



CITY OF DOVER

CITY OF DOVER - RESOLUTION

Agenda Item#: 13.B.5.

Resolution Number: **R – 2022.09.28 – 204**

Resolution Re: **Appropriation For FY2024 Capital Improvements
Program and Authorization for Bonding REVISED**

WHEREAS: The City Council desires to make public improvements and to finance these improvements with the sale of general obligation bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND DOVER CITY COUNCIL THAT:
The following capital projects are appropriated, with estimated useful lives in excess of the length indicated, as part of the FY2024 Capital Improvements Program:

Item #	Description	Proposed Appropriations	Life/Yrs	Department	Fund
1	Bridge Deck - Chestnut Street	\$ 1,344,000	20	Comm Serv - PW	General
2	Cochecho River Replace Storm Drain Outfall	2,000,000	20	Comm Serv - PW	General
3	Portland Avenue Retaining Wall	100,000	20	Comm Serv - PW	General
4	Street Reconstruction - Court/Union	1,268,000	20	Comm Serv - PW	General
5	Street Reconstruction - Fifth/Grove	1,100,000	20	Comm Serv - PW	General
6	Site Improvements - Waterfront/Dredge Cell Closure	4,000,000	20	TIF - Waterfront	TIF
7	Water Main Replacement - Court/Union	1,808,000	20	CS - Water	Water
8	Water Main Replacement - Fifth/Grove	250,000	20	CS - Water	Water
9	Phase C Inflow & Infiltration Removal	1,950,000	20	CS - Sewer	Sewer
10	Pump Station Upgrade - Mill Street	3,800,000	20	CS - Sewer	Sewer
11	Pump Station Upgrade - River Street	4,500,000	20	CS - Sewer	Sewer
		22,120,000			

AND FURTHER BE IT RESOLVED THAT:

To meet the appropriations of this resolution there is authorized, under and pursuant to the City Charter and the New Hampshire Municipal Finance Act and any other enabling authority, the issuance and sale of general obligation bonds of the City of Dover in a principal amount equal to the total of the appropriations. The full faith and credit of the City is hereby pledged for the principal and interest on said bonds. The bonds are to be signed by the City Manager and countersigned by the City Treasurer, with the Finance Director and City Treasurer having the discretion of fixing the dates, maturities, denominations, place of payment, interest rate or rates and form, and to provide for the sale of the bonds.

AND FURTHER BE IT RESOLVED THAT:

Pursuant to the City Charter and the New Hampshire Municipal Finance Act and any other enabling authority, the City of Dover is hereby authorized to participate in the NH Clean Water State Revolving Fund (CWSRF) Program for financing eligible Sewer Fund projects provided CWSRF funding is available; and the City of Dover is hereby authorized to participate in the NH Drinking Water State Revolving Fund (DWSRF) Program for financing the Water Fund projects provided DWSRF funding is available. The City Manager, Finance Director and Treasurer are authorized, on behalf of the City of Dover, to file for participation in the NH CWSRF and DWSRF Programs and obtain loans through the programs for eligible identified projects.



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NOTE: This resolution requires a duly advertised public hearing and a 2/3 favorable vote of all members for passage with the vote deferred until at least three (3) days after public hearing.

AUTHORIZATION

Approved as to Funding: Daniel R. Lynch
Finance Director

Sponsored by: Mayor Robert Carrier
By Request

Approved as to Legal Joshua Wyatt
Form and Compliance: City Attorney

Recorded by: Susan Mistretta
City Clerk

DOCUMENT HISTORY:

First Reading Date:	Public Hearing Date:
Approved Date:	Effective Date:

DOCUMENT ACTIONS:

VOTING RECORD		
Date of Vote:	YES	NO
Mayor Robert Carrier		
Deputy Mayor Dennis Shanahan		
Councilor Michelle Muffett-Lipinski, Ward 1		
Councilor Robert Hinkel, Ward 2		
Councilor Deborah Thibodeaux, Ward 3		
Councilor Debra Hackett, Ward 4		
Councilor Fergus Cullen, Ward 6		
Councilor Linnea Nemeth, At Large		
Councilor Lindsey Williams, At Large		
Total Votes:		
Resolution does does not pass.		



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RESOLUTION BACKGROUND MATERIAL:

This resolution makes appropriations for the projects of the FY2024 Capital Improvements Program financed by debt and authorizes the sale of bonds and/or participation in the CWSRF or DWSRF.

This resolution makes appropriations for projects that are scheduled to be completed over multiple years. The Finance Department requests from all departments with projects to submit cash flow requirements for projects. These cash flow projections are completed to determine the amount by project for the coming bond issuance. Those projects that are not financed or are only partially financed remain as authorized unissued debt and bonded (financed) when the cash need arises.

