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November 7, 2012

City Council President Robert Scatamacchia
And Members of the Haverhill City Council

RE: Loan Order

Mr. President and members of the City Council:

Attached is a loan order for \$6,061,000 for the purposes of financing improvements to the Merrimack River floodwall, the Little River conduit and the pump station in Washington Square.

The City Council will recall that we have spoken about this on many occasions. We are required by the Army Corps of Engineers and FEMA to make improvements to the floodwall, the conduit and the pump station. This allows the City to remain in the National Flood Insurance Program. Without this designation, buildings in the flood zone will have to purchase expensive flood insurance.

Haverhill's flood control elements must be brought up to a satisfactory condition in order to stay within the ACOE's **REHABILITATION AND INSPECTION PROGRAM (RIP)**". This project will accomplish this objective. RIP allows the USACOE to restore Haverhill flood control system in the event of future storm damage.

As the Council knows, our long-term vision is to have a board walk run along the river. Accordingly, the improvements to the floodwall have been designed so that eventually a boardwalk could be placed on the floodwall. We have applied for both a federal and state grant to help us pay for this but we would be required, under the terms of either grant, to have authorization to pay for the entire program and, if we are successful with the grant, the federal or state government would reimburse us. I am attaching a funding schedule from Mr. Benevento, our Finance Director, indicating the yearly payments on the loan order.

I am also attaching a document entitled "Authority to File". This document allows us to apply to the state revolving loan fund in order to be able to finance this project. Under the state revolving loan program, we are allowed to finance this at approximately 2% per year.

This document must be placed on file for two weeks after which time I recommend approval.

Thank you, in advance, for your consideration.

Very truly yours,



James J. Fiorentini, Mayor

JJF/lk
Encl.



Document
CITY OF HAVERHILL
In Municipal Council

B.1.
B.1.1

Ordered:

That \$6,061,000 is appropriated for the purpose of financing the cost of engineering services and construction related to flood control improvements including improvements to the Merrimack River floodwall, Little River conduit and the Marginal Pump Station including without limitation all costs thereof as defined in Section 1 of Chapter 29C of the General Laws, as most recently amended by St. 1998, c.78 ("Chapter 29C"); that to meet this appropriation the Treasurer with the approval of the Mayor is authorized to borrow \$6,061,000 and issue bonds or notes therefor under Chapter 44 of the General Laws and/or Chapter 29C; that such bonds or notes shall be general obligations of the City unless the Treasurer with the approval of the Mayor determines that they should be issued as limited obligations and secured by local system revenues as defined in section 1 of Chapter 29C; that the Treasurer with the approval of the Mayor is authorized to borrow all or a portion of such amount from the Massachusetts Water Pollution Abatement Trust (the "Trust"); and in connection therewith to enter into a loan agreement and/or a security agreement with the Trust and otherwise to contract with the Trust and the Department of Environmental Protection with respect to such loan and for any federal or state aid available for the project or for the financing thereof; that the Mayor is authorized to enter into a project regulatory agreement with the Department of Environmental Protection, to expend all funds available for the project and to take any other action necessary to carry out the project.

File 10 DAYS

adv:
File 10 days