THE COMMONWEALTH OF MASSACHUSETTS CITY OF LOWELL

In City Council

LOAN ORDER

(General Fund Capital Improvements)

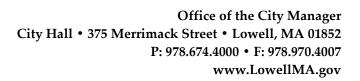
To borrow \$13,745,294 for the purpose of financing various capital improvements and purchases and any related architectural and engineering services in connection therewith and any costs incidental and related thereto.

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

Ordered: That the sum of \$13,745,294 is appropriated for the purpose of financing the following capital improvements, and any related architectural and engineering services in connection therewith and any costs incidental and related thereto: (1) Citywide paving (streets and sidewalks), (2) bridge repair (Beaver Brook), (3) lower locks improvements (Phase 1), (4) acquisition of heavy equipment, (5) municipal building improvements - DPW, (6) Lord Overpass repaving; (7) LMA exterior wall reconstruction, (8) improvements to downtown public ways/streetscapes; (9) JFK Plaza improvements; (10) traffic signalization improvements; (11) improvements to Fire Department facilities; (12) master plan update, (13) City-wide traffic and roadway safety improvements; (14) design/engineering services for reconstructing Swamp Locks Bridge; (15) improvements to Martin/Cawley Field sports complex; (16) Clemente Field lighting/improvements; (17) JFK Police Station bulletproof glass installation; (18) vehicle maintenance and sign shop roof replacement; (19) improvements to Westford and Stedman intersection; (20) Concord River Greenway improvements; (21) portable generator acquisition; (22) environmental remediation – Westford Street landfill; (23) design/engineering services for reconstructing Beaver Brook Bridge; (24) fencing installation – LPD parking area, and (25) ADA improvements incidental and related to any of the aforementioned capital improvements; that to meet this appropriation the Treasurer, with the approval of the City Manager, is authorized to borrow \$13,545,294 and to issue bonds or notes therefor under G.L. c. 44 or any other enabling authority; that the City Manager is authorized to contract for and expend any federal or state aid available for the projects; that the City Manager is authorized to take any action necessary to carry out the projects; and that the Treasurer is authorized to file an application with the Municipal Finance Oversight Board to qualify any or all of the bonds under G.L. c.44A and to provide such information and execute such documents as such board may require for these purposes. Any premium received upon the sale of any bonds or notes approved by this loan order, or upon the sale of any other bonds or notes approved by any other loan order of the City adopted prior to the date of this loan 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 as well as any other projects approved by loan order of the City adopted prior to the date of this loan order in accordance with G.L. c. 44, §20, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount.

ORDER RECOMMENDED AND INTRODUCED BY:

Eileen M. Donoghue, City Manager



Conor Baldwin Chief Financial Officer

Allison Chambers

Deputy CFO

MEMORANDUM

TO: Eileen Donoghue, City Manager

FROM: Conor Baldwin, Chief Financial Officer

CC: Allison Chambers, Deputy CFO

DATE: May 18, 2021

RE: FY2022 – FY2026 Five Year Capital Improvement Plan

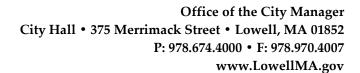
This five year capital improvement plan (CIP) presented this year for consideration by the Lowell City Council lays out the capital priorities for the City of Lowell through FY2026, but the projects proposed for funding in the accompanying loan order are solely for the next fiscal year (FY2022). All additional projects and vehicle replacements are presented in the document for discussion purposes only and will be reassessed depending on future funding needs and fiscal realities.

The City of Lowell is positioned well to solidify its revitalization through strategic investments in education, public safety, and infrastructure. By doing so, Lowell will jump-start the next wave of investment in our most valuable resource: our residents. The proposed investments in roads, buildings, traffic signalization improvements, public safety, and parks and recreation amenities, dovetail nicely with available state and federal dollars destined for the city. Through this plan we are making a significant investment in the building and infrastructure improvements.

