,500
TOTAL ASSETS.....	\$ 65,575,692	\$ 38,677,523	\$ 104,253,215
LIABILITIES			
Warrants payable.....	\$ 6,580,702	\$ 4,781,817	\$ 11,362,519
Accrued payroll.....	12,530,232	976,951	13,507,183
Tax refunds payable.....	189,700	-	189,700
Other liabilities.....	5,780,757	-	5,780,757
Notes payable.....	-	2,245,027	2,245,027
TOTAL LIABILITIES.....	25,081,391	8,003,795	33,085,186
DEFERRED INFLOWS OF RESOURCES			
Taxes paid in advance.....	4,405	-	4,405
Unavailable revenue.....	16,318,012	12,291,095	28,609,107
TOTAL DEFERRED INFLOWS OF RESOURCES....	16,322,417	12,291,095	28,613,512
FUND BALANCES			
Nonspendable.....	-	1,847,352	1,847,352
Restricted.....	1,150	17,101,692	17,102,842
Committed.....	2,166,777	-	2,166,777
Assigned.....	66,629	-	66,629
Unassigned.....	21,937,328	(566,411)	21,370,917
TOTAL FUND BALANCES.....	24,171,884	18,382,633	42,554,517
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 65,575,692	\$ 38,677,523	\$ 104,253,215

See notes to basic financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION**

JUNE 30, 2019

Total governmental fund balances.....	\$	42,554,517
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		298,775,195
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		28,609,107
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.....		89,952,506
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.....		2,882,138
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(1,527,176)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable.....	(81,350,358)	
Net pension liability.....	(256,891,644)	
Net other postemployment benefits liability.....	(663,672,870)	
Workers' compensation.....	(3,750,500)	
Compensated absences.....	<u>(13,172,969)</u>	
Net effect of reporting long-term liabilities.....		<u>(1,018,838,341)</u>
Net position of governmental activities.....	\$	<u><u>(557,592,054)</u></u>

See notes to basic financial statements.

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2019

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:			
Real estate and personal property taxes, net of tax refunds.....	\$ 131,549,594	\$ -	\$ 131,549,594
Tax liens.....	737,817	-	737,817
Motor vehicle and other excise taxes.....	9,745,497	-	9,745,497
Hotel/motel tax.....	346,888	-	346,888
Meals tax.....	1,292,366	-	1,292,366
Charges for services.....	3,097,008	-	3,097,008
Penalties and interest on taxes.....	1,247,038	-	1,247,038
Payments in lieu of taxes.....	465,612	-	465,612
Fines and forfeitures.....	-	68,050	68,050
Intergovernmental - state aid.....	181,484,487	-	181,484,487
Intergovernmental - School Building Authority.....	1,192,791	-	1,192,791
Intergovernmental - Teachers Retirement.....	35,253,246	-	35,253,246
Intergovernmental - other.....	806,717	55,804,488	56,611,205
Departmental and other.....	9,483,386	3,678,195	13,161,581
Contributions and donations.....	-	228,508	228,508
Investment income.....	827,813	130,005	957,818
TOTAL REVENUES.....	377,530,260	59,909,246	437,439,506
EXPENDITURES:			
Current:			
General government.....	12,978,287	701,958	13,680,245
Public safety.....	47,687,333	5,989,914	53,677,247
Education.....	158,307,594	39,302,548	197,610,142
Public works.....	12,569,761	11,642,415	24,212,176
Human services.....	3,705,026	8,689,532	12,394,558
Culture and recreation.....	4,009,598	845,376	4,854,974
Pension benefits.....	23,787,319	-	23,787,319
Pension benefits - Teachers Retirement.....	35,253,246	-	35,253,246
Employee benefits.....	42,836,174	-	42,836,174
State and county charges.....	25,253,169	-	25,253,169
Debt service:			
Principal.....	6,057,000	170,000	6,227,000
Interest.....	3,011,205	26,571	3,037,776
TOTAL EXPENDITURES.....	375,455,712	67,368,314	442,824,026
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	2,074,548	(7,459,068)	(5,384,520)
OTHER FINANCING SOURCES (USES):			
Issuance of bonds.....	-	16,221,399	16,221,399
Transfers in.....	3,295,448	637,052	3,932,500
Transfers out.....	(551,950)	(3,360,550)	(3,912,500)
TOTAL OTHER FINANCING SOURCES (USES).....	2,743,498	13,497,901	16,241,399
NET CHANGE IN FUND BALANCES.....	4,818,046	6,038,833	10,856,879
FUND BALANCES AT BEGINNING OF YEAR.....	19,353,838	12,343,800	31,697,638
FUND BALANCES AT END OF YEAR.....	\$ 24,171,884	\$ 18,382,633	\$ 42,554,517

See notes to basic financial statements.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2019

Net change in fund balances - total governmental funds.....		\$ 10,856,879
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay.....		20,200,725
Depreciation expense.....		<u>(13,809,023)</u>
Net effect of reporting capital assets.....		6,391,702
<p>Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable differ between the two statements. This amount represents the net change in unavailable revenue.....</p>		
		776,484
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unavailable and amortized in the Statement of Activities.</p>		
Issuance of bonds.....		(16,221,399)
Net amortization of premium from issuance of bonds.....		437,952
Net change in deferred charge on refunding.....		(22,607)
Debt service principal payments.....		<u>6,227,000</u>
Net effect of reporting long-term debt.....		(9,579,054)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Net change in compensated absences accrual.....		(1,226,289)
Net change in accrued interest on long-term debt.....		(568,487)
Net change in deferred outflow/(inflow) of resources related to pensions.....		26,105,338
Net change in net pension liability.....		(33,296,045)
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits.....		64,181,694
Net change in net other postemployment benefits liability.....		(73,328,508)
Net change in workers' compensation liability.....		<u>(675,000)</u>
Net effect of recording long-term liabilities.....		(18,807,297)
The net activity of internal service funds is reported with Governmental Activities.....		<u>523,313</u>
Change in net position of governmental activities.....		\$ <u><u>(9,837,973)</u></u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Parking	Total	
ASSETS					
CURRENT:					
Cash and cash equivalents.....	\$ 9,183,608	\$ 7,331,824	\$ 11,035,682	\$ 27,551,114	\$ 2,882,138
Receivables, net of allowance for uncollectibles:					
Liens - user fees.....	89,278	115,161	-	204,439	-
User fees.....	3,302,157	5,765,595	-	9,067,752	-
Departmental and other.....	-	-	1,030,862	1,030,862	-
Total current assets.....	12,575,043	13,212,580	12,066,544	37,854,167	2,882,138
NONCURRENT:					
Capital assets, non depreciable.....	2,670,728	20,868,992	2,739,047	26,278,767	-
Capital assets, net of accumulated depreciation.....	45,186,188	127,968,326	36,294,729	209,449,243	-
Total noncurrent assets.....	47,856,916	148,837,318	39,033,776	235,728,010	-
TOTAL ASSETS.....	60,431,959	162,049,898	51,100,320	273,582,177	2,882,138
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions.....	1,137,779	1,811,959	227,556	3,177,294	-
Deferred outflows related to other postemployment benefits.....	869,597	2,002,097	357,277	3,228,971	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	2,007,376	3,814,056	584,833	6,406,265	-
LIABILITIES					
CURRENT:					
Warrants payable.....	227,001	2,660,638	464,860	3,352,499	-
Accrued payroll.....	45,510	55,726	7,152	108,388	-
Accrued interest.....	414,410	977,449	371,381	1,763,240	-
Compensated absences.....	136,715	222,588	10,099	369,402	-
Notes payable.....	199,161	18,417,014	767,100	19,383,275	-
Bonds payable.....	3,648,311	4,801,621	2,462,893	10,912,825	-
Total current liabilities.....	4,671,108	27,135,036	4,083,485	35,889,629	-
NONCURRENT:					
Compensated absences.....	64,939	94,927	3,850	163,716	-
Net pension liability.....	8,298,551	13,215,773	1,659,712	23,174,036	-
Net other postemployment benefits liability.....	8,992,102	20,702,746	3,694,429	33,389,277	-
Bonds payable.....	39,086,856	78,838,919	26,192,236	144,118,011	-
Total noncurrent liabilities.....	56,442,448	112,852,365	31,550,227	200,845,040	-
TOTAL LIABILITIES.....	61,113,556	139,987,401	35,633,712	236,734,669	-
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions.....	305,534	486,574	61,107	853,215	-
NET POSITION					
Net investment in capital assets.....	5,127,998	46,899,097	13,597,125	65,624,220	-
Unrestricted.....	(4,107,753)	(21,509,118)	2,393,209	(23,223,662)	2,882,138
TOTAL NET POSITION.....	\$ 1,020,245	\$ 25,389,979	\$ 15,990,334	\$ 42,400,558	\$ 2,882,138

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Parking	Total	
OPERATING REVENUES:					
Charges for services.....	\$ 11,270,594	\$ 24,432,643	\$ 8,613,173	\$ 44,316,410	\$ -
Employer contributions.....	-	-	-	-	400,000
Other operating revenues.....	1,142	292,766	85,148	379,056	123,313
TOTAL OPERATING REVENUES	11,271,736	24,725,409	8,698,321	44,695,466	523,313
OPERATING EXPENSES:					
Cost of services and administration.....	11,579,621	24,071,526	5,158,361	40,809,508	-
Depreciation.....	2,853,435	4,624,997	1,632,848	9,111,280	-
TOTAL OPERATING EXPENSES.....	14,433,056	28,696,523	6,791,209	49,920,788	-
OPERATING INCOME (LOSS).....	(3,161,320)	(3,971,114)	1,907,112	(5,225,322)	523,313
NONOPERATING REVENUES (EXPENSES):					
Investment income.....	-	-	872	872	-
Interest expense.....	(1,248,859)	(2,656,512)	(1,013,790)	(4,919,161)	-
Intergovernmental - subsidy.....	734,331	187,144	-	921,475	-
Intergovernmental.....	-	-	82,610	82,610	-
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	(514,528)	(2,469,368)	(930,308)	(3,914,204)	-
INCOME (LOSS) BEFORE TRANSFERS.....	(3,675,848)	(6,440,482)	976,804	(9,139,526)	523,313
TRANSFERS:					
Transfers out.....	-	-	(20,000)	(20,000)	-
CHANGE IN NET POSITION.....	(3,675,848)	(6,440,482)	956,804	(9,159,526)	523,313
NET POSITION AT BEGINNING OF YEAR.....	4,696,093	31,830,461	15,033,530	51,560,084	2,358,825
NET POSITION AT END OF YEAR.....	\$ 1,020,245	\$ 25,389,979	\$ 15,990,334	\$ 42,400,558	\$ 2,882,138

See notes to basic financial statements.

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS**

YEAR ENDED JUNE 30, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Parking	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers and users.....	\$ 11,409,253	\$ 24,817,994	\$ 8,662,804	\$ 44,890,051	\$ -
Receipts from interfund services provided.....	-	-	-	-	523,313
Payments to vendors.....	(5,500,586)	(11,703,390)	(3,329,287)	(20,533,263)	-
Payments to employees.....	(2,386,111)	(4,171,125)	(529,561)	(7,086,797)	-
NET CASH FROM OPERATING ACTIVITIES.....	3,522,556	8,943,479	4,803,956	17,269,991	523,313
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers out.....	-	-	(20,000)	(20,000)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from the issuance of bonds and notes.....	13,375,961	13,182,810	7,767,100	34,325,871	-
Acquisition and construction of capital assets.....	(2,161,992)	(11,407,222)	(467,027)	(14,036,241)	-
Principal payments on bonds and notes.....	(16,131,860)	(11,322,903)	(6,209,810)	(33,664,573)	-
Intergovernmental revenue.....	-	-	82,610	82,610	-
Interest expense.....	(573,473)	(2,698,361)	(1,092,820)	(4,364,654)	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(5,491,364)	(12,245,676)	80,053	(17,656,987)	-
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income.....	-	-	872	872	-
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(1,968,808)	(3,302,197)	4,864,881	(406,124)	523,313
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	11,152,416	10,634,021	6,170,801	27,957,238	2,358,825
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 9,183,608	\$ 7,331,824	\$ 11,035,682	\$ 27,551,114	\$ 2,882,138
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH					
FROM OPERATING ACTIVITIES:					
Operating income (loss).....	\$ (3,161,320)	\$ (3,971,114)	\$ 1,907,112	\$ (5,225,322)	\$ 523,313
Adjustments to reconcile operating income to net cash from operating activities:					
Depreciation.....	2,853,435	4,624,997	1,632,848	9,111,280	-
Deferred (outflows)/inflows related to pensions.....	(841,331)	(1,340,466)	(167,958)	(2,349,755)	-
Deferred (outflows)/inflows related to other postemployment benefits.....	(869,597)	(2,002,097)	(357,277)	(3,228,971)	-
Changes in assets and liabilities:					
Liens - user charges.....	(42,832)	(24,411)	-	(67,243)	-
User charges.....	180,349	116,996	-	297,345	-
Departmental and other.....	-	-	(35,517)	(35,517)	-
Warrants payable.....	226,734	(659,779)	464,860	31,815	-
Accrued payroll.....	(236,957)	(907,593)	(195,510)	(1,340,060)	-
Compensated absences.....	36,853	(41,819)	(902)	(5,868)	-
Net pension liability.....	2,361,321	3,360,452	674,180	6,395,953	-
Net other postemployment benefits liability.....	3,015,901	9,788,313	882,120	13,686,334	-
Total adjustments.....	6,683,876	12,914,593	2,896,844	22,495,313	-
NET CASH FROM OPERATING ACTIVITIES.....	\$ 3,522,556	\$ 8,943,479	\$ 4,803,956	\$ 17,269,991	\$ 523,313
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
MCWT principle forgiveness.....	\$ 421,565	\$ -	\$ -	\$ 421,565	\$ -
Intergovernmental subsidy of debt service.....	312,766	187,144	-	499,910	-
Total non-cash activity.....	\$ 734,331	\$ 187,144	\$ -	\$ 921,475	\$ -

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2019

	Pension and Other Employee Benefit Trust Funds (1)	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents.....	\$ 11,111,399	\$ 52,608	\$ 763,433
Investments:			
Investments in Pension Reserve Investment Trust.....	356,475,342	-	-
Equity securities.....	816,406	-	-
Equity mutual funds.....	6,365,714	128,453	-
Bond mutual funds.....	3,062,433	-	-
Receivables, net of allowance for uncollectibles:			
Interest and dividends.....	17,429	-	-
TOTAL ASSETS.....	377,848,723	181,061	763,433
LIABILITIES			
Warrants payable.....	-	-	13,059
Accrued payroll.....	-	-	109,103
Liabilities due depositors.....	-	-	641,271
TOTAL LIABILITIES.....	-	-	763,433
NET POSITION			
Restricted for pensions.....	367,981,493	-	-
Restricted for other postemployment benefits.....	9,867,230	-	-
Held in trust for other purposes.....	-	181,061	-
TOTAL NET POSITION.....	\$ 377,848,723	\$ 181,061	\$ -

(1) The Pension Trust Fund is as of December 31, 2018.

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2019

	Pension and Other Employee Benefit Trust Funds (1)	Private Purpose Trust Funds
ADDITIONS:		
Contributions:		
Employer contributions.....	\$ 27,700,181	\$ -
Employer contributions for other postemployment benefit payments.....	18,953,904	-
Member contributions.....	9,435,776	-
Transfers from other systems.....	973,481	-
3(8)c contributions from other systems.....	663,348	-
Workers compensation settlements.....	8,000	-
State COLA reimbursements.....	670,662	-
Total contributions.....	58,405,352	-
Net investment income:		
Investment income (loss).....	(5,795,212)	9,006
Less: investment expense.....	(1,999,732)	-
Net investment income (loss).....	(7,794,944)	9,006
TOTAL ADDITIONS.....	50,610,408	9,006
DEDUCTIONS:		
Administration.....	347,172	-
Transfers to other systems.....	1,097,527	-
3(8)c transfer to other systems.....	1,433,590	-
Retirement benefits and refunds.....	39,236,589	-
Other postemployment benefit payments.....	18,953,904	-
TOTAL DEDUCTIONS.....	61,068,782	-
NET INCREASE IN NET POSITION.....	(10,458,374)	9,006
NET POSITION AT BEGINNING OF YEAR.....	388,307,097	172,055
NET POSITION AT END OF YEAR.....	\$ 377,848,723	\$ 181,061

(1) The Pension Trust Fund is as of December 31, 2018.

See notes to basic financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the City of Lowell, Massachusetts (City) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant City accounting policies are described herein.

A. Reporting Entity

The City is a municipal corporation that is governed by an elected nine-member City Council, of which one member serves as Mayor, and an appointed City Manager.

For financial reporting purposes, the City has included all funds, organizations, account groups, agencies, boards, commissions and institutions. The City has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the basic financial statements to be misleading or incomplete. In accordance with GAAP, these basic financial statements present the City (the primary government) as well as a component unit. One entity has been included as a component unit in the reporting entity because of the significance of its operational and/or financial relationship with the City.

Component Unit Presented as a Fiduciary Fund – The following component unit is presented as a Fiduciary Fund of the primary government due to the nature and significance of relationship between the City and the component unit.

The Lowell Contributory Retirement System (System) was established to provide retirement benefits to City employees and their beneficiaries. The System is governed by a five-member board comprised of the City Auditor (ex-officio), two elected members and two appointed members. The System is presented using the accrual basis of accounting and is reported as a pension trust fund in the fiduciary fund financial statements.

Availability of Financial Information for Component Units

The System issues a separate audited financial statement. The System also issues a publicly available unaudited financial report in accordance with guidelines established by the Commonwealth of Massachusetts' (Commonwealth) Public Employee Retirement Administration Commission (PERAC). These reports may be obtained by contacting the System located at 375 Merrimack Street, Lowell, Massachusetts, 01852.

B. Government-Wide and Fund Financial Statements*Government-Wide Financial Statements*

The government-wide financial statements (i.e., statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units.

Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are supported primarily by user fees and charges.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual

governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and displayed in a single column.

Major Fund Criteria

Major funds must be reported if the following criteria are met:

- If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10 percent of the corresponding element (assets and deferred outflows of resources, liabilities and deferred inflows of resources, etc.) for all funds of that category or type (total governmental or total enterprise funds), *and*
- If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

Additionally, any other governmental or enterprise fund that management believes is particularly significant to the basic financial statements may be reported as a major fund.

Internal service funds and fiduciary funds are reported by fund type.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a particular function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include the following:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.
- Grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a particular function or segment.

Taxes and other items not identifiable as program revenues are reported as general revenues.

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. However, the effect of interfund services provided and used between functions is not eliminated as the elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

Real estate and personal property tax revenues are considered available if they are collected within 60 days after year-end. Investment income is susceptible to accrual. Other receipts and tax revenues become measurable and available when the cash is received and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred, and all other grant requirements are met.

The following major governmental fund is reported:

The *general fund* is the primary operating fund. It is used to account for all financial resources of the general government, except those that are required to be accounted for in another fund.

The nonmajor governmental funds consist of special revenue, capital projects and permanent funds that are aggregated and presented in the *nonmajor governmental funds* column on the governmental funds financial statements. The following describes the general use of these fund types:

The *special revenue fund* is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than permanent funds or capital projects.

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets of the governmental funds.

The *permanent fund* is used to account for and report financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

Proprietary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following major proprietary funds are reported:

The *water enterprise fund* is used to account for the water activities.

The *sewer enterprise fund* is used to account for the sewer activities.

The *parking fund* is used to account for the parking garage activities.

The *internal service fund* is used to account for the financing of services provided by one department to other departments or governmental units. This fund is used to account for risk financing activities related to employees' health insurance. As of July 1, 2012, the City entered the Group Insurance Commission and its health insurance activities are now premium based. The City is working to utilize the remaining balance in this fund for health insurance related appropriations.

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the governmental programs.

The following fiduciary fund types are reported:

The *pension and other employee benefit trust funds* are used to account for the activities of the Lowell Contributory Retirement System, which accumulates resources to provide pension benefits to eligible retirees and their beneficiaries and to accumulate resources to provide funding for future OPEB liabilities.

The *private-purpose trust fund* is used to account for trust arrangements, other than those properly reported in the pension trust fund or permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.

The *agency fund* is used to account for assets held in a purely custodial capacity.

D. Cash and Investments

Government-Wide and Fund Financial Statements

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. Investments are carried at fair value.

E. Fair Value Measurements

The City reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. Fair value standards also require the government to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities, U.S. government obligations, and mutual funds with quoted market prices in active markets.

Level 2 – Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Certain fixed income securities, primarily corporate bonds, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the City's financial instruments, see Note 2 – Cash and Investments.

F. Accounts Receivable

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and the proprietary funds and fiduciary funds financial statements are reported under the accrual basis of accounting. The recognition of revenue related to accounts receivable reported in the governmental funds financial statements are reported under the modified accrual basis of accounting.

Real Estate, Personal Property Taxes and Tax Liens

Real estate and personal property taxes are levied and based on values assessed on January 1st of every year. Assessed values are established by the Board of Assessors for 100% of the estimated fair market value. Taxes are due on August 1st, November 1st, February 1st and May 1st of each year and are subject to penalties and interest if they are not paid by their respective due date. Real estate and personal property taxes levied are recorded as receivables in the year of the levy.

Real estate tax liens are processed during the fourth quarter of each year on delinquent properties and are recorded as receivables.

Real estate receivables are secured via the tax lien process and are considered 100% collectible. Accordingly, an allowance for uncollectibles is not reported.

Personal property taxes cannot be secured through the lien process. The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

Motor Vehicle Excise

Motor vehicle excise taxes are assessed annually for each vehicle registered in the City and are recorded as receivables in the year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value.

The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

Water & Sewer

Water and Sewer user fees are levied quarterly based on individual meter readings and are subject to penalties and interest if they are not paid by their respective due date. Liens are processed in December of every year and included as a lien on the property owner's tax bill. User charges and liens are recorded as receivables in the year of the levy.

Since the receivables are secured via the lien process, these accounts are considered 100% collectible and therefore do not report an allowance for uncollectibles.

Trash

Trash user fees are levied quarterly with the water and sewer bills. These charges are based on a flat fee of \$18 per family unit up to six units. Trash liens are processed in December of each year and included as a lien on the property owner's tax bill. Trash charges and liens are recorded as receivables in the year of the levy.

Since the receivables are secured via the lien process, these accounts are considered 100% collectible and therefore do not report an allowance for uncollectibles.

Departmental and Other

Departmental and other receivables consist primarily of outstanding parking tickets and are recorded as receivables in the year accrued. The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

Intergovernmental

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, receivables are recorded as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recorded when the qualifying expenditures are incurred, and all other grant requirements are met.

These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

Loans

The Department of Planning and Development administers loan programs that provide housing assistance to residents and capital needs assistance for small businesses. Upon issuance, a receivable is recorded for the principal amount of the loan.

The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

G. Inventories***Government-Wide and Fund Financial Statements***

Inventories are recorded as expenditures at the time of purchase. Such inventories are not material in total to the government-wide and fund financial statements, and therefore are not reported.

H. Capital Assets

Government-Wide and Proprietary Fund Financial Statements

Capital assets, which include land, land improvements, buildings, improvements, machinery and equipment, vehicles and infrastructure (e.g., roads, water mains, sewer mains, and similar items), books and software are reported in the applicable governmental or business-type activity column of the government-wide financial statements, and the proprietary fund financial statements. Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available. Donated capital assets; donated works of art; historical treasures and similar assets; and capital assets received in service concession arrangements are recorded at acquisition value. Except for the capital assets of the governmental activities column in the government-wide financial statements, construction period interest is capitalized on constructed capital assets.

Capital assets (excluding land) are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Buildings and improvements.....	20 - 40
Capital improvements (other than buildings)..	20
Infrastructure.....	40 - 50
Equipment.....	5 - 10
Vehicles.....	5 - 15
Books.....	3 - 10
Software.....	5

All purchases and construction costs in excess of \$25,000 with expected useful lives of greater than one year are capitalized at the date of acquisition or construction, respectively.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements meeting the criteria above are capitalized.

Governmental Fund Financial Statements

Capital asset costs are recorded as expenditures in the acquiring fund in the year of the purchase.

I. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City reported deferred charges on refunding, deferred outflows of resources related to pensions and other post-employment benefits in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition

of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City reported taxes paid in advance and deferred inflows of resources related to pensions in this category.

Governmental Fund Financial Statements

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents assets that have been recorded in the governmental fund financial statements, but the revenue is not available and so will *not* be recognized as an inflow of resources (revenue) until it becomes available. The City has recorded taxes paid in advance and unavailable revenue as deferred inflows of resources in the governmental funds balance sheet.

J. Interfund Receivables and Payables

During the course of its operations, transactions occur between and within individual funds that may result in amounts owed between funds.

Government-Wide Financial Statements

Transactions of a buyer/seller nature between and within governmental funds and internal service funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of net position as "internal balances".

Fund Financial Statements

Transactions of a buyer/seller nature between and within funds are *not* eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as "Due from other funds" or "Due to other funds" on the balance sheet.

K. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as operating transfers in and operating transfers out.

Government-Wide Financial Statements

Operating transfers between and within governmental funds and internal service funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as "Transfers, net".

Fund Financial Statements

Operating transfers between and within funds are *not* eliminated from the individual fund statements and are reported as operating transfers in and operating transfers out.

L. Unavailable Revenue

Fund Financial Statements

Unavailable revenue at the governmental fund financial statement level represents billed receivables that do not meet the available criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting. Unavailable revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements.

M. Net Position and Fund Equity

Government-Wide Financial Statements (Net position)

Net position is reported as restricted when amounts are not available for appropriation or are legally restricted by outside parties for a specific future use.

Net position reported as “net investment in capital assets” includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital assets. Outstanding debt related to future reimbursements from the state’s school building program is not considered to be capital related debt.

Net position has been “restricted for” the following:

“Chapter 17 special reserve” represents amounts accumulated that can be used for unforeseen expenditures pursuant to Chapter 17 of the Acts of 1992.

“Streets” represents amounts committed by the Commonwealth for the repair and/or construction of streets.

“Community development” represents amounts committed by the federal Department of Housing and Urban Development (HUD) for various community development projects.

“Loans” represents community development outstanding loans receivable balances.

“Permanent funds - expendable” represents amounts held in trust for which the expenditures are restricted by various trust agreements.

“Permanent funds - nonexpendable” represents amounts held in trust for which only investment earnings may be expended.

“Gifts and grants” represents restrictions placed on assets from outside parties.

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Financial Statements (Fund Balances)

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The governmental fund balance classifications are as follows:

“Nonspendable” fund balance includes amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

“Restricted” fund balance includes amounts subject to constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or that are imposed by law through constitutional provisions or enabling legislation.

“Committed” fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision-making authority. A vote of the City Council is the highest level of decision-making authority that can commit funds for a specific purpose. Once voted, the limitation imposed by the vote remains in place until the funds are used for their intended purpose or a vote is taken to rescind the commitment.

“Assigned” fund balance includes amounts that are constrained by the City’s intent to be used for specific purposes but are neither restricted nor committed. The City Auditor has the authority to assign fund balance. Funds are assigned when the City has an obligation to purchase goods or services from the current year’s appropriation.

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount.

Sometimes the City will fund outlays for a particular purpose from different components of fund balance. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balances in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. When different components of fund balance can be used for the same purpose, it is the City’s policy to consider restricted fund balance to have been depleted first, followed by committed fund balance, and assigned fund balance. Unassigned fund balance is applied last.

N. Long-term debt*Government-Wide and Proprietary Fund Financial Statements*

Long-term debt is reported as a liability in the government-wide and proprietary fund statement of net position. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Governmental Fund Financial Statements

The face amount of governmental funds long-term debt is reported as other financing sources in the period issued. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses.

Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

O. Investment Income

Excluding the permanent funds and internal service funds, investment income derived from major and nonmajor governmental funds and enterprise funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Law (MGL).

P. Compensated Absences

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws and executive policies.

Government-Wide and Proprietary Fund Financial Statements

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

Governmental Fund Financial Statements

Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities.

Q. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of both the Lowell Contributory Retirement System and the Massachusetts Teachers' Retirement System and additions to/deductions from the Systems fiduciary net position have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

R. Use of Estimates

Government-Wide and Fund Financial Statements

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the year. Actual results could vary from estimates that were used.

S. Individual Fund Deficits

At June 30, 2019, the Hamilton Canal Street District nonmajor governmental fund reported a deficit balance. The deficit will be funded through grant proceeds in future fiscal years.

T. Total Column*Government-Wide Financial Statements*

The total column presented on the government-wide financial statements represents consolidated financial information.

Fund Financial Statements

The total column on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not the equivalent of consolidated financial information.

NOTE 2 - CASH AND INVESTMENTS

A cash and investment pool is maintained that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "Cash and Cash Equivalents". The deposits and investments of the trust funds are held separately from those of other funds. Statutes authorize the investment in obligations of the U.S. Treasury, agencies and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (Pool). The Treasurer may also invest trust funds in securities, other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth.

The System participates in the Pension Reserve Investment Trust (PRIT), which meets the criteria of an external investment pool. PRIT is administered by the Pension Reserves Investment Management Board, which was established by the Treasurer of the Commonwealth of Massachusetts who serves as Trustee. The fair value of the position in the PRIT is the same as the value of the PRIT shares. The System also has expanded investment powers which are governed by Chapter 32 of the general laws of the Commonwealth and by the regulations issued by the Public Employee Retirement Administration Commission (PERAC). The existing law provides that Systems will invest in securities other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy states that financial institutions shall be selected first and foremost with regard to safety as recognized by a top rating with the Veribanc or similar rating service. At year-end, the carrying amount of the City's deposits totaled \$87,686,016 and the bank balance totaled \$91,464,919. Of the bank balance, \$1,856,291 was covered by Federal Depository Insurance, \$17,792,043 was covered by the Depositors Insurance Fund, \$29,294,806 was collateralized, and \$42,521,779 was uninsured and uncollateralized.

At December 31, 2018, carrying amount of deposits for the System totaled \$11,070,104 and the bank balance totaled \$11,150,864. All of the bank balance was covered by the Federal Depository Insurance and none of the funds were exposed to custodial risk.

Investments

As of June 30, 2019, the City had the following investments:

<u>Investment Type</u>	<u>Fair value</u>	<u>Maturities</u>		
		<u>Under 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>
<u>Debt securities:</u>				
U.S. treasury notes.....	\$ 435,980	\$ 285,923	\$ 150,057	\$ -
Government sponsored enterprises.....	489,188	-	489,188	-
Corporate bonds.....	530,953	74,750	456,203	-
Municipal bonds.....	5,000	5,000	-	-
Bond mutual funds.....	3,062,433	-	2,045,964	1,016,469
Total debt securities.....	4,523,554	\$ 365,673	\$ 3,141,412	\$ 1,016,469
<u>Other investments:</u>				
Equity securities.....	905,063			
Equity mutual funds.....	6,365,714			
Money market mutual funds.....	96,758			
Total investments.....	\$ 11,891,089			

As of December 31, 2018, the System had the following investments:

<u>Investment Type</u>	<u>Fair value</u>
Equity securities.....	\$ 418,618
Pension Reserve Investment Trust (PRIT).....	356,475,342
Total investments.....	\$ 356,893,960

Custodial Credit Risk – Investments

For the City’s investments, this is the risk that, in the event of a failure by the counterparty, the City will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. Of the investments, \$489,188 in government sponsored enterprises, \$435,980 in U.S. Treasury notes, \$530,953 in corporate bonds, \$5,000 in municipal bonds, and \$905,063 in equity securities, the City has a custodial credit risk exposure of \$2,366,184, because the related securities are uninsured, unregistered and held by the counterparty. The City’s investment policy states that with the exception of U.S. Treasury obligations or investments fully collateralized by U.S. Treasuries or Agencies, and State Investment Pools, no more than 50% of the City’s investments shall be invested in a single institution.

For the System’s investments, this is the risk that, in the event of a failure by the counterparty, the System will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The System does not have an investment policy related to custodial credit risk.

Interest Rate Risk

The City’s investment policy limits investment maturities to a term of up to one year, as a means of managing its exposure to fair value losses arising from increasing interest rates.

The System does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, when managing assets, the System at all times must be in accordance with the provisions of the Public Employee Retirement Administration Commission (PERAC), the Employee Retirement Income Security Act (ERISA), and Department of Labor regulations.

The System participates in PRIT. The effective weighted duration rate for PRIT investments ranged from 0.18 to 15.31 years.

Credit Risk

The City’s investment policy states that financial institutions shall be selected first and foremost with regard to safety of principal, as recognized by a banking rating service such as Veribanc. Also, a listing of required information is to be received from any investment house the City would like to do business with.

At June 30, 2019, the City’s investments were rated as follows:

Quality Rating	Government Sponsored Enterprises	Corporate Bonds	Municipal Bonds	Bond Mutual Funds
AA+.....	\$ 489,188	\$ -	\$ -	\$ -
AA.....	-	47,880	-	-
AA-.....	-	-	5,000	-
A+.....	-	95,127	-	-
A.....	-	-	-	523,708
BBB+.....	-	287,320	-	-
BBB.....	-	100,626	-	1,462,710
BB.....	-	-	-	766,261
B.....	-	-	-	309,754
Total.....	\$ <u>489,188</u>	\$ <u>530,953</u>	\$ <u>5,000</u>	\$ <u>3,062,433</u>

The System has not adopted a formal policy related to credit risk. At December 31, 2018, the System did not have any rated investments.

Concentration of Credit Risk

The City’s investment policy states that with the exception of U.S. Treasury notes or investments fully collateralized by U.S. Treasuries or Agencies, and State Investment Pools, no more than 5% of the City’s investments shall be invested in a single institution. At June 30, 2019, the City’s investment in any one issuer did not exceed 5% of the total amount invested.

The System has not adopted a formal policy related to the amount that may be invested in any one issuer. At December 31, 2018, the System’s investment in any one issuer did not exceed 5% of the total amount invested.

Fair Market Value of Investments

The City holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the City’s mission, the City determines that the disclosures related to these investments only need to be

disaggregated by major type. The City chooses a tabular format for disclosing the levels within the fair value hierarchy.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2019:

Investment Type	June 30, 2019	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
<u>Debt securities:</u>				
U.S. treasury notes.....	\$ 435,980	\$ 435,980	\$ -	\$ -
Government sponsored enterprises.....	489,188	489,188	-	-
Corporate bonds.....	530,953	-	530,953	-
Municipal bonds.....	5,000	-	5,000	-
Bond mutual funds.....	3,062,433	3,062,433	-	-
Total debt securities.....	<u>4,523,554</u>	<u>3,987,601</u>	<u>535,953</u>	<u>-</u>
<u>Other investments:</u>				
Equity securities.....	905,063	905,063	-	-
Equity mutual funds.....	6,365,714	6,365,714	-	-
Money market mutual funds.....	96,758	96,758	-	-
Total other investments.....	<u>7,367,535</u>	<u>7,367,535</u>	<u>-</u>	<u>-</u>
Total investments measured at fair value.....	<u>\$ 11,891,089</u>	<u>\$ 11,355,136</u>	<u>\$ 535,953</u>	<u>\$ -</u>

U.S. treasury notes, government sponsored enterprises, bond mutual funds, equity securities, equity mutual funds, and money market mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Corporate bonds and municipal bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

Retirement System

The Retirement System holds significant amounts of investments that are measured at fair value on a recurring basis. Because investing is a key part of the plan’s activities, the plan shows greater disaggregation in its disclosures. The plan chooses a tabular format for disclosing the levels within the fair value hierarchy.

The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The System has the following recurring fair value measurements as of December 31, 2018:

Investment Type	December 31, 2018	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
Equity securities.....	\$ 418,618	\$ 418,618	\$ -	\$ -
Investments measured at net asset value:				
Pension Reserve Investment Trust (PRIT)....	356,475,342			
Total investments.....	\$ 356,893,960			

Equity securities classified in level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

PRIT Investments are valued using the net asset value (NAV) method. This investment pool was established by the Treasurer of the Commonwealth of Massachusetts, who serves as Trustee. PRIT is administered by the Pension Reserves Investment Management Board (PRIM). The fair values of the positions in each investment Pool are the same as the value of each Pool's shares. The System does not have the ability to control any of the investment decisions relative to its funds in PRIT.

NOTE 3 - RECEIVABLES

At June 30, 2019, receivables for the individual major governmental funds and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, were as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes...	\$ 2,904,526	\$ (444,000)	\$ 2,460,526
Tax liens.....	2,833,147	(1,401,000)	1,432,147
Motor vehicle and other excise taxes.....	2,559,585	(523,000)	2,036,585
Trash user fees.....	689,998	-	689,998
Departmental and other.....	389,947	-	389,947
Intergovernmental.....	32,638,194	-	32,638,194
Loans.....	1,132,642	-	1,132,642
Total.....	\$ 43,148,039	\$ (2,368,000)	\$ 40,780,039

At December 31, 2018 the fiduciary funds had \$17,429 of interest and dividends receivable.

At June 30, 2019, receivables for the enterprise funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Water liens - user fees.....	\$ 89,278	\$ -	\$ 89,278
Water user fees.....	3,302,157	-	3,302,157
Sewer liens - user fees.....	115,161	-	115,161
Sewer user fees.....	5,765,595	-	5,765,595
Parking departmental and other....	1,030,862	-	1,030,862
	<u>10,303,053</u>	<u>-</u>	<u>10,303,053</u>
Total.....	\$ 10,303,053	\$ -	\$ 10,303,053

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current year, the various components of *unavailable revenue* reported in the governmental funds were as follows:

	General Fund	Other Governmental Funds	Total
<u>Receivable type:</u>			
Real estate and personal property taxes.....	\$ 2,169,653	\$ -	\$ 2,169,653
Tax liens.....	1,432,147	-	1,432,147
Motor vehicle and other excise taxes.....	2,036,585	-	2,036,585
User charges.....	689,998	-	689,998
Departmental and other.....	386,247	3,700	389,947
Intergovernmental - highway improvements.....	-	2,731,180	2,731,180
Intergovernmental - School Building Authority....	4,673,835	-	4,673,835
Intergovernmental - other.....	-	9,443,573	9,443,573
Loans.....	-	112,642	112,642
<u>Other asset type:</u>			
Tax foreclosures.....	4,929,547	-	4,929,547
	<u>16,318,012</u>	<u>12,291,095</u>	<u>28,609,107</u>
Total.....	\$ 16,318,012	\$ 12,291,095	\$ 28,609,107

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 31,402,393	\$ 2,600,000	\$ -	\$ 34,002,393
Construction in progress.....	3,103,687	8,181,190	(907,207)	10,377,670
Total capital assets not being depreciated...	<u>34,506,080</u>	<u>10,781,190</u>	<u>(907,207)</u>	<u>44,380,063</u>
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	352,976,549	3,614,207	-	356,590,756
Capital improvements (other than buildings).....	30,824,371	135,386	-	30,959,757
Infrastructure.....	194,924,728	4,058,476	-	198,983,204
Vehicles.....	19,769,716	707,410	-	20,477,126
Equipment.....	11,545,973	1,811,263	-	13,357,236
Books.....	7,810,699	-	-	7,810,699
Software.....	495,990	-	-	495,990
Total capital assets being depreciated.....	<u>618,348,026</u>	<u>10,326,742</u>	<u>-</u>	<u>628,674,768</u>
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(226,581,769)	(6,895,673)	-	(233,477,442)
Capital improvements (other than buildings).....	(15,341,936)	(1,112,311)	-	(16,454,247)
Infrastructure.....	(90,513,625)	(2,950,246)	-	(93,463,871)
Vehicles.....	(14,798,664)	(1,661,345)	-	(16,460,009)
Equipment.....	(5,850,940)	(906,286)	-	(6,757,226)
Books.....	(6,887,689)	(283,162)	-	(7,170,851)
Software.....	(495,990)	-	-	(495,990)
Total accumulated depreciation.....	<u>(360,470,613)</u>	<u>(13,809,023)</u>	<u>-</u>	<u>(374,279,636)</u>
Total capital assets being depreciated, net.....	<u>257,877,413</u>	<u>(3,482,281)</u>	<u>-</u>	<u>254,395,132</u>
Total governmental activities capital assets, net....	<u>\$ 292,383,493</u>	<u>\$ 7,298,909</u>	<u>\$ (907,207)</u>	<u>\$ 298,775,195</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 2,844,420	\$ -	\$ -	\$ 2,844,420
Construction in progress.....	11,827,467	15,147,481	(3,540,601)	23,434,347
Total capital assets not being depreciated....	<u>14,671,887</u>	<u>15,147,481</u>	<u>(3,540,601)</u>	<u>26,278,767</u>
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	3,111,313	-	-	3,111,313
Capital improvements (other than buildings).....	29,986,124	800,697	-	30,786,821
Infrastructure.....	337,061,223	3,924,900	-	340,986,123
Equipment.....	2,349,818	-	-	2,349,818
Vehicles.....	3,427,563	288,892	-	3,716,455
Total capital assets being depreciated.....	<u>375,936,041</u>	<u>5,014,489</u>	<u>-</u>	<u>380,950,530</u>
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(203,161)	(77,547)	-	(280,708)
Capital improvements (other than buildings).....	(10,609,748)	(1,444,331)	-	(12,054,079)
Infrastructure.....	(148,272,575)	(6,996,118)	-	(155,268,693)
Equipment.....	(1,751,843)	(314,170)	-	(2,066,013)
Vehicles.....	(1,552,680)	(279,114)	-	(1,831,794)
Total accumulated depreciation.....	<u>(162,390,007)</u>	<u>(9,111,280)</u>	<u>-</u>	<u>(171,501,287)</u>
Total capital assets being depreciated, net.....	<u>213,546,034</u>	<u>(4,096,791)</u>	<u>-</u>	<u>209,449,243</u>
Total business-type activities capital assets, net....	<u>\$ 228,217,921</u>	<u>\$ 11,050,690</u>	<u>\$ (3,540,601)</u>	<u>\$ 235,728,010</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General government.....	\$ 730,577
Public safety.....	1,983,568
Education.....	6,435,964
Public works.....	2,693,963
Human services.....	260,496
Culture and recreation.....	<u>1,704,455</u>
Total depreciation expense - governmental activities....	<u>\$ 13,809,023</u>

Business-Type Activities:

Water.....	\$ 2,853,435
Sewer.....	4,624,997
Parking.....	<u>1,632,848</u>
Total depreciation expense - business-type activities...	<u>\$ 9,111,280</u>

NOTE 5 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2019, are summarized as follows:

Transfers Out:	Transfers In:		
	General fund	Nonmajor governmental funds	Total
General fund.....	\$ -	\$ 551,950	\$ 551,950 (1)
Nonmajor governmental funds.....	3,295,448	65,102	3,360,550 (2)
Parking enterprise fund.....	-	20,000	20,000 (3)
Total.....	\$ 3,295,448	\$ 637,052	\$ 3,932,500

- (1) Transfers into nonmajor governmental funds from the general fund represent amounts voted for capital projects, note payments, and special revenue funds.
- (2) Transfers into the general fund represent amounts voted to fund 2019 operations from nonmajor funds. Transfers between nonmajor funds represent a reallocation of resources.
- (3) Transfers into the nonmajor funds from the enterprise funds represent amounts voted for special revenue.

NOTE 6 - SHORT-TERM FINANCING

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANS or TANS).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS).
- Current project costs and other approved expenditures incurred, that are approved to be reimbursed by the Commonwealth, and through the issuance of state aid anticipation notes (SAANS).

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the general fund or respective enterprise fund.

Details related to the short-term debt activity for the year ended June 30, 2019, was as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2018	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2019
Governmental Funds:							
SAAN	State Aid Anticipation.....	2.20%	8/10/18	\$ 214,000	\$ -	\$ (214,000)	\$ -
SAAN	State Aid Anticipation.....	4.00%	8/10/18	221,559	-	(221,559)	-
BAN	Municipal Purpose.....	4.00%	6/21/19	9,524,985	-	(9,524,985)	-
BAN	Municipal Purpose.....	2.25%	9/27/19	-	18,466,426	(16,221,399)	2,245,027 (A)
Total Governmental Funds.....				<u>\$ 9,960,544</u>	<u>\$ 18,466,426</u>	<u>\$ (26,181,943)</u>	<u>\$ 2,245,027</u>
Water Enterprise Fund:							
BAN	MCWT Interim Note.....	2.00%	4/13/19	\$ 7,026,466	\$ -	\$ (7,026,466)	\$ -
BAN	MCWT Interim Note.....	2.00%	4/13/19	3,335,786	-	(3,335,786)	-
BAN	Municipal Purpose.....	4.00%	6/21/19	839,661	-	(839,661)	-
BAN	Municipal Purpose.....	2.25%	9/27/19	-	2,089,661	(1,890,500)	199,161 (A)
Total Water Enterprise Fund.....				<u>11,201,913</u>	<u>2,089,661</u>	<u>(13,092,413)</u>	<u>199,161</u>
Sewer Enterprise Fund:							
BAN	MCWT Interim Note.....	2.00%	10/24/20	5,314,406	8,707,900	-	14,022,306
BAN	Municipal Purpose.....	4.00%	6/21/19	6,700,000	-	(6,700,000)	-
BAN	Municipal Purpose.....	2.25%	9/27/19	-	4,434,809	(40,101)	4,394,708 (A), (B)
Total Sewer Enterprise Fund.....				<u>12,014,406</u>	<u>13,142,709</u>	<u>(6,740,101)</u>	<u>18,417,014</u>
Parking Enterprise Fund:							
BAN	Municipal Purpose.....	4.00%	6/21/19	509,810	-	(509,810)	-
BAN	Municipal Purpose.....	2.25%	9/27/19	-	4,267,100	(3,500,000)	767,100 (A)
Total Parking Enterprise Fund.....				<u>509,810</u>	<u>4,267,100</u>	<u>(4,009,810)</u>	<u>767,100</u>
Total Enterprise Funds.....				<u>\$ 23,726,129</u>	<u>\$ 19,499,470</u>	<u>\$ (23,842,324)</u>	<u>\$ 19,383,275</u>

(A) On September 17, 2019, the City issued \$56.3 million of long-term bonds that included \$49.3 of general obligation bonds and \$7.0 million of refunding bonds. \$21.7 million of the general obligation bonds related to BANS outstanding at year end. Therefore, the City has recognized \$16.2 million of bond proceeds in the governmental funds and \$5.5 million in the various enterprise funds. Both the refunding proceeds and the remaining \$27.6 million of general obligation bonds will be recognized by the City in 2020. Of the \$19.4 million of BANS outstanding \$3.2 million was paid down in 2020 with available funds.

(B) On September 17, 2019, the City rolled the remaining \$4,388,667, after paydown of \$6,041 in 2020, into a new BAN with a maturity date of September 25, 2020, with an interest rate of 2.0%.

NOTE 7 - LONG-TERM DEBT

Under the provisions of Chapter 44, Section 10, Municipal Law authorizes indebtedness up to a limit of 5% of the equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit". In addition, however, debt may be authorized in excess of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit".

Details related to the outstanding indebtedness as of June 30, 2019, and the debt service requirements are as follows.

Bonds Payable Schedule – Governmental Funds

Project	Maturities Through	Interest Rate (%)	Outstanding at June 30, 2019
Schools.....	2039	2.00-6.00	\$ 16,812,935
General.....	2039	2.00-6.00	58,945,210
Cawley Stadium.....	2028	2.00-5.00	44,069
Section 108.....	2025	variable	1,020,000
Lowell Memorial Auditorium.....	2036	2.00-5.75	<u>1,780,633</u>
Total Bonds Payable.....			78,602,847
Add: Unamortized premium on bonds.....			<u>2,747,511</u>
Total Bonds Payable, net.....			<u><u>\$ 81,350,358</u></u>

Debt service requirements for principal and interest for Governmental bonds payable in future years are as follows:

Year	Principal	Interest	Total
2020.....	\$ 7,964,847	4,033,265	\$ 11,998,112
2021.....	7,983,500	3,160,625	11,144,125
2022.....	7,866,500	2,775,125	10,641,625
2023.....	6,292,000	2,408,341	8,700,341
2024.....	5,316,500	2,104,815	7,421,315
2025.....	5,303,000	1,827,202	7,130,202
2026.....	4,805,000	1,557,641	6,362,641
2027.....	4,811,500	1,291,731	6,103,231
2028.....	4,525,000	1,031,476	5,556,476
2029.....	4,255,000	800,067	5,055,067
2030.....	4,135,000	612,163	4,747,163
2031.....	3,095,000	452,579	3,547,579
2032.....	2,685,000	354,088	3,039,088
2033.....	1,950,000	275,103	2,225,103
2034.....	1,710,000	214,606	1,924,606
2035.....	1,625,000	161,298	1,786,298
2036.....	1,535,000	111,602	1,646,602
2037.....	960,000	72,900	1,032,900
2038.....	995,000	49,922	1,044,922
2039.....	790,000	11,850	801,850
Total.....	<u>\$ 78,602,847</u>	<u>\$ 23,306,399</u>	<u>\$ 101,909,246</u>

The Commonwealth has approved school construction assistance. The assistance program, which is administered by the Massachusetts School Building Authority (MSBA), provides resources for future debt service of general obligation school bonds outstanding. During 2019, \$1,193,000 of such assistance was received. Approximately \$4,771,000 will be received in future years. Of this amount, approximately \$97,000 represents reimbursement of long-term interest costs, and approximately \$4,674,000 represents reimbursement of approved construction costs. Accordingly, a \$4,674,000 intergovernmental receivable and corresponding unavailable revenue have been reported in governmental fund financial statements. The unavailable revenue has been recognized as revenue in the conversion to the government-wide financial statements.

