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Gary Christenson, Mayor

November 9, 2020

The Honorable City Council
Malden City Hall
215 Pleasant Street
Malden, MA 02148

Dear Members of the City Council:

Over the past several years, we have continued to focus on replacing water mains and doing associated street work. As you know, this work is critical. It's also very expensive and disruptive. While we will continue with this effort, on a parallel path I believe we have put ourselves in a position where we can now also address the many streets we have that are in need of a less comprehensive mill and overlay.

In past years, the City has largely funded roadwork through bonding. I have been working hard over the past several years, along with our finance team, to put ourselves in a position where we can fund this work in a more balanced way. Specifically, it's been our goal to reduce reliance on reserves for our annual budget so that these funds can be redirected to other priorities. With the current year's budget, which was created and balanced without reliance on reserves, we have put ourselves in just that position.

The Department of Revenue has recently certified our free cash at a level of \$18.6 million. These funds of course play an important role in providing the City with a backstop when financial conditions deteriorate either locally or at a state level. Many refer to it as a rainy-day fund. However, we also believe the hard work we've done provides us some breathing room to allocate some of these funds to road work. As I'm sure you'll agree, it's one of the most frequent requests we get from residents.

Therefore, I am proposing that we authorize a bond of \$3 million, and 'match' that bond with the use of \$3 million in reserves. This balanced approach I believe appropriately shares the costs between current taxpayers and future taxpayers and sets a standard that will help us manage our debt levels more effectively going forward.

I have instructed our Engineering Staff to begin compiling a list of streets based upon engineering standards and the desired scope of the program. I will then work with each of you to gain feedback on the same. I am not intending to include a list of streets with the bonding requests for several reasons. In the past, this has led us to put together inefficient packages. I believe the most effectual way to maximize the number of roads that are paved is to allow our

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Engineering Staff to put together a plan that helps us get the best pricing possible. Additionally, our focus here is on those streets that involve a mill and overlay only and again, I believe it's best to allow our team to package all that information together after which time I'll work with each of you to gain your feedback.

I respectfully ask that you authorize this appropriation so that we can begin this much needed work in the spring/summer of 2021. I believe doing so will allow us to have an immediate impact on a large number of streets with minimal resident disruption. Thank you for your consideration and please contact me with any questions.

Sincerely,



GARY CHRISTENSON
Mayor of Malden