

THE COMMONWEALTH OF MASSACHUSETTS

CITY OF LOWELL

In City Council

LOAN ORDER

(Accelerated Repairs to Various School Buildings)

To borrow \$13,604,154 to pay the costs of construction, repair, and/or replacement of boilers and roofs at various schools, including the payment of any architectural, engineering, or other costs related thereto in the City of Lowell.

IT IS ORDERED BY THE CITY COUNCIL OF THE CITY OF LOWELL BY A TWO-THIRDS VOTE as follows:

ORDERED: That the City appropriates the amount of Thirteen Million Six Hundred Four Thousand One Hundred Fifty-Four Dollars (\$13,604,154) for the purpose of paying costs of accelerated repair projects at the following school buildings: (i) boiler and roof replacement at the Bailey Elementary School, located at 175 Campbell Drive, (ii) boiler replacement at the Daley Middle School, located at 150 Flemming Street, (iii) boiler replacement at the Greenhalge Elementary School, located at 149 Ennell Street, (iv) boiler replacement at the McAuliffe Elementary School, located at 570 Beacon Street, (v) boiler replacement at the Rogers STEM School, located at 43 Highland Street, and (vi) boiler and roof replacement at the Sullivan Middle School, located at 150 Draper Street, including the payment of all costs incidental or related thereto, and for which City may be eligible for a grant from the Massachusetts School Building Authority ("MSBA"), said amount to be expended under the direction of the City Manager. To meet this appropriation the Treasurer, with the approval of the City Manager, is authorized to borrow said amount under and pursuant to M.G.L. c. 44, or pursuant to any other enabling authority. The City acknowledges that the MSBA's grant program is a non-entitlement, discretionary program based on need, as determined by the MSBA, and any costs the City incurs in excess of any grant approved by and received from the MSBA shall be the sole responsibility of the City, and that the amount of borrowing authorized pursuant to this vote shall be reduced by any grant amount set forth in the Project Funding Agreement or Agreements that may be executed between the City and the MSBA. Any premium received upon the sale of any bonds or notes approved by this order, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with M.G.L. c. 44, §20, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount. The Treasurer is authorized to file an application with the

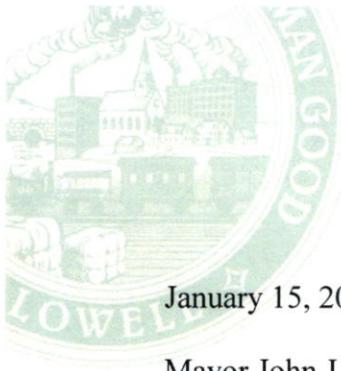
appropriate officials of The Commonwealth of Massachusetts (the “Commonwealth”) to qualify under M.G.L. c. 44A any and all bonds of the City authorized by this order, and to provide such information and execute such documents as such officials of the Commonwealth may require in connection therewith.

ORDER RECOMMENDED AND INTRODUCED BY:

A handwritten signature in cursive script, reading "Eileen M. Donoghue", is written over a horizontal line.

Eileen M. Donoghue, City Manager

Loanorder/acceleratedrepair/schoolbldgs2020



Eileen M. Donoghue
City Manager

January 15, 2020

Mayor John J. Leahy
And
Members of the Lowell City Council

Dear Mayor Leahy and Members of the Lowell City Council,

I hereby submit for approval a loan order in the amount of \$13,604,154 to finance significant building improvement projects at six (6) schools in Lowell. The anticipated approval from the Massachusetts School Building Authority (“MSBA”) for the boilers is expected to be on February 13th. For the other two schools, whose projects include both boilers & roofs, the final MSBA approval is anticipated on April 15th. The funding authority, though, must be sought at this early state in order to begin work on the HVAC projects. The total project budget figures represented in the loan order will not increase from the estimates in the loan order authorization; only the MSBA reimbursement amount is subject to change.

This vote represents significant progress by the City Council in the city’s capital campaign to improve Lowell’s ageing school facilities. The process began well over a year ago with the commissioning of a comprehensive facility study. This study served as the blueprint for our strategy and—after approval of the feasibility study applications—the Administration has worked diligently with our consultants to bring the necessary documents to a level appropriate for the construction phase, in record time. The funding proposed in this loan order will focus on the preservation of existing assets by performing energy-efficient and cost-saving upgrades at the approved sites, resulting in direct operational savings for the city and the school district.

The debt service for this loan order has been calculated into the projections used in formulating the city’s comprehensive five-year capital improvement plan (“CIP”). Unlike most of the capital projected funded by the city, these repairs are eligible for reimbursement from the MSBA of up to 78.95% of the cost, a funding opportunity that the city simply cannot let pass. A great deal of thanks is owed to the State Treasurer’s Office and the MSBA, for the opportunity to participate in such a program. Without it, gateway cities like Lowell would be wholly unable to keep pace with the repair costs of aging infrastructure.

Please let me know if there are any questions.

Sincerely,

Eileen M. Donoghue
City Manager

Cc: Conor Baldwin, Chief Financial Officer