At June 30, 2019, the City carried \$1,020,000 of debt, issued in prior years, under the United States Department of Housing and Urban Development’s (HUD) Section 108 Loan Guarantee Program. The purpose of the program is to enable local governments to provide financing to urban renewal projects operated by either the government or third-party developers. Debt issued under this program is secured by future entitlement allocations to the City under HUD’s Community Development Block Grant (CDBG) Program. The City expects to receive \$1,020,000 in future years as debt repayments from developers who were the recipients of the loan funds. Accordingly a receivable of \$1,020,000 has been recorded in the nonmajor governmental funds. The balance of the debt represents an amount attributable to a City owned renewal project for which principal payments have been programmed to be made from CDBG funds over the next five years. After such time, the City expects to sell the property and repay any remaining debt associated with the City owned project. At June 30, 2019, the interest rate on this debt remains variable and is determined quarterly based on three-month London Interbank Offered Rate plus 20 basis points.

The City is scheduled to be subsidized directly by the Department of the Treasury on a periodic basis for interest costs in the amount of \$356,000 related to the issuance of Qualified Energy Conservation Bonds. Thus, net loan repayments, including interest, are scheduled to be \$1,807,000. Since the City is legally obligated for the total amount of the debt, such amounts have been reported in the accompanying basic financial statements. The 2019 interest subsidy totaled approximately \$62,000. Annual payments are subject to sequestration.

The City is scheduled to be subsidized directly by the Department of the Treasury on a periodic basis for interest costs in the amount of \$964,000 related to the issuance of Recovery Zone Economic Development Bonds. Thus, net loan repayments, including interest, are scheduled to be \$6,273,000. Since the City is legally obligated for the total amount of the debt, such amounts have been reported in the accompanying basic financial statements. The 2019 interest subsidy totaled approximately \$158,000. Annual payments are subject to sequestration.

Bonds Payable Schedule – Enterprise Funds

Project	Maturities Through	Interest Rate (%)	Outstanding at June 30, 2019
Sewer.....	2043	2.00-6.00	\$ 83,250,645
Water.....	2039	2.00-6.00	42,252,628
Parking.....	2044	4.00-5.00	27,691,300
Total Bonds Payable.....			153,194,573
Add: Unamortized premium on bonds.....			1,836,263
Total Bonds Payable, net.....			\$ 155,030,836

Debt service requirements for principal and interest for enterprise fund bonds and notes payable in future years are as follows:

Year	Principal	Interest	Total
2020.....	\$ 10,546,586	\$ 4,599,792	\$ 15,146,378
2021.....	10,848,491	4,167,715	15,016,206
2022.....	10,417,009	3,828,990	14,245,999
2023.....	10,404,177	3,458,325	13,862,502
2024.....	9,755,435	3,104,944	12,860,379
2025.....	9,975,838	2,776,533	12,752,371
2026.....	9,329,036	2,471,414	11,800,450
2027.....	9,250,117	2,168,391	11,418,508
2028.....	9,285,884	1,861,092	11,146,976
2029.....	6,806,917	1,607,377	8,414,294
2030.....	6,637,157	1,412,783	8,049,940
2031.....	6,505,907	1,225,250	7,731,157
2032.....	5,674,412	1,060,838	6,735,250
2033.....	5,587,123	911,140	6,498,263
2034.....	5,338,852	764,420	6,103,272
2035.....	5,163,271	626,627	5,789,898
2036.....	5,160,641	493,315	5,653,956
2037.....	4,219,171	373,094	4,592,265
2038.....	3,380,505	263,950	3,644,455
2039.....	3,026,018	183,155	3,209,173
2040.....	1,768,070	124,260	1,892,330
2041.....	1,813,041	80,403	1,893,444
2042.....	1,029,905	45,374	1,075,279
2043.....	1,057,324	19,383	1,076,707
2044.....	213,686	3,108	216,794
Total.....	\$ <u>153,194,573</u>	\$ <u>37,631,673</u>	\$ <u>190,826,246</u>

The City is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT) on a periodic basis for principal in the amount of \$948,000 and interest costs for \$427,000. The principal subsidies are guaranteed. The interest subsidies are supported through future investment income and are expected to be made, although not guaranteed. Since the City is legally obligated for the total amount of the debt, such amounts have been reported in the accompanying basic financial statements. The 2019 principal and interest subsidies totaled approximately \$291,000 and \$209,000, respectively.

Authorized and Unissued Debt

The City is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2019, the City had the following authorized and unissued debt:

Purpose	Amount
High school construction.....	\$ 343,399,220
Parking garage.....	35,400,000
Sewer improvements.....	16,899,491
Water storage tank.....	15,000,000
Wet-weather treatment facility.....	15,000,000
Legal and engineering services.....	12,000,000
Wet-weather storage facility.....	10,000,000
All other projects.....	<u>112,789,017</u>
Total.....	<u>\$ 560,487,728</u>

Changes in Long-term Liabilities

During the year ended June 30, 2019, the following changes occurred in long-term liabilities:

	Beginning Balance	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Governmental Activities:							
Long-term bonds payable.....	\$ 68,608,448	\$ 16,221,399	\$ (6,227,000)	\$ -	\$ -	\$ 78,602,847	\$ 7,964,847
Add: Unamortized premium on bonds....	3,185,463	-	(437,952)	-	-	2,747,511	403,314
Total bonds payable.....	71,793,911	16,221,399	(6,664,952)	-	-	81,350,358	8,368,161
Compensated absences.....	11,946,680	-	-	7,933,406	(6,707,117)	13,172,969	7,511,689
Workers' compensation.....	3,075,500	-	-	1,259,500	(584,500)	3,750,500	630,600
Net pension liability.....	223,595,599	-	-	49,926,946	(16,630,901)	256,891,644	-
Net OPEB liability.....	590,344,362	-	-	91,374,520	(18,046,012)	663,672,870	-
Total governmental activity long-term liabilities.....	<u>\$ 900,756,052</u>	<u>\$ 16,221,399</u>	<u>\$ (6,664,952)</u>	<u>\$ 150,494,372</u>	<u>\$ (41,968,530)</u>	<u>\$ 1,018,838,341</u>	<u>\$ 16,510,450</u>
Business-Type Activities:							
Long-term bonds payable.....	\$ 148,190,422	\$ 14,826,401	\$ (9,822,250)	\$ -	\$ -	\$ 153,194,573	\$ 10,546,586
Add: Unamortized premium on bonds....	2,235,030	-	(398,767)	-	-	1,836,263	366,239
Total bonds payable.....	150,425,452	14,826,401	(10,221,017)	-	-	155,030,836	10,912,825
Compensated absences.....	538,986	-	-	430,449	(436,317)	533,118	369,402
Net pension liability.....	16,778,083	-	-	8,542,841	(2,146,888)	23,174,036	-
Net OPEB liability.....	19,702,943	-	-	14,594,226	(907,892)	33,389,277	-
Total business-type activity long-term liabilities.....	<u>\$ 187,445,464</u>	<u>\$ 14,826,401</u>	<u>\$ (10,221,017)</u>	<u>\$ 23,567,516</u>	<u>\$ (3,491,097)</u>	<u>\$ 212,127,267</u>	<u>\$ 11,282,227</u>

Compensated absences, workers' compensation, net pension liability and net other postemployment liabilities related to both governmental and business-type activities are normally paid from the funds reporting payroll and related expenditures, which consist of the general fund and the water, sewer, and parking enterprise funds.

NOTE 8 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The City classifies fund balances according to constraints on the use of the resources. There are two major types of fund balances, which are nonspendable and spendable.

Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The City has reported principal portions of endowment funds as nonspendable.

Spendable fund balances are classified based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the City from its highest level of decision-making authority.
- Assigned: fund balances that contain self-imposed constraints of the City to be used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose and the deficit fund balances for other funds that would otherwise be restricted, committed, or assigned.

The City's spending policy is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance. Most governmental funds are designated for one purpose at the time of their creation. Therefore, any expenditure from the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. The general fund and certain other funds may have more than one purpose.

Massachusetts General Law Ch.40 §5B allows for the establishment of Stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of the legislative body.

At year end, the balance of the General Stabilization Fund is \$11,795,000 and is reported as unassigned fund balance within the General Fund. The Pension Assessment Stabilization, School Construction Stabilization, Capital Debt Service Stabilization, Employee Benefits and Mitigation, Salary Reserve Stabilization, and Municipal Facility Stabilization funds, reported as committed fund balance within the General Fund, have year end balances of \$9,000, \$2,000, \$359,000, \$786,000, \$1,000,000, and \$10,000 respectively.

As of June 30, 2019, fund balances consisted of the following:

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances:			
Nonspendable:			
Permanent fund principal.....	\$ -	\$ 1,847,352	\$ 1,847,352
Restricted for:			
Chapter 17 special reserve.....	1,150	-	1,150
Gifts and grants.....	-	8,452,150	8,452,150
Section 108.....	-	1,212,051	1,212,051
Sale of City property.....	-	4,955	4,955
Revolving.....	-	3,620,227	3,620,227
Capital projects.....	-	3,458,966	3,458,966
Expendable permanent funds.....	-	353,343	353,343
Committed to:			
Salary reserve stabilization.....	1,000,009	-	1,000,009
Employee benefits and mitigation.....	785,996	-	785,996
Capital debt service stabilization.....	359,348	-	359,348
Pension assessment stabilization.....	9,005	-	9,005
School construction stabilization.....	2,157	-	2,157
Municipal facilities stabilization.....	10,262	-	10,262
Assigned to:			
Encumbrances:			
General government.....	24,811	-	24,811
Education.....	27,247	-	27,247
Public works.....	14,571	-	14,571
Unassigned.....	<u>21,937,328</u>	<u>(566,411)</u>	<u>21,370,917</u>
Total Fund Balances.....	<u>\$ 24,171,884</u>	<u>\$ 18,382,633</u>	<u>\$ 42,554,517</u>

NOTE 9 - RISK FINANCING

The City is exposed to various risk of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters for which the City carries commercial insurance. The City discontinued a self-insurance health insurance plan and joined the Group Insurance Commission of the Commonwealth of Massachusetts (GIC) to provide health insurance benefits for its employees and retirees. The amount of claim settlements has not exceeded insurance coverage in any of the previous years.

The City is self-insured for its workers' compensation. The workers' compensation activities are accounted for in the general fund where revenues are recorded when earned and expenses are recorded when the liability is incurred.

Workers' Compensation - Workers' compensation claims are administered by the City's Law Department and are funded on a pay-as-you-go basis from annual appropriations. The City handles all administration related to the workers' compensation program.

The City has recorded a liability of \$3.8 million at June 30, 2019, which represents an estimate of all outstanding claims as of that date. Changes in the reported liability since July 1, 2017, are as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End	Current Portion
2018.....	\$ 2,988,300	\$ 941,988	\$ (854,788)	\$ 3,075,500	\$ 584,500
2019.....	3,075,500	2,068,737	(1,393,737)	3,750,500	630,600

NOTE 10 - PENSION PLAN

Plan Descriptions

The City is a member of the Lowell Contributory Retirement System (LCRS), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the 3 member units. The System is administered by five board members (Board) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The System is a component unit and is reported as a pension trust fund in the fiduciary fund financial statements.

The City is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for 100% of the contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives and Quincy College. The MTRS is part of the Commonwealth's reporting entity and the audited financial report may be obtained by visiting <http://www.mass.gov/osc/publications-and-reports/financial-reports/>.

Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the City to the MTRS. Therefore, the City is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the City does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2018. The City's portion of the collective pension expense, contributed by the Commonwealth, of \$35,253,246 is reported in the general fund as intergovernmental revenue and pension benefits in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the City is \$347,886,364 as of the measurement date.

Benefits Provided

Both Systems provide retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system. The Systems provide retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive)

preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service. There were no reported changes in pension benefit terms that effect measurement of the total pension liability as of December 31, 2018.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

At December 31, 2018, the LCRS membership consists of the following:

Active members.....	1,746
Inactive members.....	348
Retirees and beneficiaries currently receiving benefits....	<u>1,255</u>
Total.....	<u><u>3,349</u></u>

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the LCRS a legislatively mandated actuarially determined contribution that is apportioned among the employers based on active current payroll. The total member units' contribution for the year ended December 31, 2018, was \$27,448,818, 28.62% of covered payroll, actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The City's proportionate share of the required contribution was \$25,945,831, which equaled its actual contribution.

Pension Liabilities

The components of the net pension liability of the participating member units at June 30, 2019, were as follows:

Total pension liability.....	\$ 664,270,790
Total pension plan's fiduciary net position.....	<u>(367,981,493)</u>
Total net pension liability.....	<u><u>\$ 296,289,297</u></u>
The pension plan's fiduciary net position as a percentage of the total pension liability.....	55.40%

At June 30, 2019, the City reported a liability of \$280,065,680 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. Accordingly, update procedures were used to roll back the total pension liability to the measurement date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At December 31, 2018, the City's proportion was 94.52%, which increased from its proportion of 93.29% in the prior year.

Pension Expense

For the year ended June 30, 2019, the City recognized a pension expense of \$37,182,736. At June 30, 2019, the City reported deferred outflows of resources related to pensions of \$38,398,622 and deferred inflows of resources related to pensions of \$10,311,372.

The balances of deferred outflows and inflows at June 30, 2019, consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 1,847,859	\$ (9,565,993)	\$ (7,718,134)
Difference between projected and actual earnings, net.....	17,671,854	-	17,671,854
Changes in assumptions.....	15,459,527	-	15,459,527
Changes in proportion and proportionate share of contributions....	3,419,382	(745,379)	2,674,003
Total deferred outflows/(inflows) of resources.....	\$ 38,398,622	\$ (10,311,372)	\$ 28,087,250

The deferred outflows/ (inflows) of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2020.....	\$ 11,963,502
2021.....	7,472,853
2022.....	1,431,571
2023.....	6,540,024
2024.....	647,034
Thereafter.....	32,266
Total deferred outflows/(inflows) of resources.....	\$ 28,087,250

Actuarial Assumptions

The total pension liability in the January 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement that was rolled back to December 31, 2018:

Valuation date.....	1/1/2019
Actuarial cost method.....	Entry Age Normal.
Amortization method - UAAL.....	Increasing dollar amount at 4% to reduce the Unfunded Actuarial Accrued Liability to zero on or before June 30, 2036, with annual increases in appropriations limited to 5%.
Amortization method - 2003 ERI Actuarial Liability.....	Level dollar amount to reduce the 2003 ERI Actuarial Accrued Liability to zero on or before June 30, 2020.
Asset valuation method.....	The Actuarial Value of Assets is the market value of assets as of the valuation date reduced by the sum of: a) 80% of gains and losses of the prior year, b) 60% of gains and losses of the second prior year, c) 40% of gains and losses of the third prior year and d) 20% of gains and losses of the fourth prior year. Investment gains and losses are determined by the excess or deficiency of the expected return over the actual return on the market value. The actuarial valuation of assets is further constrained to be not less than 90% or more than 110% of market value.
Investment rate of return.....	7.65%, net of pension plan investment expense, including inflation.
Discount rate.....	7.65%
Inflation rate.....	3% per year.
Projected salary increases.....	6% - 4.25% for Group 1 (based on service) 7% - 4.75% for Group 4 (based on service)
Payroll growth.....	4% per year.
Cost of living adjustments.....	3% of the first \$17,000 of the annual retirement allowance.
Mortality rates.....	RP-2000 Mortality Table (base year 2009) with full generational mortality improvement using Scale BB. For disabled members, RP-2000 Mortality Table (base year 2012) with full generational mortality improvement using Scale BB.

Investment policy

The System's policy in regard to the allocation of invested assets is established and may be amended by the Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the System’s target asset allocation as of December 31, 2018, are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Global equity.....	39.00%	4.75%
Fixed income.....	23.00%	2.28%
Private equity.....	13.00%	8.15%
Real estate.....	10.00%	3.43%
Timber/natural resources.....	4.00%	4.00%
Hedge fund and portfolio completion....	11.00%	3.76%
Total.....	100.00%	

Rate of return

For the year ended December 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -2.29%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate

The discount rate used to measure the total pension liability was 7.65%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability, calculated using the discount rate of 7.65%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65%) or 1-percentage-point higher (8.65%) than the current rate:

	1% Decrease (6.65%)	Current Discount (7.65%)	1% Increase (8.65%)
	December 31, 2018 Measurement Date		
The City's proportionate share of the net pension liability.....	\$ 350,668,721	\$ 280,065,680	\$ 220,320,343
LCRS total net pension liability.....	\$ 370,982,224	\$ 296,289,297	\$ 233,083,037

Non-contributory Retirement Allowance

City employees with military veteran status and at least 30 years of service to the City, who began work prior to July 1, 1939, and others meeting eligibility criteria are entitled to a non-contributory pension benefit equal to 72% of their highest rate of pay. Employees covered by this section of the plan are not included in the actuarial valuation and there is no available estimate of the related actuarial liability. The City funds these benefits from an annual general fund appropriation. The general fund expenditure for 2019 was \$33,000.

Changes in Assumptions

The investment return rate was decreased from 7.75% to 7.65%.

Changes in Plan Provisions

None.

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS*Plan Description*

The City of Lowell administers a single-employer defined benefit healthcare plan (“Plan”). The Plan provides lifetime healthcare, dental and life insurance for eligible retirees and their spouses through the City’s health insurance plan, which covers both active and retired members, including teachers. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the City and the unions representing City employees and are renegotiated each bargaining period. The Plan does not issue a publicly available financial report.

Funding Policy

The contribution requirements of Plan members and the City are established and may be amended through collective bargaining. The required contribution is based on projected pay-as-you-go financing requirements. The City contributes 75% of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 25 percent of their premium costs. For 2019, the City contributed \$19,205,267 to the plan. For the year ended June 30, 2019, the City’s average contribution rate was 9.95% of covered employee payroll.

The Commonwealth of Massachusetts passed special legislation that has allowed the City to establish the other postemployment benefit trust fund to begin pre-funding its OPEB liabilities. As of June 30, 2019, the net position of the OPEB trust fund totaled \$9.9 million.

Summary of Significant Accounting Policies

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts (repurchase agreements) that have a maturity at the time of purchase of one year or less, which are reported at cost.

Measurement Date

GASB Statement #75 requires the net OPEB liability to be measured as of a date no earlier than the end of the employer's prior fiscal year and no later than the end of the employer's current fiscal year, consistently applied from period to period. Accordingly, the net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2018.

Plan Membership

The following table represents the Plan's membership at July 1, 2018:

Active members.....	2,886
Inactive members currently receiving benefits....	<u>2,295</u>
Total.....	<u><u>5,181</u></u>

Components of OPEB Liability

The following table represents the components of the Plan's OPEB liability as of June 30, 2019:

Total OPEB liability.....	\$ 706,929,377
Less: OPEB plan's fiduciary net position.....	<u>(9,867,230)</u>
Net OPEB liability.....	<u><u>\$ 697,062,147</u></u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability..	1.40%

Significant Actuarial Methods and Assumptions

The total OPEB liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified, that was updated to June 30, 2019:

Valuation date.....	July 1, 2018.
Actuarial cost method.....	Entry age normal as a percentage of payroll.
Asset valuation method.....	Market value of assets as of the reporting date, June 30, 2019.
Investment rate of return.....	3.1%.
Discount rate.....	3.1%.
Inflation rate.....	Assumed 2.0%.
Projected salary increases.....	3.0% per year.
Healthcare cost trend rate.....	8.0%, decreasing by 0.5% per year to an ultimate rate of 5.0% for 2026 and later.

Mortality rates..... RP 2014 Healthy Male and Female Tables are based on the Combined Healthy Table for both pre & post retirement projected with mortality improvements using Projection Scale AA for 4.5 years, (i.e., from date of table to the valuation date), plus 10 years generational improvement for a total of 14.5 years.

Rate of return

For the year ended June 30, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 6.07%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Investment policy

The City’s policy in regard to the allocation of invested assets is established and may be amended by the Board of Selectmen by a majority vote of its members. The OPEB plan’s assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan. The long-term real rate of return on OPEB investments was determined using the City’s investment policy.

The long-term expected rate of return on OPEB plan investments was determined using an average of three 20-year bond indices, Bond Buyer-20 Bond GO – 3.50%, S&P Municipal Bond 20 Year High Grade Rate Index – 2.79%, and Fidelity GA AA 20 Years – 3.13% as of June 30, 2019. The Plan’s expected future real rate of return of 3.10% is added to the expected inflation of 2.00% to produce the long-term expected nominal rate of return of 5.10%.

Best estimates of geometric real rates of return for each major asset class included in the OPEB plan’s target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity.....	25.00%	5.92%
International equity.....	10.00%	2.73%
Domestic bond.....	35.00%	3.69%
International bond.....	10.00%	3.80%
Alternatives.....	20.00%	3.50%
Total.....	<u>100.00%</u>	

Discount rate

The discount rate used to measure the total OPEB liability was 3.10% as of June 30, 2019. The City’s net other postemployment benefits liability was determined based on an average of three 20-year bond indices (e.g. Bond Buyer-20 Bond GO, S&P Municipal Bond 20 Year High Grade Rate Index, Fidelity GA AA 20 Years). Due to the low value of the OPEB trust compared to the City’s liability, the Plan fiduciary net position is not projected to satisfy future benefit payments and, accordingly, the Municipal Bond Rate was applied rather than the projected investment return.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2018.....	\$ 618,764,027	\$ 8,716,722	\$ 610,047,305
Changes for the year:			
Service cost.....	11,525,661	-	11,525,661
Interest.....	21,190,499	-	21,190,499
Changes in assumptions and other inputs....	74,151,731	-	74,151,731
Benefit payments.....	(18,702,541)	(18,702,541)	-
Contributions from Employer.....	-	18,953,904	(18,953,904)
Net Investment Income.....	-	899,145	(899,145)
Net change.....	<u>88,165,350</u>	<u>1,150,508</u>	<u>87,014,842</u>
Balances at June 30, 2019.....	<u>\$ 706,929,377</u>	<u>\$ 9,867,230</u>	<u>\$ 697,062,147</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the net other postemployment benefit liability and service cost, calculated using the discount rate of 3.10%, as well as what the net other postemployment benefit liability and service cost would be if it were calculated using a discount rate that is 1-percentage-point lower (2.10%) or 1-percentage-point higher (4.10%) than the current rate.

	1% Decrease (2.10%)	Current Discount Rate (3.10%)	1% Increase (4.10%)
Net OPEB liability... \$	<u>899,717,453</u>	<u>697,062,147</u>	<u>556,910,956</u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend

The following table presents the net other postemployment benefit liability and service cost, calculated using the current healthcare trend rate as well as what the net other postemployment benefit liability and service cost would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher.

	1% Decrease	Current Trend	1% Increase
Net OPEB liability.... \$	<u>564,462,845</u>	<u>697,062,147</u>	<u>898,653,857</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the GASB Statement #75 measurement date, the City recognized OPEB expense of \$38,558,081 and reported deferred outflows of resources related to OPEB of \$67,410,665 from changes in assumptions.

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2019.....	\$ 6,741,066
2020.....	6,741,066
2021.....	6,741,066
2022.....	6,741,066
2023.....	6,741,066
Thereafter.....	<u>33,705,335</u>
Total deferred outflows of resources.....	\$ <u>67,410,665</u>

Changes of Assumptions:

The discount rate decreased from 3.50% to 3.10%.

Changes in Plan Provisions:

None.

NOTE 12 – FINANCIAL STATEMENTS FOR INDIVIDUAL PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST FUNDS

GAAP requires that all Pension and Other Postemployment Benefit Trust Funds be combined and presented in one column in the Fiduciary Funds financial statements and that the individual financial statements for each trust fund plan are reported in the notes to the financial statements. Provided below are the individual financial statements for the pension and OPEB plans that are included in the Fiduciary Funds as Pension and Other Employee Benefit Trust Funds.

	Pension Trust Fund (as of December 31, 2018)	Other Postemployment Benefit Trust Fund	Total Pension and Other Employee Benefit Trust Funds
ASSETS			
Cash and cash equivalents.....	\$ 11,070,104	\$ 41,295	\$ 11,111,399
Investments:			
Investments in Pension Reserve Investment Trust...	356,475,342	-	356,475,342
Equity securities.....	418,618	397,788	816,406
Equity mutual funds.....	-	6,365,714	6,365,714
Bond mutual funds.....	-	3,062,433	3,062,433
Receivables, net of allowance for uncollectibles:			
Interest and dividends.....	<u>17,429</u>	<u>-</u>	<u>17,429</u>
TOTAL ASSETS.....	<u>367,981,493</u>	<u>9,867,230</u>	<u>377,848,723</u>
NET POSITION			
Restricted for pensions.....	367,981,493	-	367,981,493
Restricted for other postemployment benefits.....	<u>-</u>	<u>9,867,230</u>	<u>9,867,230</u>
TOTAL NET POSITION.....	<u>\$ 367,981,493</u>	<u>\$ 9,867,230</u>	<u>\$ 377,848,723</u>

	Pension Trust Fund (as of December 31, 2018)	Other Postemployment Benefit Trust Fund	Total Pension and Other Employee Benefit Trust Funds
ADDITIONS:			
Contributions:			
Employer contributions.....	\$ 27,448,818	\$ 251,363	\$ 27,700,181
Employer contributions for other postemployment benefit payments....	-	18,953,904	18,953,904
Member contributions.....	9,435,776	-	9,435,776
Transfers from other systems.....	973,481	-	973,481
3(8)c contributions from other systems.....	663,348	-	663,348
Workers compensation settlements.....	8,000	-	8,000
State COLA reimbursements.....	670,662	-	670,662
	<u>39,200,085</u>	<u>19,205,267</u>	<u>58,405,352</u>
Total contributions.....			
Net investment income:			
Investment income (loss).....	(6,694,357)	899,145	(5,795,212)
Less: investment expense.....	(1,999,732)	-	(1,999,732)
	<u>(8,694,089)</u>	<u>899,145</u>	<u>(7,794,944)</u>
Net investment income (loss).....			
	<u>30,505,996</u>	<u>20,104,412</u>	<u>50,610,408</u>
TOTAL ADDITIONS.....			
DEDUCTIONS:			
Administration.....	347,172	-	347,172
Transfers to other systems.....	1,097,527	-	1,097,527
3(8)c transfer to other systems.....	1,433,590	-	1,433,590
Retirement benefits and refunds.....	39,236,589	-	39,236,589
Other postemployment benefit payments.....	-	18,953,904	18,953,904
	<u>42,114,878</u>	<u>18,953,904</u>	<u>61,068,782</u>
TOTAL DEDUCTIONS.....			
	(11,608,882)	1,150,508	(10,458,374)
NET INCREASE (DECREASE) IN NET POSITION.....			
	<u>379,590,375</u>	<u>8,716,722</u>	<u>388,307,097</u>
NET POSITION AT BEGINNING OF YEAR.....			
	<u>\$ 367,981,493</u>	<u>\$ 9,867,230</u>	<u>\$ 377,848,723</u>
NET POSITION AT END OF YEAR.....			

NOTE 13 - COMMITMENTS

The City has entered into, or is planning to enter into, contracts totaling approximately \$560.5 million for high school construction, sewer projects, water projects, energy improvement projects, parking garage design, and various other capital projects. These projects will be funded through the issuance of long-term debt, state grants, and federal grants.

NOTE 14 - CONTINGENCIES

The City participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

Various other legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2019, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2019.

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 14, 2020, which is the date the financial statements were available to be issued.

NOTE 16 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2019, the following GASB pronouncements were implemented:

- GASB Statement #83, *Certain Asset Retirement Obligations*. This pronouncement did not impact the basic financial statements.
- GASB Statement #88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #84, *Fiduciary Activities*, which is required to be implemented in 2020.
- The GASB issued Statement #87, *Leases*, which is required to be implemented in 2021.
- The GASB issued Statement #89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is required to be implemented in 2021.
- The GASB issued Statement #90, *Majority Equity Interests – an amendment of GASB Statements #14 and #61*, which is required to be implemented in 2020.
- The GASB issued Statement #91, *Conduit Debt Obligations*, which is required to be implemented in 2022.

Management is currently assessing the impact the implementation of these pronouncements will have on the basic financial statements.

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Required Supplementary Information

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			
	Amounts	Current Year		
	Carried Forward From Prior Year	Initial Budget	Original Budget	Final Budget
REVENUES:				
Real estate and personal property taxes, net of tax refunds.....	\$ -	\$ 132,675,395	\$ 132,675,395	\$ 132,685,808
Tax liens.....	-	-	-	-
Motor vehicle and other excise taxes.....	-	8,752,000	8,752,000	8,752,000
Hotel/motel tax.....	-	340,000	340,000	340,000
Meals tax.....	-	1,350,000	1,350,000	1,350,000
Trash disposal.....	-	3,184,930	3,184,930	3,184,930
Penalties and interest on taxes.....	-	1,324,254	1,324,254	1,324,254
Payments in lieu of taxes.....	-	560,602	560,602	560,602
Intergovernmental - state aid.....	-	180,350,894	180,350,894	181,230,461
Intergovernmental - School Building Authority.....	-	1,192,794	1,192,794	1,192,794
Intergovernmental - other.....	-	-	-	-
Departmental and other.....	-	7,870,460	7,870,460	8,013,436
Investment income.....	-	300,000	300,000	300,000
TOTAL REVENUES.....	-	337,901,329	337,901,329	338,934,285
EXPENDITURES:				
Current:				
General government.....	87,878	18,570,600	18,658,478	17,946,123
Public safety.....	72,486	48,333,497	48,405,983	48,512,658
Education.....	131,477	158,281,956	158,413,433	158,900,695
Public works.....	76,765	13,522,822	13,599,587	14,042,359
Health and human services.....	2,482	3,834,436	3,836,918	3,872,223
Culture and recreation.....	6,724	4,266,784	4,273,508	4,264,269
Pension benefits.....	-	25,980,831	25,980,831	25,963,165
Employee benefits.....	-	43,723,310	43,723,310	43,905,325
State and county charges.....	-	26,755,700	26,755,700	26,755,700
Debt service:				
Principal.....	-	6,178,140	6,178,140	6,057,000
Interest.....	-	3,264,704	3,264,704	3,417,847
TOTAL EXPENDITURES.....	377,812	352,712,780	353,090,592	353,637,364
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(377,812)	(14,811,451)	(15,189,263)	(14,703,079)
OTHER FINANCING SOURCES (USES):				
Transfers in.....	-	14,811,451	14,811,451	15,601,899
Transfers out.....	-	-	-	(3,553,945)
TOTAL OTHER FINANCING SOURCES (USES).....	-	14,811,451	14,811,451	12,047,954
NET CHANGE IN FUND BALANCE.....	(377,812)	-	(377,812)	(2,655,125)
BUDGETARY FUND BALANCE, Beginning of year.....	-	4,770,698	4,770,698	4,770,698
BUDGETARY FUND BALANCE, End of year.....	\$ (377,812)	\$ 4,770,698	\$ 4,392,886	\$ 2,115,573

See notes to required supplementary information.

	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
\$	131,629,761	\$ -	\$ (1,056,047)
	737,817	-	737,817
	9,745,497	-	993,497
	346,888	-	6,888
	1,292,366	-	(57,634)
	3,097,008	-	(87,922)
	1,247,038	-	(77,216)
	465,612	-	(94,990)
	181,484,487	-	254,026
	1,192,791	-	(3)
	806,717	-	806,717
	9,472,922	-	1,459,486
	738,015	-	438,015
	<u>342,256,919</u>	<u>-</u>	<u>3,322,634</u>
	16,904,469	24,811	1,016,843
	47,708,808	-	803,850
	158,307,594	27,247	565,854
	13,597,831	14,571	429,957
	3,705,026	-	167,197
	4,009,598	-	254,671
	25,934,207	-	28,958
	43,952,231	-	(46,906)
	25,253,169	-	1,502,531
	6,057,000	-	-
	3,457,529	-	(39,682)
	<u>348,887,462</u>	<u>66,629</u>	<u>4,683,273</u>
	<u>(6,630,543)</u>	<u>(66,629)</u>	<u>8,005,907</u>
	15,601,899	-	-
	<u>(3,632,773)</u>	<u>-</u>	<u>(78,828)</u>
	<u>11,969,126</u>	<u>-</u>	<u>(78,828)</u>
	5,338,583	(66,629)	7,927,079
	<u>4,770,698</u>	<u>-</u>	<u>-</u>
\$	<u>10,109,281</u>	<u>\$ (66,629)</u>	<u>\$ 7,927,079</u>

Pension Plan Schedules - Retirement System

The Pension Plan's Schedule of Changes in the Net Pension Liability presents multi-year trend information on the net pension liability and related ratios.

The Pension Plan's Schedule of Contributions presents multi-year trend information on the required and actual contributions to the pension plan and related ratios.

The Pension Plan's Schedule of Investment Returns presents multi-year trend information on the money-weighted investment return on retirement assets, net of investment expense.

These schedules are intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS
LOWELL CONTRIBUTORY RETIREMENT SYSTEM**

	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018
Total pension liability:					
Service cost.....	\$ 12,776,431	\$ 12,776,431	\$ 15,389,829	\$ 14,902,167	\$ 15,498,254
Interest.....	39,817,736	42,298,799	45,581,124	47,847,969	49,064,991
Changes in benefit terms.....	-	-	5,820,520	-	-
Differences between expected and actual experience.....	-	5,750,829	-	(8,810,808)	(5,025,406)
Changes in assumptions.....	-	31,423,849	-	-	6,798,633
Benefit payments.....	<u>(33,577,831)</u>	<u>(35,136,789)</u>	<u>(35,772,737)</u>	<u>(38,335,654)</u>	<u>(39,328,169)</u>
Net change in total pension liability.....	19,016,336	57,113,119	31,018,736	15,603,674	27,008,303
Total pension liability - beginning.....	<u>514,510,622</u>	<u>533,526,958</u>	<u>590,640,077</u>	<u>621,658,813</u>	<u>637,262,487</u>
Total pension liability - ending (a).....	<u>\$ 533,526,958</u>	<u>\$ 590,640,077</u>	<u>\$ 621,658,813</u>	<u>\$ 637,262,487</u>	<u>\$ 664,270,790</u>
Plan fiduciary net position:					
Employer contributions.....	\$ 21,880,170	\$ 21,837,654	\$ 24,701,289	\$ 26,141,731	\$ 27,448,818
Member contributions.....	8,983,678	8,903,043	8,204,174	8,451,653	9,311,730
Net investment income (loss).....	21,617,178	1,213,427	21,730,686	54,289,195	(8,694,089)
Administrative expenses.....	(358,770)	(355,999)	(367,634)	(381,369)	(347,172)
Retirement benefits and refunds.....	<u>(33,577,831)</u>	<u>(35,136,789)</u>	<u>(35,772,737)</u>	<u>(38,335,654)</u>	<u>(39,328,169)</u>
Net increase (decrease) in fiduciary net position.....	18,544,425	(3,538,664)	18,495,778	50,165,556	(11,608,882)
Fiduciary net position - beginning of year.....	<u>295,923,280</u>	<u>314,467,705</u>	<u>310,929,041</u>	<u>329,424,819</u>	<u>379,590,375</u>
Fiduciary net position - end of year (b).....	<u>\$ 314,467,705</u>	<u>\$ 310,929,041</u>	<u>\$ 329,424,819</u>	<u>\$ 379,590,375</u>	<u>\$ 367,981,493</u>
Net pension liability - ending (a)-(b).....	<u>\$ 219,059,253</u>	<u>\$ 279,711,036</u>	<u>\$ 292,233,994</u>	<u>\$ 257,672,112</u>	<u>\$ 296,289,297</u>
Plan fiduciary net position as a percentage of the total pension liability.....	58.94%	52.64%	52.99%	59.57%	55.40%
Covered payroll.....	\$ 80,555,739	\$ 89,520,851	\$ 92,654,081	\$ 93,366,659	\$ 95,896,286
Net pension liability as a percentage of covered payroll.....	271.94%	312.45%	315.40%	275.98%	308.97%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

SCHEDULE OF CONTRIBUTIONS
LOWELL CONTRIBUTORY RETIREMENT SYSTEM

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
December 31, 2018.....	\$ 27,448,818	\$ (27,448,818)	\$ -	\$ 95,896,286	28.62%
December 31, 2017.....	26,141,731	(26,141,731)	-	93,366,659	28.00%
December 31, 2016.....	24,701,289	(24,701,289)	-	92,654,081	26.66%
December 31, 2015.....	21,837,654	(21,837,654)	-	89,520,851	24.39%
December 31, 2014.....	21,880,170	(21,880,170)	-	80,555,739	27.16%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

SCHEDULE OF INVESTMENT RETURNS
LOWELL CONTRIBUTORY RETIREMENT SYSTEM

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
December 31, 2018.....	-2.29%
December 31, 2017.....	16.63%
December 31, 2016.....	7.01%
December 31, 2015.....	0.48%
December 31, 2014.....	7.81%

Note: this schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Pension Plan Schedules – City

The Schedule of the City's Proportionate Share of the Net Pension Liability presents multi-year trend information on the City's net pension liability and related ratios.

The Schedule of the City's Contributions presents multi-year trend information on the City's required and actual contributions to the pension plan and related ratios.

The Schedule of the Special Funding Amounts of the Net Pension Liability for the Massachusetts Teachers' Retirement System presents multi-year trend information on the liability and expense assumed by the Commonwealth of Massachusetts on behalf of the City along with related ratios.

These schedules are intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
LOWELL CONTRIBUTORY RETIREMENT SYSTEM**

<u>Year</u>	<u>Proportion of the net pension liability (asset)</u>	<u>Proportionate share of the net pension liability (asset)</u>	<u>Covered payroll</u>	<u>Net pension liability as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
December 31, 2018.....	94.52%	\$ 280,065,680	\$ 90,637,128	309.00%	55.40%
December 31, 2017.....	93.29%	240,373,682	88,302,128	272.22%	59.57%
December 31, 2016.....	93.50%	273,236,913	87,048,509	313.89%	52.99%
December 31, 2015.....	93.47%	261,434,717	84,104,839	310.84%	52.64%
December 31, 2014.....	93.01%	203,753,583	74,927,309	271.94%	58.94%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

SCHEDULE OF THE CITY'S CONTRIBUTIONS
LOWELL CONTRIBUTORY RETIREMENT SYSTEM

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
June 30, 2019.....	\$ 25,945,831	\$ (25,945,831)	\$ -	\$ 91,543,499	28.34%
June 30, 2018.....	24,386,745	(24,386,745)	-	89,185,149	27.34%
June 30, 2017.....	23,095,548	(23,095,548)	-	87,918,994	26.27%
June 30, 2016.....	20,410,761	(20,410,761)	-	84,945,887	24.03%
June 30, 2015.....	20,351,365	(20,351,365)	-	75,676,582	26.89%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

**SCHEDULE OF THE SPECIAL FUNDING AMOUNTS
OF THE NET PENSION LIABILITY
MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM**

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Therefore, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the associated collective net pension liability; the portion of the collective pension expense as both a revenue and pension expense recognized; and the Plan's fiduciary net position as a percentage of the total liability.

Year	Commonwealth's 100% Share of the Associated Net Pension Liability	Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Liability
2019.....	\$ 347,886,364	\$ 35,253,246	54.84%
2018.....	345,205,049	36,030,056	54.25%
2017.....	322,999,676	32,948,084	52.73%
2016.....	303,469,832	24,614,104	55.38%
2015.....	240,400,372	16,701,768	61.64%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Other Postemployment Benefit Plan Schedules

The Schedule of Changes in the City's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered employee payroll.

The Schedule of the City's Contributions presents multi-year trend information on the City's actual contributions to the other postemployment benefit plan and related ratios.

The Schedule of Investment Returns presents multi-year trend information on the money-weighted investment return on the Plan's other postemployment benefit plan and related ratios.

These schedules are intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF CHANGES IN THE
CITY'S NET OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

	June 30, 2017	June 30, 2018	June 30, 2019
Total OPEB Liability			
Service Cost.....	\$ 10,192,342	\$ 10,498,112	\$ 11,525,661
Interest.....	17,960,577	20,887,779	21,190,499
Changes of benefit terms.....	-	-	-
Differences between expected and actual experience.....	-	-	-
Changes of assumptions.....	73,907,164	-	74,151,731
Benefit payments.....	<u>(18,020,360)</u>	<u>(18,831,118)</u>	<u>(18,702,541)</u>
Net change in total OPEB liability.....	84,039,723	12,554,773	88,165,350
Total OPEB liability - beginning.....	<u>522,169,531</u>	<u>606,209,254</u>	<u>618,764,027</u>
Total OPEB liability - ending (a).....	<u>\$ 606,209,254</u>	<u>\$ 618,764,027</u>	<u>\$ 706,929,377</u>
Plan fiduciary net position			
Employer contributions.....	\$ -	\$ -	\$ 251,363
Employer contributions for OPEB payments.....	18,020,360	18,831,118	18,953,904
Net investment income.....	288,646	395,691	899,145
Benefit payments.....	<u>(18,020,360)</u>	<u>(18,831,118)</u>	<u>(18,953,904)</u>
Net change in plan fiduciary net position.....	288,646	395,691	1,150,508
Plan fiduciary net position - beginning of year.....	<u>8,032,385</u>	<u>8,321,031</u>	<u>8,716,722</u>
Plan fiduciary net position - end of year (b).....	<u>\$ 8,321,031</u>	<u>\$ 8,716,722</u>	<u>\$ 9,867,230</u>
Net OPEB liability - ending (a)-(b).....	<u>\$ 597,888,223</u>	<u>\$ 610,047,305</u>	<u>\$ 697,062,147</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	1.37%	1.41%	1.40%
Covered-employee payroll.....	\$ 185,336,940	\$ 185,336,940	\$ 193,066,083
Net OPEB liability as a percentage of covered-employee payroll.....	322.60%	329.16%	361.05%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for
which information is available.

See notes to required supplementary information.

**SCHEDULE OF THE CITY'S CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

<u>Year</u>	<u>Actuarially determined contribution</u>	<u>Contributions in relation to the actuarially determined contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered- employee payroll</u>	<u>Contributions as a percentage of covered- employee payroll</u>
June 30, 2019.....	\$ 47,336,248	\$ (19,205,267)	\$ 28,130,981	\$ 193,066,083	9.95%
June 30, 2018.....	43,006,034	(18,831,118)	24,174,916	185,336,940	10.16%
June 30, 2017.....	42,029,149	(18,020,360)	24,008,789	185,336,940	9.72%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

SCHEDULE OF INVESTMENT RETURNS
OTHER POSTEMPLOYMENT BENEFIT PLAN

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
June 30, 2019.....	6.07%
June 30, 2018.....	4.76%
June 30, 2017.....	3.59%

Note: this schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

NOTE A - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**A. Budgetary Information**

Municipal Law requires the City to adopt a balanced budget that is approved by the City Council (the "Council"). The City Manager presents an annual budget to the Council, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. The Council, which has full authority to amend and/or reject the budget or any line item, adopts the expenditure budget by majority vote.

Increases or transfers between and within departments subsequent to the approval of the annual budget, requires two-thirds vote or a majority Council, respectively, and the City Manager's approval via a supplemental appropriation or Council order.

The majority of appropriations are non-continuing which lapse at the end of each year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior year be carried forward and made available for spending in the current year. These carry forwards are included as part of the subsequent year's original budget.

Generally, expenditures may not exceed the legal level of spending (salaries, expenses and capital) authorized for an appropriation account. However, the payment of debt service is statutorily required, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by two-thirds majority vote of the Council.

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original 2019 approved budget authorizing approximately \$352.7 million in current year appropriations, other financing uses, and other amounts to be raised and approximately \$378,000 in encumbrances and appropriations carried over from previous years. During 2019, the Council also approved a net increase in appropriations of \$4.1 million.

The City Auditor's Office has the responsibility to ensure that budgetary control is maintained on an individual line item appropriation account basis. Budgetary control is exercised through the City's accounting system.

B. Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting.

A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2019, is as follows:

Net change in fund balance - budgetary basis.....	\$	5,338,583
<u>Perspective differences:</u>		
Activity of the stabilization funds recorded in the general fund for GAAP.....		81,915
Activity of the employee benefit trust fund recorded in the general fund for GAAP.....		(522,487)
<u>Basis of accounting differences:</u>		
Net change in recording tax refunds payable.....		261,800
Net change in recording 60 day receipts.....		(341,765)
Recognition of revenue for on-behalf payments.....		35,253,246
Recognition of expenditures for on-behalf payments.....		<u>(35,253,246)</u>
Net change in fund balance - GAAP basis.....	\$	<u>4,818,046</u>

C. Appropriation Deficits

During 2019 expenditures exceeded the budget for employee benefits and debt service interest, the City will raise these deficits in the next fiscal year.

NOTE B – PENSION PLAN

Pension Plan Schedules – Retirement System

A. Schedule of Changes in the Net Pension Liability and Related Ratios

The Schedule of Changes in the Net Pension Liability and Related Ratios includes the detailed changes in the systems total pension liability, changes in the systems net position, and the ending net pension liability. It also demonstrates the plan’s net position as a percentage of the total pension liability and the net pension liability as a percentage of covered payroll.

B. Schedule of Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The total appropriation includes the amounts to pay the pension portion of each member’s retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the system’s funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The total appropriations are payable on July 1 and January 1. Employers may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual employer contributions may be less than the “total appropriation”. The pension fund appropriations are allocated amongst employers based on covered payroll.

C. Schedule of Investment Returns

The money weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense. A money weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. Inputs to the money weighted rate of return calculation are determined monthly.

Pension Plan Schedules - City

A. Schedule of the City's Proportionate Share of the Net Pension Liability

The Schedule of the City's Proportionate Share of the Net Pension Liability details the allocated percentage of the net pension liability (asset), the proportionate share of the net pension liability, and the covered employee payroll. It also demonstrates the net position as a percentage of the pension liability and the net pension liability as a percentage of covered payroll.

B. Schedule of City's Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the system's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The appropriations are payable on July 1 and January 1. The City may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual contributions may be less than the "total appropriation". The pension fund appropriation is allocated to the City based on covered payroll.

C. Schedule of the Special Funding Amounts of the Net Pension Liabilities

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Since the City does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the City; the portion of the collective pension expense as both revenue and pension expense recognized by the City; and the Plan's fiduciary net position as a percentage of the total liability.

D. Changes in Assumptions

The investment return rate was decreased from 7.75% to 7.65%.

E. Changes in Plan Provisions

None.

NOTE C – OTHER POSTEMPLOYMENT BENEFITS

The City of Lowell administers a single-employer defined benefit healthcare plan ("the Plan"). The plan provides lifetime healthcare, dental and life insurance for eligible retirees and their spouses through the City's health insurance plan, which covers both active and retired members.

Additionally, retired teachers and their spouses receive health insurance through the Group Insurance Commission of the Commonwealth of Massachusetts (GIC). Each participating municipality is assessed for the governmental share of health and life insurance premiums paid on behalf of its teacher retirees by the state.

The Other Postemployment Benefit Plan

A. Schedule of Changes in the City’s Net Other Postemployment Benefit Liability and Related Ratios

The Schedule of Changes in the City’s Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan’s total OPEB liability, changes in the Plan’s net position, and ending net OPEB liability. It also demonstrates the Plan’s net position as a percentage of the total liability and the Plan’s net other postemployment benefit liability as a percentage of covered-employee payroll.

B. Schedule of the City’s Contributions

The Schedule of the City’s Contributions includes the City’s annual required contribution to the Plan, along with the contribution made in relation to the actuarially determined contribution and the covered-employee payroll. The City is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered-employee payroll. Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. Methods and assumptions used to determine contribution rates are as follows:

Valuation date.....	July 1, 2018.
Actuarial cost method.....	Entry age normal as a percentage of payroll.
Asset valuation method.....	Market value of assets as of the reporting date, June 30, 2019.
Investment rate of return.....	3.1%.
Discount rate.....	3.1%.
Inflation rate.....	Assumed 2.0%.
Projected salary increases.....	3.0% per year.
Healthcare cost trend rate.....	8.0%, decreasing by 0.5% per year to an ultimate rate of 5.0% for 2026 and later.
Mortality rates.....	RP 2014 Healthy Male and Female Tables are based on the Combined Healthy Table for both pre & post retirement projected with mortality improvements using Projection Scale AA for 4.5 years, (i.e., from date of table to the valuation date), plus 10 years generational improvement for a total of 14.5 years.

C. Schedule of Investment Returns

The Schedule of Investment Returns includes the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

D. Changes of Assumptions:

The discount rate was decreased from 3.50% to 3.10%.