Older mill cities face unique challenges in combating urban decay and Lowell has—time and again—shown its leadership by encouraging redevelopment of historic buildings throughout the city. Unfortunately, the main thoroughfares of the city have continued to deteriorate and recent engineering studies of our Pavement Condition Index (PCI) have shown that repaving and repairing using only the funding allocated from the Commonwealth through the Chapter 90 program is insufficient. That is why we have included a recommendation of \$3 million in paving, sidewalks, and curbing to be included in this capital plan request to the City Council. This is in addition to the \$1.87 million appropriated by the Commonwealth through Chapter 90 for a total of \$4.87 million in FY2022. The supplemental City appropriation allows us to also focus on unacceptable street conditions, providing greater flexibility for what streets can be paved and repaired.

I am confident this capital request represents a set of initiatives based on the priorities of the City Council. A summary of the projects is included.





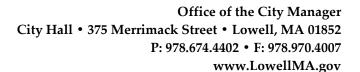


Conor Baldwin Chief Financial Officer

Allison Chambers

Deputy CFO

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PROJECT	PROJECT DESCRIPTION	FY22 Cost
2022-01	CITY-WIDE PAVING & SIDEWALKS IMPROVEMENT PROGRAM	3,000,000
2022-02	BEAVER BROOK BRIDGE REHABILITATION	3,000,000
2022-03	LOWER LOCKS IMPROVEMENTS - PHASE I	1,000,000
2022-04	DPW HEAVY VEHICLE FLEET REPLACEMENT	1,000,000
2022-05	MUNICIPAL BUILDING IMPROVEMENTS - DPW (VARIOUS)	1,000,000
2022-06	ADA IMPROVEMENT PLAN (5% MATCH - CITY COMMITMENT)	645,014
2022-07	LORD OVERPASS IMPROVEMENTS (ADDITIONAL)	500,000
2022-08	CLEMENTE FIELD LIGHTING/ IMPROVEMENTS	500,000
2022-09	LMA EXTERIOR WALL RECONSTRUCTION	400,000
2022-10	DOWNTOWN INVESTMENTS (SIDEWALK PLAN/ KEARNEY	300,000
	FEASIBILITY/ UTILITIES, ETC.)	
2022-11	ADDITIONAL JFK PLAZA IMPROVEMENTS	300,000
2022-12	CITY-WIDE TRAFFIC SIGNALIZATION IMPROVEMENTS	300,000
2022-13	FIRE DEPARTMENT BUILDING IMPROVEMENTS (FIRE HOUSES)	300,000
2022-14	CITY OF LOWELL MASTER PLAN UPDATE	200,000
2022-15	CITY-WIDE TRAFFIC AND SAFETY PROJECTS	200,000
2022-16	SWAMP LOCKS BRIDGE DESIGN	200,000
2022-17	MARTIN/ CAWLEY FIELD SPORTS COMPLEX	200,000
2022-18	LOWELL POLICE HQ BUILDING SECURITY IMPROVEMENTS	165,000
2022-19	LPD VEHICLE MAINTENANCE FACILITY ROOF REPLACEMENT	115,000
2022-20	WESTFORD & STEDMAN INTERSECTION IMPROVEMENTS	100,000
	(ADDITIONAL)	
2022-21	CONCORD RIVER GREENWAY (ADDITIONAL)	100,000
2022-22	DPW PORTABLE EMERGENCY GENERATOR	90,000
2022-23	BEAVER BROOK BRIDGE ADDITIONAL DESIGN	40,080
2022-24	WESTFORD STREET LANDFILL - ENVIRONMENTAL	55,200
	COMPLIANCE/ MONITORING	
2022-25	LPD PARKING AREA SECURITY IMPROVEMENTS	35,000
	TOTAL	\$13,745,294





Eileen M. Donoghue City Manager

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

Dear Mayor Leahy and Members of the Lowell City Council,

The FY2022 capital plan submission represents the fourth year of a revamped five-year capital improvement plan ("CIP") under my Administration. When I became City Manager in April 2018, I shared my vision for the City; a vision focused on key areas including economic development, fiscal management, public safety, education, partnerships, strong neighborhoods, and diverse cultural and arts programs. The City of Lowell has seen marked improvement in all statistical measures of those key focus, as identified in the annual operating budget, all while managing the community impact of the public health pandemic. This success vindicates the capital funding decisions of the Council and the focused direction of the priorities of the residents. Coupled with the Administrations operational austerity each year, the capital position of the City is well poised to undertake the pending infrastructure needs, including the most significant school building project in the history of the Commonwealth.

