



February 6, 2025

To: The Honorable Mayor Gary Christenson

Applicant Name: N/A

Co-Applicant: N/A

Applicant Address: 215 Pleasant Street Malden MA 02148

Project: CPA Bond

The City of Malden Community Preservation Committee ("CPC") is pleased to inform you that on January 15, 2025 the CPC voted 7-0 to recommend to the Mayor and City Council reallocation of our \$1,450,000 bond to the following projects: \$1,000,000 to Malden River Works; \$450,000 to Devir Park.

In reaching their decision, the CPC found that these projects are similar to the Roosevelt Park project and therefore meets eligibility requirements for reallocation and aligns with the priorities stated in Malden's Community Preservation Plan. The funding recommendation was made with the following conditions:

1. \$1,000,000 is allocated to the Malden River Works project construction
2. \$450,000 is reallocated to Devir Park for soil testing, design, and construction

CPA Project Funding Recommendation: \$1.45m CPA Bond Reallocation		
Category: Open Space and Recreation	Recommended Funding Source	Amount
Malden River Works	CPA Bond	\$1,000,000
Devir Park	CPA Bond	\$450,000

The following project summary describes the project proposal recommended for CPA funding.

Project Description

Strong Past...Proud Future



City of



COMMUNITY PRESERVATION COMMITTEE

The goal of this recommendation is to reallocate funding from a municipal bond that was taken out against future CPA revenue to fund the since cancelled Roosevelt Park Project and to reallocate those funds towards the Malden River Works and the Devir Park projects.

The \$1.45m bond for Roosevelt Park was originally approved in Malden CPC's first year of operation in FY19. The bond was subsequently issued on August 3, 2023 in preparation for the City to solicit bids on the park construction. The received bids came in at \$1.6m above the available budget, so on April 29, 2024, Mayor Christenson issued a memo informing the public that the Roosevelt Park project would not move forward as constituted and that plans would need to be reset.

On January 15, 2025, the Malden Treasurer, Dan Grover, issued a memo to CPC informing us that the bond was approaching its two-year window to draw down the funds before triggering arbitrage. Grover defines arbitrage as it relates to tax exempt borrowing as "the amount that the City earns on borrowed funds that are above and beyond the interest cost of borrowing." If the City is found by the Treasury Department to be engaging in arbitrage, the City's bond rating and financial standing may become at risk, potentially increasing future costs to the City. Therefore, CPC voted to reallocate funds from the bond to similar and like projects that will use the funding more quickly.

- In FY24, the Malden River Works project applied for \$1m for construction, but was awarded \$983,000 due to limited funding available. Through the bond reallocation, CPC is recommending that the Mayor and City Council approve the full \$1m to the project.
- In FY25 OSPCD applied for \$769,596 in funding for Devir Park. CPC voted to award full funding for the park using a variety of sources, including \$450,000 from the bond.

Altogether, CPC is recommending that the City reallocate the full \$1.45m bond to these two projects that are slated to move forward quickly so the City will be in the best position to avoid arbitrage.

Reallocating proceeds from the bond to these projects will also make available the \$983,000 that had been previously committed from the Fund Balance to Malden River Works. Funding in the Fund Balance can be allocated to projects in any of the three categories, including any potential future application for Roosevelt Park. With these newly available funds, CPC expects to have approximately \$2m to dedicate to new projects in FY26.

Supporting documentation referenced above may be found in the January 15, 2025 meeting packet at:
<https://www.cityofmalden.org/DocumentCenter/Index/916>

Treasurer's Memo from January 15, 2025

<https://www.cityofmalden.org/DocumentCenter/View/9536/Treasurer-Memo-to-CPC-Chair-1-15-2025>

City of



COMMUNITY PRESERVATION COMMITTEE

Mayor's Memo from April 29, 2024

<https://www.cityofmalden.org/DocumentCenter/View/9552/Memorandum-on-Roosevelt-Park-4-29-24>

Information regarding the two projects which are recommended funding sources for the reallocated bond may be found at:

<https://www.cityofmalden.org/768/CPA-Funding-Applications>

Malden River Works FY24 CPC Application:

<https://www.cityofmalden.org/DocumentCenter/Index/738>

Devir Park FY25 CPC Application:

<https://www.cityofmalden.org/DocumentCenter/Index/874>