E. Changes in Provisions:

None.

CITY OF LOWELL, MASSACHUSETTS

MANAGEMENT LETTER

JUNE 30, 2019



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To the Honorable Mayor and City Council
City of Lowell, Massachusetts

In planning and performing our audit of the financial statements of the City of Lowell, Massachusetts, as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the City of Lowell, Massachusetts' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in internal control that we consider to be a significant deficiency.

During our audit we became aware of several matters that we believe are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter also summarizes our comments and suggestions regarding those matters.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various City personnel and will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management of the City of Lowell, Massachusetts, and is not intended to be and should not be used by anyone other than these specified parties.

Powers + Sullivan, LLC

February 14, 2020

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CITY OF LOWELL, MASSACHUSETTS

MANAGEMENT LETTER

JUNE 30, 2019

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Prior Year Comments - Resolved

The following comments were resolved during the current year. Please see the June 30, 2018, Management Letter for the complete original comment.

School Budget Over Expenditures

Cash Reconciliation Procedures

School Grant Management

Late Invoices

Compensated Absences for the School Department

Documentation of Internal Controls

Prior Year Comments - Unresolved

Section 108 Loan Fund

Prior Year Comment

In previous management letters we noted that, as part of the Federal Section 108 loan program, the City received federal funds in the form of loans from the Department of Housing and Urban Development (HUD) to then loan out to eligible companies for urban development. The City receives loan payments of principal and interest from the eligible companies and then pays HUD the required loan payments due. The activity related to this Section 108 loan program is accounted for in fund 2267 and the balance of the loans outstanding is recorded in fund 1134. Although fund 2267 correctly reports the debt service payments and revenues received under this program in the current year, fund 1134 has not been adjusted to reflect the actual loan balance at year end. Each year adjustments are required to appropriately report the Section 108 loans in the financial statements.

Additionally, fund 1134 has a cash balance of \$79,000 that has not changed for multiple years and the City is maintaining fund 1135 as Section 108 also and is reporting a cash balance of \$126,000 that has not changed for multiple years.

We recommended that procedures be implemented to assure that when debt payments on Section 108 loans are made that the liability balance maintained in fund 1134 be adjusted accordingly. We also recommended that management determine the nature of the cash balances in funds 1134 and 1135 and determine the proper disposition of these balances.

Status

Procedures were implemented to ensure when the debt payments are made the liability balance is adjusted accordingly. No determination of the nature of the cash balances maintained within these funds was determined during 2018. We continue to recommend that management determine the nature of the cash balances in these funds and determine the proper disposition of these balances.

Purchase Order Dates

Prior Year Comment

In previous management letters we noted during expenditure testing several purchase orders were dated later than the corresponding invoice dates. Creating purchase orders after the invoice is received bypasses the City's purchasing policies and defeats the internal control that a purchase order system is intended to provide. Purchase orders allow the City to ensure that budgetary funds are available and that the purchase has been properly approved before funds are expended.

We recommended the City implement a process to ensure that purchase orders are initiated prior to the procurement of goods and services.

Status

We noted that there are still purchase orders with dates subsequent to the invoice date. We continue to recommend that a policy regarding the approval of purchase orders prior to the purchase of goods or services by any Department be implemented.

Current Year Comments

Tax Foreclosures

Current Year Comment

In accordance with the Massachusetts General Laws, the City has taken ownership, through the foreclosure process, of various properties as a result of prior owners not being current with real estate and other applicable municipal charges. The City maintains an accounting of activity relative to the items included in the foreclosure account. A review of the list of foreclosed properties indicates some are currently being utilized by the City for a municipal function.

Recommendation

We recommend any foreclosed property deemed to have a municipal use be reclassified from the foreclosure list and into the City's capital asset listing.

General Ledger Journal Entries

Current Year Comment

Journal entries are generally used to record year-end accruals, to reclassify transactions and to record non-cash transactions. During our audit, we reviewed several of the general ledger journal entries and found that the supporting documentation was not always readily available. However, supporting documentation was eventually compiled and provided.

It is important to maintain supporting documentation for the journal entries in the event that turnover occurs in a key financial position or an individual is out of work for an extended period. The supporting documentation might be needed to make an internal decision and may be needed by an outside agency to assure the validity of such journal entries, such as federal, state or independent auditors. Having supporting documentation readily available and filed numerically with copies of the journal entries will protect the City in the event that such a situation arises.

Recommendation

We recommend the City ensure all journal entries be filed numerically with supporting documentation in the City's journal entry binder.

Budget Reconciliation

Current Year Comment

The City's accounting system is utilized to maintain budgetary control. The City was unable to provide a complete and accurate reconciliation of the original and final budget recorded in the general ledger to the tax rate recapitulation and City Council votes. This can put the City at risk of overspending appropriations.

Recommendation

We recommend the City implement a process to verify the budgetary compliance by reconciling from the City Council votes to the amounts reported on the tax rate recapitulation sheet, to the amounts recorded in the Town's general ledger.

General Ledger Maintenance

Current Year Comment

The City maintains hundreds of individual funds within the general ledger. At times, the activities accounted for in a specific fund is completed and the fund is labeled as closed and subsequently used again for another purpose.

While the re-use of closed funds is an acceptable practice, we noted through review of the general ledger closed funds that the budgetary fund balance accounts have not been closed out. Although they net to zero and don't impact the financial reporting of the City, retaining unnecessary accounts and funds in the general ledger can lead to confusion and inaccuracy in posting transactions or creating journal entries.

Recommendation

We recommend that the City Auditor's Office review the closed funds and make the appropriate adjustments to zero out all budgetary fund balance accounts.

CITY OF LOWELL, MASSACHUSETTS

REPORTS ON FEDERAL AWARD PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2019

CITY OF LOWELL, MASSACHUSETTS
REPORTS ON FEDERAL AWARD PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2019

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

To the Honorable Mayor and City Council
City of Lowell, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lowell, Massachusetts, as of and for the year ended June 30, 2019, (except for the Lowell Contributory Retirement System which is as of and for the year ended December 31, 2018), and the related notes to the financial statements, which collectively comprise the City of Lowell, Massachusetts' basic financial statements, and have issued our report thereon dated February 14, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Lowell, Massachusetts' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Lowell, Massachusetts' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Lowell, Massachusetts' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Lowell, Massachusetts' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Powers + Sullivan, LLC

February 14, 2020



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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

To the Honorable Mayor and City Council
City of Lowell, Massachusetts

Report on Compliance for Each Major Federal Program

We have audited the City of Lowell, Massachusetts' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Lowell, Massachusetts' major federal programs for the year ended June 30, 2019. The City of Lowell, Massachusetts' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Lowell, Massachusetts' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Lowell, Massachusetts' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the City of Lowell, Massachusetts' compliance.

Opinion on Each of the Other Major Federal Programs

In our opinion, the City of Lowell, Massachusetts complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2019-001. Our opinion on each major federal program is not modified with respect to this matter.

City of Lowell, Massachusetts' response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Lowell, Massachusetts' response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the City of Lowell, Massachusetts is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Lowell, Massachusetts' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Lowell, Massachusetts' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Powers + Sullivan, LLC

March 6, 2020



REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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Independent Auditor's Report

To the Honorable Mayor and City Council
City of Lowell, Massachusetts

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Lowell, Massachusetts' as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Lowell, Massachusetts' basic financial statements. We issued our report thereon dated February 14, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Powers + Sullivan, LLC

February 14, 2020

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Amount Passed Through to Sub-Recipients	Expenditures
CHILD NUTRITION CLUSTER:				
U.S. DEPARTMENT OF AGRICULTURE:				
<u>Passed through Massachusetts Department of Elementary & Secondary Education:</u>				
Non-Cash Assistance (Commodities):				
National School Lunch Program.....	10.555	09-160	\$ -	\$ 635,742
Cash Assistance:				
National School Lunch Program.....	10.555	09-160	-	6,132,634
Total National School Lunch Program.....			-	6,768,376
Cash Assistance:				
School Breakfast Program.....	10.553	09-160	-	2,778,672
Summer Food Service Program.....	10.559	09-160	-	222,747
TOTAL CHILD NUTRITION CLUSTER.....			-	9,769,795
EMPLOYMENT SERVICE CLUSTER				
U.S. DEPARTMENT OF LABOR:				
<u>Passed through Executive Office of Labor and Workforce Development:</u>				
Employment Service/Wagner-Peyser Funded Activities (Fiscal Year 2019).....	17.207	19CCLOWWP	-	134,144
Employment Service/Wagner-Peyser Funded Activities (Fiscal Year 2018).....	17.207	18CCLOWVETSUI	-	10,362
Employment Service/Wagner-Peyser Funded Activities (Fiscal Year 2017).....	17.207	17CCLOWVETSUI	-	208,823
Total Employment Service/Wagner-Peyser Funded Activities.....			-	353,329
Disabled Veterans Outreach Program (Fiscal Year 2019).....	17.801	19CCLOWVETSUI	-	12,339
Disabled Veterans Outreach Program (Fiscal Year 2018).....	17.801	18CCLOWVETSUI	-	2,835
Total Disabled Veterans Outreach Program.....			-	15,174
TOTAL EMPLOYMENT SERVICE CLUSTER.....			-	368,503
WIOA CLUSTER				
U.S. DEPARTMENT OF LABOR:				
<u>Passed through Executive Office of Labor and Workforce Development:</u>				
WIOA Adult Program (Fiscal Year 2019).....	17.258	19CCLOWWIA	-	422,111
WIOA Adult Program (Fiscal Year 2018).....	17.258	18CCLOWWIA	-	84,423
Total WIOA Adult Program.....			-	506,534
WIOA Youth Activities (Fiscal Year 2019).....	17.259	19CCLOWWIA	166,018	324,059
WIOA Youth Activities (Fiscal Year 2018).....	17.259	18CCLOWWIA	-	162,656
Total WIOA Youth Activities.....			166,018	486,715
WIOA Dislocated Workers Formula Grant (Fiscal Year 2019).....	17.278	19CCLOWWIA	-	444,520
WIOA Dislocated Workers Formula Grant (Fiscal Year 2018).....	17.278	18CCLOWWIA	-	43,205
Total WIOA Dislocated Workers Formula Grant.....			-	487,725
TOTAL WIOA CLUSTER.....			166,018	1,480,974
SPECIAL EDUCATION CLUSTER:				
U.S. DEPARTMENT OF EDUCATION:				
<u>Passed through Massachusetts Department of Elementary & Secondary Education:</u>				
Special Education-Grants to States (IDEA, Part B) (Fiscal Year 2019).....	84.027	240-218827-2019-0160	-	3,401,941
Special Education-Grants to States (IDEA, Part B) (Fiscal Year 2018).....	84.027	240-145595-2018-0160	-	1,048,965
Special Education-Grants to States (IDEA, Part B) (Fiscal Year 2017).....	84.027	240-101995-2017-0160	-	210
Special Education-Grants to States (IDEA, Part B) (Fiscal Year 2018).....	84.027	274-203697-2018-0160	-	13,808
Special Education-Grants to States (IDEA, Part B) (Fiscal Year 2019).....	84.027	244-224993-2019-0160	-	25,395
Special Education-Grants to States (IDEA, Part B) (Fiscal Year 2018).....	84.027	244-162096-2018-0160	-	4,360
Special Education-Grants to States (IDEA, Part B) (Fiscal Year 2019).....	84.027	245-284837-2019-0160	-	12,105
Special Education-Grants to States (IDEA, Part B) (Fiscal Year 2018).....	84.027	245-172557-2018-0160	-	4,610
Special Education-Grants to States (IDEA, Part B) (Fiscal Year 2019).....	84.027	250-287449-2019-0160	-	5,878
Special Education-Grants to States (IDEA, Part B) (Fiscal Year 2019).....	84.027	231-285419-2019-0160	-	8,499
Total Special Education-Grants to States (IDEA, Part B).....			-	4,525,771
<u>Passed through Massachusetts Department of Elementary & Secondary Education:</u>				
Special Education Preschool Grants (IDEA, Preschool).....	84.173	262-209420-2019-0160	-	89,680
Special Education Preschool Grants (IDEA, Preschool).....	84.173	298-202667-2018-0160	-	1,480
<u>Passed through Department of Early Education and Care:</u>				
Special Education Preschool Grants (IDEA, Preschool).....	84.173	26218LOWELLPUBS	-	946
Total Special Education Preschool Grants (IDEA, Preschool).....			-	92,106
TOTAL SPECIAL EDUCATION CLUSTER.....			-	4,617,877
DIRECT PROGRAMS:				
U.S. DEPARTMENT OF COMMERCE:				
<u>Direct Programs:</u>				
Investments for Public Works and Economic Development Facilities.....	11.300	Not Applicable	-	1,273,337

(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Amount Passed Through to Sub-Recipients	Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
<u>Direct Programs:</u>				
Community Development Block Grants/Entitlement Grants.....	14.218	Not Applicable	480,073	1,544,309
Emergency Shelter Grants Program.....	14.231	Not Applicable	-	159,214
HOME Investment Partnerships Program.....	14.239	Not Applicable	-	603,953
Housing Opportunities for Persons with AIDS.....	14.241	Not Applicable	1,290,465	1,307,817
Continuum of Care Grants.....	14.267	Not Applicable	-	572,146
Lead-Based Paint Hazard Control in Privately-Owned Housing.....	14.900	Not Applicable	-	61,057
TOTAL HOUSING AND URBAN DEVELOPMENT.....			1,770,538	4,248,496
U.S. DEPARTMENT OF THE INTERIOR - NATIONAL PARKS SERVICE				
<u>Direct Programs:</u>				
Cultural Resources Management.....	15.946	Not Applicable	-	83,000
U.S. DEPARTMENT OF JUSTICE:				
<u>Direct Programs:</u>				
Grants to Encourage Arrest Policies & Enforcement of Protection Orders Program.....	16.590	Not Applicable	-	165,519
Edward Byrne Memorial Justice Assistance Grant Program.....	16.738	Not Applicable	-	225,660
Criminal and Juvenile Justice and Mental Health Collaboration Program.....	16.745	Not Applicable	-	35,943
Harold Rogers Prescription Drug Monitoring Program.....	16.754	Not Applicable	-	132,343
Equitable Sharing Program.....	16.922	Not Applicable	-	1,170,890
TOTAL DEPARTMENT OF JUSTICE.....			-	1,730,355
U.S. DEPARTMENT OF TRANSPORTATION:				
<u>Passed through Highway Safety Bureau:</u>				
State and Community Highway Safety.....	20.600	2019LOWELLSTEP	-	92,176
U.S. ENVIRONMENTAL PROTECTION AGENCY:				
<u>Direct Programs:</u>				
Brownfields Assessment and Cleanup Cooperative Grants.....	66.818	Not Applicable	-	83,196
U.S. DEPARTMENT OF ENERGY:				
<u>Direct Programs:</u>				
Energy Efficiency and Conservation Block Grant Program (EECBG).....	81.128	Not Applicable	-	2,842
PASS-THROUGH PROGRAMS:				
U.S. DEPARTMENT OF JUSTICE:				
<u>Passed through the Massachusetts Executive Office of Public Safety and Security:</u>				
Edward Byrne Memorial Justice Assistance Grant Program.....	16.738	BJAG1FY19LOWELL	-	13,445
U.S. DEPARTMENT OF LABOR:				
<u>Passed through Executive Office of Labor and Workforce Development:</u>				
Unemployment Insurance (Fiscal Year 2019).....	17.225	19CCLOWNEGREA	-	31,931
Unemployment Insurance (Fiscal Year 2018).....	17.225	18CCLOWVETSUI	-	38,844
Total Unemployment Insurance.....			-	70,775
Trade Adjustment Assistance.....	17.245	19CCLOWTRADE	-	141,056
Workforce Investment Act (WIOA) National Emergency Grants.....	17.277	19CCLOWNEGREA	-	20,727
TOTAL DEPARTMENT OF LABOR.....			-	232,558
U.S. DEPARTMENT OF EDUCATION:				
<u>Passed through Massachusetts Department of Elementary & Secondary Education:</u>				
Adult Education - Basic Grants to States (Fiscal Year 2019).....	84.002	340-207738-2019-0160	-	295,497
Adult Education - Basic Grants to States (Fiscal Year 2018).....	84.002	340-137839-2018-0160	-	70,943
Adult Education - Basic Grants to States (Fiscal Year 2019).....	84.002	359-207739-2019-0160	-	60,882
Total Adult Education - Basic Grants to States.....			-	427,322
Title I Grants to Local Education Agencies (Fiscal Year 2019).....	84.010	305-217643-2019-0160	-	4,644,799
Title I Grants to Local Education Agencies (Fiscal Year 2018).....	84.010	305-139251-2018-0160	-	454,588
Title I Grants to Local Education Agencies (Fiscal Year 2017).....	84.010	305-097381-2017-0160	-	1,458
Title I Grants to Local Education Agencies (Fiscal Year 2019).....	84.010	539-208521-2019-0160	-	289,346
Title I Grants to Local Education Agencies (Fiscal Year 2018).....	84.010	539-138998-2018-0160	-	69,104
Title I Grants to Local Education Agencies (Fiscal Year 2019).....	84.010	320-260005-2019-0160	-	8,855
Title I Grants to Local Education Agencies (Fiscal Year 2019).....	84.010	325-280813-2019-0160	-	85,218
Title I Grants to Local Education Agencies (Fiscal Year 2018).....	84.010	323-201722-2018-0160	-	29,123
Total Title I Grants to Local Education Agencies.....			-	5,582,491
Career and Technical Education - Basic Grants to States (Fiscal Year 2018).....	84.048	400-260913-2019-0160	-	66,167
Career and Technical Education - Basic Grants to States (Fiscal Year 2018).....	84.048	400-139247-2018-0160	-	20,074
Total Career and Technical Education - Basic Grants to States.....			-	86,241

(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Amount Passed Through to Sub-Recipients	Expenditures
Education for Homeless Children and Youth (Fiscal Year 2019).....	84.196	310-225109-2019-0160	-	27,160
Education for Homeless Children and Youth (Fiscal Year 2018).....	84.196	310-145598-2018-0160	-	21,822
Education for Homeless Children and Youth (Fiscal Year 2017).....	84.196	310-018-7-0160	-	540
Total Education for Homeless Children and Youth.....			-	49,522
Fund for the Improvement of Education (Fiscal Year 2019).....	84.215	S21-5E-150-154	-	300,647
Fund for the Improvement of Education (Fiscal Year 2018).....	84.215	S21-5E-150-154	-	189,106
Total Fund for the Improvement of Education.....			-	489,753
Twenty-First Century Community Learning Centers (Fiscal Year 2019).....	84.287	645-215001-2019-0160	-	711,630
Twenty-First Century Community Learning Centers (Fiscal Year 2018).....	84.287	645-144236-2018-0160	-	234,383
Twenty-First Century Community Learning Centers (Fiscal Year 2019).....	84.287	646-211048-2019-0160	-	28,213
Twenty-First Century Community Learning Centers (Fiscal Year 2018).....	84.287	646-144237-2018-0160	-	133,022
Twenty-First Century Community Learning Centers (Fiscal Year 2019).....	84.287	647-225111-2019-0160	-	242,344
Twenty-First Century Community Learning Centers (Fiscal Year 2018).....	84.287	647-070-8-0160	-	51,848
Total Twenty-First Century Community Learning Centers.....			-	1,401,440
English Language Acquisition Grants (Fiscal Year 2019).....	84.365	180-217675-2019-0160	-	410,328
English Language Acquisition Grants (Fiscal Year 2018).....	84.365	180-145596-2018-0160	-	27,519
English Language Acquisition Grants (Fiscal Year 2019).....	84.365	186-285591-2019-0160	-	91,180
English Language Acquisition Grants (Fiscal Year 2018).....	84.365	186-202029-2018-0160	-	49,934
Total English Language Acquisition Grants.....			-	578,961
Supporting Effective Instruction State Grants (Fiscal Year 2019).....	84.367	140-217674-2019-0160	-	547,034
Supporting Effective Instruction State Grants (Fiscal Year 2018).....	84.367	140-140443-2018-0160	-	132,638
Supporting Effective Instruction State Grants (Fiscal Year 2017).....	84.367	140-101191-2017-0160	-	83,169
Total Supporting Effective Instruction State Grants.....			-	762,841
Student Support and Academic Enrichment (Fiscal Year 2019).....	84.424	309-217676-2019-0160	-	253,221
Student Support and Academic Enrichment (Fiscal Year 2018).....	84.424	309-140444-2018-0160	-	8,182
Total Student Support and Academic Enrichment.....			-	261,403
<u>Passed through Department of Early Education and Care:</u>				
Preschool Development Grants (Fiscal Year 2019).....	84.419	51819PEGLOWELLP	-	2,040,739
Preschool Development Grants (Fiscal Year 2018).....	84.419	51918LOWELLPUBL	-	707,215
Total Preschool Development Grants.....			-	2,747,954
TOTAL DEPARTMENT OF EDUCATION.....			-	12,387,928
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
<u>Passed through the Massachusetts Department of Public Health:</u>				
Preventative Health and Health Services Block Grant.....	93.991	LOWMIMFY19Q1	-	30,000
U.S. DEPARTMENT OF HOMELAND SECURITY				
<u>Passed through the Massachusetts Emergency Management Agency:</u>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters).....	97.036	F4379DR PW142	-	450,922
<u>Passed through the Massachusetts Executive Office of Public Safety</u>				
Emergency Management Performance Grants.....	97.042	EMPG18 - LOWELL	-	35,021
Assistance to Firefighters Grant.....	97.044	EMW-2015-FV-01444	-	939,326
TOTAL DEPARTMENT OF HOMELAND SECURITY.....			-	1,425,269
TOTAL.....			\$ 1,936,556	\$ 37,839,751

See notes to schedule of expenditures of federal awards.

(Concluded)

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the City of Lowell, Massachusetts under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Lowell, Massachusetts, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Lowell, Massachusetts.

Note 2 – Summary of Significant Accounting Policies

The accounting and reporting policies of the City of Lowell, Massachusetts are set forth below:

- a) Basis of Accounting – The accompanying Schedule of Expenditures of Federal Awards is presented on the modified accrual basis of accounting. Accordingly, expenditures are recognized when the liability is incurred. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- b) Cash Assistance – School Breakfast and Lunch Program – Program expenditures represent federal reimbursement for meals provided during the year.
- c) Non-Cash Assistance (Commodities) – School Lunch Program – Program expenditures represent the value of donated foods received during the year.
- d) Disaster grants have been recorded the year the grant was received.
- e) The City of Lowell, Massachusetts does not use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

A. Summary of Auditor’s Results

1. The auditor’s report expresses an unmodified opinion on the financial statements of the City of Lowell, Massachusetts.
2. No material weaknesses or significant deficiencies relating to the audit of the basic financial statements are reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the City of Lowell, Massachusetts, was disclosed during the audit.
4. No material weaknesses or significant deficiencies relating to the audit of the major federal award programs are reported in the Report on Compliance for Each Major Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.
5. The auditor’s report on compliance for the major federal award programs for the City of Lowell, Massachusetts, expresses an unmodified opinion on all major federal award programs.
6. Audit findings that are required to be reported in accordance with Uniform Guidance are reported in the schedule of findings and questioned costs.
7. The programs tested as major grants are as follows:

	<u>CFDA #</u>
• Child Nutrition Cluster	10.553, 10.555, 10.559
• Investments for Public Works and Economic Development Facilities	11.300
• Equitable Sharing Program	16.922
• Title I Grants to Local Education Agencies	84.010
• Preschool Development Grants	84.419
8. The threshold for distinguishing Types A and B programs was \$1,135,193.
9. The City of Lowell, Massachusetts was determined to be a high-risk auditee.

B. Findings – Financial Statements Audit

None

C. Findings and Questioned Costs – Major Federal Award Programs**2019-001: Equitable Sharing Program CFDA #16.922**

Condition and criteria: The City's Police Department (Department) participates in the Equitable Sharing Program in which funds seized through various legal actions are distributed to local Department's to utilize for the purchase of equipment and other costs associated with public safety operations. An inventory must be maintained of all related equipment purchases made with Equitable Sharing Program funds. Additionally, some of the purchases made exceed the City's capital asset threshold and therefore should also be reported to the City Auditor for financial reporting purposes as part of the City's capital asset balance.

Context: The Department has not complied with the grant requirements by the lack of proper procedures in place to maintain a comprehensive and up to date inventory listing of all purchases made with Equitable Sharing Program funds, and to provide the City Auditor with information on purchases that exceed the City's capital asset threshold.

Effect: The Department is not in compliance with grant requirements.

Cause: Departmental turnover and lack of formal written procedures for handling of grant purchases.

Questioned Costs: N/A

Auditors' Recommendation: We recommend that the Department implement written procedures for all personnel that handle Equitable Sharing Program funds that outline the procedures and requirements for maintaining a complete and up to date inventory of all purchases made and what purchases must also be reported to the City Auditor's Office for financial reporting purposes.

View of Responsible Officials: The Lowell Police Department has since implemented a written policy and procedure manual for all personnel that handle the Equitable Sharing Program funds. Additionally, an up to date inventory list of all purchases made through the program has been created and will be maintained by the Department. This report will be submitted to the City Auditor's Office on the quarterly basis for financial reporting purposes.

D. Summary Schedule of Prior Audit Findings**Financial Statements Audit****2018-001: Material Weakness – School Budget Over Expenditures**

Condition and criteria: The school department intentionally withheld invoices resulting \$1,431,206 of food service bills for April, May and June of 2018 that remained unpaid and accrued at June 30, 2018. These bills would have caused the fund to go into a deficit position of \$776,000. There was also approximately \$200,000 of invoices that relate to the School general fund operating budget that were not recorded. This would have caused a budgetary deficit in the education line item of the City's budget.

Auditors' Recommendation: We recommend that the City implement procedures to strengthen controls to provide reasonable assurances that expenditures are properly reported in the City's financial records and in the proper period.

This would include a process for the School Department to address any future operating deficits by implementing a budgetary plan to reduce expenditures to amounts available to them through the general fund appropriation or other funding sources.

Current Status: During fiscal year 2019, the City and School Department implemented procedures to strengthen controls to ensure expenditures were recorded in the proper fiscal year. Further, the budget was closely monitored to ensure no over expenditures. The school department came in under budget for fiscal year 2019. We consider this matter to be resolved.

U.S. DEPARTMENT OF AGRICULTURE

2018-002: Material Weakness – Child Nutrition Cluster CFDA #10.553, 10.555, 10.559

Condition and criteria: The City used an indirect cost rate which was higher than the cost rate approved by the cognizant agency, Department of Elementary and Secondary Education (DESE). The approved cost rate was 11.89% for the fiscal year under audit. Further, a higher rate was also used for the 2016-2017 and 2018-2019 school year.

Auditors' Recommendation: We recommend that the City implement procedures to ensure compliance with this grant requirement for future years. Further, we recommend the City ensure the unallowable costs are recovered by the food service revolving fund for the year under audit, and the other years indicated in DESE's review.

Current Status: During fiscal year 2019, the School Department implemented additional controls for the Child Nutrition Cluster which included expenditure approval by the School Committee. Further, all indirect costs were reviewed and approved prior to posting the adjustments within the ledger. The approved indirect cost rates were used for fiscal year 2019. We consider this matter to be resolved.

Tina Masiello
City Auditor

MEMORANDUM

TO: Mayor Leahy
And Members of City Council

FROM: Tina Masiello, City Auditor

DATE: March 30, 2020

RE: Free Cash Certification

On Thursday, March 5, 2020, the Department of Revenue (DOR) certified the “free cash” for the City as of July 1, 2019. I’ve attached a copy of their certification, which shows \$7,462,706 in “free cash” for the City. This figure represents the portion of the General Fund’s balance which is unreserved for future expenditures/liabilities and is available for appropriation by the City Council, if they so choose.

In addition to the free cash, the DOR also certified the Retained Earnings of the city’s Enterprise Funds. The Water, Wastewater, and Parking accounts have been certified at \$5.3 million, \$4.2 million, and \$5.5 million respectively.

Thank you,

Tina Masiello, CPA
City Auditor

cc: Eileen M. Donoghue, City Manager
Conor Baldwin, CFO

SUBMITTED BY	Karen O'Beirne	CITY/TOWN/DISTRICT	Lowell
PHONE	978-970-4079	SUBMISSION DATE	12/31/19
FIELD REP	Bobbi Colburn	SUBMISSION COMPLETE DATE	03/02/20

FREE CASH CALCULATION

BEGIN:

UNRESERVED UNDESIGNATED FUND BALANCE 10,100,596

LESS:

PERSONAL PROPERTY TAXES RECEIVABLE 1,098,367

REAL ESTATE TAXES RECEIVABLE 1,872,759

OTHER RECEIVABLE, OVERDRAWN ACCOUNTS, DEFICITS

O/S receivable variances	21,133	Fire EMPG	1,103	
Medicare/FICA w/h	39	CD code enforce	7,913	
Medical ins w/h	404	CCOL-dept of corr g	1,056	
Cafeteria plan w/h	250	DET one stop career	17	
Union Dues AFSCME 1705	10	Rapid res celestica	9	
Amelia Peabody IDEA camj	7,400	Fire/safer grant	21	
Comcast capital improve	124	COPS/sch violence j	43,735	
Qual full day kindergarten	25	Police camera equip	131	
Lowell drug free	4,095	City hall window repl	355,770	
Even start	2,156	FY14 bldg impr	76,861	
Early childhood	8,350	FY14 vehicle repl	1,531	
Refugee children	4,053	FY17 traffic signalizæ	20,905	
Special Education	1,639	FY17 vehicle repl	7,122	
Race to the top	293	FY18 paving,sidewa	426,501	
Higher order teach	6,469	FY18 dept equip	2,128	
21st century summer	16	Aliumni field,park imj	28,752	
SPED sec trans	10,891	PR comp time	145	
Title IID-Enhancing	735	Law-escrow tax title	200	
Fd 1708	30	Additional Sheet	17,986	1,059,998

FREE CASH VOTED FROM TOWN MEETING NOT RECORDED -

ADD:

DEFERRED REVENUE (CREDIT BALANCE +, DEBIT BALANCE -) 1,393,234

60 DAYS TAX COLLECTIONS -

OTHER MISCELLANEOUS ADJUSTMENTS:

				-
				-
				-
				-
				-

7,462,706
FREE CASH, JULY 1, 2019

Bobbi Colburn

REVIEWED BY: _____ PLEASE SEE CERTIFICATION LETTER
DATE: 03/02/20 _____ FOR DIRECTOR OF ACCOUNTS APPROVAL

SUBMITTED BY Karen O'Beirne
FIELD REP Bobbi Colburn

COMMUNITY Lowell
FUND Water

RETAINED EARNINGS CALCULATION - ENTERPRISE FUND

PART I

CASH 8,832,773

SUBTRACT:

CURRENT LIABILITIES, DESIGNATIONS OF FUND BALANCE

Warrants Payable	127,083
Encumbrances	2,500
Expenditures	3,367,641

OTHER

TOTAL 5,335,549

PART II

RETAINED EARNINGS - UNDESIGNATED 5,335,549

SUBTRACT:

ACCOUNTS RECEIVABLE (NET)

OTHER

TOTAL 5,335,549

PART III

FIXED ASSETS:

DEBITS

CREDITS

_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total	-	_____	-
FIXED ASSET VARIANCE	-	_____	-

Bobbi Colburn

REVIEWED BY: _____

PLEASE SEE CERTIFICATION LETTER

DATE: 03/02/20

FOR DIRECTOR OF ACCOUNTS APPROVAL

SUBMITTED BY Karen O'Beirne
FIELD REP Bobbi Colburn

COMMUNITY Lowell
FUND Sewer

RETAINED EARNINGS CALCULATION - ENTERPRISE FUND

PART I

CASH 5,926,461

SUBTRACT:

CURRENT LIABILITIES, DESIGNATIONS OF FUND BALANCE

Warrants Payable	131,236
Encumbrances	232,043
Expenditures	1,373,327
User charges def rev higher than recv	49

OTHER

TOTAL 4,189,806

PART II

RETAINED EARNINGS - UNDESIGNATED 4,189,806

SUBTRACT:

ACCOUNTS RECEIVABLE (NET)

OTHER

TOTAL 4,189,806

PART III

FIXED ASSETS:

DEBITS

CREDITS

Total	-		-
FIXED ASSET VARIANCE	-		-

Bobbi Colburn

REVIEWED BY: _____ PLEASE SEE CERTIFICATION LETTER

DATE: 03/02/20 FOR DIRECTOR OF ACCOUNTS APPROVAL

SUBMITTED BY Karen O'Beirne
FIELD REP Bobbi Colburn

COMMUNITY Lowell
FUND Parking

RETAINED EARNINGS CALCULATION - ENTERPRISE FUND

PART I

CASH 6,963,004

SUBTRACT:

CURRENT LIABILITIES, DESIGNATIONS OF FUND BALANCE

Warrants Payable	<u>387,883</u>
Encumbrances	<u>82,835</u>
Expenditures	<u>1,027,177</u>

OTHER

TOTAL 5,465,109

PART II

RETAINED EARNINGS - UNDESIGNATED 5,465,109

SUBTRACT:

ACCOUNTS RECEIVABLE (NET)

OTHER

TOTAL 5,465,109

PART III

FIXED ASSETS:

DEBITS

CREDITS

Total	-		-
FIXED ASSET VARIANCE	<u>-</u>		<u>-</u>

Bobbi Colburn

REVIEWED BY: _____ PLEASE SEE CERTIFICATION LETTER

DATE: 03/02/20 FOR DIRECTOR OF ACCOUNTS APPROVAL

COMMONWEALTH OF MASSACHUSETTS

CITY OF LOWELL

In City Council

ORDINANCE

An Ordinance Amending "The Code of Ordinances City of Lowell, Massachusetts," with respect to Chapter 290 Thereof Entitled, "Lowell Zoning Code" by amending the certain sections of 10.3 entitled "Hamilton Canal District Form-Based Code".

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOWELL, as follows

"The Code of Ordinances City of Lowell, Massachusetts", hereinafter called the "Code," adopted by the City Council on December 23, 2008, as amended, is hereby further amended with respect to Chapter 290 thereof entitled, "Lowell Zoning Ordinance," adopted December 7, 2004, as amended, as follows:

1. Amending s. 10.3.8.(3) entitled Building Form Standards
Parcel 1 (Zoning District HCD-E: HCD Revere Street District)

By amending "**B: Building Configuration**" Floors: from 10' minimum clearance to 8' minimum clearance; and
2. By amending "**D: Uses – See Also Allowed Uses Table at 10.3.10(4)**", to allow structured parking ("P");

By Amending Street Level by inserting "P"; and
By Amending Upper Levels by inserting "P".
3. Amend s.10.3.10.4 entitled "**Use Regulations within HCD Zoning Districts**" (HCD-E) Revere Street by inserting "P" in the Street Level column and inserting "P" in the Upper Levels column.

This Ordinance shall take effect upon its passage in accordance with Section 1-17 of the "Code" and the provisions of Chapter 43 and 40A of the General Laws of Massachusetts.

APPROVED AS TO FORM:



Christine P. O'Connor
City Solicitor

Hamilton Canal District

Parcel 1 (Zoning District HCD-E: HCD Revere Street District)

Zoning District Description:

This zoning district on the southeast corner of Jackson and Revere Street is well suited to a building that will effect a transition between the historic mill buildings to the east and the courthouse to the west. This district is designed to promote economic development of the Jackson and Middlesex Street areas.

Parcel Description:

This parcel is the only parcel in Zone HCD-E.
Parcel Size: 0.66 acre

Standards for Parcel 1

A: Site Configuration

Site Configuration for Parcel 1						
Side	Build To Line* (feet)		Street Wall*		Maximum Setback*	
	Minimum	Maximum	Minimum street wall %*	Height range	Up to x%	Up to x feet
N	5	9	55%	55' -- 85'	45%	50
E	0	4	30%	55' -- 85'	70%	50
S	7	20	30%	55' -- 85'	70%	50
W	0	4	30%	55' -- 85'	70%	50

*See definitions for an understanding of Build To Line, Street Wall % and Maximum Setback

Parcel Coverage: 55% minimum -- 90% maximum

B: Building Configuration

Floors: 8' minimum clear first floor height

Encroachment: Allowed at 10' minimum above the sidewalk level and is allowed extend out 3' maximum

Projections: Allowed at 10' minimum above the sidewalk level and is allowed to extend out 6' maximum into setback area; and extend 3' maximum beyond property line.

Maximum Height: 85'

C: Other Requirements

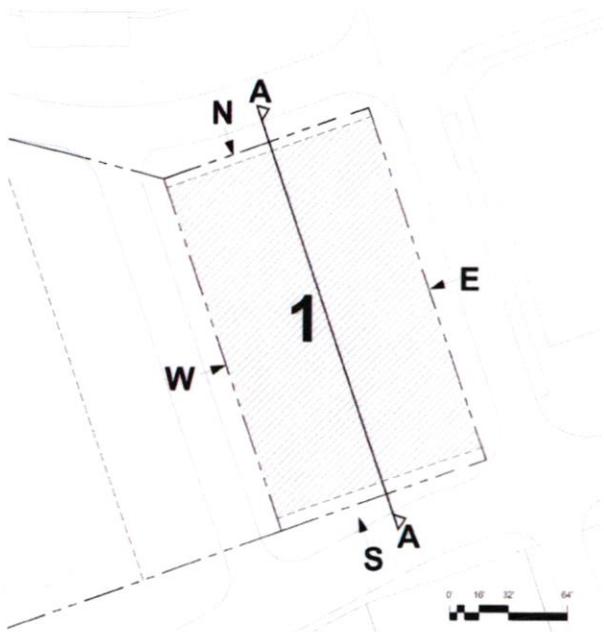
- Any vehicular access to below-grade parking must be provided along the North side of the parcel.

D: Uses – See Also Allowed Uses Table at 10.3.10(4)

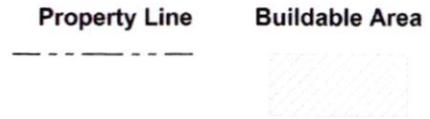
Allowed Uses in the HCD-E: HCD Revere Street District:	
See notes under Section 10.3.10(4)	
Lower Level (See note #1)	P, R, IRE, RRC, UTP, OL
Street Level	P, IRE, RRC, UTP, OL
Upper Levels	P, R, IRE, UTP, OL

Form-Based Code

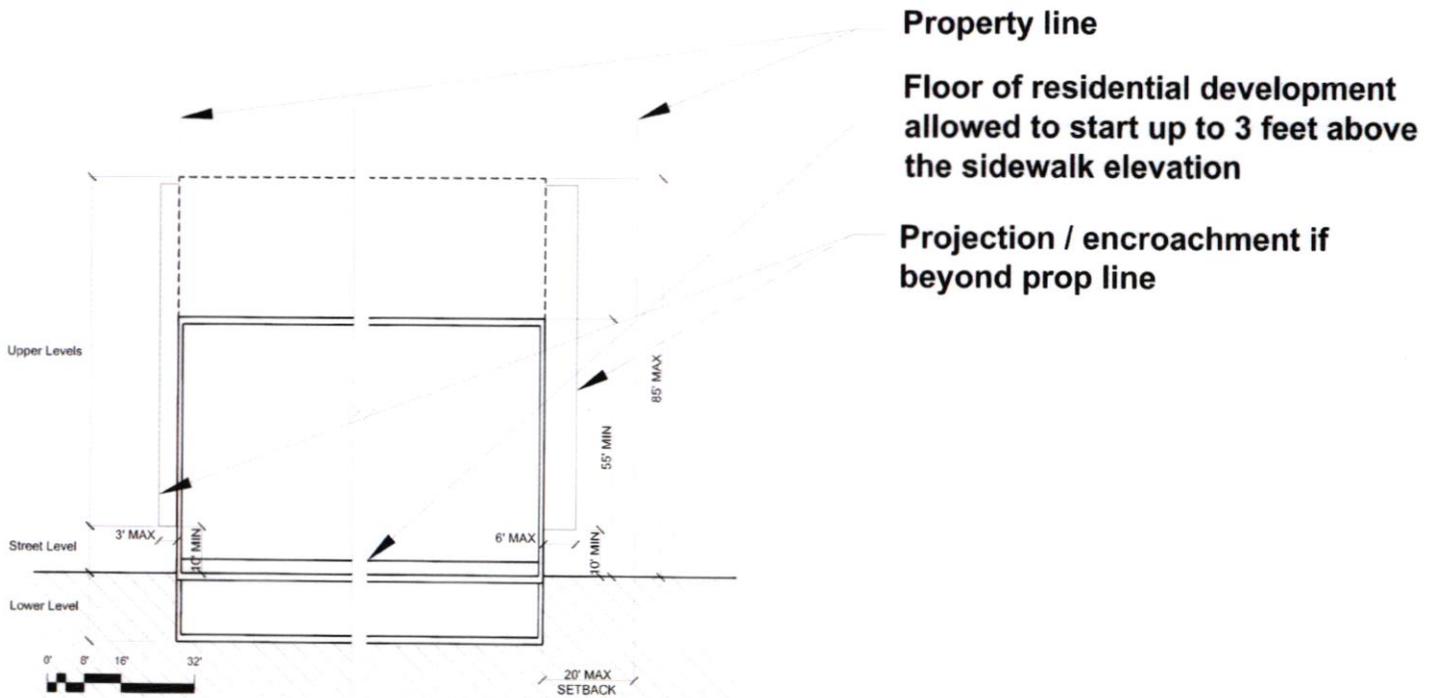
Parcel 1: Graphical Standards



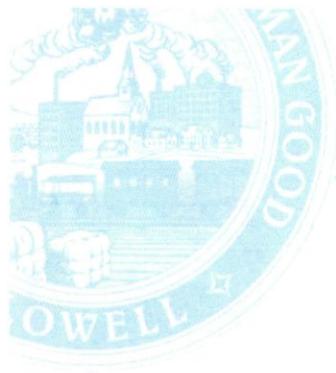
Site Configuration Standard



KEY PLAN



**Vertical Dimension Standard
Section A-A**



Eileen M. Donoghue
City Manager

Kara Keefe Mullin
Assistant City Manager

March 3, 2020

Mayor John J. Leahy
and
Members of the City Council

REFERENCE: Parcel 1 Zoning Amendment

Dear Mayor Leahy and Members of the City Council:

The City of Lowell continues to work with developers interested in the Hamilton Canal Innovation District (HCID), including Lupoli Companies ("Lupoli") to bring the vision of the district to fruition. As the City administration continues to hear development proposals, a number of parties including Lupoli have expressed interest in Parcel 1 for the purposes of a privately-run, privately-owned parking garage. Currently, the HCID Form-Based Code does not allow for parking on the upper levels of any structure proposed for the site. Should the City Council agree that a parking structure could make sense on this parcel in the district, and then the Council may wish to consider the attached changes to Parcel 1 in the HCID Form Based Code. The changes are relatively minor and are as follows:

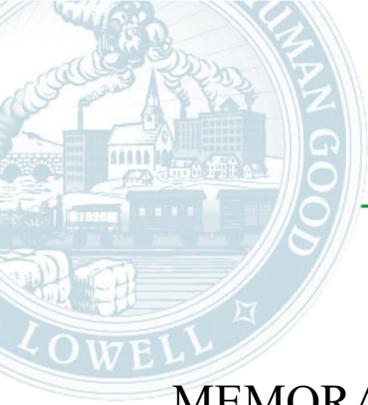
- Allow structured parking spaces on the upper floors of any structure in the district
- Reduce the required floor height clearance from 10 feet to 8 feet

I respectfully request that the City Council refer the proposed amendment to Parcel 1 in the Hamilton Canal District Form Based Code to the Planning Board meeting of April 6, 2020 for a recommendation.

Sincerely,

Eileen M. Donoghue
City Manager

cc: Diane N. Tradd, Assistant City Manager/DPD Director
Christine P. O'Connor, City Solicitor
R. Eric Slagle, Director of Development Services
Claire V. Ricker, Chief Design Planner
Joseph Giniewicz, Urban Renewal Project Manager



City of Lowell - Law Department

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Tel: 978.674.4050 • Fax: 978.453.1510 • www.lowellma.gov

MEMORANDUM

TO: Eileen Donoghue, City Manager *EMD*

FROM: Christine P. O'Connor, City Solicitor

DATE: April 9, 2020

SUBJECT: **Motion Response – C. Mercier Req. Opinion relative to the City Council Create An Ordinance Or File A Home Rule Petition That Prevents A City Councilor From Holding Another Elective Office During Their Term**

Christine P. O'Connor
City Solicitor

Rachel M. Brown
1st Assistant City Solicitor

Gary D. Gordon
John Richard Hucksam, Jr.
Adam LaGrassa
Stacie M. Moeser
Elliott J. Veloso
Assistant City Solicitors

I write in response to a request from C. Mercier that “the City Council enact an Ordinance or file a Home Rule petition that prevents a city councilor from holding another elective office during their term.”

Pursuant to the Massachusetts Constitution, the only prohibition in holding more than one elective office appears in the Massachusetts Constitution. This provision prohibits a person from holding a federal office and certain elected positions in the State.

“No ... person holding any office under the authority of the United States ... shall, at the same time, hold the office of governor, lieutenant governor, or councilor, or have a seat in the senate or house of representatives of this commonwealth; ... nor the attorney-general, solicitor-general, county attorney, clerk of any court, sheriff, treasurer and receiver-general, register of probate, nor register of deeds, shall continue to hold his said office after being elected a member of the Congress of the United States, and accepting that trust; but the acceptance of such trust by any of the officers aforesaid shall be deemed and taken to be a resignation of his said office; ...”

See MA. Const. Amend. Art. 8.

This language is silent as to a local elected official holding multiple elected positions, and therefore does not apply to such offices. See: *Wood v. Board of Election Com'rs of City of Cambridge*, 269 Mass. 67 (1929) (stating that constitutional amendment concerning plurality of office has no reference to city or town offices); see also *Op. Atty. Gen.* 1938, p. 99 (stating that this article against plurality of offices and incompatibility of offices have no reference to city or town officers.) The *Milne v. Hutchenreider* decision touches on this issue. In it, the Superior Court considered whether an individual elected to the Town Council could also serve as a Charter Commission member. The Barnstable Town Clerk refused to swear-in the individual to both positions. The

town's Charter, adopted in 1989, included a section concerning eligibility to be elected to town office:

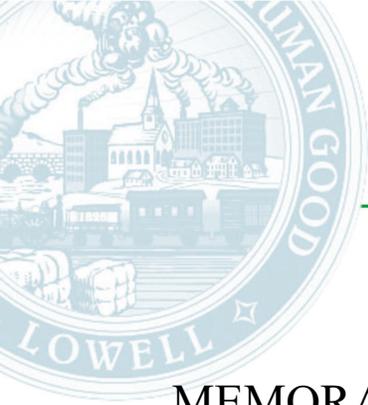
Any voter shall be eligible to hold any elected town office provided that no person shall simultaneously hold more than one elected town office.

The Court concluded that the Charter Commission is not an "elected town office" and therefore that the prohibition did not apply in this case. Regardless of the holding, it is clear from this case that a community is permitted to preclude an individual from simultaneously holding more than one office.

Hutchenreider is also illustrative as to the method utilized in that case for prohibiting a local elected official holding multiple elected positions. Barnstable added the prohibition to their Charter by home rule petition.

While it is possible that other methods of adopting a similar prohibition may be used, this particular prohibition would, in the opinion of this office, require an amendment to our Charter. Massachusetts General Laws, c.43, §96, entitled "*City Council; Membership; Tenure*" provides that the nine members of the council be elected at large "for a term of two years," and "shall serve until their successors are qualified." If an individual was elected to the council and elected to another position, the proposed prohibition could not be enacted without conflicting with the Plan E Charter. Accordingly, in order to pursue this restriction, the City would need to file a Home Rule petition with the State Legislature.

Should the City Council wish to pursue such restrictions, attached is a Home Rule petition for your consideration.



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MEMORANDUM

TO: Eileen Donoghue, City Manager *EMD*

FROM: Christine P. O'Connor, City Solicitor

DATE: April 9, 2020

SUBJECT: **Motion Response – C. Nuon Req. Opinion relative to the Feasibility of Residential Requirements for Public Employees**

I write in response to Councilor Nuon's request for an opinion relative to the feasibility of residential requirements for public employees. Lowell could advance a residency requirement, however, it could not be applied to existing employees or members of the school department. Residency requirements could be enacted for new employees, but such requirements would need to be supported by a rational reasons tied to a legitimate governmental interest. In the case of employees working pursuant to a collective bargaining agreement, a residency requirement would also need to be bargained with all union groups.

Opinion Summary

- I. Residency requirements may be a valid condition placed on employment, subject to certain restrictions.
- II. The purpose of the ordinance must be rationally related to a legitimate governmental interest.
- III. Reasons advanced by municipalities are generally given deference by the courts, but still may be subjected to a factual investigation.
- IV. A preferential treatment policy advanced by the Council would likely raise constitutional concerns and may very well conflict with state law.
- V. Residency requirements are mandatory subjects of collective bargaining.
- VI. Grandfathering clauses work to protect current employees from changes in the law that would destroy established reliance on previously valid regulations and laws.
- VII. With the exception of Boston, most other regional, similarly sized, or Plan E communities do not have an enforced residency requirement.

