

Malden City Council
Finance Committee
May 2, 2023

Street Reconstruction
\$6,000,000

Funding Sources

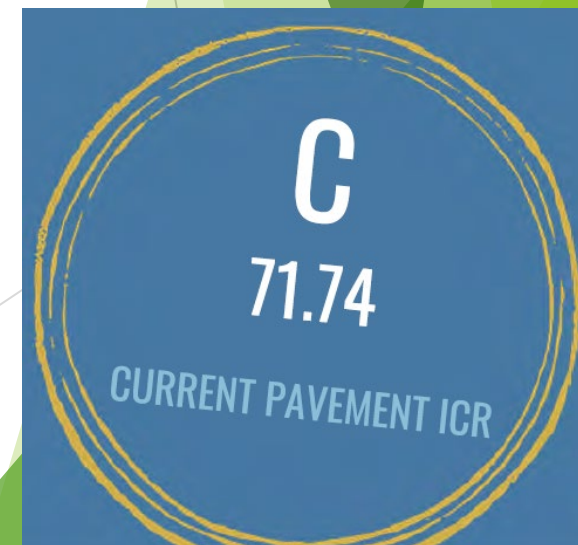
▶ Financial Papers

- ▶ 174-23 - \$3 million bond
- ▶ 175-23 - \$3 million of free cash

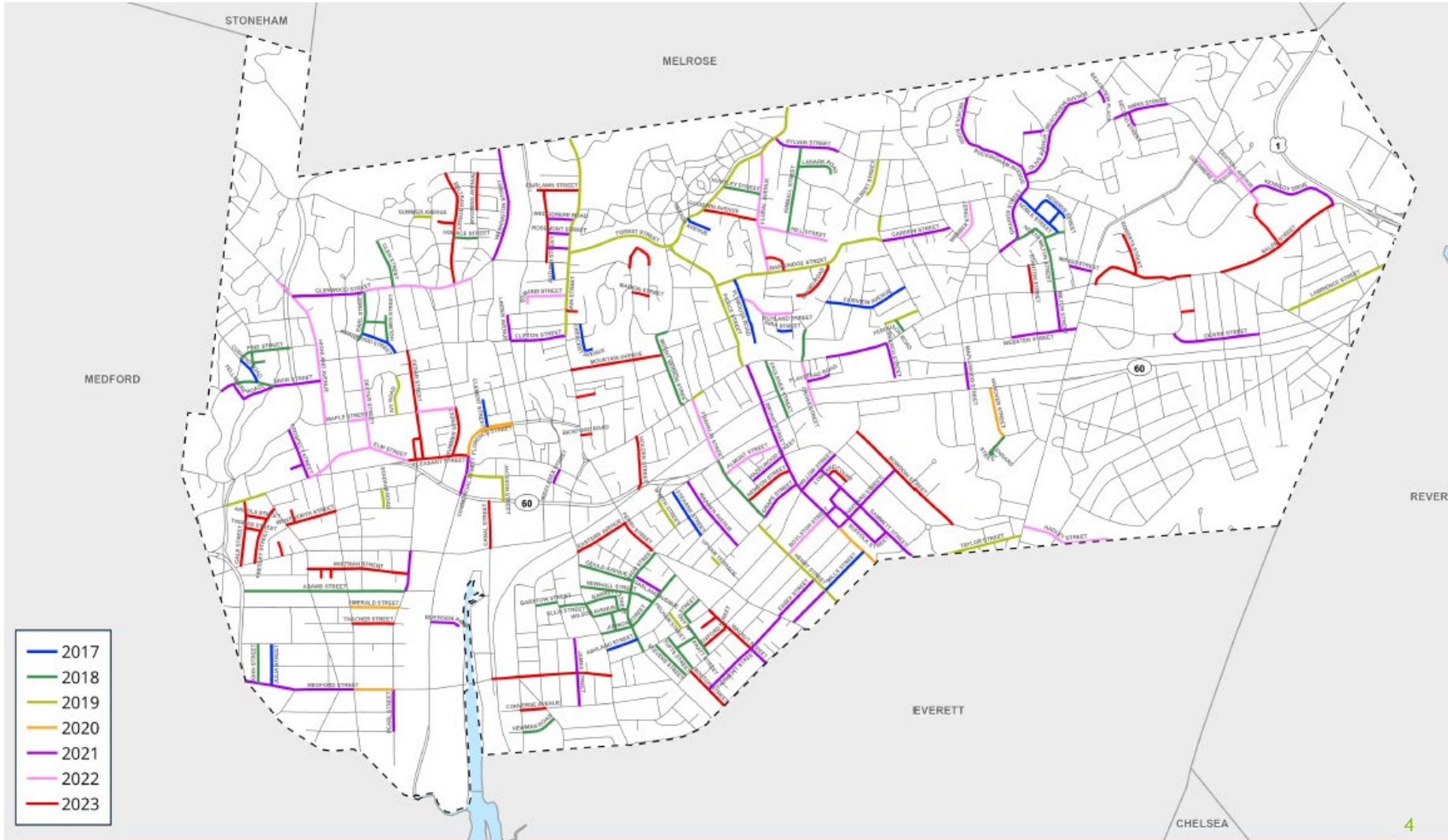
Continued Approach at Aggressively Rehabilitating our Roadways