Included in the FY2022 budget document, presented to the City Council along with this loan order, is a comprehensive update to the city's CIP. A capital improvement program provides a blueprint for planning a community's capital expenditures and is one of the most important responsibilities of local government officials. It coordinates community planning, financial capacity, and physical development. Decisions made during this process will have an impact on the City of Lowell and taxpayers for years to come. The city uses its five-year financial projections for revenue and expenditures, in addition to its five-year capital plan, to formulate budget guidelines for departments. The City has established a debt management and capital investment policy to guide the five-year plan and a copy of the policy is included each year in the presentation of the annual budget. The Committee has taken into account all relevant policy guidelines in this submission to the City Council.

The funding for the capital budget is different than that of the Annual Operating Budget. Rather than revenue from the tax levy, intergovernmental aid (such as Chapter 70 Education Aid from the Commonwealth), and other local receipts; projects funded in the capital budget are financed primarily through the sale of bonds. Typically, these bonds are issued for time periods ranging from five to 30 years, over the course of which the City of Lowell pays off the debt principal and interest, annually, from the general fund and are budgeted within each Annual Budget. Paying the debt over time has the advantage of allowing capital expenditures to be amortized over the life of the projects. Careful analysis is performed each year by the finance department, in concert with financial advisors and bond counsel, prior to any debt issuance. A full analysis can be found within the budget book.



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Eileen M. Donoghue City Manager

Other financing sources, however, are also part of the overall financing plan for the capital plan. The City of Lowell has had great success securing various state and federal grants for infrastructure improvements and other capital investments. These grants from other funding sources outside of the city help mitigate the impact to the Lowell taxpayers for improvements to roads, bridges, and buildings. One of the many examples of this strategy under my Administration has been the unprecedented investment in the public school facilities, in partnership with the Massachusetts State Building Authority ("MSBA") through its Core Program at the Lowell High School campus and at other K-12 schools through the Accelerated Repair Program ("ARP") used to repair roofs and HVAC systems at six school buildings. Without these outside funding sources, Gateway Cities like Lowell would be unable to pursue an aggressive capital campaign without overly burdening the residential taxpayers. These other funding sources, however, are not presented within the capital plan submission for approval by the City Council and the only appropriation authority requested is through the loan order for the city's share capital improvements in FY2022, specified in this submission. Other funding sources are presented for informational purposes only.

I am thankful for the diligent efforts of my staff to coordinate this worthy endeavor. Capital planning is critical component of municipal governance. Buildings, infrastructure, technology, and major equipment are the physical foundation for providing services to Lowellians. The procurement, construction, and maintenance of capital assets all require careful planning and therefore a prescribed process for prioritization of the many projects must be followed. A properly prepared capital plan—one which contains recommendations from subject matter experts at City Hall and balances fiscal realities with the desires of the residents and the direction of the City Council—is essential to the future financial health of the organization.

While it will not be possible to fund all necessary projects in an accelerated time frame, it is important to at least consider them. In the short term, we may have to spend more from our operating budget on repair and maintenance of our equipment, vehicles and buildings. We may also need to amend the priorities of this plan as it is being implemented. It is imperative that we monitor these situations carefully and shift priorities if it appears that maintenance costs are too high relative to replacement costs.

Sincerely,

Eileen M. Donoghue

City Manager

Cc: Conor Baldwin, Chief Financial Officer

Allison Chambers, Deputy CFO Kelly Oakes, City Treasurer