Discussion

I. Residency requirements may be a valid condition placed on employment, subject to certain restrictions.

Since the mid-seventies, following a decision by the Supreme Court, both state and federal courts have uniformly held that "it is undisputedly the right of [municipalities] to require residency of those who actually . . . become city employees." *Grace v. City of Detroit*, 760 F.Supp. 646, 649 (1991). In *McCarthy v. Philadelphia Civil Service Commission*, the Supreme Court held that the Court "has never questioned the validity of a condition placed upon municipal employment requiring that a person be a resident at the time of his application."¹ *McCarthy v. Philadelphia Civil Service Commission*, 424 U.S. 645, 646 (1976); *See also: Detroit Police Officers Assn. v. Detroit*, 405 U.S. 950 (1972)(an ordinance requiring all policeman to live in the City of Detroit was found by the Supreme Court to be a classification which bore a reasonable relationship to the legislative purpose). The Court recognized that a public agency's relationship with its own employees may justify greater control than that over the citizenry at large. *McCarthy*, 424 U.S. at 647.² Based on the *McCarthy* decision, lower courts have generally held that, "residency requirements are rationally related to a legitimate state interest." *In re Cranston City Charter*, Not Reported in A.2d 5 (2004); *See also: Reynolds v. Lamb*, 232 A.2d 375, 378 (1967)("We cannot fail to recognize as significant the fact that the residency requirements are part of the organic law of the city..."); *Loiselle v. City of East Providence et al*, 359 A.2d 345, 348-349 (1976)("Municipalities that require their employees to live within the city or town limits are acting rationally and within the constitutional framework.")

Residency ordinances can have implications on certain constitutionally protected rights such as the right to travel, equal protection clause, and the privilege and immunities clause of the constitution. U.S. Const. Amend. XIV (Equal Protection Clause); U.S. Const. Art. IV (Privileges and Immunities Clause; Right to Travel.) In determining the validity of a residency requirement courts have applied both the strict scrutiny test for some ordinances and the rational relation test in other instances when determining whether the law is justified. Instances which have triggered the heightened scrutiny have typically involved a pre-employment residency requirement. These ordinances, commonly referred to as a durational residency requirement, involve a requirement that the prospective employee establish residency for a substantial duration of time prior to competing for a public position. Under these circumstances, courts have typically employed a strict scrutiny analysis, "requiring the law to be necessary to further a compelling state interest." *Walsh v. City and County of Honolulu*, 423 F.Supp.2d at 1101. In instances not involving a durational residency requirement,

¹ It has been argued, based on the dicta of *McCarthy* that application of residency requirements is literally beyond question. Courts, however, have viewed the above language as being more restrictive, and may best be interpreted as differentiating between the legal question the court was ruling on, "and those that it is leaving open." *Walsh*, 423 F.Supp.2d at 1106.

² In *McCarthy*, the Court examined whether a residency ordinance violates the federally protected right of interstate travel when applied to a police officer who changed his residency after several years of working for the municipality.

courts have applied the rational basis test. *Walsh*, 423 F.Supp.2d at 1102 ("Where the law at issue is merely a bona fide residence requirement, the court need only apply the rational relation test to determine whether the law is justified.") In this case, the motion being considered by the Council is a non-durational residency requirement, and therefore, would be subject to the much less rigorous standards of review under a rational basis test.

II. The purpose of the ordinance must be rationally related to a legitimate governmental interest.

One of the essential elements of a valid residency ordinance is whether its purpose is rationally related to a legitimate governmental interest. In the case of *Ector v. City of Torrance*, the Supreme Court of California articulated a number of legitimate state purposes advanced by a residency ordinance, such as: "the promotion of ethnic balance in the community; reduction in high unemployment rates of inner-city minority groups; improvement of relations between such groups and city employees; enhancement of the quality of employee performance by greater personal knowledge of the city's conditions and by a feeling of greater personal stake in the city's progress; diminution of absenteeism and tardiness among municipal personnel; ready availability of trained manpower in emergency situations; and the general economic benefits flowing from local expenditure of employees' salaries." *Ector v. City of Torrance*, 514 P.2d 433, 436 (1973). The court concluded that "[w]e cannot say that one or more of these goals is not a legitimate state purpose rationally promoted by the municipal employee residence requirement here in issue." *Id.* Courts have generally provided deference to the stated purposes advanced by residency ordinances. *City of Lima v. State of Ohio*, 2007-Ohio-6419, 4 ("It is not the function of the reviewing court to assess the wisdom or policy of a statute but, rather, to determine whether the General Assembly acted within its legislative power.")

Here, the initial reasons advanced thus far for consideration behind such a policy includes: assisting the economics in the city and expanding the downtown tax base by injecting consumer spending into local businesses and helping create new jobs. Such policy considerations would likely be viewed as being rationally related to a legitimate governmental purpose. While there is a presumption of regularity, such a presumption is open to challenge.

III. Reasons advanced by municipalities are generally given deference by the courts, but still may be subjected to a factual investigation.

One avenue of challenges has been by means of examining the legislative history behind such a policy, should such legislative history exist. In *Walsh*, the court examined the legislative history of the residency statute and found that "the history of this statute makes it clear that the State has continued to perpetuate the original improper purpose." *Walsh*, 423 F.Supp.2d 1094, 1106 (2006) ("Furthermore, even if this legislative history demonstrating an impermissible purpose did not exist, Defendants' newly alleged legitimate interest of finding loyal, committed employees to prevent quick turnover is not rationally related to a pre-employment residency requirement.") In our case, the City does have a legislative history, which could be subject to examination. Unlike

the case of *Walsh*, however, there is nothing in the City's prior enactment which, on its face, would fail to constitute a rationally related governmental purpose.

In 1992, the City passed a residency ordinance, entitled "Residency Requirements for New Employees." Article V, Section 15-169 (October 6, 1992). The Ordinance provided, in pertinent part, that "every person who is initially appointed to employment with the City in any capacity, in both civil service and non-civil service positions . . . shall be a bona fide resident of the City of Lowell and if not such a resident of the City at the time of such appointment or employment, shall within one (1) year following such appointment or employment, establish such residence as principal domicile, or such appointment or employment may be terminated for "just cause" for any such employee who does not establish and maintain bona fide residence within the City of Lowell."³ Art.V, §15-169(a). The Ordinance defined "bona fide resident" to mean: "a person having a permanent principal domicile and residence within the City of Lowell and one which has not been adopted with the intention of taking up or claiming a residence outside the City of Lowell. It shall further mean the actual principal residence of the individual where such individual normally eats and sleeps and maintains such individual's normal personal and household effects." Art.V, §15-169(b).

At the time of its passage, the reason advanced in support of the ordinance was that "the city could earn an additional Two Million to Three Million in annual property tax revenues if half of the employees currently living out of town bought houses in Lowell." *Lowell Sun*, October 6, 1992 at p. 7. These estimates were based on the salaries of approximately 941 employees of the city, who were not residents of the city.⁴ The yearly salary for the 941 employees was estimated to total \$30,429,000, which represented roughly one fourth of the total city budget at the time. *See*: City Council meeting, October 6, 1992. The intent was to bring revenue back to the City. Specifically, it was argued that "if the out-of-town employees lived in Lowell, the City would benefit from having them pay property taxes, municipal fees, and excise taxes from the employee's occupancy of Lowell's housing stock." *Lowell Sun*, October 7, 1992 at p. 4. All of these arguments were presented at a time when the City was facing a deficit of approximately 13 Million and its "revenues were believed to be shrinking, not growing." *See*: City Council meeting, October 6, 1992.⁵

In 1993, the City amended the residency ordinance by adding a new subsection (d) which provided that "[i]n the event that the City Manager, with the approval of the City Council, determines it to be in the best interest of the public to do so, the provisions hereof may be waived with respect to a particular person or position, and such waiver shall not act to defeat the application of this section to every other person or position." Art.V, §15-169(d) (December 7, 1993). At the time, then-City

³ The ordinance specifically exempted all persons hired prior to passage of the ordinance, as well as persons "employed by the School Committee of the City of Lowell." Mass. Gen. Laws c.71, §38 specifically prohibits the imposition of a local residency requirement upon any teacher or professional employee of a school district.

⁴ At the time, the city employed approximately 2,200 employees.

⁵ Interestingly, the two periods in which the push for a Boston residency ordinance was the strongest were in the mid 1970's and 1993. As noted in "Civic Boston," both dates represented periods where there were slumps in the Boston housing market. . . "City Workers and City Limits," February 21, 2007.

Manager R. Johnson requested this waiver citing difficulties in retaining police officers hired under the new residency requirements, as well as filling a position in the Health Department which required a Master's degree in Public Health. He also cited difficulty retaining a newly-hired employee of the Pollard Memorial Library who fell under the protection of the ADA. The residency requirements for this employee were extremely difficult to satisfy because she lived with her parents in a home converted to meet ADA standards.⁶

Less than a year later, the residency ordinance was repealed in its entirety. Art.V, §15-169 (March 8, 1994). At the time of its repeal, the council reviewed the objectives set forth two years earlier and concluded that they had been largely unmet. Specifically, the council found that "there was no vast economic windfall."⁷ See: City Council meeting, March 8, 1994. This "public coffer theory," was similarly discounted in a *Yale Law Journal*, entitled "Municipal Employee Residency Requirements and Equal Protection." The public coffer theory is essentially that resident workers are "presumed to support the local economy." 84 *Yale L.J.* 1684, 1697 (1975). In completing a survey of residency ordinances, the following findings were made with respect to the public coffer theory in light of . . . judicial attacks: "[n]onresidents often are subject to other forms of municipal taxation, such as sales or excise taxes. Residents do not invariably buy more goods and services in the city than do nonresidents. In addition, city residents who live close to the city limits may prefer shopping in suburban areas because prices and sales taxes are lower or stores are less crowded. In short, the assumption that city residents alone bear the tax burden of the city and advance the local economy must be subjected to factual investigation; residency requirements may lack a substantial relation to the purported public coffer rationale." 84 *Yale L.J.* at 1697. Courts, however, have clearly recognized that there well may be an "interest in those paid by the public residing and spending their money within the jurisdiction." 16*B Corpus Juris Secundum* §1288 (December 2007)(quoting, *Winkler v. Spinnato*, 530 N.E.2d 835 (1988).

IV. A preferential treatment policy advanced by the Council would likely raise constitutional concerns and may very well conflict with state law.

In place of the residency ordinance, the Council adopted a policy of giving Lowell applicants "preferential treatment" when the applications are in all other relevant aspects "equal." The policy would have given "hiring preference in all City jobs to persons who have lived in Lowell for at least one year before applying for a job." *Lowell Sun*, March 7, 1994 at p. 6. Such a policy, if implemented and enforced, would have arguably resulted in a de facto durational residency requirement, which has largely been deemed unconstitutional. Another problematic issue raised by

⁶ A very similar issue was successfully litigated by a City of Boston employee challenging its residency requirements under the ADA. *McDonald v. Menio*, Not Reported in F.Supp (D.Mass 1997)(The court found that the City failed to explain the specific hardship the City would endure if this employee was exempted from the provisions of its residency requirement. The court noted that this was particularly true where "many City employees are presently exempt from the residency requirement under provisions of their collective bargaining agreements."

⁷ Implementation of the ordinance did result in roughly 12 out of 124 new hires moving to the City over the two-year period of enactment. The Council also heard testimony from a number of department heads regarding the difficulty of filling some positions under the restrictions of the ordinance.

such a policy is that something as fluid as a "hiring preference" may run contrary to the principle that residency requirements must be "appropriately defined and uniformly applied." *In re Cranston City Charter*, A.2d, 2004 WL 2821645 (R.I. Super.) at 6. Municipalities must not discriminate among employees in a way that is arbitrary or irrational. Moreover, such a policy would likely interfere with the role of the City Manager under Mass. Gen. Laws c.43, §§ 104-105.⁸ Where such a policy is largely discretionary in its application, it may very well conflict with the discretionary decision making the City Manager exercises when selecting candidates to fill positions based on "ability, training and experience." See: MGL c.43, §105. It appears that the policy has been largely, if not completely, unenforced for years.⁹

V. Residency requirements are mandatory subjects of collective bargaining.

While residency requirements when rationally related to a legitimate state interest have been consistently deemed constitutional, there remain other considerations. For example, residency requirements are mandatory subjects of collective bargaining. In a Massachusetts appellate court decision, the court supported the determination of the Labor Relations Commission that the town of Lee was required to collectively bargain a residency requirement for police officers. *Town of Lee v. Labor Relations Commission*, 21 Mass. App. Ct. 166 (1985)(the town's insistence that a police officer remain a resident of the town or forfeit his job was a departure from its prior practice.) *See also*: *City of Worcester and Local 495 SEIU, AFL-CIO MLC* (1978). Likewise, there are many other states and localities where a residency requirement "is a negotiable term and condition of employment and, therefore, such a rule cannot be unilaterally imposed by an employer. "Residency Requirements: Sometimes a Litigation Issue, More Often a Legislative One," at p.2, citing: *City of Chester v. Fraternal Order of Police Lodge 19*, 615 A.2d 893 (Pa. Cmwlth. 1992)(ruling that "residency requirements were traditionally considered a term and condition of employment and, as such, they were subject to collective bargaining under Pennsylvania law.") Many cases challenged have involved municipalities which have taken sudden action to enforce existing residency requirements. "Residency Requirements for Public Employees," Horwitz. (February 2006)("Unions are therefore faced with various legal issues. . . Generally dormant residency requirements can be enforced despite a history of non enforcement or lax enforcement; such lax enforcement does not establish a clear and unequivocal intention on the part of the employer to forever relinquish its contractual rights with respect to residency. However, individuals who moved believing that they were not required to be residents might be permitted to remain non-residents on a reliance theory."), citing *Lynn Police Association and City of Lynn*, (L. Katz, Arbitrator). In our case, implementation of a residency ordinance would

⁸ Section 105, entitled "City Officers and Employees; Appointments and Removals," provides in pertinent part, "all appointments by, or under the authority of, the city manager, shall be on the basis of executive and administrative ability and training and experience in the work to be performed." Section 104, entitled: "Powers, Rights and Duties of City Manager," provides in pertinent part, that the manager "shall make all appointments and removals in the departments, commissions, boards and offices of the city for whose administration he is responsible."

⁹ That is not to say that a City Manager may, in his own discretionary hiring practices, give consideration to candidates who live in the city in which they are applying to work.

require that the matter be taken up through collective bargaining. If adopted, a city's residency requirements would take precedence over civil service residency requirements. *See: Mulrain v. Board of Selectmen of Leicester*, 20 Mass. App. Ct. 950, 951 (1985)(Section 99A, by its terms, is superseded by the Leicester by-law [residency requirement]).¹⁰

VI. Grandfathering clauses work to protect current employees from changes in the law that would destroy established reliance on previously valid regulations and laws.

It should be noted that courts have not found it problematic for residency ordinances to apply to new hires only. The Supreme Court has approved "grandfathering clauses" which work to "protect individuals and interests from changes in the law that would destroy established reliance on previously valid regulations and laws." *Salem Blue Collar Workers Association v. City of Salem*, 33 F.3d 265, 272 (1994), citing *City of New Orleans v. Dukes*, 427 US 297 (1976). Following that decision, at least three other appellate circuits, 2nd, 3rd, and 5th have likewise concluded that grandfathering provisions are constitutional. *Lorenz v. Logue*, 611 F.2d 421 (2d. Cir. 1979)("By not applying the residency requirement to pre-1978 employees who never received any warning of a residency requirement when they took their jobs, the City protected these employees' legitimate expectations"); *Simien v. City of San Antonio*, 809 F.2d 255, 257 (5th Cir. 1987)("The grandfathering of other employees based on the length of their employment is a constitutional means to gradually achieve a workforce that resides in the city."); *Salem Blue Collar Workers Association*, 33 F.3d at 272 ("We conclude that the exemption of those employees who were employed prior to the adoption of the ordinance and who lived outside the City does not render the ordinance unconstitutional. We find no irrationality in this grandfather clause.")

VII. With the exception of Boston, most other regional, similarly sized, or Plan E communities do not have an enforced residency requirement.

Lastly, in preparing its response to the Council, the Law Department inquired with other communities in the Commonwealth regarding residency ordinances. Cambridge only briefly had a residency requirement. Worcester's Human Relations Department stated that the residency requirement applied only to certain positions, such as fire and police, but it did not apply to administrative positions. While Somerville has a residency requirement, it is unclear whether it is enforced. Lawrence had a residency requirement, but like Lowell, had repealed it years ago. The most well-known municipal residency requirement is Boston's. In 2016 Mayor Walsh revised it after a review and recommendation from seven-member Residency Policy Commission. The primary change appears to be the inclusion of 2 new waivers to the requirement-- an absolute one – the position is exempt from the residency requirement for the incumbency of the appointee – and one with a grace period – the waiver can last up to 36 months and is granted by the mayor to allow a sufficient amount of time for the appointee to take up residency within the city. This change seems to increase the ability to grant waivers of this requirement.

¹⁰ The Collective Bargaining Agreement (Art. XXXV, §4B) only requires keeping the Superintendent and the Detail Officer apprised of an officer's current address and telephone number.



Conor Baldwin
 Chief Financial Officer

MEMORANDUM

TO: Eileen M. Donoghue, City Manager *EMD*
FROM: Conor Baldwin, Chief Financial Officer *[Signature]*
CC: Mary Callery, HR Director
 Christine O'Connor, City Solicitor
DATE: April 7, 2020

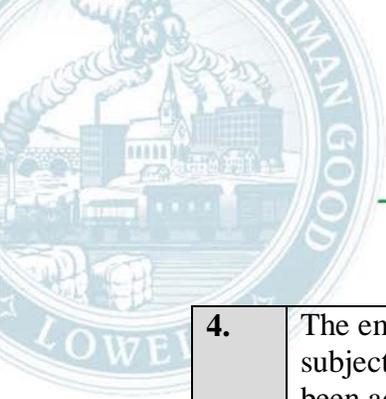
SUBJECT: MOTION RESPONSE: 3/24/2020 by C. Drinkwater - Req. City Mgr. Update The Uniform Catastrophic Sick Bank Policy To Make Employees Eligible For Up To 30 Days Of Leave Due To COVID-19 Infection, Quarantine Or Isolation As Directed By A Physician Or Authorized Public Health Authority.

On March 18, 2020, the President signed into law the Families First Coronavirus Response Act ('FFCRA'), which requires certain employers (including municipalities) to provide their employees with paid sick leave or expanded family and medical leave for specified reasons related to COVID-19. The Department of Labor's ('DOL') administers and enforces the new law's paid leave requirements. These provisions will apply from the effective date of April 1, 2020 through December 31, 2020.

After passage of the above referenced motion by the City Council, the City Manager convened a working group including the law department, HR, and finance to review the relevant information and to prepare any necessary documents for the City of Lowell to maintain compliance with the new regulations, discuss the logistics of implementation for payroll purposes, and to promulgate necessary information to Department Heads so they may inform their employees of the expanded coverage.

According to the DOL, the Act generally provides that employees of covered employers are eligible for the following:

	Reason	Entitlement
1.	The employee is subject to a Federal, State, or local quarantine or isolation order related to COVID-19	Up to 80 hours sick leave at full pay
2.	The employee has been advised by a health care provider to self-quarantine due to concerns related to COVID- 19	Up to 80 hours sick leave at full pay
3.	The employee is experiencing symptoms of COVID-19 and seeking a medical diagnosis	Up to 80 hours sick leave at full pay



Conor Baldwin
Chief Financial Officer

4.	The employee is caring for an individual who is subject to an order as described in (1) or who has been advised as described in (2).	Up to 80 hours sick leave at two-thirds pay
5.	The employee is caring for their child if the school or place of care of the child has been closed, or the child care provider of such child is unavailable, due to COVID-19 precautions	Up to 80 hours sick leave at two-thirds pay; then up to 12 additional weeks of FMLA leave, the first two of which are unpaid and the following ten of which are paid at two-thirds pay. ¹
6.	The employee is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services in consultation with the Secretary of the Treasury and the Secretary of Labor.	Up to 80 hours sick leave at two-thirds pay

An informational flier, prepared by the Department of Labor (*attached*), was distributed to all employees via “broadcast” email and has been posted in conspicuous places in HR and other satellite locations. For employees who do not have email, Department Heads have been directed to disseminate hard copies of the attached informational flyer. At a meeting of all Department Heads conducted via teleconference on April 1, 2020, a “Q&A” session was held to respond to initial questions posed by employees and to provide initial guidance from the City Manager’s Office, HR, legal, and finance. A group mailbox with a city email address was also established for employees of the city to submit questions if they arise and is monitored regularly by staff in the law department and HR to handle ongoing questions regarding eligibility and documentation.

In order to properly track and account for payroll expenses related to leave, as well as to ensure COVID-19 leave is not deducted from employees’ own accrued time, the group has worked with the City Auditor and payroll department to implement new codes in the MUNIS system to handle the expanded leave types. The FFCRA requires certain caps on paid leaves, depending on the types, but employees are able to supplement the paid leave with their own accruals.

The aforementioned policies and procedures are applicable specifically to the COVID-19 public health crisis and the federal law is effective only until December 31, 2020. However, there are some existing collective bargaining agreements like AFSCME 1705 and the firefighter’s union, which include provisions for a sick leave bank. There is not, however, an existing sick leave bank policy that applies to all employees. In order to implement an omnibus policy, several legal and financial logistics would need to be deliberated. Such a policy could be discussed and reviewed in more detail in a City Council Personnel subcommittee.

Please do not hesitate to let me know if there any questions.

¹ An employee may elect to use the first two weeks of their FMLA leave concurrent with paid sick leave, in which case the total amount of leave under FFCRA will be 12 weeks.

EMPLOYEE RIGHTS

PAID SICK LEAVE AND EXPANDED FAMILY AND MEDICAL LEAVE UNDER THE FAMILIES FIRST CORONAVIRUS RESPONSE ACT

The **Families First Coronavirus Response Act (FFCRA or Act)** requires certain employers to provide their employees with paid sick leave and expanded family and medical leave for specified reasons related to COVID-19. These provisions will apply from April 1, 2020 through December 31, 2020.

▶ PAID LEAVE ENTITLEMENTS

Generally, employers covered under the Act must provide employees:

Up to two weeks (80 hours, or a part-time employee's two-week equivalent) of paid sick leave based on the higher of their regular rate of pay, or the applicable state or Federal minimum wage, paid at:

- 100% for qualifying reasons #1-3 below, up to \$511 daily and \$5,110 total;
- $\frac{2}{3}$ for qualifying reasons #4 and 6 below, up to \$200 daily and \$2,000 total; and
- Up to 10 weeks more of paid sick leave and expanded family and medical leave paid at $\frac{2}{3}$ for qualifying reason #5 below for up to \$200 daily and \$12,000 total.

A part-time employee is eligible for leave for the number of hours that the employee is normally scheduled to work over that period.

▶ ELIGIBLE EMPLOYEES

In general, employees of private sector employers with fewer than 500 employees, and certain public sector employers, are eligible for up to two weeks of fully or partially paid sick leave for COVID-19 related reasons (see below). *Employees who have been employed for at least 30 days prior to their leave request may be eligible for up to an additional 10 weeks of partially paid expanded family and medical leave for reason #5 below.*

▶ QUALIFYING REASONS FOR LEAVE RELATED TO COVID-19

An employee is entitled to take leave related to COVID-19 if the employee is unable to work, including unable to **telework**, because the employee:

- | | |
|---|---|
| <ol style="list-style-type: none">1. is subject to a Federal, State, or local quarantine or isolation order related to COVID-19;2. has been advised by a health care provider to self-quarantine related to COVID-19;3. is experiencing COVID-19 symptoms and is seeking a medical diagnosis;4. is caring for an individual subject to an order described in (1) or self-quarantine as described in (2); | <ol style="list-style-type: none">5. is caring for his or her child whose school or place of care is closed (or child care provider is unavailable) due to COVID-19 related reasons; or6. is experiencing any other substantially-similar condition specified by the U.S. Department of Health and Human Services. |
|---|---|

▶ ENFORCEMENT

The U.S. Department of Labor's Wage and Hour Division (WHD) has the authority to investigate and enforce compliance with the FFCRA. Employers may not discharge, discipline, or otherwise discriminate against any employee who lawfully takes paid sick leave or expanded family and medical leave under the FFCRA, files a complaint, or institutes a proceeding under or related to this Act. Employers in violation of the provisions of the FFCRA will be subject to penalties and enforcement by WHD.



WAGE AND HOUR DIVISION
UNITED STATES DEPARTMENT OF LABOR

For additional information
or to file a complaint:
1-866-487-9243
TTY: 1-877-889-5627
dol.gov/agencies/whd





Christine Clancy, P.E.
DPW Commissioner

TO: Eileen Donoghue, City Manager *EMD*
FROM: John Gleason, Acting City Engineer
DATE: April 9, 2020
RE: C. Mercier – Request City Manager put Christian Ave on Paving list

The Engineering Department maintains a pavement management index (PMI) database that rates each street within the City. This database was developed in 2016 with Beta Engineering. An update to the PMI database will occur in FY2021 since it has been a few years since each street has been visually inspected. This database is used in conjunction with utility assessments and adjacency to other proposed paving to develop annual paving and roadway maintenance programs. The PMI database also serves a guideline to provide recommendations and estimated costs for preventative maintenance, roadway rehabilitation, or full replacement. The current overall average road condition (PMI) for the City of Lowell is a 70 (0-100 scale).

The Engineering Department has a current paving list prepared for FY2020 and has started preparing lists for FY2021 and FY2022.

This response will address two potential locations Christian St and Christman Ave, since there is not a Christian Ave in the City of Lowell.

Christman Ave. received a PMI score of 64.83 and will be considered for roadway resurfacing (mill and overlay) in future years (FY2021-FY2022) since there isn't a current plan in FY2020 to restore streets in close proximity to Christman Ave. The condition of the utilities has to be confirmed on the street. Based on the City's available records, gas replacement work would have to occur prior to the entire roadway being restored.

The pavement management index database does not recommend any resurfacing at this time for Christian Street. The roadway is rated in fair condition, receiving a slightly below average score of 67.28. Crack sealing and localized repairs could be performed in future years. This street can be further evaluated when the pavement management index database is updated in 2020. Based on the City's available records, gas replacement work would have to occur prior to the entire roadway being restored.

CC: Christine Clancy, DPW Commissioner



Christine Clancy, P.E.
 DPW Commissioner

TO: Eileen Donoghue, City Manager *EMD*
 FROM: Christine Clancy, P.E., DPW Commissioner
 DATE: April 9, 2020
 RE: Motion by C. Nuon – Request City Manager Provide City Council with a City-Wide Spring Cleaning Schedule

Displayed below, please find the 2020 Street Sweeping Schedule for the City as performed by the Department of Public Works Streets (DPW) Division. Each spring and as weather permits, the schedule is adjusted to the current year’s calendar and to provide coverage in all neighborhoods. High maintenance roadways/areas will be visited more frequently. Open days in the calendar allow for additional attention to specific neighborhoods, as needed. The schedule below is available on the City website. It should be noted that one of the two DPW sweepers is currently not working and requires repair. Parts have been ordered for the repairs. Both sweepers have exceeded their life expectancies and require frequent repairs. A capital request to replace one of the sweepers is proposed for the FY2021 budget.

2020 City of Lowell Street Sweeping Schedule								
Area	Month							
	April	May	June	July	August	September	October	November
Mains and Arteries	1,8,15	1, 13	3, 17	20-24, 27,28		23,30	7,28	25
Acre/Downtown	27,28	26,27	22,23	20-24, 27,28	24,25	21,22	26,27	23,24
Back Central/Sacred Heart	24,30	28,29	25,26		27,28	24,25	22,23	30
Belvidere	9,10	14,15	11,12		13,14	10,11	8,9	12,13
Centralville	2,3	7,8	4,5		6,7	3,4	1,2	5,6
Upper Highlands	13,14	11,12	8,9		10,11	8,9	13,14	9,10
Lower Highlands	21,29	18,19	15,16		17,18	14,15	19,20	16,17
Pawtucketville	6,7	4,5	1,2		3,4,31	1	5,6	2,3
South Lowell	16,17	21,22	18,19		20,21	17,18	15,16	19,20
Schools	22,23		29,30		12,19	16	21	18
Open Days		6, 20	10, 24	13-17	5,26	2,28,29	29,30	4



Christine Clancy, P.E.
DPW Commissioner

The DPW Parks and Cemetery Departments have started their spring workload as weather permits and under the recommendations of Governor Baker's social distancing and proper hygiene COVID-19 guidelines. Spring efforts by DPW Parks and Cemetery Departments involve a visual inspection of all parks and cemeteries, an inventory of damage incurred over the winter, leaf pickup, and removal of littered trash. While the ongoing COVID-19 crisis has resulted in closure of City playgrounds, basketball courts, and other potential public gathering locations, the DPW continues to prepare all parks for the spring and summer seasons for when they can be fully utilized. Additionally, DPW has identified these closures as opportunities to conduct additional aerating, seeding, and irrigation improvements within the fields and other park spaces that otherwise in a typical spring season might not receive as much attention.

Other City-wide spring cleaning efforts include tree pruning and brush removal by the Streets Department, City-wide yard waste pickup for eligible residents, and coordination with neighborhood groups for spring cleaning efforts. Given the ongoing COVID-19 situation, the Neighborhood group cleaning efforts that involve group gatherings have been put on hold until further notice.

Cc: Shannon Cohan, Superintendent of Parks and Cemetery Departments
David Dymont, Deputy Commissioner of Streets Department
Shauna Forcier, Neighborhood Liaison



Christine Clancy, P.E.
DPW Commissioner

TO: Eileen Donoghue, City Manager *EMD*

FROM: Christine Clancy, P.E., DPW Commissioner
Chris Haley, Solid Waste & Recycle Coordinator

DATE: April 9, 2020

RE: Motion by C. Nuon -- Request City Manager Provide City Council with A City-Wide Yard Waste Pick-Up Schedule for the Summer Months

The City's yard waste pick-up season started on March 23rd, 2020 and will continue on a weekly basis for 10 weeks. It will be followed by an every other week summer schedule starting on June 1st, 2020 and then return to weekly fall schedule on October 9th 2020.

The current 2020 yard waste schedule is available on the Solid Waste & Recycle website at the following link: <https://www.lowellma.gov/195/Solid-Waste-Recycling>.

On that website link, a resident can enter their address and the website will provide a 2020 schedule unique to that address.

The "LowellRecycle" App is another option and is available for download on Apple and android devices. The app will also provide those reminders and a schedule for all services.

The DPW suggests that anyone without smartphone or internet access contact the Solid Waste and Recycle office (978-674-4309). We can provide them the dates or even mail them a printed calendar.

Although not directly related to this motion response, this is also an opportunity to provide an update in regards to the ongoing COVID-19 situation. Trash, recycle or yard waste pickup are still ongoing services. Bulky items were recently put on hold by Waste Management but were reinstated as of April 8, 2020.



Christine Clancy, P.E.
DPW Commissioner

TO: Eileen Donoghue, City Manager *EMD*
FROM: Christine Clancy, P.E., DPW Commissioner
DATE: April 9, 2020
RE: Motion by C. Elliott – Request City Manager Provide Updated Report Regarding Prior Motion to Remove Abandoned Sign Structures on City Property on Middlesex Street

The DPW has coordinated with DPD on the proposal to remove the abandoned sign structures on City Property on Middlesex Street and as pictured below. As presented in a recent City Council motion response, these sign structures are not recommended for reuse given the age of the structures. The DPW Streets Department reviewed each sign and will be mobilizing with an internal DPW crew within the next few weeks to remove the signs. The signs and posts will be removed and cut flush to the base of the foundation. The removal will take place from Middlesex Street and lane closures as necessary will be coordinated with the City Transportation Engineer and Engineering Department.



Picture: from Google

CC: Diane Tradd, DPD Director/Assistant City Manager
Dave Dymont, Deputy Director, DPW Street Department
John Gleason, Acting City Engineer



Diane N. Tradd
Assistant City Manager/DPD Director

R. Eric Slagle
Director of Development Services

David Fuller
Building Commissioner

TO: Eileen Donoghue, City Manager *EMD*
FROM: R. Eric Slagle, Director of Development Services
Christine Clancy, DPW Commissioner

DATE: April 9, 2020

RE: Motion by C. Nuon - Req. City Mgr. Have Proper Department Clean Up The Waste From Illegal Dumping At Sites Across The City And To Create A Plan To Reduce Further Illegal Dumping.

Motion by C. Nuon - Req. City Mgr. Have Proper Departments (Public Works, Parks) Initiate A Drop-Off Program For Unwanted Household Items That Cannot Be Put In The Trash Or Recycled Under The Current Waste Management System.

This memorandum addresses the requests from Councilor Nuon regarding strategies to deal with illegal dumping and trash drop-off throughout the City.

In an effort to better police trouble spots around the City to prevent illegal dumping, we have taken several steps to enhance our enforcement. Such an investigation involves two specific parts. First, staff investigates the actual items located onsite to see if there is any identifying information located on the items. At times we have had success with this method by discovering trash with an address, bill, or some other information that specifically identifies the owner. This allowed the City to work with the LPD to file a criminal complaint against the individual who dumped the item. The LPD then follows up at Lowell District Court.

Second, Development Services staff increase our camera usage at the sites. Our Sanitary Code Officer installs hidden cameras with motion detectors to try and video capture license plate information of any illegal dumpers. This part of the investigation can take a longer period of time, as our attempts to capture images of any perpetrators can be hit or miss. For security reasons, we do not publicize the dates of our video investigation or locations of any hidden video cameras, though we do try to keep them onsite for one to two weeks at a time. We typically cycle cameras through trouble spots, because when we begin to enforce against one spot, other unmonitored areas may become more of a problem.

Additionally, to help combat illegal dumping, in 2017, upon the motion of Councilor Rourke, the City Council amended the Fee Ordinance to increase the fines for illegal dumping. The new fine structure created a series of tiers for fines, from \$500 to \$2,500, depending on the severity of the illegal dumping. When we are able to determine the responsible party in an illegal dumping case, we have used this tool since it was implemented. Since the implementation of these new fines, Development Services has brought in over \$50,000 in fine revenue for illegal dumping.

As the Council is also aware, donation bins become ripe targets for illegal dumping. As a matter of policy, we hold property owners responsible for dumping that occurs at these donation bins. When we receive a complaint of dumping or overloaded donation bins, we send an inspector out to investigate the claim. Once the complaint is corroborated, the inspector will reach out to the both the property owner and the company that is operating the donation bin. The entities are both told that the bin is a problem, that the City will pursue fines for continued dumping at the bins, and that they have the following options. If the overflow appears to be of appropriate donation material, we suggest that they increase pick-ups at the bins so that there is adequate space in the bin for all of the donated material. If the items appear to be material that is not appropriate for the bin, we instruct the entities to reassess the location of the bin to be visible to the business operator, and consider installing cameras to be able to prosecute dumpers. Finally, if the property owner and/or the bin operator are not willing or able to make these changes, or if these changes are ineffective, we instruct the entities that the bin will need to be removed.

The possibility of establishing a drop-off program for unwanted household items has previously been explored and was again recently explored in response to this motion by the Department of Public Works (DPW). The DPW has looked at other municipalities as examples. Such examples provide locations where residents can drop-off material for disposal for a fee. Communities that have these locations still experience illegal dumping from either residents that do not want to pay the drop-off fees or from other neighboring towns or cities that enter a community specifically to illegally dump unwanted materials. This behavior is similar to Lowell in which illegal dumping is often found to be from a neighboring community.

There are cost related obstacles for establishing such a program. The estimated start-up cost to set up a facility is \$400,000. This includes locating a City owned space of at least 15,000 square feet and providing the necessary facilities such as pavement, fencing, lights, and security cameras. Additional annual costs are associated with staffing, transportation, and disposal of the materials. Disposal costs associated with these locations tend to be higher due to contaminated materials, waste ban items and hazardous materials that are illegally dumped into the receptacles.

The DPW continues to maintain a recycle drop off at the 1365 Middlesex location. The location is typically accessible Monday through Friday during office hours and is open to the residents of Lowell. Given the recent COVID-19 situation, the location is available by scheduling an appointment with the DPW Solid Waste and Recycle office (978-674-4309 or recycle@lowellma.gov). This allows the DPW to sanitize the recycling drop-off location before and after each use.

If a resident is eligible for City trash service, bulky items can be coordinated for pick up directly with Waste Management. Due to the COVID-19 crisis, pickup of bulky items was recently on hold but this service was reinstated as of April 8, 2020. We strongly encourage that businesses/landlords pursue proper disposal of bulk items or other material if they are ineligible for City trash service.

We also suggest that anyone with unusual circumstance or difficulties contact the Solid Waste and Recycle office (978-674-4309 or recycle@lowellma.gov) to explore options that may be available.

ES
03/05/2020
CC/CH
4/9/2020



Diane Nichols Tradd
Assistant City Manager/DPD Director

Craig Thomas
Deputy Director

MEMORANDUM

TO: Eileen M. Donoghue, City Manager *EMD*

FROM: Mary Shannon Thomas, LICSW, Director of Homelessness Initiatives

DATE: April 14, 2020

SUBJECT: RESPONSE TO MOTION OF 02/25/2020 BY COUNCILOR MERCIER REQUEST CITY MANAGER HAVE THE NEWLY FORMED HOMELESS COMMISSION PUT TOGETHER A BOOKLET OUTLINING ALL PROGRAMS, MEALS, HOURS OF OPERATIONS, PHONE NUMBERS, FREE CLOTHES, LAUNDRY SERVICE, HAIR CUTS, COUNSELING, JOB OPPORTUNITIES, EXERCISE ETC. AND WHATEVER ELSE AGENCIES HAVE TO OFFER SO THAT WE MAY DISTRIBUTE THIS INFORMATION THROUGH DIFFERENT AGENCIES SUCH AS LIVING WATER; THE PHOENIX; CTI; AND LOWELL HOUSE TO HOMELESS PEOPLE ON STREET

In order to determine an appropriate response to Councilor Mercier's request, the Director of Homelessness Initiatives reached out to a variety of providers to assess their current method of service connection. It was determined that many area providers rely on internal service directories when looking for resources for their clients, and when an unmet need arose, they would turn to a search engine (such as Google) to look for the necessary resource. While some providers are aware of the WellConnected portal (funded through Lowell General Hospital) most were not using it as their primary resource.

In response to this request, the Director has taken the following steps:

- 1) After vetting the services with various providers, the Director has assembled a "Guide to Emergency Resources" that can be easily printed by any provider to be distributed to clients in need. Compact and pocket sized, it can neatly tuck into a wallet or pocket, and can be stored and reproduced for minimal cost.
- 2) The Director has reached out to Lowell General to discuss options to increase knowledge and usage of the WellConnected platform, as it offers a comprehensive "One Stop" approach to services, including the ability to make a referral directly from the platform.
- 3) The Director has spoken with other providers and discovered several are creating the comprehensive resource guides (such as the COOP team) requested. Will work with the groups to make these resources widely available.

MST/ns

cc: Diane N. Tradd, Assistant City Manager/DPD Director
Craig Thomas, Assistant Director

IN THE CITY OF LOWELL



**GUIDE TO
EMERGENCY
RESOURCES**

MEDICAL CARE

Lowell Community Health Center
161 Jackson St, Lowell
Phone: 978-937-9700
Web: lchealth.org
Monday – Saturday 8am
(Closing Hours Vary)

HEALTH AND WELLNESS

The Phoenix
291 Summer St, Lowell
Web: thephoenix.org
“fee” for membership is 48 hours
of continuous sobriety.

MY NOTES

SUBSTANCE USE – TREATMENT

Lowell House
101 Jackson St, 4th Floor, Lowell
Phone: 978-459-8656
Web: lowellhouseinc.org
Hours Vary, call for services

South Bay Community Services
22 Old Canal Drive, Lowell
Phone: 978-674-5400
Web: southbaycommunityservices.com

Services vary

MY NOTES

SYRINGE DROP-OFF / EXCHANGE

Life Connection Center
192 Appleton St, Lowell
Phone: (978) 997-0588
Mobile (Tues/Thurs – Call for
Information): 978-941-5853
Web: lifecconnectioncenter.org
Monday - Thursday: 11AM - 4PM

Healthy Streets Mobile Van
Various Locations
Call for more information
Phone: 339-440-5633

Monday: 10AM - 3:30PM
Wednesday: NOON - 8PM
Friday: 10AM - 3:30PM

GENERAL INFO / RESOURCES

RECOVERY SUPPORTS

Bridge Club of Greater Lowell
33 East Merrimack Street, Lowell
Phone: 978-454 6191
Web: bridgedclubofgreaterlowell.wordpress.com
Daily: 7AM - 9AM

Recovery Cafe
20 Williams St Lowell
Phone: 978-677-6087

Monday –Friday 8AM – 5PM
Must be a member, orientation
required. 24 hours of sobriety
required for orientation.

WellConnected.net
WellConnected offers a portal
to a wide variety of important
services, including information
about housing and employment
resources.

For Lowell use ZIP code
01852 or 01854

MEALS

Life Connection Center
192 Appleton St, Lowell

Phone: 978-997-0588
Web: lifeconnectioncenter.org

Monday - Thursday: NOON - 2PM

St Paul's Kitchen
273 Summer St, Lowell

Phone: 978-758-9186
Web: stpaulssoupkitchen.org

Monday - Friday: 3:30PM - 6PM

SHELTER

Lowell Transitional Living Center
193 Middlesex St

Phone: 978-458-9888

Monday - Friday: 10AM - 4PM
for intake

CLOTHING

Living Waters
10 Kirk St, Lowell

Phone: 978-323-4673
Web: livingwaterslowell.org

Tuesdays (after intake):
10AM - NOON

St. Vincent de Paul Society
701 Merrimack St, Lowell

Low Cost Clothing Options

Phone: 978-453-7750

Monday - Saturday: 9AM - 5PM

MENTAL HEALTH

Lahey Emergency Psychiatric Services

Phone: 978-455-3397
800-830-5177

Bridgewell Counseling Services
35 Market Street, 2nd Floor,
Lowell

Phone: 978-459-0389
Web: bridgewell.org

YOUTH SERVICES

Mill You
167 Dutton St

Phone: 978-905-7385

Email: ctiyouthservices@commteam.org

16 - 24 years old

Drop in: Monday & Friday:
8:30AM - 1:30PM

Wednesday: 8:30AM - 4:30PM

Intakes anytime Monday - Friday:
9AM - 5PM

SENIOR SERVICES

City of Lowell Senior Center
276 Broadway Street

Phone: 978-674-4131

Lowell residents 60+

Meals, exercise and recreation,
support groups, and technology
resources

Monday - Friday: 6:30AM - 4PM
Weekends: 7AM - NOON
(Closed Holidays)

VETERANS' SERVICES

City of Lowell
276 Broadway Street, 2nd Floor,
Lowell

Phone: 978-674-4066

Monday - Friday: 8AM - 4PM

Lowell Vet Center
Gateway Center,
10 George Street, Lowell

Phone: 978-453-1151

Hours Vary

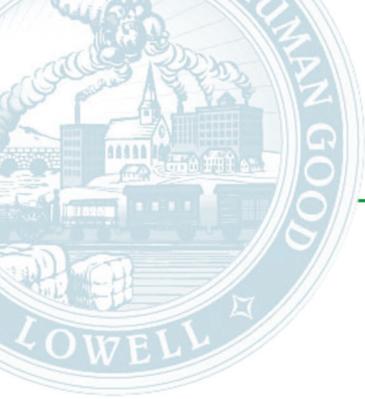
DOMESTIC VIOLENCE

Safelink

Phone: 1-800-799-7233

ATASK

Phone: 617-338-2355
(Multilingual)



Diane Nichols Tradd
Assistant City Manager/DPD Director

Craig Thomas
Deputy Director

MEMORANDUM

TO: Eileen M. Donoghue, City Manager *EMD*

FROM: Diane N. Tradd, Assistant City Manager/DPD Director

DATE: March 24, 2020

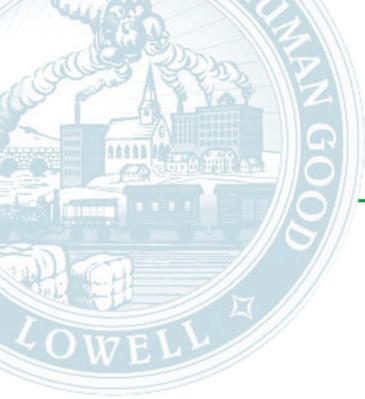
SUBJECT: COUNCIL MOTION OF 2/25/20 BY COUNCILOR ELLIOTT
REQUEST CITY MANAGER HAVE DPD PROVIDE UPDATED PLANS REGARDING
VACANT/DILAPIDATED PROPERTIES IN THE ACRE REDEVELOPMENT PLAN

On November 12, 2019, the City Council voted to extend the Acre Urban Renewal Plan for 10 years to January 27, 2030. This plan has helped to spur redevelopment in the Acre neighborhood, turning a once blighted area into a reinvigorated and dynamic area for the City. A majority of proposed actions in the Acre Plan set forth in its initial vision in 1999 are complete. Major objectives of the Acre Urban Revitalization and Development Plan included new housing, commercial development, and public improvements. To date, more than 350 units of housing have been created, major commercial redevelopment including a new Market Basket is complete, and the City's current Senior Center opened and operates as a City-wide asset.

Despite that significant progress, there are still a few key properties and proposed actions to be undertaken in the next ten years of the plan. The Department of Planning and Development (DPD) anticipates that many of the special urban renewal tools, which are available to the City through the plan's creation and extension, will be necessary to continue to complete new projects. DPD staff reviewed many of the incomplete projects with the Economic Subcommittee on 3/3/2020. An important next step will be a neighborhood walk to review existing conditions and set objectives and expectations for the next decade of the Acre Plan. DPD staff are targeting early summer for this neighborhood walk.

DNT/ns

cc: Joseph Giniewicz, Urban Renewal Project Manager



Diane Nichols Tradd
Assistant City Manager/DPD Director

Craig Thomas
Deputy Director

MEMORANDUM

TO: Eileen M. Donoghue, City Manager *EMD*

FROM: Diane N. Tradd, Assistant City Manager/DPD Director

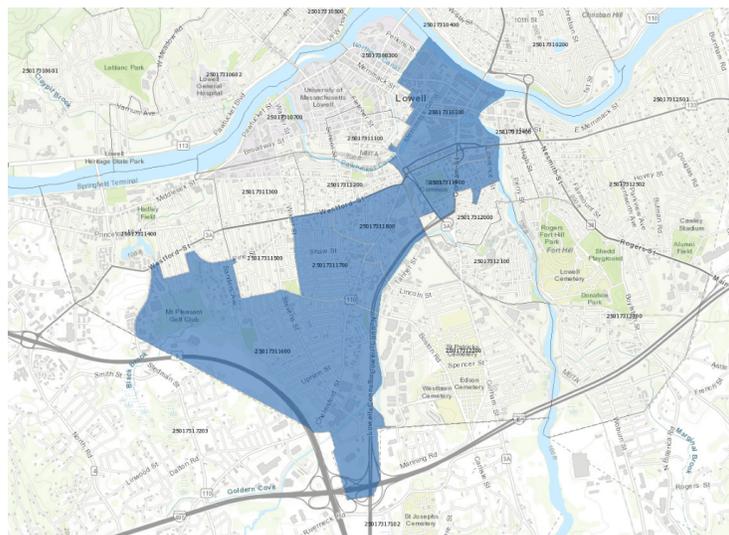
DATE: April 14, 2020

SUBJECT: COUNCIL MOTION OF 02/25/20 BY COUNCILOR ELLIOTT
REQUEST ECONOMIC/DOWNTOWN DEVELOPMENT SUBCOMMITTEE TO MEET WITH
SMALL BUSINESS OWNERS THROUGHOUT CITY'S VARIOUS BUSINESS CORRIDORS TO
DEVELOP, ENHANCE, AND EXPAND BUSINESS OPPORTUNITIES/ECONOMIC
OPPORTUNITY ZONES FOR VACANT PROPERTIES, INCLUDING DOWNTOWN VACANT
STOREFRONTS.

Opportunity Zones (OZ) are a new community development program established by the United States Congress in the *Tax Cuts and Jobs Act of 2017* to encourage long-term investments in low-income urban and rural communities nationwide. The Opportunity Zones program provides a tax incentive for investors to reinvest their unrealized capital gains into Qualified Opportunity Funds (QOFs) that are dedicated to investing into Opportunity Zones designated by the chief executives of every U.S. state and territory.

The U.S. Department of the Treasury granted approvals in March 2018 of economically distressed census tracts that have an individual poverty rate of at least 20 percent and an average household income no greater than 80 percent of the area median.