- ▶ As part of our Pavement Management Program, we had an Infrastructure Condition Assessment performed on over 98 miles of streets throughout the City of Malden.

Repair Method	Length (mi)	Square Yds	Percent	Estimated
Major Rehabilitation	12.58	216,554.9	12.8 %	\$ 15,591,971
Minor Rehabilitation	32.46	566,415.3	33.0 %	\$ 18,691,722
Preventative Maintenance	20.43	359,011.1	20.8 %	\$ 2,872,088
Routine Maintenance	10.28	168,198.3	10.5 %	\$ 168,198
Defer Maintenance	22.54	373,345.6	22.9 %	\$ 0
Total	98.29	1,683,525		\$ 37,323,979



Past Roadwork

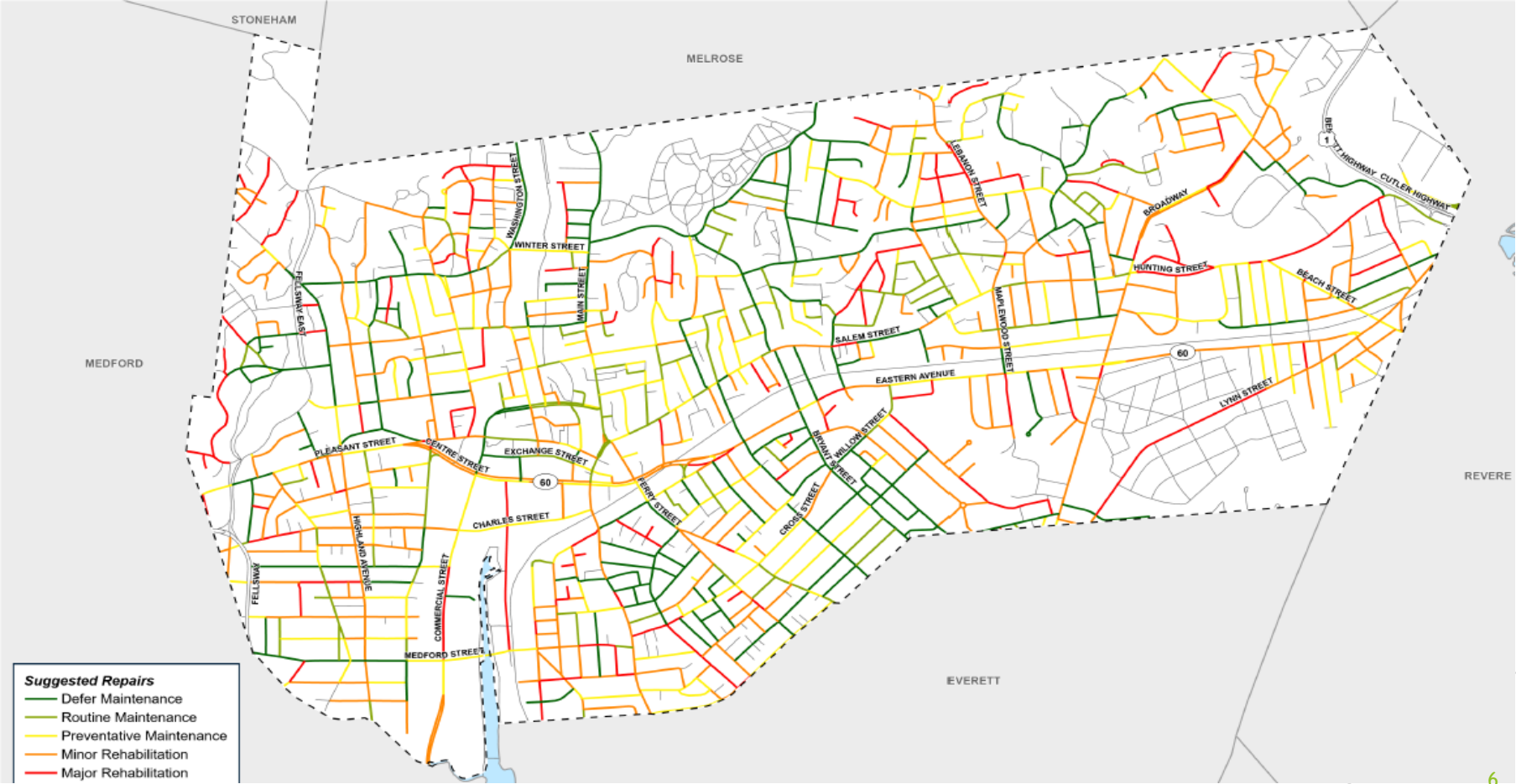


Results

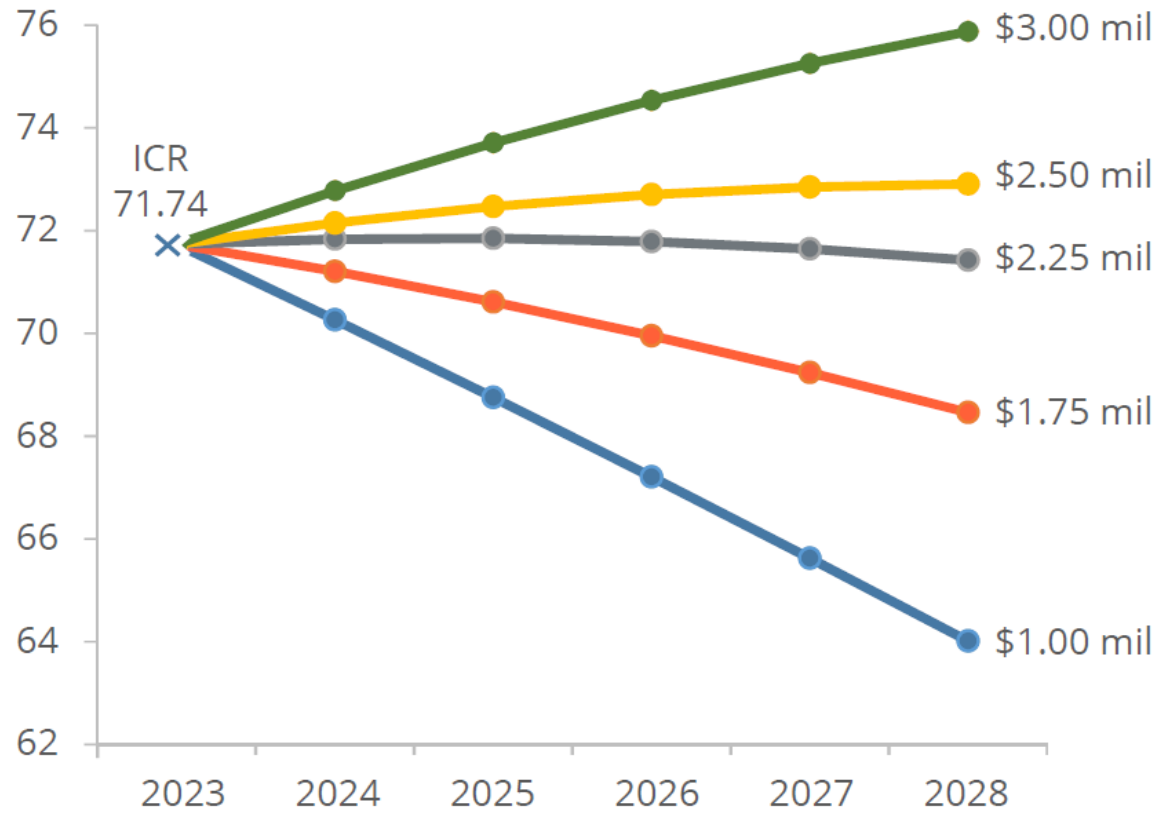


Future Suggested Repairs per Assessment

\$37,323,979



Infrastructure Budgeting Over \$2 million a year to maintain current conditions



How are the streets selected?