There are five (5) U.S. Treasury designated Opportunity Zones in Lowell:



The Opportunity Zone program presents an opportunity for private, tax-advantaged investment into Lowell's Route 110 corridor, which connects downtown Lowell and the Gallagher Terminal (transportation hub) to Cross Point, a major employment center, and the intersection for Routes 3 and 495 benefiting both residents living in the zones and private investors. Due to the current pandemic and limits on social gatherings, the Economic Development office has placed on hold scheduling large events with investors and developers. Our Economic Development website includes a list of available private properties for lease or sale that are located in Opportunity Zones. We continue to provide site finding services and alert interested investors and developers when specific properties are located in an Opportunity Zone. Additionally, we have included a list of Opportunity Funds that are available. We plan to resume event planning, in coordination with Middlesex 3 Coalition and Smart Growth America's LOCUS, when it is safe to do so.

The Economic Development Office strives to serve and reach all neighborhood business districts, regardless if they are located in an Opportunity Zone. The DPD is mindful of the need to balance commercial investments in Lowell and continues to work closely with our small neighborhood businesses. With FY20 earmark funding secured by Representative Golden, our office intends to expend funds in various business corridors to provide free technical assistance, education and training to our target group in the form of individual, one-on-one consultation or in a classroom/workshop setting on the following topics: accounting, financing, budgeting, marketing and store layout. Workshops will be free to participants of the target group and will provide them with the tools they need to stay competitive. After completing the workshop, businesses become eligible to apply for a grant up to \$2,000 to implement their strategies (e.g. website development) or for grants ranging from \$2,500-\$10,000 for sign and facade improvements.

To date, a number of Lowell's neighborhoods have been served by the City Manager's Neighborhood Improvement Initiative. This program has restored public parks, improved pedestrian access along busy streets and at intersections, improved the facades of numerous businesses, among other projects. Many areas targeted under this program included business corridors. Building on this model, DPD has identified Branch Street as a corridor that serves as major arterial routes through the City and has not previously received assistance through the former Neighborhood Improvement Initiative. Over the course of the next few months DPD, with input from other City Departments, when social distancing requirements are lifted, will develop a plan to work with residents and business owners in the Branch Street business corridor to identify specific opportunities for improvement and a schedule for implementation. The Economic Development Office will collaborate with Cambodian Mutual Assistance Association of Greater Lowell, Inc. (CMAA) for critical language support and translation services.

The COVID-19 pandemic and the resulting social distancing precautions are impacting our local economy. We understand the stress that our businesses and workers are facing given the uncertainty of this outbreak and the disruption of our normal schedules. The Economic Development Office is committed to communicating important information and share business resources to enable businesses and their employees to stay safe and informed during these uncertain times.

DNT/ns

cc: Christine McCall, Director of Economic Development
Maria Dickinson, Economic Development Officer



Diane Nichols Tradd
Assistant City Manager/DPD Director

Craig Thomas
Deputy Director

MEMORANDUM

TO: Eileen M. Donoghue, City Manager *EMD*

FROM: Diane N. Tradd, Assistant City Manager/DPD Director

DATE: April 14, 2019

SUBJECT: COUNCIL MOTION OF 3/10/2020 BY COUNCILOR ELLIOTT
REQUEST CITY MANAGER HAVE DPD REPORT ON THE STATUS OF EXPENDING FY20
EARMARK FROM THE STATE TO SUPPORT SMALL BUSINESS DEVELOPMENT AND
SECOND EARMARK FOR EXTERIOR IMPROVEMENTS TO SMALL BUSINESSES

The City was able to obtain \$125,000 of FY20 funding from the Commonwealth of Massachusetts via the Executive Office of Labor and Workforce Development (EOLWD) as a result of the efforts of Representative Tom Golden, who secured earmarked funds for creation of an economic development grant program that will be administered by the City's Department of Planning and Development, through its Economic Development Office.

The grant program will focus on providing support to existing businesses located in the following commercial corridors:

- Lakeview Avenue at the intersection of West Sixth Street
- University Avenue
- Mammoth Road
- Bridge Street (north of the Merrimack River)

Businesses located in these corridors provide a valuable service to their respective neighborhood and support our local economy; however, they face many barriers to economic viability, resiliency, and further growth. Especially in light of the current pandemic, these small businesses need support in the areas of technical assistance, access to capital, workforce development/training, and sign and façade improvements.

With this earmark funding, the Economic Development Office will provide free technical assistance, education and training to our target group in the form of individual, one-on-one consultation or in a classroom/workshop setting on the following topics: accounting, financing, budgeting, marketing and store layout. Workshops will be free to participants of the target group and will provide them with the tools they need to stay competitive. After completing the workshop, businesses become eligible to apply for a grant up to \$2,000 to implement their strategies (e.g. website development) or for grants ranging from \$2,500-\$10,000 for sign and facade improvements. Due to the coronavirus pandemic, the Economic Development Office is prepared to offer virtual workshops and consultations.

Additionally, the Economic Development Office in collaboration with the Department of Public Works (DPW) and the Cultural Office of Lowell (CASE) will implement other streetscape improvements to include the installation of new trash receptacles, banners, street furniture, landscaping, public art projects, and other critical infrastructure improvements as needed if identified as critical to business support, development, and/or expansion. This includes, but is not limited to, sidewalk repair, and utility relocation. These beautification projects will not only benefit small business owners but will also benefit customers, residents, students as well as visitors in these neighborhoods.

The primary intent of the program is to support long-term small business resiliency, profitability and improved commercial real estate within these business corridors. The broad scope of the grant is intentional so as to provide flexibility in meeting the needs of businesses in Lowell.

We are waiting to receive the funds from EOLWD and are prepared to begin outreach in mid-April.

DNT/ns

cc: Christine McCall, Director of Economic Development



Diane Nichols Tradd
Assistant City Manager/DPD Director

Craig Thomas
Deputy Director

MEMORANDUM

TO: Eileen M. Donoghue, City Manager *EMD*

FROM: Diane N. Tradd, Assistant City Manager/DPD Director

DATE: April 14, 2014

SUBJECT: MOTION OF 3/10/20 BY COUNCILOR MERCIER
REQUEST CITY MANAGER INVESTIGATE FEASIBILITY OF
CONSTRUCTING PARKING GARAGE IN PLACE OF FILL UNDER
REHABILITATED LORD OVERPASS

Subsurface parking garages are often installed in urban areas as a way to maximize parking availability in a constrained urban environment. A local example of this is the parking garage below the Boston Common. Given the lack of parking in and around the Hamilton Canal Innovation District (HCID), as the Lord Overpass project design development progressed from a bridge replacement project to a fill project, the Department of Planning and Development (DPD) considered whether it was feasible to place parking below the roadway.

The design of an underground parking structures is very complex, as it must sustain lateral earth loads, loads from adjacent buildings/roadways, and loads from a park, plaza, or building, or in this instance, a roadway with dynamic loading, constructed above. Locating the entrance and exit was also challenging at this location. Initial estimates concluded that approximately 150 spaces might be created. A 2-story underground garage with 550 spaces recently constructed at CitySquare in Worcester for \$35M results in an average of \$63,600/space. Typically, the cost of subsurface parking is estimated between \$50,000-\$65,000/space, depending on the complexity of the design. The subsurface parking garage would have added approximately \$7.5M -\$9.7M to the cost of the Lord Overpass project. By comparison, the HCID garage currently being constructed will provide 900 spaces for a cost of \$37M, which is \$41,000 per space.

In order to make subsurface parking feasible and cost effective, the space above the parking would ideally be utilized by a revenue-generating purpose. Since this is not possible at this location, DPD decided against pursuing subsurface parking below the Lord Overpass.

As of March 2020, the Lord Overpass Reconstruction is underway. Phase 1 efforts began with tree clearing and site preparation. It would be very difficult and costly to make design revisions at this point in the project. Any changes to the design would require significant effort by the design consultant, which would necessitate a contract amendment and would result in a change order from the contractor. The Transportation Engineer recommends against any further design changes, now that construction has begun.

NV/ns

cc: Natasha Vance, PE, Transportation Engineer



Eileen M. Donoghue
City Manager

Kara Keefe Mullin
Assistant City Manager

MEMORANDUM

TO: Mayor Leahy and Members of the City Council *EMD*

FROM: Eileen Donoghue, City Manager

DATE: April 14, 2020

SUBJECT: Rourke Bridge Update (**Motion by M. Leahy on 11/19/2019 & Motion by C. Nuon 3/10/20** - Req. Update From The State Regarding Rehabilitation Of The Rourke Bridge)

As requested by the City Council, my office has reached out to MassDOT to request an update on the Rourke Bridge replacement project. As reflected in the attached response, Regina Villa Associates, Inc., which is leading public engagement and outreach on the project on MassDOT's behalf, has agreed to provide a presentation about the project during the April 28 meeting of the City Council.

EMD



51 Franklin Street, Suite 400
Boston, MA 02110
Phone: 617-357-5772
Fax: 617-357-8361

Regina Villa Associates, Inc.

April 9, 2020

Kara Keefe Mullin, Assistant City Manager
City of Lowell
375 Merrimack Street
Lowell, MA 01852

RE: MassDOT Rourke Bridge Replacement Project Briefing

Dear Assistant City Manager Keefe Mullin,

Regina Villa Associates, Inc. is leading the public engagement and outreach program for the Massachusetts Department of Transportation, Highway Division's (MassDOT) Rourke Bridge Replacement Project, at the direction of MassDOT and the project design team led by HNTB. I am writing to request time on the City Council's April 28 meeting agenda to re-introduce the project and provide information on the upcoming design phase, prior to beginning our public engagement process.

MassDOT has begun work on the next phase of the Rourke Bridge Replacement Project. The current phase builds on the NMCOG feasibility study that was completed in 2013. The new Rourke Bridge will replace the temporary structure across the Merrimack River in Lowell to improve mobility for all users and meet current standards, including ADA accessibility. The new structure will connect Middlesex Street to the south and Pawtucket Boulevard to the north. The alignment of the new bridge will be determined during design. The existing bridge was constructed in 1983 as a temporary bridge to serve demand while a new bridge was permitted and constructed. Based on a 2013 feasibility study conducted by the Northern Middlesex Council of Governments, MassDOT is advancing the replacement of the Rourke Bridge through preliminary design, environmental permitting and construction. The new, permanent bridge will improve mobility for all roadway users (pedestrians, bicycles, and vehicles), include an attractive design that provides a unique pedestrian experience overlooking the Merrimack River, and support water-based recreational activities.

MassDOT has developed a robust public engagement and outreach program for the project to ensure the community's interests are heard and incorporated, to the extent feasible. The program includes establishing a Working Group, scheduling briefings, and holding Working Group and public meetings throughout the design phase. Additionally,

the project team will attend key community events to gather input, prepare and distribute print information materials, and develop a website and online comment form.

Please let me know if you have any questions. We look forward to hearing from you about the April 28 presentation request. I can be reached at 617-999-7912 or kbarrett@reginavilla.com.

Best regards,

A handwritten signature in blue ink, appearing to read "Kate Barrett". The signature is fluid and cursive, with a large initial "K" and "B".

Kate Barrett, Engagement Project Manager



The City of Lowell
375 Merrimack Street • Lowell, MA 01852
P: 978.674.1481 • F: 978.446.7014
www.Lowell.org

Henri B. Marchand
Director
Office of Cultural Affairs and Special Events

TO: Eileen Donoghue, City Manager *EMD*
FROM: Henri Marchand, Director
DATE: April 14, 2020
RE: Update to C. Nuon - Req. Req. Provide An Update Regarding The Bicentennial Planning Effort Of The City

The Cultural Affairs and Special Events office has convened a committee with representation by various historic and cultural groups to develop a concept for Bicentennial events that would lead up to the 2026 anniversary of the City's incorporation as a town.

The committee has also looked at ways that the Bicentennial roll-up can be used to not only celebrate milestones in Lowell's development over the last two centuries but to target and direct energy towards a larger vision and an ambitious goal for what Lowell can become over the next five to two-hundred years.

There is also consensus to incorporate the early history of farming and Native American communities that called this area home prior to the industrial era. At present there is a wealth of ideas and suggestions that will be considered and distilled into the vision and concept with a target of submitting this to the Administration and Council this spring.

On the ground level, member Dick Howe has secured a couple of url web addresses that can be used for a Lowell 200 web page to centralize Bicentennial updates, plans, historic milestones and other information specific to Lowell's history over the last 200+ years.

Currently the committee has representatives from the National Park, Historic Board, Tsongas Industrial History Center, The Lowell Plan, Middlesex Community College, Greater Merrimack Valley CVB, Lowell Historical Society and Greater Lowell Community Foundation. We will reach out to add representatives of the Native American community and groups whose historical interests include pre-industrial farming communities.

With time on our side, we look forward to developing an exciting and unique concept for celebrating Lowell's Bicentennial that will serve as a roadmap to 2026 and beyond.

Please let me know if you would like further information at this time.



Eileen M. Donoghue
City Manager

Kara Keefe Mullin
Assistant City Manager

MEMORANDUM

TO: Mayor Leahy and Members of the City Council *EMD*

FROM: Eileen Donoghue, City Manager

DATE: April 14, 2020

SUBJECT: Informational Update on Coronavirus Preparedness and Response Efforts (**Motion by C. Conway on 2/24/2020** - Req. City Mgr. To Meet With Public Health Department And Contact The CDC (Center For Disease Control) And Provide A Report To The City Council Outlining The Steps We Are Taking To Ensure Our Community Is Safe From The Coronavirus.)

As of Thursday, April 9, 2020, the number of confirmed cases of COVID-19 among Lowell residents was 305. The City of Lowell has published an enhanced data report, released on a weekly basis, examining the distribution of these 305 cases by age, sex and neighborhood. As all previous data has reflected, this report demonstrates that all age groups and neighborhoods in the City are at risk for infection.

Based on analysis presented by the state, a surge in confirmed cases is expected to continue through mid-April, with a peak in hospitalized patients anticipated in the coming days. All indicators reflect that the continuation of social distancing will remain the most effective tool available in combatting the spread of coronavirus during this critical period.

The City is continuing to work diligently to confront the immediate public health challenges associated with the coronavirus and contain transmission while also maintaining continuity of essential services and deploying resources to respond to the host of secondary challenges that have been prompted by this crisis.

Health Department Operations

The Health Department is notified of confirmed COVID-19 cases in the City by the Massachusetts Department of Public Health. In order to contain transmission, the Health Department is responsible for contacting patients who have tested positive to advise them on quarantining protocols and other pertinent information. The Department conducts contact tracing in each case, meaning they work to identify other individuals that a coronavirus-positive patient may have come in contact with in a setting that could lead to transmission. Each of the contacts is then contacted by a public health nurse to review quarantine requirements and other health precautions that need to be taken. This process often involves contacting the employer of a patient that has tested positive to review protocols. The Department also monitors the status of cases after this initial contact to determine when patients have tested negative and can be deemed to have recovered.

As the number of confirmed cases in the City has grown, this critical public health task has become increasingly intensive. In order to ensure that it can continue to be conducted thoroughly, the City's school nurses have been redeployed to support the Health Department's limited team of public health nurses. Beginning last week, 26 school nurses are reporting to the Health Department. Additionally, the Health Department has been in contact with Partners In Health (PIH), a non-profit organization which recently formed an collaborative with the state to bolster contact tracing efforts. PIH may be able to support contract tracing efforts in the City by providing additional workers, including translators.

The Health Department remains in frequent contact with health-related entities around the City, including Lowell General Hospital, to facilitate a collaborative community-wide response. Additionally, recognizing the vulnerability of the population served by nursing homes and the risks associated with their high density environments, the Lowell Health Department has worked with the several facilities in the City since the onset of the coronavirus crisis to support their preparedness efforts and has provided supplies of personal protective equipment for their staff.

Response to Homelessness

The City has made responding to the risks that the coronavirus crisis poses to individuals experiencing homelessness a top priority and has worked actively on multiple fronts to address the urgent challenges in this realm. Given the limitation on local resources available to confront these challenges, it has been clear that support from the state to set-up, equip and staff an emergency shelter is needed. The City's effort to convey these needs to the state have resulted in productive conversations.

Recently, the state enacted a plan to hotel space to individuals who have tested positive for COVID-19, do not meet hospital intake requirements and are not able to isolate in their current living conditions. This system includes a medical staffing plan and statewide transportation coverage. Thus far, two sites have been activated, including one in Lexington and are available to accept eligible individuals immediately. The state intends to activate additional hotel and motel locations as needed. This plan addresses the most urgent area of need, and will help mitigate the prospect of widespread transmission within the community.

The City is continuing to work in coordination with key state agencies and partners to develop a local plan to respond to remaining challenges associated with homelessness prompted by the coronavirus crisis, including the need to depopulate current shelter space.

CVS Health Rapid Testing Site

On Tuesday, April 6, 2020, CVS launched operation of a rapid COVID-19 testing site in Lowell, the first of its kind in the state. The drive-through site will offer no-cost testing to Massachusetts residents and will be capable of conducting and processing up to 1,000 tests per day, significantly bolstering the state's testing capacity. The site produces on-the-spot test results which individuals are made aware of before leaving the parking lot. Eligible individuals seeking testing through this site must pre-register for a same-day time slot in advance on the CVS website.

The City actively partnered with CVS and the state to stand-up this site, working to identify an appropriate location, coordinating pertinent logistics, and offering traffic control and 24/7 site security through the Police Department.

This site significantly expands access to testing for Lowell residents. In the initial days since the activation of this site, its expanded testing capacity has accounted for an increase in confirmed cases in the City. A more

accurate assessment of the number of individuals that have been infected is critical to combatting COVID-19 and containing its transmission.

Enforcement of Social Distancing in Public Spaces

Due to widespread reports of individuals not complying with social distancing guidelines at City parks and recreational areas, the Parks Department has blocked-off basketball hoops and removed tennis nets. All city playgrounds were previously closed to the public. Park space remains open to the public for non-congregate activities, including walking and running. The Police Department has incorporated certain spaces that have been identified as hot spots for excessive congregation in their patrols.

City of Lowell Operations

City Hall and all City building remain closed to the public, and non-essential staff are continuing to work remotely. My office remains in constant contact with all departments to ensure continuity of essential services during the observance of these temporary measures. Social distancing protocols have been implement amongst all City of Lowell employees that are still reporting to work. Through a partnership with LowellMakes initiated by the Department of Planning and Development, the City has secured 3-D printed PPE that will be disbursed to DPW employees and others that are occasionally required to work in congregate settings.

Economic Development Response

The City's Office of Economic Development is working actively to respond to the economic impact facing Lowell businesses prompted by the coronavirus crisis. In coordination with the Chamber of Commerce and other stakeholders, the Office has launched a Lowell Business Recovery Task Force. Since the ordered closure of non-essential businesses, the Office has conducted outreach to assess the impacts and needs of local businesses through a business impact survey. The Office also works to compile and publicize resources available to small businesses through the federal relief package and other sources.

First Responder Safety

The City continues to prioritize the safety of first responders given reports of outbreaks within police and fire department around the country. Heightened precautions have been implemented by the Police and Fire Departments, including the sanitation of workspaces and vehicles through the use of industrial cleaning machinery loaned by the school department. Last week, the City signed an MOU with Marriott to provide space to first responders who test positive for coronavirus and need to isolate away for their families. This space will be provided at a low cost on the condition that the City professionally cleans the space following usage.

Public Information

The City of Lowell is committed to providing timely and up-to-date information to residents regarding the status of COVID-19 locally and precautionary measures being implemented by the City. Lowellma.gov/coronavirus is updated daily, and important updates are shared through the City's facebook and twitter accounts. Residents requiring immediate assistance or with questions related to coronavirus should contact the Emergency Operations Center (EOC) which is operational 8:30 AM to 4:30 PM, Monday through Friday until further notice. The EOC can be reached by phone at 978-674-4052.



Conor Baldwin
Chief Financial Officer

MEMORANDUM

EMD

TO: Eileen M. Donoghue, City Manager

FROM: Conor Baldwin, Chief Financial Officer

CC: Tina Masiello, City Auditor

DATE: April 8, 2020

RE: FY2019 Audit – Management Letter response from Finance Department

The City Auditor, Superintendent of Schools, and I—on behalf of the finance department—have signed off on release of the final versions of Lowell’s outside audit of the FY2019 financials. The final versions of those documents: the FY2019 Basic Financial Statements, Reports on the FY2019 Federal Awards Programs, and the FY2019 Management Letter constitute the work product of our annual engagement with the outside audit firm, Powers & Sullivan. Each year, the city—through the City Auditor’s office—engages the services of a contracted outside audit firm to conduct testing of the city’s financial activity for the year, prepare the city’s basic financial statements, and provide commentary on the strength of the city’s internal controls over fiscal activities. The result of this year’s work is enclosed under the City Auditor’s portion of the Agenda. In keeping with the City Council’s key priority area of strong financial management, this memorandum is intended to serve as a supplemental, informational item from the finance department intended to respond to comments made by the audit firm and demonstrate the action plan for strengthening internal controls in the coming year.

Perhaps most notable in this year’s management letter is the number of prior year comments which have been resolved, particularly the comment regarding cash reconciliation procedures. This issue has appeared on management comments for the City of Lowell dating at least as far back as 2007. In several subsequent years (from 2008-2012), it was cited as a *material weakness*, the most severe comment from an outside audit. A great deal of credit is owed to the City Treasurer and her staff for their diligence in resolving this long standing issue and improving the internal controls over cash handling procedures. Other items include the resolution to many of the comments from the prior year regarding the school department’s financial management.

Also notable within the financial statements is that, at the close of FY2019, the City’s governmental funds reported combined ending fund balance of \$42.6 million, an increase of \$10.9 million in comparison with the prior year (FY2018). While this positive news is encouraging, other liabilities on the City’s statements such as other post-employment benefits (“OPEB”) continue to grow as well. The net OPEB liability as of 6/30/2019 was \$697.1 million.

The following pages represent the finance department’s response and corrective action plan for each of the comments listed on the FY2018 Management Letter as new and/or unresolved.



Conor Baldwin
Chief Financial Officer

Prior Year Comments – **Resolved**

*(For details of the management comment, please refer to the
FY2018 management letter)*

1. School Budget Over Expenditure
- 2. Cash Reconciliation Procedures**
3. School Grant Management
4. Late Invoices
5. Compensated Absences for the School Department
6. Documentation of Internal Controls



Conor Baldwin
Chief Financial Officer

Prior Year Comments – Unresolved

1. SECTION 108 LOAN FUND

DEPARTMENT(S):

Department of Planning and Development ('DPD')

CURRENT STATUS:

Procedures were implemented to ensure when the debt payments are made the liability balance is adjusted accordingly. No determination of the nature of the cash balances maintained within these funds was determined during 2018/ 2019.

We continue to recommend that management determine the nature of the cash balances in these funds and determine the proper disposition of these balances.

MANAGEMENT RESPONSE:

The city's finance department and the City Auditor will continue to work with the Deputy Director of Planning and Development to identify the original source and intended use of these funds. It is anticipated that, after additional research, and ultimate disposition of the remaining funds will be determined. The city will either expend the funds on an eligible purpose or transfer the remaining balance to the general fund to close to free cash.

2. Purchase Order Dates

DEPARTMENT(S):

All Departments (Including Schools)

CURRENT STATUS:

We noted that there are still purchase orders with dates prior to the invoice date.

We continue to recommend that a policy regarding the approval of purchase orders prior to the purchase of goods or services by any Department be implemented.



Conor Baldwin
Chief Financial Officer

MANAGEMENT RESPONSE:

The finance department takes this issue very seriously. Adherence to the city's existing financial policies and procedures is a critical component of good fiscal management. The city has a strong local, legal framework for procuring goods and services, found in the Code of Ordinances (Chapter §28-32), which requires Department Heads to wait for a purchase order award before procuring any goods or services.

Management will disseminate reminders to all department leadership and underscore the importance of following proper procedures. The finance department and, specifically the Purchasing Department, will also work with departmental project managers and finance staff to train them in the appropriate best practices. The city's MUNIS accounting system provides excellent workflow procedures to guarantee the process is followed to a certain extent, but it cannot eliminate human error.

Revised policy reminders and training schedules will be released in FY2020 to appropriate staff and the city anticipates this comment on the management letter will be resolved next year.



Conor Baldwin
Chief Financial Officer

CURRENT YEAR COMMENTS

1. Tax Foreclosures

DEPARTMENT(S):

City Treasurer/ City Auditor/ Law Department

MANAGEMENT RESPONSE:

This matter will be researched/ analyzed by each department and, depending on the current use of each asset, will be categorized appropriately by the City Auditor.

2. General Ledger Journal Entries

DEPARTMENT(S):

Finance/ City Auditor

MANAGEMENT RESPONSE:

The City Auditor has begun to respond by filing journal entries numerically and including all supporting documentation in an organizing filing system. We expect this issue to be resolved in the next audit.

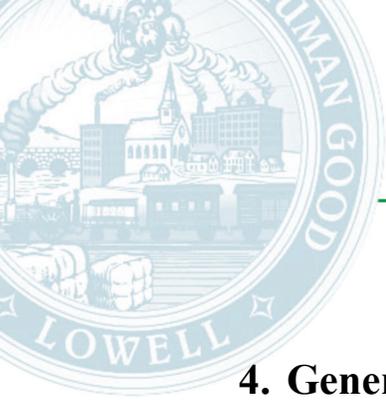
3. Budget Reconciliation

DEPARTMENT(S):

Finance/ City Auditor

MANAGEMENT RESPONSE:

The City Auditor and CFO are currently developing a more comprehensive system of recording and documenting all votes to reconcile the ledger and the tax rate recapitulation sheet each year after the tax rate is set by the DOR. We expect this issue to be resolved in the next audit.



Conor Baldwin
Chief Financial Officer

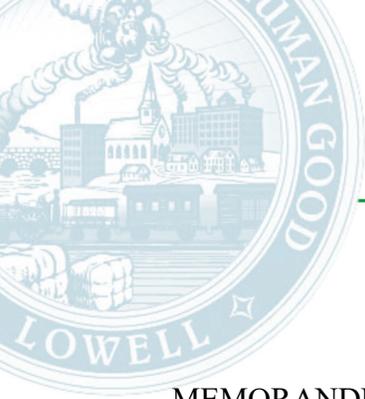
4. General Ledger Maintenance

DEPARTMENT(S):

Finance/ City Auditor

MANAGEMENT RESPONSE:

The City Auditor is actively involved in a comprehensive review of the general ledger and is planning to make recommendations, both short-term and long-term, for improvements to the existing funds and accounts in MUNIS. Once complete, this will be reviewed by Finance/ Auditing and an implementation schedule will be recommended.



Diane Nichols Tradd
Assistant City Manager/DPD Director

Craig Thomas
Deputy Director

MEMORANDUM

TO: Eileen M. Donoghue, City Manager *EMD*

FROM: John Gleason, Acting City Engineer
Natasha Vance, PE, Transportation Engineer

DATE: April 14, 2020

SUBJECT: INFORMATIONAL UPDATE - CONSTRUCTION PROJECTS

The following report addresses the current status and anticipated schedule for the construction projects that are currently under construction or design in the City of Lowell. The ongoing pandemic due to COVID-19 has created challenges for construction projects throughout the Commonwealth. Governor Baker has determined that horizontal infrastructure projects are considered essential, as they are necessary for emergency services. All projects under construction in the City, whether public or private, must comply with the guidelines that Massachusetts developed for contractors. Additionally, these requirements are being distributed to contractors that apply for trench and street opening permits in the City. They are available online at the following locations:

<https://www.mass.gov/covid-19-guidelines-and-procedures-for-all-construction-sites-and-workers-at-all-public-work>

<https://www.mass.gov/info-details/supplemental-guidelines-for-construction-sites>

<https://www.mass.gov/info-details/enforcement-of-the-covid-19-safety-guidelines-and-procedures-for-construction-sites#public-projects>

The City has enforcement power under the safety guidance “COVID-19 Guidelines and Procedures for All Construction Sites and Workers at All Public Works Sites.” The COVID-19 Construction Safety Guidance is posted online and may be revised from time to time. The required enforcement procedures within the guidance must be followed by all state agencies and authorities who undertake, manage or fund construction projects and may be used by each city or town for ensuring the safety of both publicly- and privately-owned construction projects. The guidance gives the City the authority to enforce safety protocols and shut down any construction projects that are not adhering to the guidance, as stated below:

- Public Projects: The Owner of the project has the lead responsibility for compliance and enforcement including frequent on-site inspections by an employee or contractor of the state agency or authority who is familiar with the COVID-19 Construction Safety Guidance and is authorized to enforce that guidance and shut down work at the site if violations are found.

- Private Projects: Cities and towns may enforce the safety and distance protocols including requiring the Owner and/or Contractor to safely secure the site and pause construction activities until a corrective action plan is prepared, submitted and approved by the city or town.

The City has requested all contractors working in the City provide a COVID-19 Health and Safety Plan (HASP) for their projects. In general, a typical COVID-19 HASP includes requirements for employees, subcontractors and contractors to affirm on a daily basis that they do not have any symptoms of COVID-19 (fever, cough etc...), nor have they had contact with a person exposed to or potentially infected with COVID-19. They may also include checking employee's temperature when they arrive on site and requiring employees to drive to the site separately. We have received a COVID-19 HASP from a number of contractors working in the City, including ET&L and Shawmut. For MassDOT projects (TIGER, Rte.38, VFW projects), the contractor will submit their COVID-19 HASP to the District 4 office.

Streets F&G/Signature Bridge in HCID – The project experienced setbacks/difficulties due to scheduling utility installations and coordination difficulties with the bridge fabrication subcontractor, which delayed the project. The unexpected 22” snowfall prevented the completion of the final paving on the bridge, as the weather events prevented the existing bridge deck from drying out to the require moisture content for waterproofing prior to final paving. The contractor, Newport demobilized for the winter. Newport anticipated remobilizing after Spring weather events are anticipated to subside, likely late April 2020. A construction coordination meeting was held for all of the projects in the HCID, both new and ongoing. At this time, Newport has not remobilized and anticipates being delayed for a time. Prior to remobilization, Newport will be required to submit a COVID-19 HASP. Site work and bridge deck installation will continue through the June 2020 and may be extended, depending on the impact of the COVID-19 pandemic.

TIGER Bridges:

1. Merrimack Street over Merrimack Canal – bridge work has been completed. Punchlist work remaining.
2. Merrimack Street over Western Canal – bridge rehabilitation work has been completed. Sidewalk and punchlist work remains to be completed.
3. Pawtucket Street over Northern Canal – currently underway and closed to vehicular traffic. Pedestrians and cyclists can cross the bridge. The contractor is currently working on demolition of the piers and abutments. Additional geotechnical data is needed for modification to the foundation design, in order to stay on schedule. Bridge completion is anticipated by November 2021.
4. Central Street over Pawtucket Canal – The contractor has demobilized from the site and travel lanes were restored in early September. The City is working with MassDOT, the contractor, the design team, NPS and Central Rivers Power to consider design alternatives to the current design and evaluate impacts due to unsatisfactory canal water level controls and removal of the stone artwork. The current expectation is that construction will start back up in Summer 2020. Updates will be provided as they become available.
5. Pawtucket Street over Pawtucket Canal –The bridge has been closed to all traffic due to significant deterioration of the existing bridge, which was discovered following the collapse of a small portion of the bridge deck. The TMP is in place, closing Pawtucket Street from the intersection with School Street to Walker Street. Detour signs are in place at the intersections and adjustments have been made to the signal timing. The project continues to move forward, a dive inspection team evaluated and confirmed the existing piers condition prior to removal, allowing the contractor to be able to continue work in the canal. The bridge was closed to pedestrians and bikes from 3/9-3/17, while the pier was removed. It has since been reopened to pedestrians and

bikes. The structural steel beams have been placed on the north side of the bridge, followed by utility relocation from the existing bridge to the new bridge. It is anticipated that the new bridge will open to outbound traffic in September of 2020. Bridge completion is anticipated by April 2022, which is also the anticipated date for the entire program complete.

VFW Bridge Replacement over the Beaver Brook: This work includes full bridge replacement (both sub and super structure replacements). The contractor is working on the substructure of the bridge. Phase 1, which includes the completion of the first half of the bridge closest to the Merrimack River, is anticipated to be completed by summer/fall 2020. Phase 2, which will include the second half of the bridge replacement, is anticipated to be completed by summer/fall 2021. Lane shifts on VFW are in place for Phase 1 and will be in place for Phase 2.

Lord Overpass: The City has given a notice to proceed (NTP) to ET&L and construction has begun in March 2020, with site clearing and mobilization. Phase 1 includes reconfiguring the traffic channelization islands on the overpass to allow for 2-11' lanes on the ramps; demolition of portions of the median and dividers on the ramps, tree clearing and grubbing and installation of erosion and sediment control (E&SC) measures. ET&L has established the project site office at 20 Favor Street and the DPW is working to complete small repairs to ensure it is adequate for the contractor's needs. It is anticipated that the construction work will be completed between 7am and 3pm most days. Night and weekend work will be limited. The project duration is anticipated to be 34 months, with completion in January 2023.

Route 38 Improvements: MassDOT's contractor, J. Tropeano, continues to work on the utility portions of the project. Completed items include mast arm and pedestrian post foundations, hand holes, traffic cabinet foundations, conduit, relocation of utility poles, hydrants and signs. The traffic channelization island leading to Laurel Street has been closed to install the mast arm foundation. Preparation work for the widening between Chestnut and Andover is almost complete and the widening will begin in March 2020. It is anticipated that the retaining wall at Kittredge Park will be installed in April 2020. The final paving courses, signage and landscaping will be installed in 2021. The anticipated construction duration is 25 months with project completion scheduled for September 2021.

HCID Garage: Shawmut Construction has completed the foundation work, coming in ahead of schedule and on budget. This is a major milestone as the schedule and financial risks on the project were predominantly associated with this phase of the work. The delivery of RC panels to the site went smoothly. The panel delivery and installation is complete as of April 3, 2020. The 240' tall crane has been disassembled and removed from the site. As of now, vertical construction projects continue, but several unions have voiced concerns about continuing to work in enclosed spaces, so the situation remains fluid. The anticipated construction duration is 18 months with project completion scheduled for October 2020.

Beaver Street over Beaver Brook Bridge: Per MassDOT's recommendation, the City has closed the bridge to vehicular traffic as a result of recent findings in a bridge inspection report. The bridge is open to cyclist and pedestrian traffic. Localized or short-term repairs are not feasible. A design consultant is developing bid documents for a bridge superstructure replacement and substructure repair. This project has been proposed for the FY2021 Capital Budget. If funding is allocated, construction is anticipated to begin in Fall 2020 and continue for approximately 12 months. The bridge is expected to remain closed in the interim.

Lowell Connector Bridge Deck Replacement over Industrial Ave East: MassDOT's contractor, S&R Construction, has met with the City regarding the TMP for the project, particularly how it will impact Industrial Avenue. Any lane closures on within the City ROW will be minimized. The project was scheduled to begin bridge rehabilitation work beginning in November 2019. The Project is anticipated to be completed by the summer of 2021. Any proposed traffic management plans or detours will be reviewed with the City and will be made available to the public once finalized.

Work has commenced for the 2020 construction season for the following annual contracts:

City-Wide Roadway Reconstruction: The City's contractor, P.J Keating, is working on pulverizing and reconstructing the following streets: Belmont Ave, Butler Drive, Carriage Drive, Heritage Drive, Mansur Street, Nob Way, Old Canal Drive, O'Neil Street, Park Ave West, Sanborn Street, Vaughn Street, and Warren Court.

City-Wide Sidewalk and Paving: The City's contractor, Newport Construction, will be replacing sidewalks followed by road paving on the following streets: Highland Street, Dummer Street, Suffolk Street, Perkins Street, Hildreth Street, Birch Street, Sycamore Street, Wentworth Ave, Hovey Street, Williams Street, Arthur Street, Hutchinson Street, and Liberty Street.

"Small Area" Paving: The City's contractor, Sunshine Paving will continue the City-wide "small area" miscellaneous paving, the city-wide miscellaneous paving project repairs sections of road and intersections with a high concentration of pot-holes.

Bridge deck repairs: The City's contractor NEL Construction, will begin on a project repairing bridge surfaces on The Father Morrisette Bridge over the Western Canal, and the Hall Street Bridge over the Western Canal, the project is anticipated to be completed by the end of June 2020.

National Grid Gas Main Replacement: National Grid continues to complete gas main replacement throughout the City. This work will continue into Spring 2020, weather dependent. Current streets where gas main replacement is occurring includes Shattuck Street, Middle Street, Rogers Street, Hazel Street, Chelmsford Street, Liberty Street, Middlesex Street, Nelson Street, Thornclif Street, Stevens Street, Bond Street, Hutchinson Street, Mount Hope Street, Fifth Avenue, Sixth Avenue, Seventh Avenue, and Lakeview Ave, and Pine Street (This is not an all-inclusive list).

Other Miscellaneous Infrastructure Projects: In addition to the above mentioned projects, there is ongoing utility work by municipal and private utility companies. Traffic management considerations for these smaller projects are evaluated in conjunction with the larger projects mentioned above.

NV/ns

cc: Christine Clancy, DPW Commissioner
Diane Tradd, Director DPD

TYNGSBOROUGH

DRACUT

DRACUT

TEWKSBURY

CHELMSFORD

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CURRENT CONSTRUCTION PROJECTS

1. LORD OVERPASS ROADWAY IMPROVEMENT PROJECT
2. HCID PROJECTS (STREETS F&G, PARKING GARAGE, PARCELS 8,9, ETC.)
3. ROUTE 38 ROADWAY & INTERSECTION IMPROVEMENTS
4. NOT USED
5. NOT USED
6. PAWTUCKET ST OVER NORTHERN CANAL TIGER GRANTS BRIDGE REPLACEMENT
7. PAWTUCKET ST OVER PAWTUCKET CANAL TIGER GRANTS BRIDGE REPLACEMENT
8. NOT USED
9. MERRIMACK ST OVER WESTERN CANAL TIGER GRANTS REHAB/PRESERVATION
10. CENTRAL ST OVER PAWTUCKET CANAL TIGER GRANTS REHAB/PRESERVATION
11. BEAVER STREET OVER BEAVER BROOK BRIDGE CLOSURE
12. MERRIMACK ST OVER MERRIMACK CANAL TIGER GRANTS REHAB/PRESERVATION
13. BRIDGE SURFACE REPAIRS FATHER MORRISETTE AND HALL ST OVER WESTERN
14. VFW OVER BEAVER BROOK BRIDGE REPLACEMENT
15. LOWELL CONNECTOR BRIDGE DECK REPLACEMENT OVER INDUSTRIAL AVE E

2019 CHAPTER 90 ROADWAY PAVING AND SIDEWALK RECONSTRUCTION

2019 CAPITAL ROADWAY PAVEMENT FULL DEPTH RECLAMATION

NOTE: OTHER ON-GOING CONSTRUCTION EXISTS THROUGHOUT THE CITY.
THIS FIGURE REPRESENTS CURRENT TRANSPORTATION RELATED CITY & MASSDOT PROJECTS.



THIS MAP WAS CREATED FOR INFORMATIONAL PURPOSES AND IS CONSIDERED UNOFFICIAL. THE CITY OF LOWELL MAKES NO WARRANTY OF REPRESENTATION AS TO THE ACCURACY, TIMELINESS OR COMPLETENESS OF ANY OF THE DATA. THE CITY OF LOWELL SHALL HAVE NO LIABILITY FOR THE DATA OR LACK THEREOF, OR ANY DECISION MADE OR ACTION TAKEN OR NOT TAKEN IN RELIANCE UPON ANY OF THE DATA.



**CITY OF LOWELL
ENGINEERING**

375 MERRIMACK STREET
3RD FLOOR, ROOM 61
LOWELL, MA 01852

**CITY-WIDE CONSTRUCTION PROJECTS
UPDATE**

Diane Tradd
Assistant City Manager/Director

R. Eric Slagle, Director

April 7, 2020

Mayor John Leahy
and
Members of the City Council

RE: Planning Board recommendation with respect to a proposed zoning amendment to amend the Hamilton Canal-District Form-Based Code to reduce the minimum floor clearance and permit above ground structured parking at Parcel 1 (330 Jackson Street)

Dear Mayor Leahy and Members of the City Council:

On April 6, 2020, the Lowell Planning Board held a Public Hearing to hear all interested persons relative to an ordinance to amend "The Code of Ordinances City of Lowell, Massachusetts," with respect to Chapter 290 thereof entitled, "Lowell Zoning Code" by amending certain sections of 10.3 entitled "Hamilton Canal District Form-Based Code". The amendment would reduce the minimum floor clearance from 10-ft. to 8-ft. and would allow structured parking at the street level and upper levels of Parcel 1 (330 Jackson Street) in the Hamilton Canal Innovation District. Please find the proposed amendment enclosed with this letter. No members of the public spoke on the proposal.

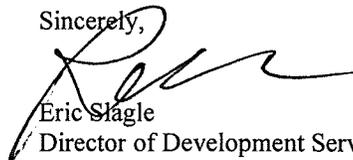
Member Richard Lockhart motioned and Member Caleb Cheng seconded the motion to recommend that the proposed zoning amendment be APPROVED based on:

1. The Hamilton Canal District Master Plan, which anticipated a combination of underground and above ground parking in the district totaling 1,800 spaces. If constructed, a parking garage on Parcel 1 will, along with the City's garage on Parcel 14, help to fulfill this anticipated need.
2. Changing market conditions, as acknowledged in the Hamilton Canal District Master Plan, as a reason why the projected uses and buildings may need to evolve. The plan anticipated more subsurface parking than likely will be possible due to soil conditions, so an additional above ground parking garage is necessary.
3. The increased scale of the Lowell Justice Center and its associated parking needs. The Hamilton Canal District Master Plan anticipated fewer courts and offices within the building.
4. The transit-oriented development vision of the Hamilton Canal District Master Plan, which sought to concentrate structured parking on few parcels and avoid surface parking lots.
5. The City's master plan, Sustainable Lowell 2025, which encourages facilitating job creation through new office space and commercial development and increasing the number of market rate residences in the downtown. A parking garage on Parcel 1 would support additional mixed-use development on other parcels in the district.

The Board voted unanimously (5-0) to support the motion.

If you have any questions or need any assistance, please contact Jared Alves, Senior Planner at the Department of Planning and Development, at JAlves@LowellMA.gov or 978-674-1464.

Sincerely,



Eric Slagle
Director of Development Services

Enclosure

cc: Eileen M. Donoghue, City Manager
Christine P. O'Connor, City Solicitor
Diane Tradd, Assistant City Manager/DPD Director
Chairman Thomas C. Linnehan and Planning Board Members

2020 APR - 8 AM 9:57

DEPARTMENT OF PLANNING AND DEVELOPMENT
CIVIL ENGINEERING DIVISION
RECEIVED

COMMONWEALTH OF MASSACHUSETTS

CITY OF LOWELL

In City Council

ORDINANCE

An Ordinance Amending "The Code of Ordinances City of Lowell, Massachusetts," with respect to Chapter 290 Thereof Entitled, "Lowell Zoning Code" by amending the certain sections of 10.3 entitled "Hamilton Canal District Form-Based Code".

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOWELL, as follows

"The Code of Ordinances City of Lowell, Massachusetts", hereinafter called the "Code," adopted by the City Council on December 23, 2008, as amended, is hereby further amended with respect to Chapter 290 thereof entitled, "Lowell Zoning Ordinance," adopted December 7, 2004, as amended, as follows:

1. Amending s. 10.3.8.(3) entitled Building Form Standards
Parcel 1 (Zoning District HCD-E: HCD Revere Street District)

By amending "**B: Building Configuration**" Floors: from 10' minimum clearance to 8' minimum clearance; and
2. By amending "**D: Uses – See Also Allowed Uses Table at 10.3.10(4)**", to allow structured parking ("P");

By Amending Street Level by inserting "P"; and
By Amending Upper Levels by inserting "P".
3. Amend s.10.3.10.4 entitled "**Use Regulations within HCD Zoning Districts**" (HCD-E) Revere Street by inserting "P" in the Street Level column and inserting "P" in the Upper Levels column.

This Ordinance shall take effect upon its passage in accordance with Section 1-17 of the "Code" and the provisions of Chapter 43 and 40A of the General Laws of Massachusetts.

APPROVED AS TO FORM:


Christine P. O'Connor
City Solicitor

Hamilton Canal District

Parcel 1 (Zoning District HCD-E: HCD Revere Street District)

Zoning District Description:

This zoning district on the southeast corner of Jackson and Revere Street is well suited to a building that will effect a transition between the historic mill buildings to the east and the courthouse to the west. This district is designed to promote economic development of the Jackson and Middlesex Street areas.

Parcel Description:

This parcel is the only parcel in Zone HCD-E.

Parcel Size: 0.66 acre

Standards for Parcel 1

A: Site Configuration

Site Configuration for Parcel 1						
Side	Build To Line* (feet)		Street Wall*		Maximum Setback*	
	Minimum	Maximum	Minimum street wall %*	Height range	Up to x%	Up to x feet
N	5	9	55%	55' – 85'	45%	50
E	0	4	30%	55' – 85'	70%	50
S	7	20	30%	55' – 85'	70%	50
W	0	4	30%	55' – 85'	70%	50

*See definitions for an understanding of Build To Line, Street Wall % and Maximum Setback

Parcel Coverage: 55% minimum – 90% maximum

B: Building Configuration

Floors: 8' minimum clear first floor height

Encroachment: Allowed at 10' minimum above the sidewalk level and is allowed extend out 3' maximum

Projections: Allowed at 10' minimum above the sidewalk level and is allowed to extend out 6' maximum into setback area; and extend 3' maximum beyond property line.

Maximum Height: 85'

C: Other Requirements

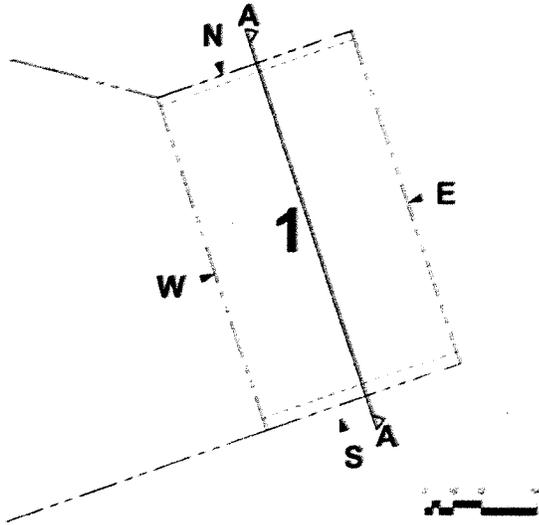
- Any vehicular access to below-grade parking must be provided along the North side of the parcel.

D: Uses – See Also Allowed Uses Table at 10.3.10(4)

Allowed Uses in the HCD-E: HCD Revere Street District:	
See notes under Section 10.3.10(4)	
Lower Level (See note #1)	P, R, IRE, RRC, UTP, OL
Street Level	P, IRE, RRC, UTP, OL
Upper Levels	P, R, IRE, UTP, OL

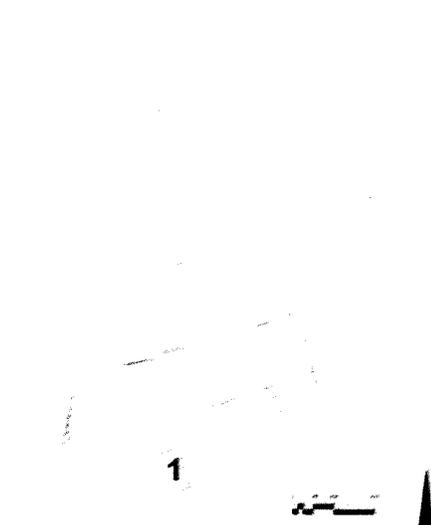
Form-Based Code

Parcel 1: Graphical Standards

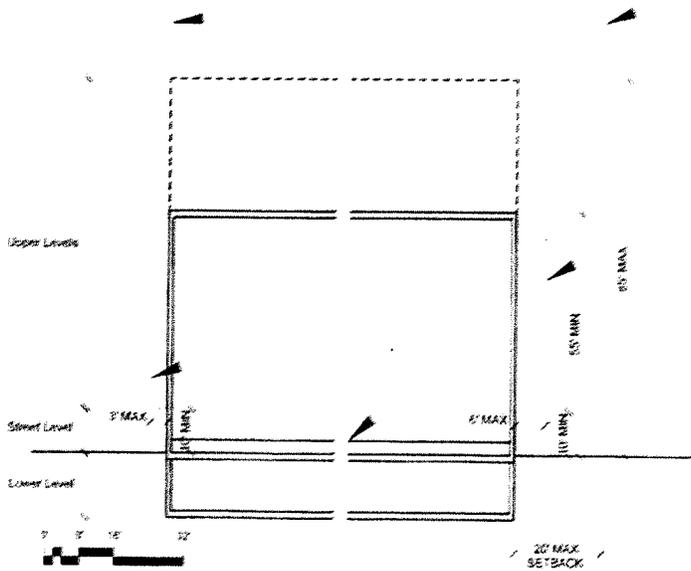


Site Configuration Standard

Property Line Buildable Area



KEY PLAN



**Vertical Dimension Standard
Section A-A**

Property line

**Floor of residential development
allowed to start up to 3 feet above
the sidewalk elevation**

**Projection / encroachment if
beyond prop line**

Eileen M. Donoghue
City Manager

Kara Keefe Mullin
Assistant City Manager

March 3, 2020

Mayor John J. Leahy
and
Members of the City Council

REFERENCE: Parcel 1 Zoning Amendment

Dear Mayor Leahy and Members of the City Council:

The City of Lowell continues to work with developers interested in the Hamilton Canal Innovation District (HCID), including Lupoli Companies ("Lupoli") to bring the vision of the district to fruition. As the City administration continues to hear development proposals, a number of parties including Lupoli have expressed interest in Parcel 1 for the purposes of a privately-run, privately-owned parking garage. Currently, the HCID Form-Based Code does not allow for parking on the upper levels of any structure proposed for the site. Should the City Council agree that a parking structure could make sense on this parcel in the district, and then the Council may wish to consider the attached changes to Parcel 1 in the HCID Form Based Code. The changes are relatively minor and are as follows:

- Allow structured parking spaces on the upper floors of any structure in the district
- Reduce the required floor height clearance from 10 feet to 8 feet

I respectfully request that the City Council refer the proposed amendment to Parcel 1 in the Hamilton Canal District Form Based Code to the Planning Board meeting of April 6, 2020 for a recommendation.

Sincerely,



Eileen M. Donoghue
City Manager

cc: Diane N. Tradd, Assistant City Manager/DPD Director
Christine P. O'Connor, City Solicitor
R. Eric Slagle, Director of Development Services
Claire V. Ricker, Chief Design Planner
Joseph Giniewicz, Urban Renewal Project Manager



Eileen Donoghue
City Manager

April 6, 2020

Jeffrey S. Wilson
67 Hanks Street
Lowell, MA 01852

Re: Your resignation

Dear Mr. Wilson:

This letter acknowledges receipt of your letter dated in which you resign from the Lowell Commission on Disability.

I am filing your resignation and this acceptance thereof with the City Clerk, as required by law, and also forwarding copies as a "communication" to the City Council.

The City of Lowell appreciates your service on the Lowell Commission on Disability, and on its behalf I extend thanks.

Very truly yours,

Eileen M. Donoghue
City Manager

boards

cc: City Clerk
City Council
City Auditor
Lowell Commission on Disability
Human Relation Manager

Dear Manager Donoghue:

It is with utmost regret that I write to inform you of my resignation from my position as Chair of the Lowell Commission on Disability, effective immediately. Because the demands of my regular work have increased, I am no longer able to complete the balance of my term and be the effective leader this body deserves.

I also represent the commission on the Lowell School Building Committee.

Realizing the need for consistency on that committee, I am happy to continue to serve at your pleasure and of course also at the pleasure of the disability commission.

It has been an honor to serve the City of Lowell over the passed seven-plus years, and I have enjoyed leading the commission during that time. Thank you for furnishing me with the opportunity to make Lowell a better community for all persons with disabilities.

Best regards,

Jeff Wilson

Eileen Donoghue
City Manager

April 8, 2020

Mayor John J. Leahy
And
Members of the City Council

RE: Board of Parks
Appointment of Mary Katherine Lapinski

Dear Mayor Leahy and Members of the City Council:

Pursuant to the authority specified under Mass. G.L. Ch. 45, § 2 and the Code of the City of Lowell, Article VI, § 9-20, it is with pleasure that I am appointing Mary Katherine Lapinski of 200 Market Street, Apt. A28, Lowell MA 01852 as a member of Lowell Board of Parks, to fill the unexpired term of Melissa Desroches, which term shall expire on March 1, 2021, or such time thereafter as a successor is appointed and qualified.

Confirmation by the City Council is required for this appointment and is hereby requested. I have attached her resumé for your review.

I would be happy to answer any inquiry you may have concerning this appointment.

Very truly yours,



Eileen M. Donoghue
City Manager

Encl.

cc: City Clerk
City Solicitor
Board of Parks
City Auditor
MIS
HR Director

Mary Katherine Lapinski

PERSONAL STATEMENT

Highly motivated quality engineer looking for a collaborative work environment to utilize strong mechanical, software, data analysis and problem solving skills. I come to work with experience in supplier and operations quality and an enthusiasm to learn and undertake new challenges.

WORK EXPERIENCE

Keurig Dr. Pepper, Inc, Burlington, MA

Nov 2016 - Present

Product Supply Quality Engineer – November 2017 to Present

- Coordinate with Asia office and contract manufacturers to increase from 50% to 100% product testing compliance for retailers like Walmart, Sam's Club, Costco and QVC.
- Configure, test and publish multiple workflows in Trackwise quality management system to track corrective actions, product nonconformances, audit reports and deviations.
- Publish dashboards in Tableau to standardize reporting and reduce data analysis time for calculating quarterly supplier scorecards
- Create comprehensive quality test plans for KDP coffee accessories
- Manage all quality plans for the coffee accessory business including design quality test plan creation and completion, outgoing quality assessments, product inspection, CAPA, and sustaining quality improvements.

Raytheon Integrated Defense Systems, Andover, MA

July 2013 – Oct 2016

Quality Talent Development Program – September 2015 to October 2017

- Raytheon program that provides accelerated learning opportunities for selected early career quality professionals.
- **Engineering Quality Rotation – May 2016 to October 2017**
 - Reviewer on change notices to ensure conformance to quality standards and product specifications
 - Assisted in supplier qualification for high risk custom components
- **Operations Quality Rotation – September 2015 to May 2016**
 - Engineering support on the manufacturing floor
 - Performed root cause analysis for nonconforming materials

Front End Supplier Quality Engineer – May 2015 to September 2015

- Responsible for all data mining, statistical analysis, and metric tracking/reporting
- Managed Supplier Performance Management Program and issued SCARs as required
- Supplied data to support strategic sourcing team meetings, IDS Supplier Conference award review, and additional supplier quality improvement projects as needed

Supplier Quality Engineer – July 2013 to May 2015

- Achieved Raytheon six sigma specialist for reducing documentation defects
- Reviewed and dispositioned nonconforming product received from suppliers
- Communicated with suppliers to make sure purchase order requirements were met
- Wrote and edited process, manufacturing, and test work instructions
- Wrote semi-automated metric tracking software that reduced data analysis time by 75%

EDUCATION

- **Northeastern University, Boston MA - Bachelor of Science in Mechanical Engineering** May 2013
- **Northeastern University, Boston MA – Master of Science in Engineering Management** May 2017

SKILLS/QUALIFICATIONS

Computer: Certified SolidWorks Associate, SAP, Microsoft Office, Trackwise, Tableau, SQL, C++, Matlab
Other: Raytheon Six Sigma Specialist, Raytheon Mission Assurance Lv. 5 – Supplier Quality

CITY OF LOWELL

COMMONWEALTH OF MASSACHUSETTS

VOTE

IN CITY COUNCIL

ORDERED,

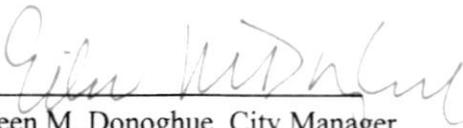
By the City Council of the City of Lowell by a Two-Thirds Vote, as follows:

That the amount of **Seven Million, Four Hundred Sixty Two Thousand, Seven Hundred Six (\$7,462,706.00) Dollars** be appropriated:

FROM: 7/1/19 Certified Free Cash; General Fund, more fully described in Attachment "A"

TO: Various Accounts; more fully described in Attachment "A".

ORDER RECOMMENDED AND INTRODUCED BY:



Eileen M. Donoghue, City Manager



Eileen M. Donoghue
City Manager

March 25, 2020

Mayor John J. Leahy
And
Members of the Lowell City Council

Dear Mayor Leahy and Members of the Lowell City Council,

I am pleased to inform you that the city has received notification from the Commonwealth's department of revenue ("DOR") that the city's free cash total as of July 1, 2019 has been certified in the amount of \$7,462,706. The amount certified is a calculation normally submitted by the City Auditor and certified by DOR. However, due to the turnover in the position of the City Auditor, I must thank my finance team for taking on these additional responsibilities of preparing the balance sheet submission for FY2019. This total is significant and is a figure greater than Lowell has seen in many years, providing much needed flexibility during a time that could be otherwise very fiscally challenging.

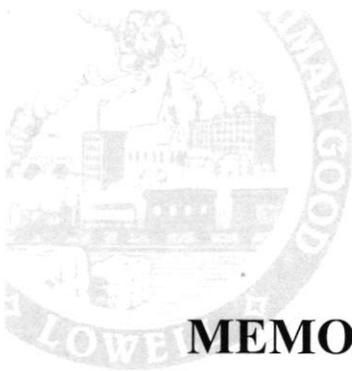
Along with the free cash certification, the DOR has also certified the retained earnings of the three enterprise funds. Each fund has likewise performed well in FY2019 and exceeded our expectations. As we look ahead to some significant increases in debt service costs associated with the ongoing capital improvement programs of the water, sewer, and parking enterprise; we will continue to monitor expenses so that rates will remain affordable to the users. The fiscal position of each of these enterprise funds, as is also substantiated by the FY2019 audited financial statements, is strong.

I am hereby recommending that the accompanying vote be approved by the City Council to appropriate the balance of General Fund free cash. The financial rationale is explained in a memorandum from the Chief Financial Officer enclosed with this letter and line-item detail is included with the attachment to the vote.

Sincerely,

Eileen M. Donoghue
City Manager

CC: Conor Baldwin, Chief Financial Officer
Tina Masiello, City Auditor



Conor Baldwin
Chief Financial Officer

MEMORANDUM

TO: Eileen M. Donoghue, City Manager
FROM: Conor Baldwin, Chief Financial Officer 
CC: Tina Masiello, City Auditor
DATE: March 25, 2020
SUBJECT: Free Cash Certification – 7/1/2019

The city has received notification from the Department of Revenue (“DOR”) that the “free cash” total as of 7/1/2019 has been certified as \$7.5 million for the general fund. Additionally, the DOR has certified the retained earnings of the city’s three enterprise funds for sewer, water, and parking at healthy balances of \$4.2 million, \$5.3 million, and \$5.4 million, respectively. It is important to note that “free cash” is not a measure of the money that Lowell has in the bank. Rather, free cash is the portion of the General Fund balance that the state certifies as available for appropriation after analyzing the City Auditor’s year-end balance sheet and deducting all outstanding liabilities and grant deficits. Simply put, free cash is a community’s unrestricted, available funds that may be used as a funding source for appropriations.

Free cash is generated when the actual operating results compare favorably with the budget. Specifically, free cash is generated when actual revenue collections are more than budget estimates, and when expenditures and encumbrances are less than appropriations, or both. Indications of the strong fiscal state of the city were communicated to the City Council earlier this year in a letter dated September 17th, 2019 (FY20) regarding the city’s FY2019 year-end results. The undesignated fund balance as of 6/30/2019, which is the starting point for the free cash calculation was \$10.1 million, an increase of over \$5.5 million over the prior year and the highest year-ending balance in at least a decade.

During the budget hearings, the Administration represented to the City Council that once free cash was certified, the stabilization account would be replenished for the \$3.3 million earmarked to fund the FY2020 budget. Fortunately, because of the proactive austerity measures and fiscal controls implemented early in FY2020, the city did not need to use any of the stabilization funds to set the 2020 tax rate. Earlier in March of FY2020, however, the Council appropriated \$1.1 million from the stabilization account to fund the retro component of the MOU with the Patrol Officers’ union, with the caveat that the funds would be repaid from free cash. After repayment, the stabilization fund balance will stand at an all-time high level of \$12.24 million. This healthy level of reserves is looked upon favorably by the ratings agencies when the city issues debt to finance our ongoing capital investment campaign.



Conor Baldwin
Chief Financial Officer

Another component of the free cash appropriation represents a deliberate financial strategy to mitigate some anticipated increases in fixed costs to the FY2021 operating budget, so as to alleviate the impact on taxes, as well as addressing some perceived one-time funding needs that otherwise would have been funded by selling debt, saving the city interest costs associated with borrowing. There are also unforeseen expenditures, namely in the worker's compensation account, which will be supplemented with the appropriation from free cash.

With these appropriations, the city will solidify the strong fiscal results for FY2019 and put the city in the most advantageous position to achieve a balanced FY2020 and FY2021. Please let me know if there are any questions.

COMMONWEALTH OF MASSACHUSETTS

CITY OF LOWELL

In City Council

VOTE

Authorizing the City of Lowell, acting through the Pollard Memorial Library Board of Trustees and/or the City Manager to Accept and to Expend Funds from a grant from the Massachusetts Board of Library Commissioners.

The City of Lowell acting through the Pollard Memorial Library Board of Trustees and/or the City Manager agrees to accept and expend the sum of \$1,125.00 in Federal Funds under the State Plan for the Library Services and Technology Act (LSTA) Direct Grant Program entitled "Summer Learning" for the fiscal year 2020; and

This project is being funded through the Massachusetts Board of Library Commissioners with funds from LSTA, a Federal source of library funding and such sums must be expended by 9/30/2020.

NOW, THEREFORE, BE IT VOTED BY THE CITY COUNCIL OF THE CITY OF LOWELL:

That the City Council of the City of Lowell hereby authorizes the Pollard Memorial Library Board of Trustees and/or the City Manager, if applicable, to Accept and Expend Funds from the Massachusetts Board Of Library Commissioners to be administered by the Pollard Memorial Library on behalf of the City of Lowell, the sum of \$1,125.00 in Federal Funds under the State Plan for the Library Services and Technology Act (LSTA) Direct Grant Program entitled "Summer Learning".

That the Pollard Memorial Library Board of Trustees or its designee and or the City Manager, if applicable to execute any and all documents necessary in connection therewith.



Since 1844, Lowell's public library.

Victoria B. Woodley
Director

Board of Trustees
Eileen Donoghue
City Manager
President Ex-Officio
Donna Richards
Chair
Suzanne Frechette
Marianne Gries
Syed Hasan
Linda Kilbride
Helen Littlefield
Sara Marks
Anne Mulhern
Muriel Parseghian
Amy Wilson

Date: April 8, 2020
To: Lowell City Councilors
E. Donoghue, City Manager
Cc: J. Keegan, Interim HHS Director
From: V. Woodley, Library Director
Re: Acceptance of funds for Summer Learning Grant

I request permission to accept a check for \$1,125.00 from the Massachusetts Board of Library Commissioners for the Summer Learning Grant. This grant application has been approved by the City's grant committee.

The Library's Children's department will use these funds to provide programming and equipment for our summer reading programs. The attached document, "Lowell Agreement", spells out the specifics of what the money can be used for and the reporting requirements. It has to be spent by September 2020. The staff will be using the funds to pay for some STEM programming and also special equipment like a cart to store all of the STEM equipment they have plus a few more items they are going to buy with this grant money.

Thank you in advance for your approval of this request.

Attachment: Lowell Agreement



Massachusetts Libraries

BOARD OF LIBRARY COMMISSIONERS

AGREEMENT

The Pollard Memorial Library in Lowell, Hereinafter referred to as "The Library" agrees to accept the allocation of \$1,125.00 in Federal funds under the State Plan for the Library Services and Technology Act (LSTA) Direct Grant Program entitled "Summer Learning" for the fiscal year 2020. This grant is funded by Massachusetts Board of Library Commissioners award LS-00-19-0022-19 and such sum must be expended by September 30, 2020.

IT IS UNDERSTOOD THAT PARTICIPATION IN THIS PROGRAM INVOLVES AN AGREEMENT TO ACCEPT AND ADHERE TO THE FOLLOWING REGULATIONS AND CONDITIONS:

1. The Library will fulfill the program described in the application, which was approved by the recipient's governing body and by the Board of Library Commissioners. In fulfilling this program the Library shall follow all state and local laws, rules, regulations, standards, and procedures required by the Board of Library Commissioners, subject to Federal statutes, and regulations including, but not limited to, those enumerated in this agreement.
2. Prior written approvals from the Board of Library Commissioners' Project Consultant are required:
 - a. for programmatic changes.
 - b. for budget revisions involving, but not limited to, transfers of funding amounts between categories and changes in indirect and direct costs.
 - c. for changes in project scope, objectives or key personnel.
 - d. to continue the project for a continuous period of more than three months without a Project Director. When a new Project Director is appointed, the Project Consultant must be notified in writing.
 - e. to transfer to a third party, by contracting or other means, the actual performance of the substantive programmatic work.

Decisions are rendered within thirty days.

3. The Library ensures equal employment, equal opportunities, and affirmative action, regardless of age, race, color, creed, national origin, gender, sexual orientation, disability, criminal record, or genetic information, in compliance with Title IX of Education Amendments of 1972, as amended (20 U.S.C. ; Title VII of the Civil Rights Act of 1964, as amended (42 U.S.C 2000 et seq.) and as clarified by Executive Order 13166; the Equal Pay Act; the Age Discrimination Act of 1975, as amended (20 U.S.C. 1681-83, 1685-86); American with Disabilities Act, Section 504 of the Rehabilitation Act of 1973 as amended (29

Massachusetts Board of Library Commissioners
98 N. Washington Street, Suite 401, Boston, MA 02114
P: 800-952-7403 (in-state only)
P: 617-725-1860
F: 617-725-0140

mass.gov/libraries
(consumer portal)

mass.gov/mblc
(agency site)

U.S.C.701 et seq.); Massachusetts General Laws Chapter 151B and Massachusetts Executive Order 526.

4. The Library will comply with the provisions of the Hatch Act (5 U.S.C. sec. 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
5. The Library agrees that it will comply with all applicable IMLS regulations and certifications; The Library has signed and returned these certifications (Appendix A) as part of this agreement.
6. Federal funds for the purchase of materials as part of a Special Project Grant are to be used specifically for instituting new services or to supplement present services as required by the project. Such funds are not to be used as a substitute for local funding.
7. The Library's allocation of Federal funds is in the form of payment-in-advance to the city or town treasurer, or the approved fiscal agent. Disbursement is a term that refers to the actual payment of cash to the Library from the Board of Library Commissioners for goods and services provided in accordance with this award Agreement.
8. The Federal share of the costs of all books, related materials, supplies, equipment, services, etc., purchased under this Agreement may not exceed the amount in the first paragraph of this Agreement. Obligations must not be made before this Agreement has been signed by the Director of the Board of Library Commissioners. Applicable cost principles can be found in Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 CRF 200.
9. The Library will follow the same procurement procedures it uses for non-Federal funds and which reflect applicable local laws and regulations. The Library will comply with a code of conduct requiring that the library's officers, employees, or agents will neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or potential contractors nor will they be in conflict of interest on any procurement.

When using a competitive bid process, The Library will maintain records sufficient to detail, at minimum, the rationale for the method of procurement, selection or rejection of contractor, and for the contract price. No contracts may be entered into with any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549 and 12689, 2CFR180.220, "Debarment and Suspension." The Library shall take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible.

10. Equipment secured by this grant shall be used for the purposes of the project for the duration of the project. After Federal funding terminates, equipment being used less than full time shall be made available for use in other projects and programs.
11. In the event that interest or other investment income is earned on advances of Federal funds, it shall be remitted to the Federal or state government. The following will be considered debts owed to the Federal government:
 - a. any excess grant funds
 - b. any royalties or other program income that exceeds costs incident to its generation
 - c. any amounts resulting from disposition of equipment acquired with grant funds and not used as a trade-in or offset to the cost of its replacement

- d. any other amounts finally determined to be due by the Board of Library Commissioners or from an audit conducted by local, state or Federal authorities or others so appointed.
12. The Library will separately account for all funds expended for the project. The Library will keep records of such accounting readily available for three years after submitting to the Board of Library Commissioners the last progress report with final expenditures, and after all other pending matters are closed. Accounting records maintained by the city or town treasurer or fiscal agent shall be supported by source documentation such as canceled checks, paid bills, payrolls, time and attendance records, contracts, etc. A copy of all invoices paid shall be kept in The Library. The invoices must be marked with the check or warrant number for identification. For projects that require matching local funds, documentation that the match was met shall be kept in The Library and readily available for the same period of time as above.
13. The Federal grantor agency, the Comptroller General of the U.S. or other duly authorized representative, the Governor, Secretary of Administration and Finance, the Comptroller, and the State Auditor or their designees shall have the right at reasonable notice to examine the books, records and other compilations of data of the library which pertain to the performance of the provisions and requirements of this Agreement per 2 CFR 200.
14. Audits must be conducted and are the responsibility of the grant recipient and its local government in accordance with the Single Audit Act, which apply to all States, local governments, and non-profit organizations expending Federal awards, and the regulations for this program (2 CFR 200.)

External or internal audits shall be made in accordance with generally accepted government auditing standards, issued by the Comptroller General of the United States, which are applicable to financial audits. Local governments, as defined in the Single Audit Act, must meet this audit requirement if total Federal financial assistance to the municipality, from all sources, in a fiscal year exceeds \$750,000. The municipality's audit for the fiscal years during which this grant takes place is usually acceptable for meeting this requirement.

One copy of each audit report for the organization or local government covering the period during which disbursements and expenditures were made must be filed with the Board of Library Commissioners within thirty days of the audit report's completion.

15. The Library will include an acknowledgment of IMLS support in all grant products, publications, and websites developed with IMLS funding. Acknowledgment should include the IMLS credit line, with grant number, and the IMLS logo, where space permits. Posters or brochures about IMLS-funded programs and projects may also include the IMLS logo. Online products, publications, and websites must link to the IMLS website, www.imls.gov, include the IMLS logo and/or the credit line or boilerplate.
16. Federal grants should adhere to the Institute of Museum and Library Sciences' (IMLS) acknowledgement requirements and should also acknowledge the MBLC in the credit line. <http://guides.mblc.state.ma.us/mblc-brand-guide/cobrandin>

Example: LSTA grants. Sample credit lines:

For a storytime flyer

Anytown Storytime is brought to you with federal funds provided by the Institute of Museum and Library Services and administered by the Massachusetts Board of Library Commissioners.

For an author appearance

John Milton's appearance is brought to you with federal funds provided by the Institute of Museum and Library Services and administered by the Massachusetts Board of Library Commissioners.

17. The library will submit to this agency an electronic version and one copy of any publication, informational materials, survey, videotape, film, union list, or other such materials produced as a result of this LSTA project.
18. The library will submit a progress report and an annual report for each year of the project. The reports will include narrative and financial information. Reports are due no later than April 15 and October 15 of each year of the grant. Report forms are available on the MBLC website <http://mblc.state.ma.us/grants/lsta/manage/index.php>
19. Close-out of the grant does not affect regulations concerning retention of all programmatic and financial records (2 CFR 200).
20. This Agreement may be suspended or terminated upon the recommendation of the Project Consultant and the approval of the Director of the Board of Library Commissioners if there is failure to comply materially with the terms of the grant. New obligations incurred during any period of suspension will not be allowed unless specifically authorized by the Project Consultant. New obligations shall not be incurred after the date of termination.

AUTHORIZING SIGNATURE FOR THE CONTRACTOR:

Library Director

Date

Chairperson, Board of Trustees or
Governing Authority

Date

AUTHORIZING SIGNATURE FOR THE DEPARTMENT:

Director, Board of Library Commissioners

Date

Appendix A: Certifications

The last page requires a signature accepting these certifications.

1. **DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS** As required by Executive Order 12549 and implemented at 31 C.F.R. Part 3185, the undersigned, on behalf of the applicant, certifies to the best of his or her knowledge and belief that neither the applicant, nor its principals: (a) are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency; (b) have within a three year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction, or in connection with a violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; (c) are presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; (d) have within a three year period preceding this application/proposal had one or more public transactions (federal, state, or local) terminated for cause or default. Where the applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

2. **DRUG FREE WORKPLACE REQUIREMENTS** As required by the Drug Free Workplace Act of 1988 and implemented at 31 C.F.R. Part 3186, the undersigned, on behalf of the applicant, certifies that the applicant will or will continue to provide a drug free workplace by: (a) publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the action that will be taken against employees for violation of such prohibition; (b) establishing an ongoing drug free awareness program to inform employees about:
 - (1) the dangers of drug abuse in the workplace; (2) the grantee's policy of maintaining a drug free workplace; (3) any available drug counseling, rehabilitation, and employee assistance programs; and (4) the penalties that may be imposed on employees for drug abuse violations occurring in the workplace;(c) making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
(d) notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will (1) abide by the terms of the statement; and (2) notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace not later than five calendar days after such conviction;
(e) notifying the agency in writing within ten (10) calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the federal agency has designated a central point for the receipt of such notices. Notices shall include the identification number(s) of each affected grant;
(f) taking one of the following actions within thirty (30) days of receiving notice under subparagraph (d)(2) with respect to any employee who is so convicted: (1) taking appropriate personnel action against such an employee, up to and including termination consistent with the requirements of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 701 *et seq.*); or (2) requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health law or other appropriate agency;

(g) making a good faith effort to continue to maintain a drug free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f). The applicants either shall identify the site(s) for the performance of work done in connection with the project in the application material or shall keep this information on file in its office so that it is available for federal inspection. The street address, city, county, state, and zip code should be provided whenever possible.

3. **LOBBYING** As required by Section 1352, Title 31 of the United States Code, and implemented for persons entering into a grant or cooperative agreement over \$100,000, the applicant certifies to the best of his or her knowledge and belief that: (a) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of a federal contract, the making of a federal grant, the making of a federal loan, the entering into of a cooperative agreement, or the extension, continuation, renewal, amendment, or modification of a federal contract, grant, loan, or cooperative agreement. (b) If any funds other than appropriated federal funds have been paid or will be paid to any person (other than a regularly employed officer or employee of the applicant) for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall request, complete, and submit Standard Form LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.
4. **FEDERAL DEBT STATUS** the undersigned, on behalf of the applicant, certifies to the best of his or her knowledge and belief that the applicant is not delinquent in the repayment of any federal debt.

5. **INTERNET SAFETY (CIPA) PUBLIC ELEMENTARY AND SECONDARY SCHOOL LIBRARIES, and CONSORTIA WITH PUBLIC AND/OR PUBLIC SCHOOL LIBRARIES**

The library is either:

- A. CIPA Compliant (The applicant library has complied with the requirements of Section 9134(f) (1) of the Library Services and Technology Act LSTA)
- OR
- B. CIPA requirements do not apply because LSTA funds are **NOT** being used to purchase computers to access the Internet, or to pay for direct costs associated with accessing the Internet.

6. **TRAFFICKING IN PERSONS**

The grantee must comply with Federal law pertaining to trafficking in persons. Any grant, contract, or cooperative agreement entered into by a Federal agency and a private entity shall include a condition that authorizes the Federal agency (IMLS) to terminate the grant, contract, or cooperative agreement, if the grantee, subgrantee, contractor, or subcontractor engages in trafficking in persons, procures a commercial sex act, or uses forced labor. 2 C.F.R. part 175 requires IMLS to include the following award term:

- a. Provisions applicable to a recipient that is a private entity.
 1. You as the recipient, your employees, subrecipients under this award, and subrecipients' employees may not -
 - i. Engage in severe forms of trafficking in persons during the period of time that the award is in effect;
 - ii. Procure a commercial sex act during the period of time that the award is in effect; or
 - iii. Use forced labor in the performance of the award or subawards under the award.

2. We as the Federal awarding agency may unilaterally terminate this award, without penalty, if you or a subrecipient that is a private entity -
 - i. Is determined to have violated a prohibition in paragraph a.1 of this award term; or
 - ii. Has an employee who is determined by the agency official authorized to terminate the award to have violated a prohibition in paragraph a.1 of this award term through conduct that is either -

A. Associated with performance under this award; or

B. Imputed to you or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 C.F.R. part 180, "OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Nonprocurement)," as implemented by our agency at 2 C.F.R. part 3185. Library Services and Technology Act 2016 Information and Guidelines 58

Provisions applicable to a recipient other than a private entity: We as the Federal awarding agency may unilaterally terminate this award, without penalty, if a subrecipient that is a private entity -

1. Is determined to have violated an applicable prohibition in paragraph a.1 of this award term; or
2. Has an employee who is determined by the agency official authorized to terminate the award to have violated an applicable prohibition in paragraph a.1 of this award term through conduct that is either -
 - i. Associated with performance under this award; or
 - ii. Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 C.F.R. part 180, "OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Nonprocurement)," as implemented by our agency at 2 C.F.R. part 3185.

C. Provisions applicable to any recipient.

1. You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in paragraph a.1 of this award term.
2. Our right to terminate unilaterally that is described in paragraph a.2 or b of this section:
 - i. Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. § 7104(g)), and
 - ii. Is in addition to all other remedies for noncompliance that are available to us under this award.
3. You must include the requirements of paragraph a.1 of this award term in any subaward you make to a private entity.

D. *Definitions.* For purposes of this award term:

1. "Employee" means either:
 - i. An individual employed by you or a subrecipient who is engaged in the performance of the project or program under this award; or
 - ii. Another person engaged in the performance of the project or program under this award and not compensated by you including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.
2. "Forced labor" means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

3. "Private entity":
 - i. Means any entity other than a State, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 C.F.R. part 175.25. 59
 - ii. Includes:
 - a. A nonprofit organization, including any nonprofit institution of higher education, hospital, or tribal organization other than one included in the definition of Indian tribe at 2 C.F.R part 175.25(b).
 - b. A for-profit organization.

4. "Severe forms of trafficking in persons," "commercial sex act," and "coercion" have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. § 7102).

7. CERTIFICATIONS REQUIRED OF SOME APPLICANTS

The following certifications are required if applicable to the project for which an application is being submitted. Applicants should be aware that additional federal certifications, not listed below, might apply to a particular project.

Native American Human Remains and Associated Funerary Objects:

The authorized representative, on behalf of the applicant, certifies that the applicant will comply with the provisions of the Native American Graves Protection and Repatriation Act of 1990 (25 U.S.C. §3001 *et seq.*), which applies to any organization that controls or possesses Native American human remains and associated funerary objects, and which receives federal funding, even for a purpose unrelated to the Act.

Historic Properties:

The authorized representative, on behalf of the applicant, certifies that the applicant will assist the awarding agency in ensuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470f), Executive Order 11593, and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. 469 *et seq.*)

The new *Electronic Code of Federal Regulations* is updated frequently and should be checked.

Signature:

The Pollard Memorial Library in Lowell will comply with the certifications cited above as required by the Institute of Museum and Library Services (IMLS).

Name: _____

Signature: _____

COMMONWEALTH OF MASSACHUSETTS

CITY OF LOWELL

In City Council

VOTE

Authorizing the City Manager, acting through the Department of Planning and Development, to accept and expend earmarked funds from a Fiscal Year 2020 grant in the total amount of \$125,000.00 from the Commonwealth of Massachusetts via the Executive Office of Labor and Workforce Development.

Representative Thomas Golden, secured earmarked funds for the creation of an economic development grant program that will be administered by the City's Department of Planning and Development, through its Economic Development Office; and

The City of Lowell desires to accept and expend said earmarked funds to support long-term small business resiliency, profitability, and improved commercial real estate within these business corridors. The broad scope of the grant is intentional so as to provide flexibility in meeting the needs of businesses in Lowell.

NOW, THEREFORE, BE IT VOTED BY THE CITY COUNCIL OF THE CITY OF LOWELL:

That the City Manager, acting through the Department of Planning and Development, be and is hereby authorized in the name of the City of Lowell to accept and expend a Grant in the amount of \$125,000.00 of earmarked funds from the Commonwealth of Massachusetts via the Executive Office of Labor and Workforce Development to support long-term small business resiliency, profitability, and improved commercial real estate within these business corridors. The broad scope of the grant is intentional so as to provide flexibility in meeting the needs of businesses in Lowell.

BE IT FURTHER VOTED:

That the City Manager, on behalf of the City of Lowell, be and hereby is, authorized to execute any and all documents necessary in connection with said grant from the Commonwealth of Massachusetts referred to above.

Eileen M. Donoghue
City Manager

Kara Keefe Mullin
Assistant City Manager

April 14, 2020

Mayor John J. Leahy
and
Members of the City Council

SUBJECT: Request for Approval to Accept and Expend Fiscal Y2020 Earmarked State Funds for Economic Development

Dear Mayor Leahy and Members of the City Council:

I respectfully request that the City Council vote to approve and accept Fiscal Year 2020 earmarked funds in the amount of \$125,000, from the Commonwealth of Massachusetts via the Executive Office of Labor and Workforce Development. The City was able to obtain this funding as a result of the efforts of Representative Tom Golden, who secured earmark funds for creation of an economic development grant program that will be administered by the City's Department of Planning and Development, through its Economic Development Office.

With this earmark funding, the Economic Development Office will provide free technical assistance, education, and training to our target group in the form of individual, one-on-one consultation or in a classroom/workshop setting on various topics to existing small businesses located in various commercial corridors throughout the City. Workshops will be free to participants of the target group and will provide them with the tools they need to stay competitive. After completing the workshop(s), businesses become eligible to apply for a grant up to \$2,000 to implement their marketing strategies (e.g. website development) or for grants ranging from \$2,500 -\$10,000 for sign and facade improvements. The Economic Development Office in collaboration with the Department of Public Works (DPW) and the Cultural Office of Lowell (CASE) will implement other streetscape improvements to include the installation of new trash receptacles, banners, street furniture, landscaping, public art projects, and other critical infrastructure improvements as needed if identified as critical to business support, development, and/or expansion.

The primary intent of the program is to support long-term small business resiliency, profitability, and improved commercial real estate within these business corridors. The broad scope of the grant is intentional so as to provide flexibility in meeting the needs of businesses in Lowell.

These funds have already been secured by the City and are ready for use, subject to the City Council's approval of acceptance. Thank you for your consideration.

Sincerely,



Eileen M. Donoghue
City Manager

EMD/ns
Attachment

cc: Diane N. Tradd, Assistant City Manager/DPD Director
Christine P. O'Connor, City Solicitor
Christine McCall, Director of Economic Development

COMMONWEALTH OF MASSACHUSETTS

CITY OF LOWELL

In City Council

VOTE

Authorizing the City Manager, on behalf of the City of Lowell, to accept and expend Ten Thousand (\$10,000.00) Dollars in grant funding from the Massachusetts State Historical Records Advisory Board and the Massachusetts General Court, Veterans Heritage Grant Program.

The Veteran's Heritage Grant Program has made available to the City of Lowell Grant funds in the amount of Ten Thousand (\$10,000.00) Dollars to the Pollard Memorial Library; and

The City of Lowell is desirous of accepting and expending said Grant from the Massachusetts State Historical Records Advisory Board and the Massachusetts General Court, Veterans Heritage Grant Program; and

The City of Lowell desires to use said grant monies to help preserve the history of our Commonwealth's veterans; and

NOW, THEREFORE, BE IT VOTED BY THE CITY COUNCIL OF THE CITY OF LOWELL, as follows:

That the City Manager of the City of Lowell is hereby authorized to accept and expend Ten Thousand (\$10,000.00) Dollars in grant funding from the Massachusetts State Historical Records Advisory Board and the Massachusetts General Court, Veterans Heritage Grant Program which will help preserve the history of our Commonwealth's veterans.



Since 1844, Lowell's public library.

Victoria B. Woodley
Director

Board of Trustees
Eileen Donoghue
City Manager
President Ex-Officio
Donna Richards
Chair
Suzanne Frechette
Marianne Gries
Syed Hasan
Linda Kilbride
Helen Littlefield
Sara Marks
Anne Mulhern
Muriel Parseghian
Amy Wilson

Date: April 8, 2020
To: Lowell City Councilors
E. Donoghue, City Manager
Cc: J. Keegan, Interim HHS Director
From: V. Woodley, Library Director
Re: Acceptance of funds for Veterans' Heritage Grant

I request permission to accept a check for \$10,000 from the Commonwealth of Massachusetts for the Veterans' Heritage Grant. This grant application has been approved by the City's grant committee.

Our Library staff will use these funds to process many Lowell Veterans' records that have been previously stored at City Hall and the Senior Center. We are entering data from the records into a computer program, scanning the hard copies, and eventually digitizing the records so they can be viewed by researchers on the web. We are using the labor of our own staff and various interns from UML to process these records. The funds will be used for the digitization of this project and any archival materials we will need to store the original records properly.

Thank you in advance for your approval of this request.

Attachment: Letter from the Commonwealth of Massachusetts, the Massachusetts State Historical Records Advisory Board and the Mass. General Court re check for Veterans' Heritage Grant.

COMMONWEALTH OF MASSACHUSETTS

CITY OF LOWELL

In City Council

VOTE

Authorizing the City Manager to Execute Amendment #2 to the Lease Agreement for an additional two years with the Massachusetts Department of Transportation, Motor Vehicles Division, also known as The Registry of Motor Vehicles Division (“RMV”) in the building located at 77 Middlesex Street, Lowell.

Amendment #2 to the Lease Agreement with the Massachusetts Department of Transportation, Motor Vehicles Division, also known as The Registry of Motor Vehicles Division (“RMV”) is for a two (2) year period; and

NOW, THEREFORE, BE IT VOTED BY THE CITY COUNCIL OF THE CITY OF LOWELL, as follows:

That the City Manager on behalf of the City of Lowell be and is hereby authorized to execute Amendment #2 to the Lease Agreement with Massachusetts Department of Transportation, Motor Vehicles Division, also known as The Registry of Motor Vehicles Division (“RMV”) for property located at 77 Middlesex Street, in Lowell.

Said Amendment #2 shall be for a term of two (2) years. Said term shall commence on May 20, 2020 and terminate May 19, 2022.

Payments under this Amendment #2 to said Agreement shall not exceed NINETY THOUSAND SIX HUNDRED NINETY THREE AND 88/100 (\$90,693.88) DOLLARS made in equal monthly installments of \$7,557.82 for a rental rate of \$14.92/per square foot for the entire two year period.

BE IT FURTHER VOTED:

Said Amendment #2 to the Lease Agreement shall be in accordance with the form, or substantially the form, attached hereto.

**MASSACHUSETTS DEPARTMENT OF TRANSPORTATION
MOTOR VEHICLES DIVISION
ALSO KNOWN AS THE REGISTRY OF MOTOR VEHICLES DIVISION**

SECOND AMENDMENT TO LEASE AND LEASE EXTENSION

This Second Amendment to Lease and Lease Extension (this Second Amendment) is made on _____, 2020, by and between the City of Lowell (Landlord) and the Massachusetts Department of Transportation, Motor Vehicles Division, also known as the Registry of Motor Vehicles Division (Tenant).

Landlord and the Commonwealth of Massachusetts acting by and through its Division of Capital Asset Management and Maintenance as “Tenant” on behalf of the Registry of Motor Vehicles as “the User Agency” entered into the lease (the Lease) dated October 30, 2009, for the Premises in the Building, located at 77 Middlesex Street, Lowell, Massachusetts. Pursuant to chapter 25 of the Acts of 2009, as amended by §§ 51 through 60 of chapter 26 of the Acts of 2009, Tenant became the Massachusetts Department of Transportation, Motor Vehicles Division, also known as the Registry of Motor Vehicles Division, effective November 1, 2009.

The Term commenced May 20, 2010, at 12:01 a.m.

By a first amendment dated November 22, 2011, provisions regarding janitorial services were modified (the First Amendment).

Landlord and Tenant desire to extend the Term, to make the Landlord’s Improvements, and to further modify the Lease, as previously amended.

In consideration of the mutual promises contained in the Lease, the First Amendment, and in this Second Amendment (collectively the Lease, as amended), Landlord and Tenant agree as follows:

1. The Term is extended from May 20, 2020, at 12:01 a.m., until May 19, 2022, at 11:59 p.m.

2. From May 20, 2020, at 12:01 a.m., until May 19, 2022, at 11:59 p.m., the annual Rent is \$90,693.88, payable in equal monthly installments of \$7,557.82, for a rental rate of \$14.29 per square foot.

3. The Landlord’s Improvements

(a) Landlord must make all of the Landlord’s Improvements to the Premises that are described in Exhibit 1. The Landlord’s Improvements must be completed by Landlord within 60 days after receipt by Landlord of a fully executed counterpart of this Second Amendment (the Completion Date).

(b) The Landlord’s Improvements must be (i) furnished and installed at Landlord’s sole cost and expense, (ii) performed in a manner that does not unreasonably interfere with Tenant’s use and enjoyment of and operations in the Premises, (iii) completed with materials of equal or better quality than the original, and (iv) completed in a good and workmanlike manner, in

accordance with Exhibit 1, and in compliance with all applicable laws, ordinances, codes, regulations, and any requisite permits.

(c) Landlord must proceed with and complete the Landlord's Improvements in a timely and diligent manner. Landlord must update Tenant in writing of the progress of the Landlord's Improvements. If there is any delay in the progress of the Landlord's Improvements, Landlord must notify Tenant in writing of such delay immediately, regardless of whether Landlord anticipates that such delay causes a delay in the Completion Date. Said notice must advise Tenant of all changes and adjustments, the cause of each change and adjustment, and the corrective efforts, if any, made or to be made by Landlord.

4. Substitute for § 16.11 of the Lease:

16.11 Affirmative Action; Non-discrimination in Hiring and Employment

Landlord must comply with all federal and state laws, rules, and regulations promoting fair-employment practices or prohibiting employment discrimination and unfair-labor practices and must not discriminate in the hiring of any applicant for employment or demote, discharge, or otherwise subject any qualified employee to discrimination in the tenure, position, promotional opportunities, wages, benefits, or terms and conditions of their employment because of race, color, national origin, ancestry, age, sex, religion, disability, handicap, sexual orientation, gender identity, as defined by chapter 199 of the Acts of 2011, or for exercising any rights afforded by law. Landlord commits to exercise diligent efforts in purchasing supplies and services from certified minority or women-owned businesses, small businesses, or businesses owned by socially or economically disadvantaged persons or persons with disabilities.

5. Landlord warrants and represents that Landlord's name appears in this Second Amendment exactly as Landlord's name appears on Landlord's record title to the Premises if Landlord owns the Premises, or exactly as Landlord's name appears in Landlord's lease if the Lease, as amended, is a sublease.

6. Landlord warrants and represents that Landlord has full legal capacity to enter into this Second Amendment.

7. If Landlord is not a natural person or natural persons, but Landlord is, rather, a so-called "creature of the law" (e.g., a corporation, a general or limited partnership, a trust, a limited liability company, etc.), Landlord warrants and represents that Landlord is validly organized and existing, that Landlord is in good standing in the state, commonwealth, province, territory, or jurisdiction of Landlord's organization, and that Landlord is authorized and qualified to do business in the state, commonwealth, province, territory, or jurisdiction in which the Premises are located.

8. Landlord warrants and represents that the execution of this Second Amendment is duly authorized and that each person executing this Second Amendment on behalf of Landlord has full authority to do so and to fully bind Landlord thereby.

9. All terms-of-art in this Second Amendment have the respective meanings that are given to them in the Lease, as previously amended, unless otherwise indicated in this Second Amendment.

10. Except as modified by this Second Amendment, all provisions, obligations, and covenants that are contained in the Lease, as previously amended, remain in effect and are performed and completed as agreed in the Lease, as previously amended.

11. Other than the "Landlord's Beneficial-Interest-Disclosure Statement" and the "Certificate of Tax-and-Employment-Security Compliance," each exhibit and other attached document is an integral part of this Second Amendment for all lawful intents and purposes. The "Landlord's Beneficial-Interest-Disclosure Statement" and the "Certificate of Tax-and-Employment-Security Compliance" are required by the General Laws of the Commonwealth of Massachusetts for rental agreements and for agreements that extend or renew rental agreements in which the Commonwealth of Massachusetts is the tenant. These required documents are attached to but not part of the documents to which they are attached, notwithstanding that Tenant is now the Massachusetts Department of Transportation, Motor Vehicles Division, also known as the Registry of Motor Vehicles Division.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.

Landlord and Tenant have executed multiple counterparts of this document under seal in accordance with the laws of the Commonwealth of Massachusetts, Tenant having done so by the Registrar of Motor Vehicles of the Massachusetts Department of Transportation, Motor Vehicles Division, also known as the Registry of Motor Vehicles Division, who incurs no personal liability as a result of such signature.

LANDLORD: CITY OF LOWELL

By: _____

Printed Name: _____

Title: _____

**TENANT: MASSACHUSETTS DEPARTMENT OF TRANSPORTATION,
MOTOR VEHICLES DIVISION, ALSO KNOWN AS THE
REGISTRY OF MOTOR VEHICLES DIVISION**

Jamey Tesler, Acting Registrar

Approved as to Matters of Form:

Jean Berke, Deputy General Counsel
Registry of Motor Vehicles Division

EXHIBIT 1
THE LANDLORD'S IMPROVEMENTS

1. Landlord must repair the customer and staff rest rooms as follows:
 - a. Customer restrooms repairs include paint or FRP the walls
 - i. Replace the hand dryers with new high velocity units
 - ii. Repair or replace the VCT flooring
 - iii. Make any further repairs the DPW deems appropriate to minimize their maintenance requirements
 - b. Staff restrooms
 - i. Clean rooms removing marks and scuffs from walls
 - ii. Replace the broken sink
 - iii. Repair doors and latches for proper closure and latching

Eileen Donoghue
City Manager

April 10, 2020

Mayor John J. Leahy
And
Members of the Lowell City Council

Dear Mayor Leahy and Members of the Lowell City Council:

Enclosed is a copy of a proposed amendment to the lease with the Massachusetts Department of Transportation, Motor Vehicles Division, also known as The Registry of Motor Vehicles Division (“RMV”), for approval by the City Council.

The amendment to extends the terms of the Lease for two (2) years, largely under the same terms and conditions in this current lease.

Sincerely,



Eileen M. Donoghue
City Manager

cc: Conor Baldwin, Chief Financial Officer

COMMONWEALTH OF MASSACHUSETTS

CITY OF LOWELL

In City Council

VOTE

Authorizing the filing of Special Legislation to clarify and enumerate the office-holding requirements for Lowell City Councilors.

Currently the City of Lowell, which exists under a Plan E form of government pursuant to M.G.L. c. 43, §§95-100, elects nine (9) City Council members biennially by city-wide at-large plurality elections held in odd numbered years, pursuant to 1957 Mass. Act. 725, §2 and M.G.L. c. 43, §109; and

The Lowell City Council has the power to implement changes to the City's Plan E form of government and to adopt changes to its system through Special Act pursuant to its Home Rule powers under M.G.L. c. 43B.

Currently there are no restrictions on City Councilors from holding multiple elective city, state, or federal offices simultaneously within their terms on the City Council; and

The Lowell City Council is desirous of limiting City Councilors from holding any other elective office within their terms on the City Council; and

In accordance with the provisions of Massachusetts General Laws, a special act of the legislature must be obtained to authorize the City of Lowell to implement this change in its municipal governmental system; and

A majority vote of approval by the Lowell City Council is required for the filing of such petition.

NOW THEREFORE, BE IT VOTED BY THE CITY COUNCIL OF THE CITY OF LOWELL, as follows:

That the City Council of the City of Lowell, by a majority vote, hereby authorizes and approves the filing of special legislation to read as follows:

AN ACT PROVIDING FOR THE CITY OF LOWELL TO ENUMERATE CITY COUNCILOR RESIDENCY REQUIREMENTS AND TO PRECLUDE CITY COUNCILORS FROM HOLDING MULTIPLE ELECTIVE OFFICES

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Notwithstanding the provisions of Massachusetts General Laws Chapter 43, §§93 through 116, 1957 Mass. Act. 725, §2, the Charter of the City of Lowell, or any other general

or special law or to the contrary, no Lowell City Councilor shall simultaneously hold more than one elective city, state, or federal office at any given time during their term. Nothing in this section shall abrogate the appointment of the City's Mayor as chairman of the City of Lowell School Committee under M.G.L. c. 43, §31.

SECTION 2. This act shall take effect upon its passage.

COMMONWEALTH OF MASSACHUSETTS

CITY OF LOWELL

In City Council

RESOLUTION

The City Council of the City of Lowell wishes to be recorded in support of HD 4935 “An Act Providing for a Moratorium on Evictions and Foreclosures during the Covid 19 Emergency.”

The City Council supports the passage of HD 4935 to halt foreclosures and evictions during the Covid 19 emergency; and

We recognize that in order to be safe and practice social distancing, people need a home; and

Every month Homeowners are fighting the foreclosure auctions in Massachusetts; and

HD 4935 will offer protection during the emergency declaration issued by the Governor dated March 10, 2020 until such time as the emergency declaration is rescinded by the Governor.

NOW, THEREFORE, BE IT RESOLVED that the members of the City Council of the City of Lowell support HD 4935 “An Act Providing for a Moratorium on Evictions and Foreclosures during the Covid 19 Emergency.”

APPROVED AND ADOPTED THIS ____ DAY OF April, 2020.