- ▶ Multiple factors go in to determining which streets to include in an upcoming mobilization such as:
 - ▶ Current Pavement Condition Index (PCI)
 - ▶ Condition of water mains
 - ▶ Condition of sewer lines
 - ▶ Condition of gas lines
 - ▶ Number of lead lines on the street
 - ▶ Other underground utilities

What do we plan on accomplishing with this \$6 million?

- ▶ Increase our current pavement condition index (PCI) from 71.74 to 75.0.
- ▶ Pave over 50,000 feet or 9.5 miles of city streets and repair sidewalks when needed. This work will include all necessary ADA compliance related items such as sidewalk ramps and trip hazards, addition of tree pits, line striping and crosswalks.
- ▶ Work is expected to begin this fall and be completed next construction season.

Financial Impact borrowing \$3 million for street reconstruction.

- ▶ Utilizing \$3 million of free cash will allow us to start design immediately. Get a bid package out and some work could start in the Fall.
- ▶ Could borrow the money after July 1st resulting in first debt payment not being due until FY2025.

Rate	3.50%				
Years	10				
Amount	\$ 3,000,000.00				
Borrowing Year	2024				
<u>Payment Year</u>	<u>Balance</u>	<u>YTD Pmts</u>	<u>Principal</u>	<u>Interest</u>	<u>Total P&I</u>
2025	\$ 3,000,000.00	\$ 300,000.00	\$ 300,000.00	\$ 105,000.00	\$ 405,000.00
2026	\$ 2,700,000.00	\$ 600,000.00	\$ 300,000.00	\$ 94,500.00	\$ 394,500.00
2027	\$ 2,400,000.00	\$ 900,000.00	\$ 300,000.00	\$ 84,000.00	\$ 384,000.00
2028	\$ 2,100,000.00	\$ 1,200,000.00	\$ 300,000.00	\$ 73,500.00	\$ 373,500.00
2029	\$ 1,800,000.00	\$ 1,500,000.00	\$ 300,000.00	\$ 63,000.00	\$ 363,000.00
2030	\$ 1,500,000.00	\$ 1,800,000.00	\$ 300,000.00	\$ 52,500.00	\$ 352,500.00
2031	\$ 1,200,000.00	\$ 2,100,000.00	\$ 300,000.00	\$ 42,000.00	\$ 342,000.00
2032	\$ 900,000.00	\$ 2,400,000.00	\$ 300,000.00	\$ 31,500.00	\$ 331,500.00
2033	\$ 600,000.00	\$ 2,700,000.00	\$ 300,000.00	\$ 21,000.00	\$ 321,000.00
2034	\$ 300,000.00	\$ 3,000,000.00	\$ 300,000.00	\$ 10,500.00	\$ 310,500.00
				Average	\$ 3,577,500.00

Debt Repayment

<u>General Fund Debt</u>								
	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
	\$6,967,351	\$6,749,920	\$6,087,454	\$5,903,786	\$4,839,233	\$4,686,592	\$4,171,642	\$3,114,615
Added costs for \$3 million			\$405,000	\$394,500	\$384,000	\$373,500	\$363,000	\$352,500
Estimated total			6,492,454	6,298,286	5,223,233	5,060,092	4,534,642	3,467,115

Free Cash Balance

- ▶ As of 07/01/2022 free cash was certified by the Department of Revenue at \$23,734,755
 - ▶ 12/20/2022 appropriated \$22,500 towards Board of Health Recovery Coaches
 - ▶ Current balance = \$23,712,255

There are other liabilities that have to be considered:

- * Pending lawsuits
- * FY2024 budget
- * New construction of Northeast Regional Vocational School
- * Existing conditions of city buildings
- * Rising Health care costs and Pension costs
- * Union contractual increases as a result of inflation.

QUESTIONS