Submitted by:

CITY COUNCIL - CITY OF LOWELL

Mayor John J. Leahy

Rodney M. Elliott

Sokhary Chau

Rita M. Mercier

David J. Conway

Vesna Nuon

John Drinkwater

Daniel P. Rourke

William Samaras

Resolution2020/supportHD4935

Review of Utility Company Request for New Conduit/Pole Location

Applicant Information

Project Address

Utility Gas Electric Telephone

Utility Pole #4 Near 319 Market St

(circle one) Other

Lowell, MA

Reason Install Wireless Small Cell Facility on an

Existing Utility Pole in the Public Right of Way

Date Submitted March 17, 2020

Review done by Richard Biagini

Sidewalk Material

Concrete Asphalt Other

Note: material to be replaced in kind (Concrete in full panels)

Sidewalk Vaults present Y N

Work on Street under a Paving Moratorium Y N

Is this location within the Flood Plain? Y N

Are ADA requirements being met? Y N

Comments

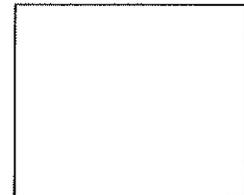
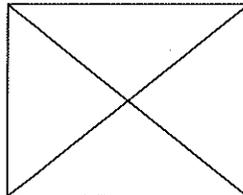
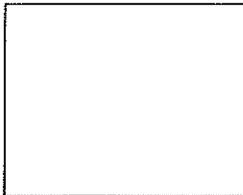
1. Contractor shall notify abutters at least 72 hours prior to beginning work.

Outcome of Review

Approved

Approved With
Comments

Denied



John Gleason, Interim City
Engineer

[Handwritten Signature]

brownrudnick

Edward D. Pare, Jr., Esq.
direct dial: 401-276-2839
epare@brownrudnick.com

February 3, 2020

City Council
City of Lowell
c/o City Clerk
Lowell City Hall
375 Merrimack Street
1st Floor, Room 31
Lowell, MA 01852

Christine Clancy, P.E.
City Engineer
City of Lowell
Lowell City Hall
375 Merrimack Street
3rd Floor, Room 61
Lowell, MA 01852

RE: Application of New Cingular Wireless PCS, LLC (d/b/a AT&T) for a Grant of Location for a Wireless Small Cell Facility, Including Telecommunication Wires and Wireless Attachments and Appurtenances on an Existing Utility Pole in the Public Right of Way at the Following Location:

Pole #4 - Near 319 Market Street, Lowell, MA 01852

Dear Honorable Members of the Lowell City Council:

As you may recall, we represent New Cingular Wireless PCS, LLC (d/b/a "AT&T") with respect to its deployment of small cell facilities in the City of Lowell and the Commonwealth of Massachusetts. AT&T is licensed by the Federal Communications Commission (the "FCC") to provide wireless communications services in the City of Lowell and throughout the Commonwealth of Massachusetts.

On behalf of AT&T and while reserving all rights, please accept this submission as an application for approval for a grant of location (the "Application") for one (1) small cell facility on an existing utility pole located in the public right of way near the above referenced address (the "Site"). The Application is filed pursuant to the federal Telecommunications Act of 1996 (the "Act"), the Declaratory Ruling and Third Report and Order 18-133 (the "Order") issued by the FCC in September 2018 https://docs.fcc.gov/public/attachments/FCC-18-133A1_Rcd.pdf and Massachusetts General Laws Chapter 166, Sections 21, 22 and 25A for telecommunication wires and wireless attachments and appurtenances attached to utility poles.

AT&T has entered into a Pole Attachment Agreement with National Grid and we have included a letter of authorization from National Grid to AT&T to submit the Application. The



existing pole complies with and is in accordance with the Act, the Order and Massachusetts state law.

We have also provided a detailed set of drawings (the "Plans") and map for this small cell facility. Additionally, we have provided photographs of a similar small cell installation installed by AT&T and located at 8 General Street, Lawrence, Massachusetts for use as an example. Also enclosed, please find a generic small cell facility report demonstrating compliance with applicable emissions standards established by the FCC.

AT&T proposes this small cell facility in the City of Lowell to deal with the rapidly increasing demands on AT&T's wireless network. This small cell facility will work in conjunction with the existing macro sites installed on rooftops, towers and other structures in and around the City of Lowell. AT&T's radio frequency engineers targeted the proposed location due to the high traffic and data demands on AT&T's network in these areas. AT&T's existing macro cell sites are not providing adequate data capacity near the Site due to population, vehicular and foot traffic, multiple wireless devices in use and other contributing factors. This small cell facility will work to offload the demands on the macro sites and allow for increased data capacity and speed within the immediate vicinity of the Sites and near AT&T's existing macro sites.

This small cell facility will be installed using standard commercially accepted methods in accordance with all applicable federal, state and local laws, regulations and orders. As depicted on the Plans, this small cell installation on the existing utility pole will include: fiber optic cable(s); remote radios in a small equipment cabinet 39" in height by 23" wide by 15" deep (7.8 cubic feet in volume) mounted to the pole at least 12'9" above ground level; an unobtrusive pole top antenna measuring 25" long and 10" in diameter (1.132 cubic feet in volume); conduits and cable protectors; and, an electrical meter 8' above ground level with shutoff switch and grounding rod. The Plans also provide the proposed location, pole height, mounting height and equipment specifications.

The Telecommunications Act of 1996

Without the installation, AT&T would be unable to provide specifically established coverage and capacity objectives. The existing utility pole is located within the limited geographic area whereby AT&T's radio frequency engineers determined that a wireless facility is required. The Act imposes substantial restrictions affecting the standard for granting the requested relief. The Act provides that: no laws or actions by any local government or planning or zoning board may prohibit, or have the effect of prohibiting, the placement, construction, or modification of communications towers, antennas, or other wireless facilities in any particular geographic area, see 47 U.S.C. §332(c)(7)(B)(i); local government or planning or zoning boards may not unreasonably discriminate among providers of functionally equivalent services, see 47 U.S.C. §332(c)(7)(B)(i); health concerns may not be considered so long as the emissions comply with the applicable standards of the FCC, see 47 U.S.C. §332(c)(7)(B)(iv); and,



City Council
City of Lowell
February 3, 2020
Page 3

decisions must be rendered within a reasonable period of time, see 47 U.S.C. §332(c)(7)(B)(ii) and the Order commonly referenced as the applicable “shot clocks”. The FCC shot clock in this instance is sixty (60) days from the date of submission of the Application.

We respectfully assert that AT&T's proposed small cell facility is reasonable and reasonably complies with the requirements of the City of Lowell in light of the Act, the Order and state law. AT&T is willing to work cooperatively with the City of Lowell with respect the deployment of its small cell facilities and we look forward to your feedback. For the convenience of the City Council, AT&T has provided a proposed Form of Order for your consideration.

If you have any questions, please don't hesitate to contact me. We look forward to presenting the Application at an upcoming meeting.

Sincerely,

BROWN RUDNICK LLP

Edward D. Pare, Jr., Esq.

Enclosures: Plans
Structural Report
Letter of Authorization from National Grid
Photograph of Existing Small Cell Facility
Emissions Report



ORDER FOR LOCATION FOR TELECOMMUNICATIONS WIRES AND WIRELESS ATTACHMENTS AND APPURTENANCES

By the City Council

Of the City of Lowell, Massachusetts, _____, 2020

ORDERED:

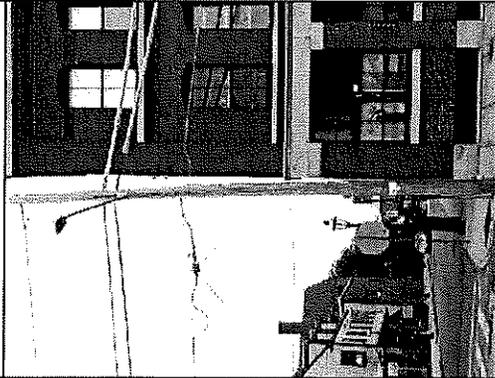
That pursuant to the federal Telecommunication Act of 1996 and Massachusetts General Laws, Chapter 166, NEW CINGULAR WIRELESS PCS, LLC ("AT&T") is hereby granted a location for and permission to construct and maintain telecommunications wires and wireless attachments and appurtenances, including fiber optic cable(s), remote nodes and pole top antennas, to be attached to a National Grid utility pole, located upon, along and under the public ways within the City of Lowell, as substantially shown on the plans filed with said petition.

The forgoing permission is subject to the following condition: the telecommunications wires and wireless attachments and appurtenances shall be installed and operated in compliance with all applicable federal and state laws and regulations.

I hereby certify that the foregoing was adopted at a meeting of the City Council of the City of Lowell, Massachusetts, held on the _____ day of _____, 2020.

City Clerk

SITE PHOTO



PROJECT INFORMATION

SITE NAME: CRAN_RCTB_LWLL_06
 COUNTY: MIDDLESEX
 ADDRESS: 319 MARKET STREET, LOWELL, MA 01852
 UTILITY POLE
 USID: 282143
 LATITUDE: 42.645958
 LONGITUDE: -71.314244
 POLE OWNER ID #: 4
 POLE OWNER: NATIONAL GRID
 40 STUYAN ROAD
 MULTNAIL, MA 02461
 APPLICANT: AT&T WIRELESS
 1000 WASHINGTON STREET
 FRAMINGHAM, MA 01701
 AT&T PROJECT MANAGER: VINCENT FACQUETTE
 EMAIL: VFACQUETTE@ATT.COM

PROJECT CONSULTANTS

PROJECT MANAGEMENT: CENTERLINE COMMUNICATIONS
 750 WEST CENTER STREET, SUITE 301
 WEST BRIDGEWATER, MA 02379
 CONTACT: VINCENT FACQUETTE
 EMAIL: VFACQUETTE@CCLWELL.COM

SITE ACQUISITION: CENTERLINE COMMUNICATIONS
 750 WEST CENTER STREET, SUITE 301
 WEST BRIDGEWATER, MA 02379
 CONTACT: JULIAN FANCHER
 EMAIL: JFANCHER@CCLWELL.COM

ENGINEER: CARLSON MCCAIN
 380 PLEASANT RIDGE DRIVE, SUITE 100
 WEST BRIDGEWATER, MA 02379
 CONTACT: LEE W. WRIGHT
 EMAIL: LWRIGHT@CARLSONMCCAIN.COM



PROJECT: SMALL CELL- CRAN
ADDRESS: 319 MARKET STREET
LOWELL, MA 01852

JURISDICTION: MIDDLESEX COUNTY
OWNER: NATIONAL GRID / VERIZON
FACE #: MRCTB039070
SITE NAME: CRAN_RCTB_LWLL_06

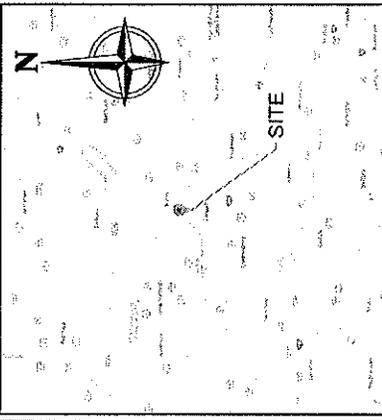
INDEX OF DRAWINGS

SHEET NO.	TITLE SHEET	SHEET DESCRIPTION
T-1	TITLE SHEET	
GN-1	GENERAL NOTES	
C-1	SITE PLAN	
C-2	POLE ELEVATION PLAN	
C-3	EQUIPMENT DETAILS	
C-4	EQUIPMENT DETAILS	
C-5	CABLES NOTES AND COLOR CODING	
G-1	ELECTRICAL AND GROUNDING DETAILS	

LOCAL MAP



VICINITY MAP



UTILITY NOTE

UNDERGROUND SERVICE ALERT
 811
 UTILITIES PROTECTION CENTER, INC.
 48 HOURS BEFORE YOU DIG

DIRECTIONS

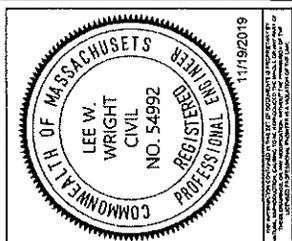
DIRECTIONS FROM AT&T OFFICE: 550 COCHITUATE ROAD, FRAMINGHAM, MA 01701
 GET ON I-93 AND TAKE EXIT 10A TO TAKE RIGHT ON THURSDAY ST. TURN LEFT ONTO COCHITUATE ROAD.
 TURN LEFT ONTO LEGGATT METALL DOWN, CONTINUE ONTO DICK ST. TURN LEFT ONTO COCHITUATE ROAD.
 NO USE THE RIGHT LANE TO TAKE THE RAMP TO THE DAMASCUS WINDMILL SUBSTATION.
 KEEP RIGHT AT THE FORK. FOLLOW ROAD FOR INTERSTATE 93 INTERSTATE 93 DAMASCUS WINDMILL SUBSTATION.
 TURN RIGHT AT THE FORK. FOLLOW ROAD FOR INTERSTATE 93 INTERSTATE 93 DAMASCUS WINDMILL SUBSTATION.
 DAMASCUS WINDMILL SUBSTATION. TAKE THE WINDMILL ROAD AND TURN RIGHT ONTO THURSDAY ST. IN LOWELL, TAKE
 EXIT 28 FROM LOWELL CONNECTOR. WINDMILL ROAD AND TURN LEFT ONTO THURSDAY ST. IN LOWELL, TAKE
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 ON THURSDAY ST. IN LOWELL, TAKE RIGHT TURN ONTO THURSDAY ST. IN LOWELL, TAKE RIGHT TURN ONTO THURSDAY ST.



SUBMITTALS

DATE	DESCRIPTION	REV	ISSUED BY
11/19/2019	PERMITS	4	LWW
11/19/2019	CONSTRUCTION	6	LWW

DRAWN BY: AAK
 CHECKED BY: JWW
 APPROVED BY: LWW



LRID: 282143

SITE ADDRESS:
 319 MARKET STREET
 LOWELL, MA 01852

PLA LOCATION:
 14942026

SITE NAME:
 CRAN_RCTB_LWLL_06

SHEET TITLE
 SHEET

SHEET NUMBER
 T-1

SPECIAL NOTES

THIS DOCUMENT IS THE CREATION, DESIGN, PROPERTY AND COPYRIGHTED WORK OF AT&T. ANY DUPLICATION OR USE WITHOUT EXPRESS WRITTEN CONSENT IS STRICTLY PROHIBITED. PUBLICATION AND USE BY GOVERNMENT AGENCIES FOR THE PURPOSES OF CONDUCTING THEIR LAWFULLY AUTHORIZED REGULATORY AND ADMINISTRATIVE FUNCTIONS IS PERMITTED. THIS DOCUMENT IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT PERMISSION IN WRITING FROM AT&T INTELLECTUAL PROPERTY. THIS DOCUMENT IS THE PROPERTY OF AT&T INTELLECTUAL PROPERTY AND IS TO BE KEPT IN CONFIDENTIALITY. IT IS ONLY ACCESSIBLE BY TRAINED TECHNICIANS FOR PERIODIC ROUTINE MAINTENANCE. IT IS NOT TO BE USED FOR ANY OTHER PURPOSES. ANY SANITARY SEWER OR WATER SERVICE THE USER WANTS TO BE INSTALLED MUST BE INSTALLED AND OPERATING BEFORE THE PERMITS ARE ISSUED. THE USER IS RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS FROM THE LOCAL AGENCIES. CONTRACTOR SHALL VERIFY ALL PLANS AND EXISTING DIMENSIONS AND CONDITIONS BEFORE THE JOB SITE AND SHALL NOTIFY THE AT&T MOBILITY ENGINEER IMMEDIATELY IN WRITING OF ANY DISCREPANCIES BEFORE PROCEEDING WITH THE WORK OR BE RESPONSIBLE FOR SAME. CONSTRUCTION DRAWINGS ARE VALID FOR SIX MONTHS AFTER ENGINEER OF RECORD SIGNATURE DATE LISTED HEREIN.

CODE COMPLIANCE

- 2015 INTERNATIONAL BUILDING CODE
- 2015 INTERNATIONAL RESIDENTIAL CODE
- 2015 INTERNATIONAL MECHANICAL CODE
- 2015 INTERNATIONAL ELECTRICAL CODE
- 2015 INTERNATIONAL EXISTING BUILDING CODE

SCOPE OF WORK

THIS IS NOT AN ALL INCLUSIVE LIST. CONTRACTOR SHALL UTILIZE SPECIFIED EQUIPMENT PART OR ENGINEER APPROVED EQUIPMENT. CONTRACTOR SHALL VERIFY ALL NEEDED EQUIPMENT TO PROVIDE A FUNCTIONAL SITE. THE PROJECT GENERALLY CONSISTS OF THE FOLLOWING:

PROPOSED WORK:

- ADD (1) PROPOSED ANTENNA MOUNTING BRACKET
- ADD (1) PROPOSED BRACKET
- ADD (1) PROPOSED BRACKET
- ADD (1) PROPOSED 100 AMP, 1-PHASE DISCONNECT LOAD CENTER
- ADD (1) PROPOSED 100 AMP, 1-PHASE DISCONNECT LOAD CENTER BYPASS
- ADD (1) PROPOSED 1/2" MIN. SCHEDULE 40 PVC CONDUIT

DO NOT SCALE DRAWINGS

CONTRACTOR SHALL VERIFY ALL PLANS & EXISTING DIMENSIONS & CONDITIONS ON THE JOB SITE & SHALL IMMEDIATELY NOTIFY THE ARCHITECT OR ENGINEER IN WRITING OF ANY DISCREPANCIES BEFORE PROCEEDING WITH THE WORK OR BE RESPONSIBLE FOR SAME.

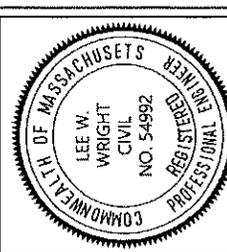






DATE	DESCRIPTION	REV	ISSUED BY

DRAWN BY: AAK
 CHECKED BY: JDM
 APPROVED BY: LWM



USD: 2822143

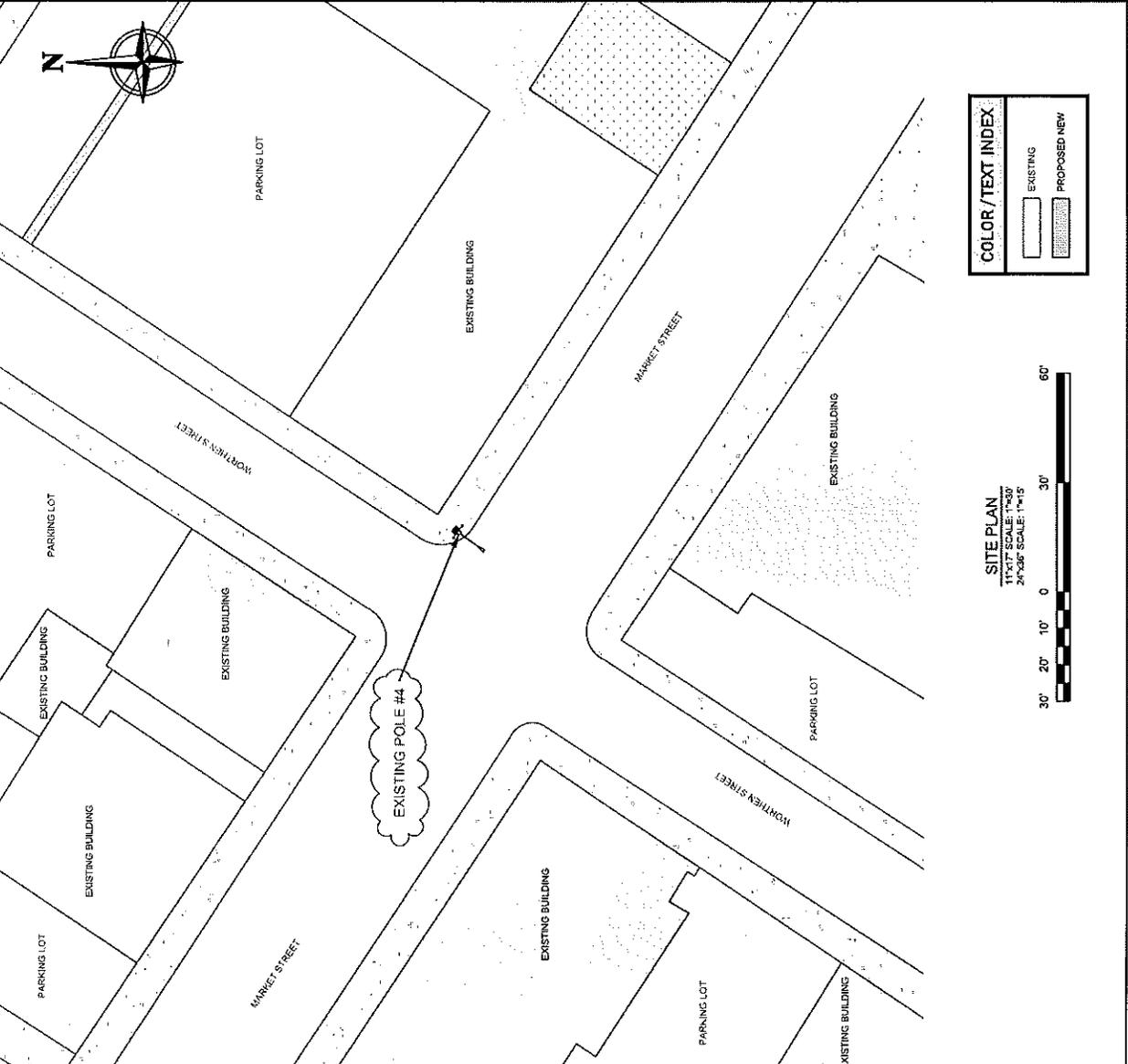
SITE ADDRESS:
 319 MARKET STREET
 LOWELL, MA 01852

FA LOCATION:
 14942026

SITE NAME:
 CRAN_RCTB_LWLL_06

SHEET TITLE:
 SITE PLAN

SHEET NUMBER:
 C-1

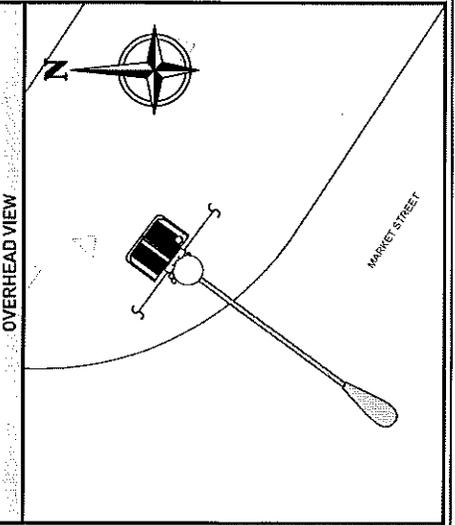
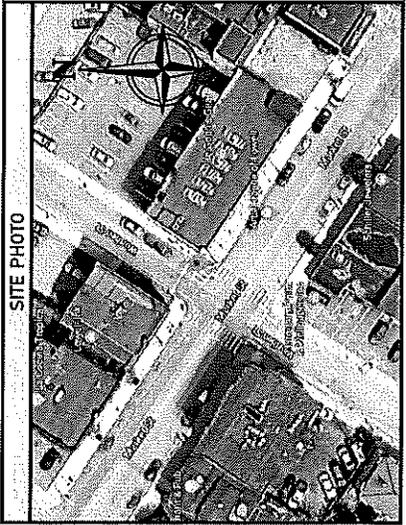


NOTE

SITE PLAN INFORMATION CONTAINED HEREIN IS TAKEN FROM THE DOCUMENTS PROVIDED BY THE CLIENT AND IS NOT TO BE CONSIDERED AS A GUARANTEE OF THE ACCURACY OR THE COMPLETENESS OF THE CORPDED SURVEY/SITE PLAN INFORMATION.

SITE NOTES

- GC RESPONSIBLE FOR SUBMITTING A 48 HOUR NOTICE PRIOR TO MOBILIZATION TO THE SITE.
- A PRE-CONSTRUCTION MEETING IS REQUIRED PRIOR TO CONSTRUCTION START TO REVIEW SCOPE OF WORK AND EXPECTATIONS.
 - A RIGGING PLAN MAY BE REQUIRED AND SHALL BE SUBMITTED WITH THE 48 HOUR
 - GC RESPONSIBLE FOR ENSURING THE SAFETY CLIMB IS NOT TRAPPED OR OTHERWISE OBSTRUCTED WITH REASONABLE BUILDING PRACTICES.
- GC RESPONSIBLE FOR COORDINATING DAILY LOG-IN AND LOG-OUT WITH THE POLE OWNER, WHERE APPLICABLE.
- GC WILL BE RESPONSIBLE FOR THE POLE OWNER CLOSEOUT PACKAGE WITH REDLINES OF THE COE OF THE EQUIPMENT INSTALLED TO BE SUBMITTED WITHIN 7 DAYS OF CONSTRUCTION COMPLETE.



Review of Utility Company Request for New Conduit/Pole Location

Applicant Information

Utility Gas Electric Telephone

(circle one) Other

Project Address

Utility Pole #6-84 Near 405 Lawrence St

Lowell, MA

Reason Install Wireless Small Cell Facility on an

Existing Utility Pole in the Public Right of Way

Date Submitted March 17, 2020

Review done by Richard Biagini

Sidewalk Material

Note: material to be replaced in kind (Concrete in full panels)

Concrete Asphalt Other

Sidewalk Vaults present Y N

Work on Street under a Paving Moratorium Y N

Is this location within the Flood Plain? Y N

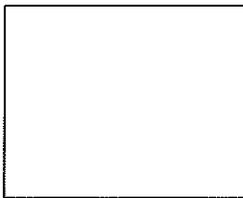
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Comments

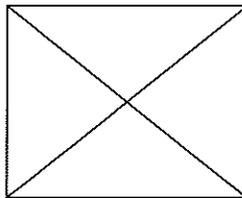
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Outcome of Review

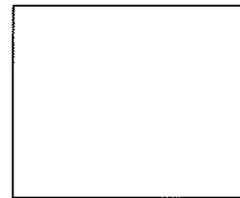
Approved



Approved With
Comments



Denied



John Gleason, Interim City
Engineer

brownrudnick

Edward D. Pare, Jr., Esq.
direct dial: 401-276-2639
epare@brownrudnick.com

February 3, 2020

City Council
City of Lowell
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375 Merrimack Street
1st Floor, Room 31
Lowell, MA 01852

Christine Clancy, P.E.
City Engineer
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RE: Application of New Cingular Wireless PCS, LLC (d/b/a AT&T) for a Grant of Location for a Wireless Small Cell Facility, Including Telecommunication Wires and Wireless Attachments and Appurtenances on an Existing Utility Pole in the Public Right of Way at the Following Location:

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City Council
City of Lowell
February 3, 2020
Page 3

decisions must be rendered within a reasonable period of time, see 47 U.S.C. §332(c)(7)(B)(ii) and the Order commonly referenced as the applicable “shot clocks”. The FCC shot clock in this instance is sixty (60) days from the date of submission of the Application.

We respectfully assert that AT&T's proposed small cell facility is reasonable and reasonably complies with the requirements of the City of Lowell in light of the Act, the Order and state law. AT&T is willing to work cooperatively with the City of Lowell with respect the deployment of its small cell facilities and we look forward to your feedback. For the convenience of the City Council, AT&T has provided a proposed Form of Order for your consideration.

If you have any questions, please don't hesitate to contact me. We look forward to presenting the Application at an upcoming meeting.

Sincerely,

BROWN RUDNICK LLP

Edward D. Pare, Jr., Esq.

Enclosures: Plans
Structural Report
Letter of Authorization from National Grid
Photograph of Existing Small Cell Facility
Emissions Report



ORDER FOR LOCATION FOR TELECOMMUNICATIONS WIRES AND WIRELESS ATTACHMENTS AND APPURTENANCES

By the City Council

Of the City of Lowell, Massachusetts, _____, 2020

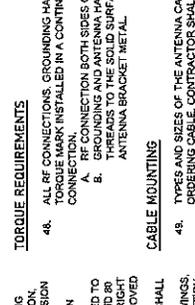
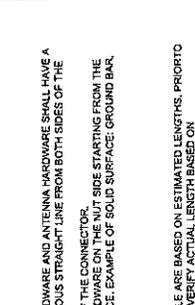
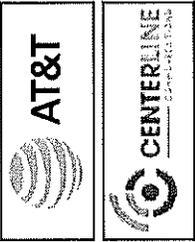
ORDERED:

That pursuant to the federal Telecommunication Act of 1996 and Massachusetts General Laws, Chapter 166, NEW CINGULAR WIRELESS PCS, LLC ("AT&T") is hereby granted a location for and permission to construct and maintain telecommunications wires and wireless attachments and appurtenances, including fiber optic cable(s), remote nodes and pole top antennas, to be attached to a National Grid utility pole, located upon, along and under the public ways within the City of Lowell, as substantially shown on the plans filed with said petition.

The forgoing permission is subject to the following condition: the telecommunications wires and wireless attachments and appurtenances shall be installed and operated in compliance with all applicable federal and state laws and regulations.

I hereby certify that the foregoing was adopted at a meeting of the City Council of the City of Lowell, Massachusetts, held on the _____ day of _____, 2020.

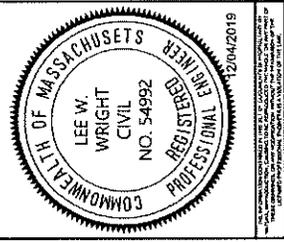
City Clerk



DATE	DESCRIPTION	REV	ISSUED BY
11/20/2019	PERMITS	A	LWW
11/20/2019	CONSTRUCTION	D	LWW

DATE	DESCRIPTION	REV	ISSUED BY
11/20/2019	PERMITS	A	LWW
11/20/2019	CONSTRUCTION	D	LWW

DRAWN BY: JMW
 CHECKED BY: AWK
 APPROVED BY: LWW



USID: 262142
 SITE ADDRESS:
 405 LAWRENCE STREET
 LOWELL, MA 01852

PL LOCATION:
 14941812

SITE NAME:
 CRAN_RCTE_LWLL_03

SHEET TITLE:
 GENERAL NOTES

SHEET NUMBER:
 GN-1

GENERAL CONSTRUCTION

- FOR THE PURPOSE OF CONSTRUCTION DRAWINGS, THE FOLLOWING DEFINITIONS SHALL APPLY:
 - CONTRACTOR - AT&T WIRELESS
 - OWNER - AT&T WIRELESS
 - CONTRACTOR SHALL BE RESPONSIBLE FOR COMPLETING AS INDICATED ON THE DRAWINGS AND AT&T SPECIFICATIONS PROJECT.
- CONTRACTOR SHALL VISIT THE SITE AND SHALL FAMILIARIZE THEMSELVES WITH ALL CONDITIONS AFFECTING THE PROPOSED WORK AND SHALL MAKE PROVISIONS. CONTRACTOR SHALL BE RESPONSIBLE FOR FAMILIARIZING THEMSELVES WITH ALL CONTRACT DOCUMENTS, FIELD CONDITIONS, DIMENSIONS AND CONFIRMING THAT THE WORK MAY BE DISCREPANCIES SHALL BE BROUGHT TO THE ATTENTION OF THE ENGINEER PRIOR TO THE COMMENCEMENT OF WORK.
- ALL MATERIALS FURNISHED AND INSTALLED SHALL BE IN STRICT ACCORDANCE WITH ALL APPLICABLE CODES, REGULATIONS, AND ORDINANCES. CONTRACTOR SHALL ISSUE ALL APPROPRIATE NOTICES AND COMPLY WITH ALL LAWS, ORDINANCES, RULES, REGULATIONS, AND ANY PUBLIC AUTHORITY REGARDING THE PERFORMANCE OF WORK.
- ALL WORK CARRIED OUT SHALL COMPLY WITH ALL APPLICABLE MUNICIPAL AND UTILITY COMPANY SPECIFICATIONS AND LOCAL JURISDICTIONAL CODES, ORDINANCES, AND APPLICABLE REGULATIONS.
- UNLESS NOTED OTHERWISE, THE WORK SHALL INCLUDE FURNISHING MATERIALS, AS INDICATED ON THE DRAWINGS, AND LABOR NECESSARY TO COMPLETE ALL INSTALLATIONS AS INDICATED ON THE DRAWINGS.
- PLANS ARE NOT TO BE SCALED. THESE PLANS ARE INTENDED TO BE A DIAGRAMMATIC OUTLINE UNLESS OTHERWISE NOTED. DIMENSIONS SHOWN ARE TO FINISH SURFACES UNLESS OTHERWISE NOTED. SPACING BETWEEN EQUIPMENT IS THE MINIMUM REQUIRED CLEARANCE. THEREFORE, IT IS CRITICAL TO FIELD VERIFY DIMENSIONS. CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING A CLARIFICATION FROM THE ENGINEER PRIOR TO PROCEEDING WITH THE WORK. DETAILS ARE INTENDED TO SHOW DESIGN INTENT. MODIFICATIONS MAY BE REQUIRED TO SUIT JOB DIMENSIONS OR CONDITIONS AND SUCH MODIFICATIONS SHALL BE INCLUDED AS PART OF WORK AND APPROVED BY THE ENGINEER PRIOR TO PROCEEDING WITH WORK.
- MANUFACTURER'S RECOMMENDATIONS UNLESS SPECIFICALLY STATED OTHERWISE, IN ACCORDANCE WITH THE APPROVAL BY THE ENGINEER PRIOR TO PROCEEDING.
- GENERAL CONTRACTOR SHALL BE RESPONSIBLE FOR THE SAFETY OF WORK AREA UNDER THIS CONTRACT. WORK SHALL CONFORM TO ALL OSHA REQUIREMENTS AND THE LOCAL JURISDICTION.
- CONTRACTOR SHALL COORDINATE WORK AND SCHEDULE WORK ACTIVITIES WITH OTHER DISCIPLINES.
- SECTION SHALL BE DONE IN A WORKMANLIKE MANNER BY COMPETENT EXPERIENCED TRADESMEN AND SHALL BE LAID PLUMB AND TRUE AS INDICATED ON THE DRAWINGS.
- WORK PREVIOUSLY COMPLETED IS REPRESENTED BY LIGHT SHADED LINES AND NOTES. CONTRACTOR SHALL NOTIFY THE CONTRACTOR OF ANY EXISTING CONDITIONS PRIOR TO COMMENCEMENT OF WORK. CONTRACTOR SHALL PROVIDE WRITTEN NOTICE TO THE CONSTRUCTION MANAGER 48 HOURS PRIOR TO COMMENCEMENT OF WORK.
- THE GENERAL CONTRACTOR SHALL PROTECT EXISTING IMPROVEMENTS, PAVEMENTS, CURBS, LANDSCAPING AND STRUCTURES. ANY DAMAGED PARTS SHALL BE REPAIRED AT THE CONTRACTOR'S EXPENSE TO THE SATISFACTION OF THE OWNER.
- THE GENERAL CONTRACTOR SHALL CONTACT UTILITY LOCATING SERVICES PRIOR TO THE START OF CONSTRUCTION.
- CONTRACTOR SHALL COORDINATE AND MAINTAIN ACCESS FOR ALL TRADES AND CONTRACTORS TO THE SITE AND/OR BUILDING.
- THE GENERAL CONTRACTOR SHALL BE RESPONSIBLE FOR SECURITY OF THE SITE FOR THE DURATION OF CONSTRUCTION. UNDER NO CIRCUMSTANCES SHALL ONE COMPLETE SET OF PLANS WITH ALL REVISIONS, ADDENDUMS AND CHANGE ORDERS ON THE PREMISES AT ALL TIMES.
- THE GENERAL CONTRACTOR SHALL PROVIDE PORTABLE FIRE EXTINGUISHERS WITH A RATING OF NOT LESS THAN 2A TO 2A-10BC AND SHALL BE WITHIN 25 FEET OF TRAVEL DISTANCE TO ALL PORTIONS OF WHERE THE WORK IS BEING COMPLETED DURING ALL EXISTING ACTIVE SEWER, WATER, GAS, ELECTRIC, AND OTHER UTILITIES SHALL BE PROTECTED AT ALL TIMES, AND WHERE REQUIRED FOR THE PROPER EXECUTION OF THE WORK, SHALL BE RELOCATED AS DIRECTED BY THE ENGINEER. EXTREME CAUTION SHOULD BE USED BY THE GENERAL CONTRACTOR WHEN EXCAVATING OR DRILLING PIERS FOR THE WORKING CURBS. THE CONTRACTOR SHALL INCLUDE ALL NECESSARY FALL PROTECTION, BY CONFINED SPACE, OF ELECTRICAL SAFETY, AND D) TRENCHING & EXCAVATION.
- ALL EXISTING INACTIVE SEWER, WATER, GAS, ELECTRIC, AND OTHER UTILITIES WHICH INTERFERE WITH THE EXECUTION OF THE WORK, SHALL BE REMOVED, CAPPED, PLUGGED AND RELOCATED AS DIRECTED BY THE ENGINEER. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE EXCLUSION OF THE WORK, AS DIRECTED BY THE RESPONSIBLE ENGINEER, AND SUBJECT TO THE APPROVAL OF THE OWNER AND/OR LOCAL UTILITIES.
- THE AREAS OF THE OWNERS PROPERTY DISTURBED BY THE WORK AND NOT COVERED BY THE POLE, EQUIPMENT OR DRIVEWAY, SHALL BE GRADED TO A UNIFORM SLOPE, AND STABILIZED TO PREVENT EROSION.

TORQUE REQUIREMENTS

- ALL RF MARKINGS, GROUNDING HARDWARE AND ANTENNA HARDWARE SHALL HAVE A TORQUE MARK INSTALLED IN A CONTINUOUS STRAIGHT LINE FROM BOTH SIDES OF THE CONNECTION.
 - GROUNDING AND ANTENNA HARDWARE ON THE NUT SIDE STARTING FROM THE ANTENNA BRACKET METAL.
 - ANTENNA BRACKET METAL.

CABLE MOUNTING

- TYPE AND SIZE OF THE ANTENNA CABLE ARE BASED ON ESTIMATED LENGTHS. PRIOR TO ORDERING CABLE, CONTRACTOR SHALL VERIFY ACTUAL LENGTH BASED ON ESTIMATED LENGTHS. CONTRACTOR SHALL NOTIFY THE PROJECT MANAGER IF ACTUAL LENGTHS EXCEED APPROVED LENGTHS.
- GENERAL CONTRACTOR SHALL BE REQUIRED TO DESIGN SUPPORT STRUCTURE, IN AN APPROVED MANNER, AT DISTANCES NOT TO EXCEED 42' OC.
- GENERAL CONTRACTOR SHALL FOLLOW ALL MANUFACTURER'S RECOMMENDATIONS REGARDING BOTH THE INSTALLATION AND GROUNDING OF ALL COAXIAL CABLES, CONNECTORS, ANTENNAS, AND ALL OTHER EQUIPMENT.
- CONNECTIONS SHALL BE MADE TO ALL ANTENNAS, INCLUDING ANTENNAS, SET MOTORS, TRASS, COAX CABLES, AND RET. CONTROL CABLES AS A COMPLETE SYSTEM. GROUNDING SHALL BE EXECUTED BY QUALIFIED WIREMEN IN COMPLIANCE WITH MANUFACTURER'S SPECIFICATION AND RECOMMENDATION.

GENERAL CABLE AND EQUIPMENT NOTES

- GENERAL CONTRACTOR SHALL BE RESPONSIBLE TO VERIFY ANTENNA, AND COAX CONFIGURATION, MAKE AND MODEL PRIOR TO INSTALLATION.
- ALL CONNECTIONS FOR HANGERS, SUPPORTS, BRACING, ETC. SHALL BE INSTALLED PER MANUFACTURER'S SPECIFICATIONS.
- GENERAL CONTRACTOR SHALL REFERENCE THE POLE STRUCTURAL ANALYSIS DESIGN DRAWINGS FOR DIRECTIONS ON CABLE DISTRIBUTION/ROUTING.
- ALL OUTDOOR RF CONNECTORS/CONNECTIONS SHALL BE WEATHERPROOFED, EXCEPT THE RET CONNECTORS. USING BUTYL TAPE AFTER INSTALLATION AND FINAL CONNECTIONS SHALL BE SMOOTH WITHOUT BLOCKING. BUTYL BLEEDING IS NOT ALLOWED.
- IF REQUIRED TO PAINT ANTENNAS AND/OR COAX:
 - TEMPERATURE SHALL BE ABOVE 50° F, BUILDING OWNER/LANDLORD.
 - PAINT SHALL BE EPOXY/FLUOROPOLYMER/FAVOC APPROVED PAINT IS REQUIRED.
 - DO NOT PAINT OVER COLOR CODING OR ON EQUIPMENT MODEL NUMBERS.
 - ALL CABLES SHALL BE GROUNDING WITH COAXIAL CABLE GROUND KITS. FOLLOW THE MANUFACTURER'S SPECIFICATIONS.
 - GROUNDING AT THE ANTENNA LEVEL.
 - GROUNDING AT BASE OF POLE PRIOR TO TURNING HORIZONTAL.

GROUNDING NOTES

- THE GENERAL CONTRACTOR SHALL REVIEW AND INSPECT THE EXISTING FACILITY GROUNDING SYSTEM AND LIGHTNING PROTECTION SYSTEM (AS DESIGNED AND INSTALLED) FOR STRICT COMPLIANCE WITH THE NEC (AS ADOPTED BY THE AHJ), THE SITE SPECIFIC (UL, LP, OR NFPA) LIGHTNING PROTECTION CODE, AND GENERAL ELECTRICAL CODE. THE CONTRACTOR SHALL REPORT ANY VIOLATIONS OR ADVERSE FINDINGS TO THE CONTRACTOR FOR RESOLUTION.
- ALL GROUND ELECTRODE SYSTEMS (INCLUDING TELECOMMUNICATION, RADIO, LIGHTNING PROTECTION, AND ACP POWER GROUNDING) SHALL BE BONDING TO THE SAME OR TO THE SAME BUS, BY TWO OR MORE COPPER BONDING CONDUCTORS IN ACCORDANCE WITH THE NEC.
- THE GENERAL CONTRACTOR SHALL PERFORM IEEE FALL-OF-POTENTIAL RESISTANCE TO EARTH TESTING (PER IEEE 1100 AND #1) FOR NEW GROUND ELECTRODE SYSTEMS. THE GENERAL CONTRACTOR SHALL PROVIDE A TEST REPORT TO THE CONTRACTOR. THE CONTRACTOR SHALL BE RESPONSIBLE TO ACHIEVE A TEST RESULT OF 5 OHMS OR LESS.
- METAL RACEWAY SHALL NOT BE USED AS THE NEC REQUIRED EQUIPMENT GROUND CONDUCTOR. STRANDED COPPER CONDUCTORS WITH GREEN INSULATION, SIZED IN ACCORDANCE WITH THE NEC, SHALL BE FURNISHED AND INSTALLED WITH THE POWER FACTS CABINET FRAME SHALL BE DIRECTLY CONNECTED TO THE MASTER GROUND BAR WITH GREEN INSULATED SUPPLEMENTAL EQUIPMENT GROUND WIRES, 6 AWG STRANDED COPPER OR LARGER FOR INDOOR BTS, 2 AWG STRANDED COPPER FOR OUTDOOR BTS.
- ALL BONDING SHALL BE USED FOR ALL GROUNDING CONNECTIONS BELOW GRADE. PROVIDED ANTI-OXIDANT COATINGS (I.E. CONDUCTIVE GEL OR PASTE) SHALL BE USED ON ALL ALUMINUM CONDUCTOR OR COPPER CLAD STEEL. CONDUCTOR SHALL NOT BE USED FOR GROUNDING CONNECTIONS.
- ALUMINUM CONDUCTOR AND NON-ELECTRICAL METAL BOLTS, FRAMES AND SUPPORTS SHALL BE BONDED TO THE GROUND ROD, IN ACCORDANCE WITH THE NEC. METAL CONDUIT SHALL BE MADE ELECTRICALLY CONTINUOUS WITH LISTED BONDING FITTINGS OR BY BONDING ACROSS THE DISCONTINUITY WITH 6 AWG COPPER WIRE UL APPROVED BONDING TYPE CONDUIT CLAMPS.

ANTENNA MOUNTING

- DESIGN AND CONSTRUCTION OF ANTENNA SUPPORTS SHALL CONFORM TO CURRENT STANDARDS AND SPECIFICATIONS.
- ALL STEEL MATERIALS SHALL BE GALVANIZED AFTER FABRICATION IN ACCORDANCE WITH ASTM A153 Z24 (HOT-DIP GALVANIZED) COATINGS ON IRON AND STEEL PRODUCTS, UNLESS NOTED OTHERWISE.
- ALL BOLTS, NUTS AND MISCELLANEOUS HARDWARE SHALL BE GALVANIZED IN ACCORDANCE WITH ASTM A760.
- DAMAGED GALVANIZED SURFACES SHALL BE REPAIRED BY COLD GALVANIZING IN ACCORDANCE WITH ASTM A760.
- INSTALL WITH LOCK NUTS, DOUBLE NUTS AND SHALL BE TOUGH TO MANUFACTURER'S RECOMMENDATIONS.
- GENERAL CONTRACTOR SHALL INSTALL ANTENNA PER MANUFACTURER'S RECOMMENDATION FOR INSTALLATION AND GROUNDING.
- ALL UNUSED PORTS ON ANY ANTENNAS SHALL BE TERMINATED WITH A 50-OHM LOAD TO PREVENT REFLECTIONS.
- GENERAL CONTRACTOR SHALL RECORD THE SERIAL #, SECTOR, AND POSITION OF EACH ACTUATOR INSTALLED AT THE ANTENNAS AND PROVIDE THE INFORMATION TO AT&T.

GENERAL CONTRACTOR SHALL MINIMIZE DISTURBANCE TO THE EXISTING SITE DURING CONSTRUCTION, EROSION CONTROL MEASURES, IF REQUIRED DURING CONSTRUCTION, AND SEDIMENT CONTROL.

- MATERIAL SHALL BE PLACED ON FROZEN GROUND, FROZEN MATERIALS, SNOW OR ICE SHALL NOT BE PLACED ON ANY FILL OR EMBANKMENT.
- THE SUBGRADE SHALL BE BROUGHT TO A SMOOTH UNIFORM GRADE AND COMPACTED TO 98 PERCENT STANDARD PROCTOR DENSITY UNDER PAVEMENT AND STRUCTURES AND 90 PERCENT STANDARD PROCTOR DENSITY IN OPEN SPACE. ALL TRENCHES IN PUBLIC RIGHT OF WAY SHALL BE FLOUDED WITH FLOUDED FILL OR OTHER MATERIAL PRE-APPROVED BY THE LOCAL JURISDICTION.
- ALL NECESSARY RUBBISH, STUMPS, DEBRIS STICKS, STONES, AND OTHER REFUSE SHALL BE REMOVED FROM THE SITE AND DISPOSED OF IN A LAWFUL MANNER.
- ALL BROUHERS, OPERATING AND MAINTENANCE MANUALS, CATALOGS, SHOP DRAWINGS, AND SPECIFICATIONS SHALL BE MADE AVAILABLE TO THE CONTRACTOR AT COMPLETION OF CONSTRUCTION AND PRIOR TO PAYMENT.
- GENERAL CONTRACTOR SHALL SUBMIT A COMPLETE SET OF AS-BUILT REQUIREMENTS TO THE GENERAL CONTRACTOR UPON COMPLETION OF PROJECT AND PRIOR TO FINAL PAYMENT.
- GENERAL CONTRACTOR SHALL LEAVE PREMISES IN A CLEAN CONDITION.
- OR SEWER SERVICE, AND IS NOT FOR HUMAN HABITAT (NO HANDICAP REQUIRED), OCCUPANCY IS LIMITED TO PERIODIC MAINTENANCE AND INSPECTION, APPROXIMATELY 2 TIMES PER MONTH, BY AT&T TECHNICIANS.
- NO OUTDOOR STORAGE OR SOLID WASTE CONTAINERS ARE PROPOSED.
- WITH THE LATEST REVISION AT&T MOBILITY GROUNDING STANDARD TECHNICAL SPECIFICATION FOR FACILITY GROUNDING, IN CASE OF A CONFLICT BETWEEN THE CONSTRUCTION SPECIFICATION AND THE DRAWINGS, THE DRAWINGS GOVERN.
- INSPECTIONS REQUIRED FOR CONSTRUCTION, IF GENERAL CONTRACTOR CANNOT OBTAIN A PERMIT, THEY MUST NOTIFY THE CONTRACTOR IMMEDIATELY.
- GENERAL CONTRACTOR SHALL REMOVE ALL TRASH AND DEBRIS FROM THE SITE ON A REGULAR BASIS. ALL INFORMATION SHOWN ON THESE DRAWINGS WAS OBTAINED FROM SITE VISITS AND/OR DRAWINGS PROVIDED BY THE SITE OWNER. CONTRACTORS SHALL NOTIFY THE ENGINEER OF ANY DISCREPANCIES PRIOR TO ORDERING MATERIAL OR PROCEEDING WITH CONSTRUCTION.
- CONSTRUCTION LIGHTS ARE PERMITTED, LIGHTING IF REQUIRED, WILL MEET FMA STANDARDS AND REQUIREMENTS.

COLOR/TEXT INDEX

COLOR	TEXT
EXISTING	EXISTING
PROPOSED NEW	PROPOSED NEW

NOTE

GENERAL NOTES APPLY IN APPLICABLE SITUATIONS ONLY





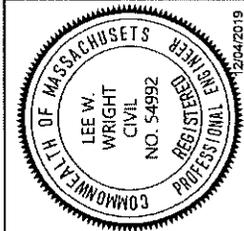


SUBMITTALS	
DATE	DESCRIPTION

DRAWN BY: JMW

CHECKED BY: ASK

APPROVED BY: LWW



USID: 262142

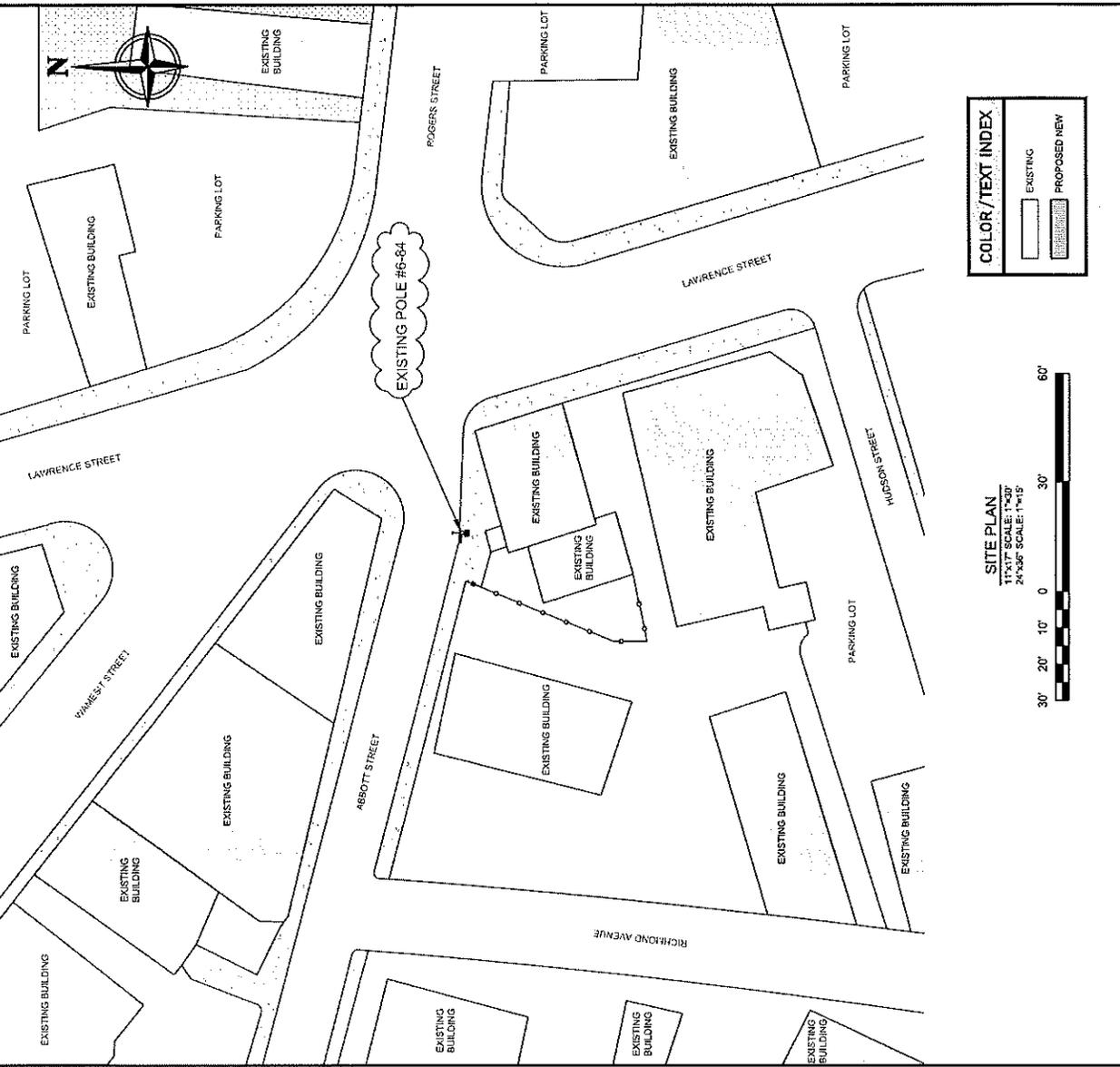
SITE ADDRESS:
405 LAWRENCE STREET
LOWELL, MA 01862

PA LOCATION:
14941812

SITE NAME:
CRAN_RCTB_LWLL_03

SHEET TITLE:
SITE PLAN

SHEET NUMBER:
C-1



COLOR/TEXT INDEX

	EXISTING
	PROPOSED NEW

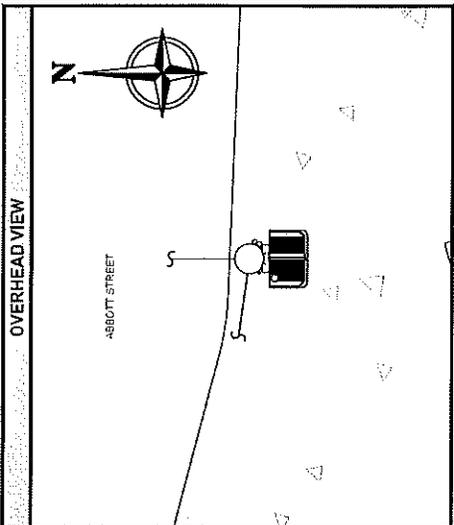
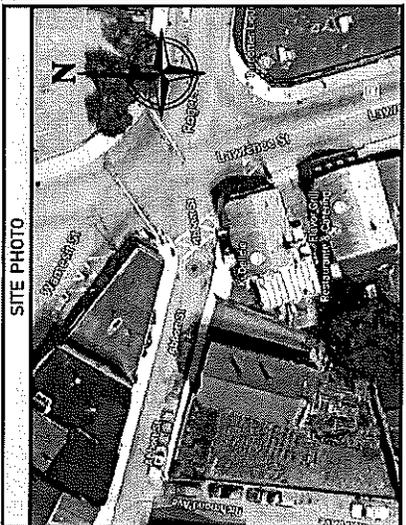
SITE PLAN

11'x17" SCALE: 1"=30'

24'x36" SCALE: 1"=15'



- NOTE**
- SITE PLAN INFORMATION CONTAINED HEREIN IS TAKEN FROM THE DOCUMENTS PROVIDED BY THE CLIENT. CENTERLINE ENGINEERING IS NOT RESPONSIBLE FOR THE ACCURACY OR THE COMPLETENESS OF THE CORNER SURVEYS/SITE PLAN INFORMATION.
- SITENOTES**
- GC RESPONSIBLE FOR SUBMITTING A 48 HOUR NOTICE PRIOR TO MOBILIZATION TO THE SITE.
 - A PRE-CONSTRUCTION MEETING IS REQUIRED PRIOR TO CONSTRUCTION START TO REVIEW SCOPE OF WORK AND EXPECTATIONS.
 - A RIDGING PLAN MAY BE REQUIRED AND SHALL BE SUBMITTED WITH THE 48 HOUR
 - GC RESPONSIBLE FOR ENSURING THE SAFETY/CYCLING IS NOT TRAPPED OR OTHERWISE OBSTRUCTED WITH REASONABLE BUILDING PRACTICES.
 - GC RESPONSIBLE FOR COORDINATING DAILY LOG-IN AND LOG-OUT WITH THE POLE OWNER, WHERE APPLICABLE.
 - GC WILL BE RESPONSIBLE FOR THE POLE OWNER CLOSEOUT PACKAGE WITH REDLINES OF THE CDS OF THE EQUIPMENT INSTALLED TO BE SUBMITTED WITHIN 7 DAYS OF CONSTRUCTION COMPLETE.



Review of Utility Company Request for New Conduit/Pole Location

Applicant Information

Project Address

Utility Gas Electric Telephone

Utility Pole #5 Near 56 Oak St

(circle one) Other

Lowell, MA

Reason Install Wireless Small Cell Facility on an

Existing Utility Pole in the Public Right of Way

Date Submitted March 17, 2020

Review done by Richard Biagini

Sidewalk Material

Concrete Asphalt Other

Note: material to be replaced in kind (Concrete in full panels)

Sidewalk Vaults present Y N

Work on Street under a Paving Moratorium Y N

Is this location within the Flood Plain? Y N

Are ADA requirements being met? Y N

Comments

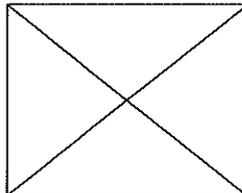
1. Contractor shall notify abutters at least 72 hours prior to beginning work.

Outcome of Review

Approved



Approved With
Comments



Denied



John Gleason, Interim City
Engineer

brownrudnick

Edward D. Pare, Jr., Esq.
direct dial: 401-276-2639
epare@brownrudnick.com

February 3, 2020

City Council
City of Lowell
c/o City Clerk
Lowell City Hall
375 Merrimack Street
1st Floor, Room 31
Lowell, MA 01852

Christine Clancy, P.E.
City Engineer
City of Lowell
Lowell City Hall
375 Merrimack Street
3rd Floor, Room 61
Lowell, MA 01852

RE: Application of New Cingular Wireless PCS, LLC (d/b/a AT&T) for a Grant of Location for a Wireless Small Cell Facility, Including Telecommunication Wires and Wireless Attachments and Appurtenances on a Replacement Utility Pole in the Public Right of Way at the Following Location:

Pole #5 - Near 56 Oak Street, Lowell, MA 01852

Dear Honorable Members of the Lowell City Council:

As you may recall, we represent New Cingular Wireless PCS, LLC (d/b/a "AT&T") with respect to its deployment of small cell facilities in the City of Lowell and the Commonwealth of Massachusetts. AT&T is licensed by the Federal Communications Commission (the "FCC") to provide wireless communications services in the City of Lowell and throughout the Commonwealth of Massachusetts.

On behalf of AT&T and while reserving all rights, please accept this submission as an application for approval for a grant of location (the "Application") for one (1) small cell facility on an existing utility pole located in the public right of way near the above referenced address (the "Site"). The Application is filed pursuant to the federal Telecommunications Act of 1996 (the "Act"), the Declaratory Ruling and Third Report and Order 18-133 (the "Order") issued by the FCC in September 2018 https://docs.fcc.gov/public/attachments/FCC-18-133A1_Rcd.pdf and Massachusetts General Laws Chapter 166, Sections 21, 22 and 25A for telecommunication wires and wireless attachments and appurtenances attached to utility poles.

AT&T has entered into a Pole Attachment Agreement with National Grid and we have included a letter of authorization from National Grid to AT&T to submit the Application. For the proposed installation which is the subject of this request, National Grid requires that the pole

selected by AT&T for the small cell facility be replaced due to leaning, space limitations, age or other physical conditions or limitations. The existing pole is 35'10" above ground level and the replacement pole will be 38'6" above ground level. The replacement pole complies with and is in accordance with the Act, the Order and state law.

We have also provided a detailed set of drawings (the "Plans") and map for this small cell facility. Additionally, we have provided photographs of a similar small cell installation installed by AT&T and located at 8 General Street, Lawrence, Massachusetts for use as an example. Also enclosed, please find a generic small cell facility report demonstrating compliance with applicable emissions standards established by the FCC.

AT&T proposes this small cell facility in the City of Lowell to deal with the rapidly increasing demands on AT&T's wireless network. This small cell facility will work in conjunction with the existing macro sites installed on rooftops, towers and other structures in and around the City of Lowell. AT&T's radio frequency engineers targeted the proposed location due to the high traffic and data demands on AT&T's network in these areas. AT&T's existing macro cell sites are not providing adequate data capacity near the Site due to population, vehicular and foot traffic, multiple wireless devices in use and other contributing factors. This small cell facility will work to offload the demands on the macro sites and allow for increased data capacity and speed within the immediate vicinity of the Sites and near AT&T's existing macro sites.

This small cell facility will be installed using standard commercially accepted methods in accordance with all applicable federal, state and local laws, regulations and orders. As depicted on the Plans, this small cell installation on the replacement utility pole will include: fiber optic cable(s); remote radios in a small equipment cabinet 39" in height by 23" wide by 15" deep (7.8 cubic feet in volume) mounted to the pole at least 12'9" above ground level; an unobtrusive pole top antenna measuring 25" long and 10" in diameter (1.132 cubic feet in volume); conduits and cable protectors; and, an electrical meter 8' above ground level with shutoff switch and grounding rod. The Plans also provide the proposed location, pole height, mounting height and equipment specifications.

The Telecommunications Act of 1996

Without the installation, AT&T would be unable to provide specifically established coverage and capacity objectives. The existing utility pole is located within the limited geographic area whereby AT&T's radio frequency engineers determined that a wireless facility is required. The Act imposes substantial restrictions affecting the standard for granting the requested relief. The Act provides that: no laws or actions by any local government or planning or zoning board may prohibit, or have the effect of prohibiting, the placement, construction, or modification of communications towers, antennas, or other wireless facilities in any particular geographic area, see 47 U.S.C. §332(c)(7)(B)(i); local government or planning or zoning boards may not unreasonably discriminate among providers of functionally equivalent services, see



City Council
City of Lowell
February 3, 2020
Page 3

47 U.S.C. §332(c)(7)(B)(i); health concerns may not be considered so long as the emissions comply with the applicable standards of the FCC, see 47 U.S.C. §332(c)(7)(B)(iv); and, decisions must be rendered within a reasonable period of time, see 47 U.S.C. §332(c)(7)(B)(ii) and the Order commonly referenced as the applicable “shot clocks”. The FCC shot clock in this instance is ninety (90) days from the date of submission of the Application.

We respectfully assert that AT&T's proposed small cell facility is reasonable and reasonably complies with the requirements of the City of Lowell in light of the Act, the Order and state law. AT&T is willing to work cooperatively with the City of Lowell with respect to the deployment of its small cell facilities and we look forward to your feedback. For the convenience of the City Council, AT&T has provided a proposed Form of Order for your consideration.

If you have any questions, please don't hesitate to contact me. We look forward to presenting the Application at an upcoming meeting.

Sincerely,

BROWN RUDNICK LLP

Edward D. Pare, Jr., Esq.

Enclosures: Plans
Structural Report
Letter of Authorization from National Grid
Photograph of Existing Small Cell Facility
Emissions Report



ORDER FOR LOCATION FOR TELECOMMUNICATIONS WIRES AND WIRELESS ATTACHMENTS AND APPURTENANCES

By the City Council

Of the City of Lowell, Massachusetts, _____, 2020

ORDERED:

That pursuant to the federal Telecommunication Act of 1996 and Massachusetts General Laws, Chapter 166, NEW CINGULAR WIRELESS PCS, LLC ("AT&T") is hereby granted a location for and permission to construct and maintain telecommunications wires and wireless attachments and appurtenances, including fiber optic cable(s), remote nodes and pole top antennas, to be attached to a National Grid utility pole, located upon, along and under the public ways within the City of Lowell, as substantially shown on the plans filed with said petition.

The forgoing permission is subject to the following condition: the telecommunications wires and wireless attachments and appurtenances shall be installed and operated in compliance with all applicable federal and state laws and regulations.

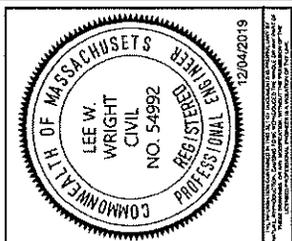
I hereby certify that the foregoing was adopted at a meeting of the City Council of the City of Lowell, Massachusetts, held on the _____ day of _____, 2020.

City Clerk



SUBMITTALS		DATE	DESCRIPTION	BY	ISSUED BY
1	PERMITS				
2	CONSTRUCTION				
3					
4					
5					
6					
7					
8					
9					
10					

DRAWN BY: JMW
 CHECKED BY: AAK
 APPROVED BY: LWW



LR#D: 282146

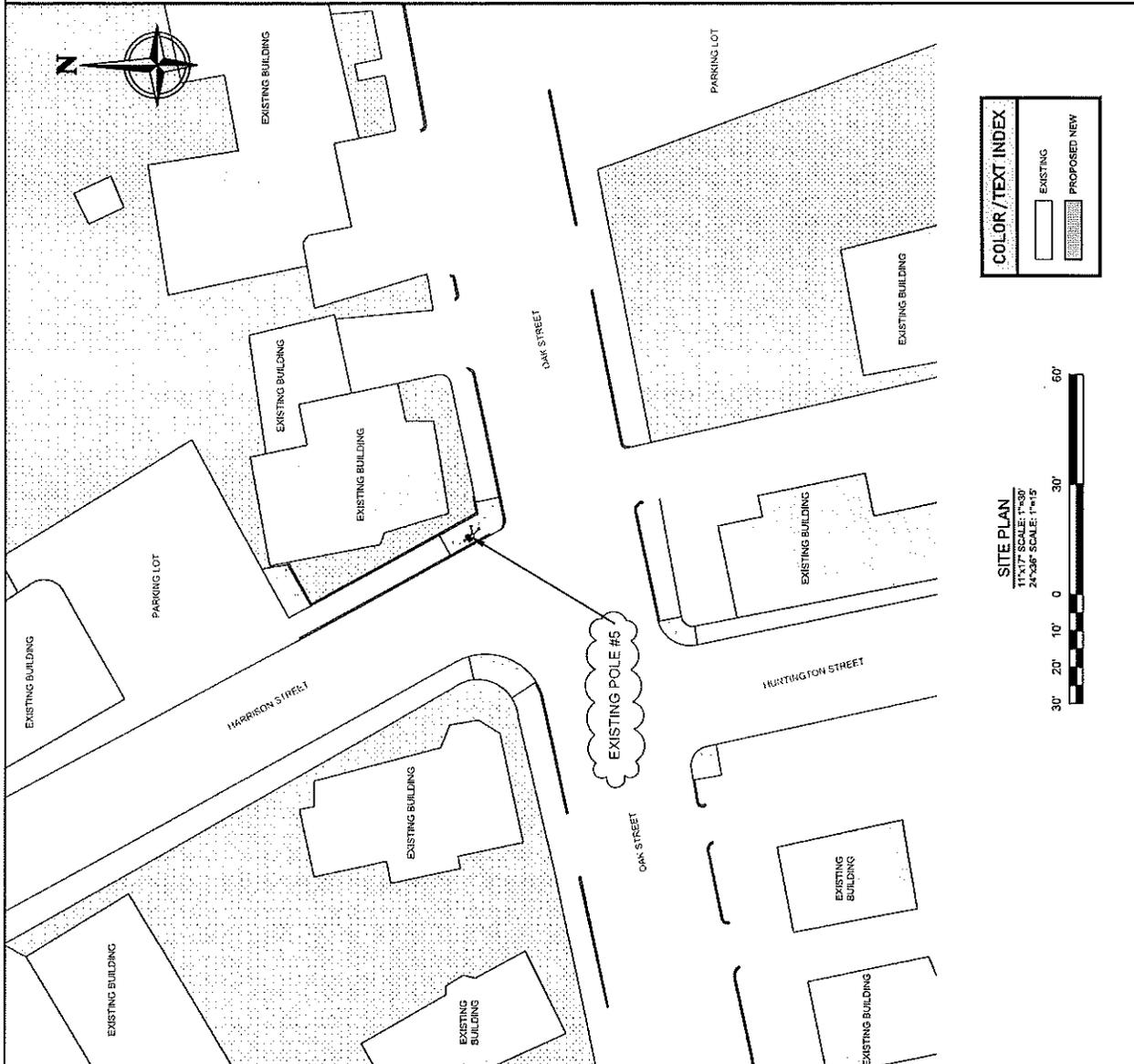
SITE ADDRESS:
 56 OAK STREET
 LOWELL, MA 01852

PA LOCATION:
 14941813

SITE NAME:
 CRAN_RCTB_LWLL_04

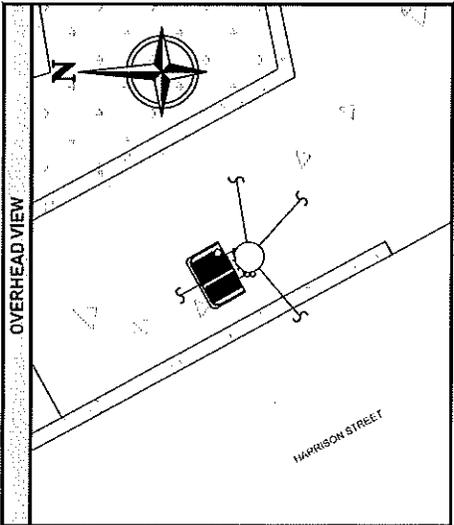
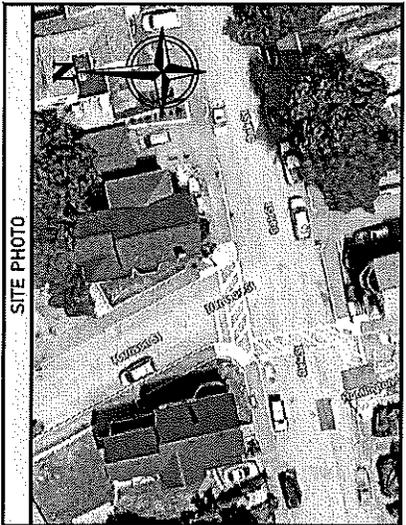
SHEET TITLE
 SITE PLAN

SHEET NUMBER
 C-1



NOTE
 SITE PLAN INFORMATION CONTAINED HEREIN IS TAKEN FROM THE DOCUMENTS PROVIDED BY THE CLIENT AND IS NOT TO BE CONSIDERED AS A GUARANTEE OF ACCURACY OR THE COMPLETENESS OF THE CORDED SURVEY/STAKE PLAN INFORMATION.

- SITE NOTES**
- GC RESPONSIBLE FOR SUBMITTING A 48 HOUR NOTICE PRIOR TO MOBILIZATION TO THE SITE.
 - A PRE-CONSTRUCTION MEETING IS REQUIRED PRIOR TO CONSTRUCTION START TO REVIEW SCOPE OF WORK AND EXPECTATIONS.
 - A RIGGING PLAN MAY BE REQUIRED AND SHALL BE SUBMITTED WITH THE 48 HOUR
 - GC RESPONSIBLE FOR ENSURING THE SAFETY/CYCLING IS NOT TRAPPED OR OTHERWISE OBSTRUCTED WITH REASONABLE BUILDING PRACTICES.
 - GC RESPONSIBLE FOR COORDINATING DAILY LOG-IN AND LOG-OUT WITH THE POLE OWNER, WHERE APPLICABLE.
 - GC WILL BE RESPONSIBLE FOR THE POLE OWNER CLOSEOUT PACKAGE WITH REDLINES OF THE DTS OF THE EQUIPMENT INSTALLED TO BE SUBMITTED WITHIN 7 DAYS OF CONSTRUCTION COMPLETE.



Review of Utility Company Request for New Conduit/Pole Location

Applicant Information Project Address

Utility Gas Electric Telephone Utility Pole #8-6 Near 60 Lafayette St

(circle one) Other Lowell, MA

Reason Install Wireless Small Cell Facility on an Existing Utility Pole in the Public Right of Way

Date Submitted March 17, 2020

Review done by Richard Biagini

Sidewalk Material Concrete Asphalt Other

Note: material to be replaced in kind (Concrete in full panels)

Sidewalk Vaults present	Y	<u>N</u>
Work on Street under a Paving Moratorium	<u>Y</u>	N
Is this location within the Flood Plain?	<u>Y</u>	N
Are ADA requirements being met?	<u>Y</u>	N

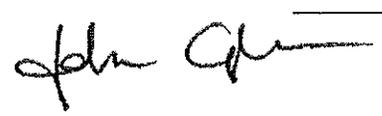
Comments

1. Contractor shall notify abutters at least 72 hours prior to beginning work.

Outcome of Review

Approved	Approved With Comments	Denied
	X	

John Gleason, Interim City Engineer



brownrudnick

Edward D. Pare, Jr., Esq.
direct dial: 401-276-2839
epare@brownrudnick.com

February 3, 2020

City Council
City of Lowell
c/o City Clerk
Lowell City Hall
375 Merrimack Street
1st Floor, Room 31
Lowell, MA 01852

Christine Clancy, P.E.
City Engineer
City of Lowell
Lowell City Hall
375 Merrimack Street
3rd Floor, Room 61
Lowell, MA 01852

RE: Application of New Cingular Wireless PCS, LLC (d/b/a AT&T) for a Grant of Location for a Wireless Small Cell Facility, Including Telecommunication Wires and Wireless Attachments and Appurtenances on a Replacement Utility Pole in the Public Right of Way at the Following Location:

Pole #8-6 - Near 60 Lafayette Street, Lowell, MA 01854

Dear Honorable Members of the Lowell City Council:

As you may recall, we represent New Cingular Wireless PCS, LLC (d/b/a "AT&T") with respect to its deployment of small cell facilities in the City of Lowell and the Commonwealth of Massachusetts. AT&T is licensed by the Federal Communications Commission (the "FCC") to provide wireless communications services in the City of Lowell and throughout the Commonwealth of Massachusetts.

On behalf of AT&T and while reserving all rights, please accept this submission as an application for approval for a grant of location (the "Application") for one (1) small cell facility on an existing utility pole located in the public right of way near the above referenced address (the "Site"). The Application is filed pursuant to the federal Telecommunications Act of 1996 (the "Act"), the Declaratory Ruling and Third Report and Order 18-133 (the "Order") issued by the FCC in September 2018 https://docs.fcc.gov/public/attachments/FCC-18-133A1_Rcd.pdf and Massachusetts General Laws Chapter 166, Sections 21, 22 and 25A for telecommunication wires and wireless attachments and appurtenances attached to utility poles.

AT&T has entered into a Pole Attachment Agreement with National Grid and we have included a letter of authorization from National Grid to AT&T to submit the Application. For the proposed installation which is the subject of this request, National Grid requires that the pole



selected by AT&T for the small cell facility be replaced due to leaning, space limitations, age or other physical conditions or limitations. The existing pole is 27' 11" above ground level and the replacement pole will be 34' above ground level. The replacement pole complies with and is in accordance with the Act, the Order and state law.

We have also provided a detailed set of drawings (the "Plans") and map for this small cell facility. Additionally, we have provided photographs of a similar small cell installation installed by AT&T and located at 8 General Street, Lawrence, Massachusetts for use as an example. Also enclosed, please find a generic small cell facility report demonstrating compliance with applicable emissions standards established by the FCC.

AT&T proposes this small cell facility in the City of Lowell to deal with the rapidly increasing demands on AT&T's wireless network. This small cell facility will work in conjunction with the existing macro sites installed on rooftops, towers and other structures in and around the City of Lowell. AT&T's radio frequency engineers targeted the proposed location due to the high traffic and data demands on AT&T's network in these areas. AT&T's existing macro cell sites are not providing adequate data capacity near the Site due to population, vehicular and foot traffic, multiple wireless devices in use and other contributing factors. This small cell facility will work to offload the demands on the macro sites and allow for increased data capacity and speed within the immediate vicinity of the Sites and near AT&T's existing macro sites.

This small cell facility will be installed using standard commercially accepted methods in accordance with all applicable federal, state and local laws, regulations and orders. As depicted on the Plans, this small cell installation on the replacement utility pole will include: fiber optic cable(s); remote radios in a small equipment cabinet 39" in height by 23" wide by 15" deep (7.8 cubic feet in volume) mounted to the pole at least 12'9" above ground level; an unobtrusive pole top antenna measuring 25" long and 10" in diameter (1.132 cubic feet in volume); conduits and cable protectors; and, an electrical meter 8' above ground level with shutoff switch and grounding rod. The Plans also provide the proposed location, pole height, mounting height and equipment specifications.

The Telecommunications Act of 1996

Without the installation, AT&T would be unable to provide specifically established coverage and capacity objectives. The existing utility pole is located within the limited geographic area whereby AT&T's radio frequency engineers determined that a wireless facility is required. The Act imposes substantial restrictions affecting the standard for granting the requested relief. The Act provides that: no laws or actions by any local government or planning or zoning board may prohibit, or have the effect of prohibiting, the placement, construction, or modification of communications towers, antennas, or other wireless facilities in any particular geographic area, see 47 U.S.C. §332(c)(7)(B)(i); local government or planning or zoning boards may not unreasonably discriminate among providers of functionally equivalent services, see



City Council
City of Lowell
February 3, 2020
Page 3

47 U.S.C. §332(c)(7)(B)(i); health concerns may not be considered so long as the emissions comply with the applicable standards of the FCC, see 47 U.S.C. §332(c)(7)(B)(iv); and, decisions must be rendered within a reasonable period of time, see 47 U.S.C. §332(c)(7)(B)(ii) and the Order commonly referenced as the applicable “shot clocks”. The FCC shot clock in this instance is ninety (90) days from the date of submission of the Application.

We respectfully assert that AT&T's proposed small cell facility is reasonable and reasonably complies with the requirements of the City of Lowell in light of the Act, the Order and state law. AT&T is willing to work cooperatively with the City of Lowell with respect the deployment of its small cell facilities and we look forward to your feedback. For the convenience of the City Council, AT&T has provided a proposed Form of Order for your consideration.

If you have any questions, please don't hesitate to contact me. We look forward to presenting the Application at an upcoming meeting.

Sincerely,

BROWN RUDNICK LLP

Edward D. Pare, Jr., Esq.

Enclosures: Plans
Structural Report
Letter of Authorization from National Grid
Photograph of Existing Small Cell Facility
Emissions Report



ORDER FOR LOCATION FOR TELECOMMUNICATIONS WIRES AND WIRELESS ATTACHMENTS AND APPURTENANCES

By the City Council

Of the City of Lowell, Massachusetts, _____, 2020

ORDERED:

That pursuant to the federal Telecommunication Act of 1996 and Massachusetts General Laws, Chapter 166, NEW CINGULAR WIRELESS PCS, LLC ("AT&T") is hereby granted a location for and permission to construct and maintain telecommunications wires and wireless attachments and appurtenances, including fiber optic cable(s), remote nodes and pole top antennas, to be attached to a National Grid utility pole, located upon, along and under the public ways within the City of Lowell, as substantially shown on the plans filed with said petition.

The forgoing permission is subject to the following condition: the telecommunications wires and wireless attachments and appurtenances shall be installed and operated in compliance with all applicable federal and state laws and regulations.

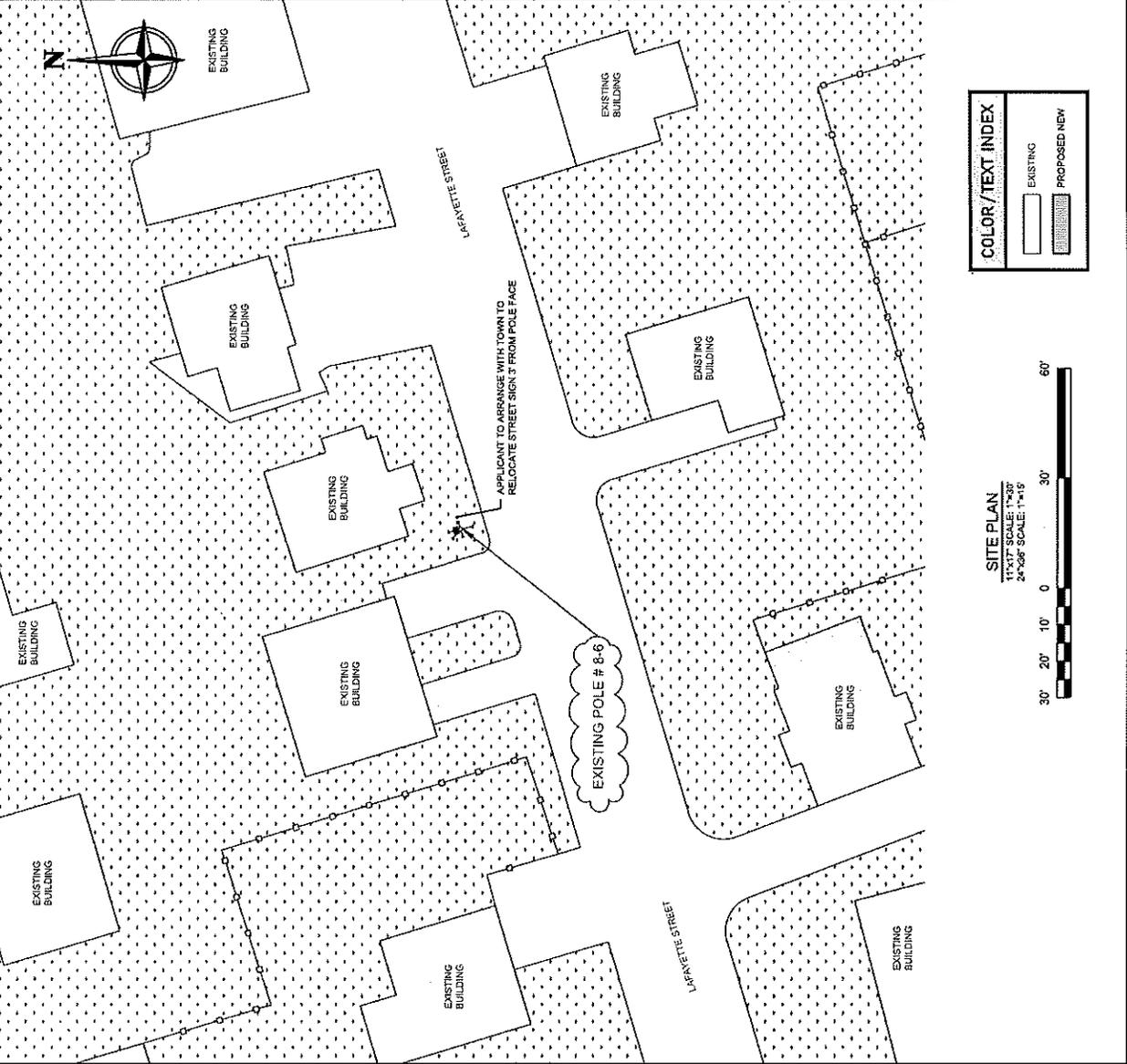
I hereby certify that the foregoing was adopted at a meeting of the City Council of the City of Lowell, Massachusetts, held on the _____ day of _____, 2020.

City Clerk

DATE	DESCRIPTION	REV	LOCATED BY
12/20/19	PERMITTING	A	LWW
12/20/19	CONSTRUCTION	B	LWW

DRAWN BY: AAK
 CHECKED BY: JOW
 APPROVED BY: LWW

USD: 262150
 SITE ADDRESS:
 60 LAFAYETTE STREET
 LOWELL, MA 01854
 FA LOCATION:
 149420300
 SITE NAME:
 CRAN_RCTB_LWLL_13
 SHEET TITLE:
 SITE PLAN
 SHEET NUMBER:
 C-1

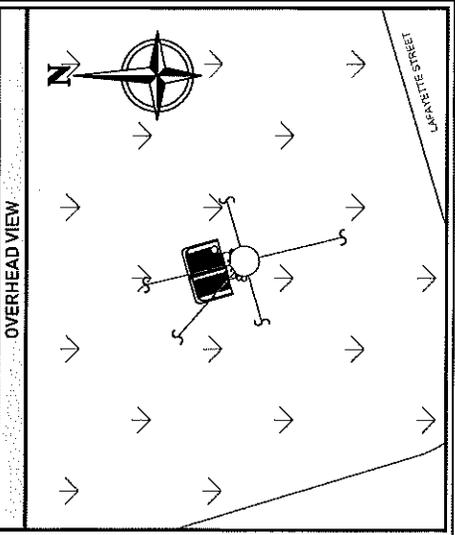
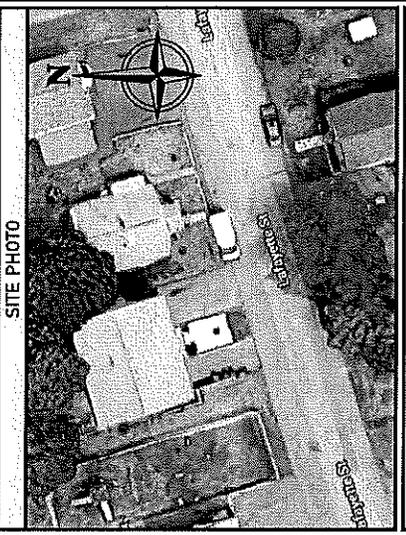


NOTE

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SITE NOTES

- GC RESPONSIBLE FOR SUBMITTING A 48 HOUR NOTICE PRIOR TO MOBILIZATION TO THE SITE.
- A PRE-CONSTRUCTION MEETING IS REQUIRED PRIOR TO CONSTRUCTION START TO REVIEW SCOPE OF WORK AND EXPECTATIONS.
 - A RIGGING PLAN MAY BE REQUIRED AND SHALL BE SUBMITTED WITH THE 48 HOUR NOTICE.
 - GC RESPONSIBLE FOR ENSURING THE SAFETY CYCLER IS NOT TOURED OR OTHERWISE OBSTRUCTED WITH REASONABLE BUILDING PRACTICES.
- GC RESPONSIBLE FOR COORDINATING DAILY LOGIN AND LOG-OUT WITH THE POLE OWNER, WHERE APPLICABLE.
- GC WILL BE RESPONSIBLE FOR THE POLE OWNER CLOSEOUT PACKAGE WITH REQUINES OF THE CTS OF THE EQUIPMENT INSTALLED TO BE SUBMITTED WITHIN 7 DAYS OF CONSTRUCTION COMPLETE.



Review of Utility Company Request for New Conduit/Pole Location

Applicant Information

Project Address

Utility Gas Electric Telephone

Utility Pole #1 Near 878 Lakeview Ave

(circle one) Other

Lowell, MA

Reason Install Wireless Small Cell Facility on an

Existing Utility Pole in the Public Right of Way

Date Submitted March 17, 2020

Review done by Richard Biagini

Sidewalk Material

Concrete Asphalt Other

Note: material to be replaced in kind (Concrete in full panels)

Sidewalk Vaults present Y N

Work on Street under a Paving Moratorium Y N

Is this location within the Flood Plain? Y N

Are ADA requirements being met? Y N

Comments

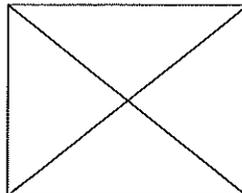
1. Contractor shall notify abutters at least 72 hours prior to beginning work.

Outcome of Review

Approved

Approved With
Comments

Denied



John Gleason, Interim City
Engineer

brownrudnick

Edward D. Pare, Jr., Esq.
direct dial: 401-276-2639
epare@brownrudnick.com

February 3, 2020

City Council
City of Lowell
c/o City Clerk
Lowell City Hall
375 Merrimack Street
1st Floor, Room 31
Lowell, MA 01852

Christine Clancy, P.E.
City Engineer
City of Lowell
Lowell City Hall
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Lowell, MA 01852

RE: Application of New Cingular Wireless PCS, LLC (d/b/a AT&T) for a Grant of Location for a Wireless Small Cell Facility, Including Telecommunication Wires and Wireless Attachments and Appurtenances on an Existing Utility Pole in the Public Right of Way at the Following Location:

Pole #1 - Near 878 Lakeview Avenue, Lowell, MA 01850

Dear Honorable Members of the Lowell City Council:

As you may recall, we represent New Cingular Wireless PCS, LLC (d/b/a "AT&T") with respect to its deployment of small cell facilities in the City of Lowell and the Commonwealth of Massachusetts. AT&T is licensed by the Federal Communications Commission (the "FCC") to provide wireless communications services in the City of Lowell and throughout the Commonwealth of Massachusetts.

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AT&T has entered into a Pole Attachment Agreement with National Grid and we have included a letter of authorization from National Grid to AT&T to submit the Application. The



existing pole complies with and is in accordance with the Act, the Order and Massachusetts state law.

We have also provided a detailed set of drawings (the "Plans") and map for this small cell facility. Additionally, we have provided photographs of a similar small cell installation installed by AT&T and located at 8 General Street, Lawrence, Massachusetts for use as an example. Also enclosed, please find a generic small cell facility report demonstrating compliance with applicable emissions standards established by the FCC.

AT&T proposes this small cell facility in the City of Lowell to deal with the rapidly increasing demands on AT&T's wireless network. This small cell facility will work in conjunction with the existing macro sites installed on rooftops, towers and other structures in and around the City of Lowell. AT&T's radio frequency engineers targeted the proposed location due to the high traffic and data demands on AT&T's network in these areas. AT&T's existing macro cell sites are not providing adequate data capacity near the Site due to population, vehicular and foot traffic, multiple wireless devices in use and other contributing factors. This small cell facility will work to offload the demands on the macro sites and allow for increased data capacity and speed within the immediate vicinity of the Sites and near AT&T's existing macro sites.

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City Council
City of Lowell
February 3, 2020
Page 3

decisions must be rendered within a reasonable period of time, see 47 U.S.C. §332(c)(7)(B)(ii) and the Order commonly referenced as the applicable “shot clocks”. The FCC shot clock in this instance is sixty (60) days from the date of submission of the Application.

We respectfully assert that AT&T's proposed small cell facility is reasonable and reasonably complies with the requirements of the City of Lowell in light of the Act, the Order and state law. AT&T is willing to work cooperatively with the City of Lowell with respect the deployment of its small cell facilities and we look forward to your feedback. For the convenience of the City Council, AT&T has provided a proposed Form of Order for your consideration.

If you have any questions, please don't hesitate to contact me. We look forward to presenting the Application at an upcoming meeting.

Sincerely,

BROWN RUDNICK LLP

Edward D. Pare, Jr., Esq.

Enclosures: Plans
Structural Report
Letter of Authorization from National Grid
Photograph of Existing Small Cell Facility
Emissions Report



ORDER FOR LOCATION FOR TELECOMMUNICATIONS WIRES AND WIRELESS ATTACHMENTS AND APPURTENANCES

By the City Council

Of the City of Lowell, Massachusetts, _____, 2020

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The forgoing permission is subject to the following condition: the telecommunications wires and wireless attachments and appurtenances shall be installed and operated in compliance with all applicable federal and state laws and regulations.

I hereby certify that the foregoing was adopted at a meeting of the City Council of the City of Lowell, Massachusetts, held on the _____ day of _____, 2020.

City Clerk

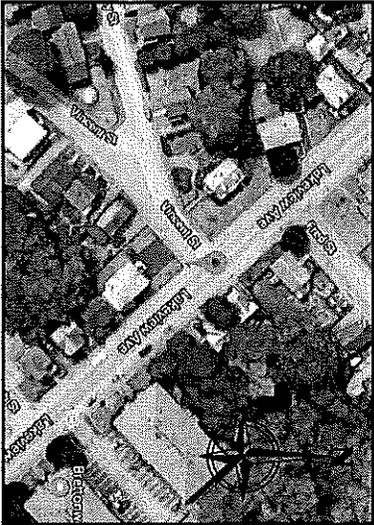
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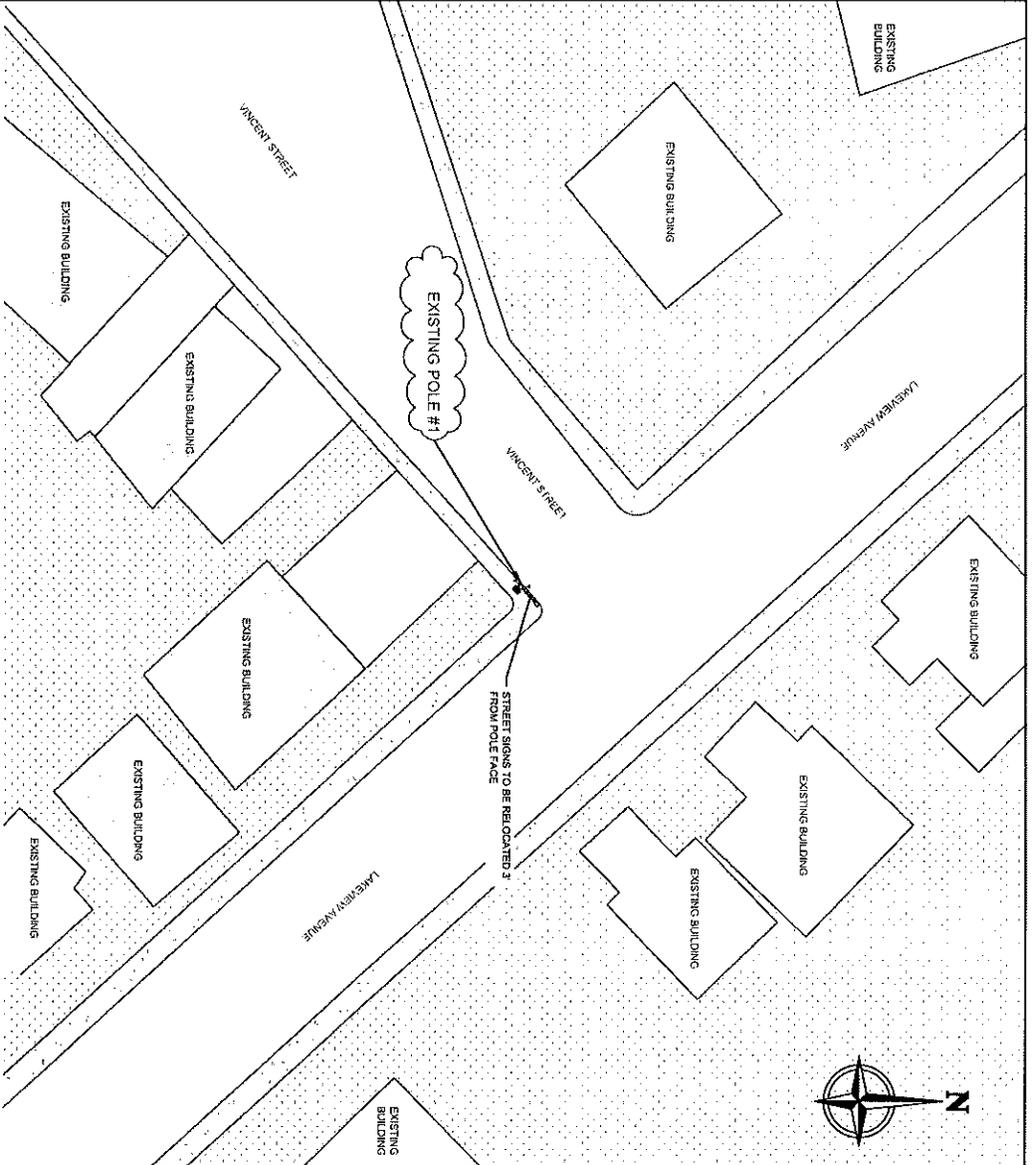
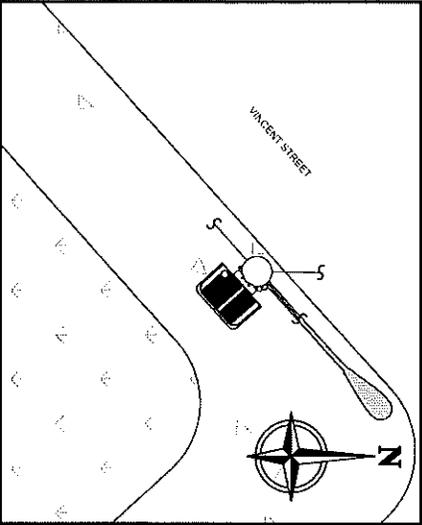
SITE NOTES

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2. A PRE-CONSTRUCTION MEETING IS REQUIRED PRIOR TO CONSTRUCTION START TO REVIEW SCOPE OF WORK AND SPECIFICATIONS.
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 - GC RESPONSIBLE FOR BRINGING THE SAFETY PLAN IS NOT TAPPED OR OTHERS BEING CONSTRUCTED WITH NEARBY BUILDING FOUNDATIONS.
3. GC RESPONSIBLE FOR COORDINATING DAILY LOGS AND LOG-OUT WITH THE POLE OWNER, WHERE APPLICABLE.
4. GC WILL BE RESPONSIBLE FOR THE POLE OWNER CLOSEOUT PACKAGE WITH REQUIRES OF THE COSTS OF THE EQUIPMENT INSTALLED TO BE SUBMITTED WITHIN 7 DAYS OF CONSTRUCTION COMPLETE.

SITE PHOTO



OVERHEAD VIEW



SITE PLAN

TYPICAL SCALE: 1"=30'
 2"=60' SCALE: 1"=15'

COLOR / TEXT INDEX	
	EXISTING
	PROPOSED NEW



SUBMITTALS		REV	DATE	DESCRIPTION
	PERMITTING	1	11/02/2019	LMW
	CONSTRUCTION	0	10/02/2019	LMW

DRAWN BY: JMK
 CHECKED BY: AMK
 APPROVED BY: LMW

COMMONWEALTH OF MASSACHUSETTS
 REGISTERED PROFESSIONAL ENGINEER
 LEE W. WRIGHT
 CIVIL
 NO. 54992
 REGISTERED 12/04/2019

USD: 262149

SITE ADDRESS: 878 LAKEVIEW AVENUE LOWELL, MA 01850

FA LOCATION: 14842025

SITE NAME: CRAN_RCTB_LMWL_01

SHEET TITLE: SITE PLAN

SHEET NUMBER: C-1