Debt Authorization versus Debt Retirement

The following table compares the tentative authorization amount to the amount of debt being retired: The Net Sewer reflects the amount retired by user fees (total debt retirement less State aid for principal).

Description	City	School	Water	Sewer	Waterfront TIF	Total
FY2024 Authorization	5,812,000	0	2,058,000	10,250,000	4,000,000	22,120,000
FY2024 Retirement	4,243,359	3,457,160	1,501,339	1,724,062	227,542	11,153,462
Net Change	1,568,641	(3,457,160)	556,661	8,525,938	3,772,458	10,966,538

Legal Debt Limits

The following table summarizes the amount of debt outstanding & authorized-unissued, as of June 30, 2022 and this authorization, against the legal debt limits.

Description	City	School	Water	DBIDA-IP	Waterfront TIF	Exempt	Total
Debt Outstanding	42,101,711	86,008,806	16,031,693	0	4,260,704	30,715,885	179,118,799
Authorized - Unissued	18,992,915	1,106,000	28,050,287	0	14,712,500	12,981,685	75,843,387
Total Issued & Unissued	61,094,626	87,114,806	44,081,980	0	18,973,204	43,697,570	254,962,186
This Authorization	5,812,000	0	2,058,000	0	4,000,000	10,250,000	22,120,000
Grand Total	66,906,626	87,114,806	46,139,980	0	22,973,204	53,947,570	277,082,186
Legal Debt Limit	151,294,119	353,019,612	504,313,731	4,000,000	NA	NA	
Unused Capacity	84,387,493	265,904,806	458,173,751	4,000,000			
Percent Unused	55.8%	75.3%	90.9%	100.0%			

Notes: Legal debt limits are based on a percent of equalized assessed value. City 3%, School 7%, Water 10%.

DBIDA limits are set by special legislation.

IP = Industrial Park projects

IB = Industrial Building projects

Exempt includes Sewer, Special Revenue Funds, TIF District, and Tolend Road Landfill debt.

R-2022.09.28 CIP FY2024 Authorization for Bonding Resolution

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Multi-Year Projects Proposed Bonding Schedule

The following table summarizes the bonding schedule for the proposed debt authorizations. This table shows that for multi-year projects the issuance of bonds will be done based on cash flow requirements per the projects' proposed segments as presented in the Capital Improvements Program.

			Proposed						
Item #	Description		Appropriations	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
1	Bridge Deck - Chestnut Street		\$ 1,344,000	900,000	444,000				
2	Cochecho River Replace Storm Drain Outfall		2,000,000	1,000,000	1,000,000				
3	Portland Avenue Retaining Wall		100,000	100,000					
4	Street Reconstruction - Court/Union		1,268,000	1,000,000	268,000				
5	Street Reconstruction - Fifth/Grove		1,100,000	1,000,000	100,000				
6	Site Improvements - Waterfront/Dredge Cell Closure		4,000,000	4,000,000					
7	Water Main Replacement - Court/Union		1,808,000	1,808,000					
8	Water Main Replacement - Fifth/Grove		250,000	250,000					
9	Phase C Inflow & Infiltration Removal		1,950,000	1,950,000					
10	Pump Station Upgrade - Mill Street		3,800,000	500,000	2,300,000	1,000,000			
11	Pump Station Upgrade - River Street		4,500,000	4,500,000					
			22,120,000	17,008,000	4,112,000	1,000,000	-	-	-

Financial Policy Considerations

The proposed debt authorizations contained in this resolution will result in the following City Council adopted Financial Policies not being adhered to:

- A. Water Fund debt shall not exceed 5% of the State of NH legal debt limit.
- B. Water Fund debt service for any given fiscal year shall not exceed 40% of the total appropriations for the fund.

Water Fund debt will exceed the 5% policy limit in FY2023 and continue through FY2029 as a result of the funding appropriated in this resolution and the funding for Water System Facilities Upgrade in the FY2017 CIP and FY2018 CIP. The Water Fund debt service as a percentage of budget is projected to exceed the 40% policy level in FY2024 and continue through FY2029. This is the result of the funding appropriated for Water System Facilities Upgrade in FY2017 and FY2018 CIPs, as well as the \$2,058,000 proposed for debt financing in this resolution.



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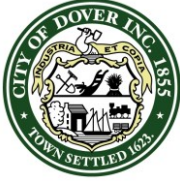
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Rate Impacts

The following tables summarize the change from year to year on the Property Tax Rate and the Utility Rates, net of existing debt service and aid, related to the projects proposed to be bonded in FY2024. The top table reflects the impact of the new CIP projects only; the second set reflects the combined impact of the new CIP projects and anticipated debt related to prior year authorizations. The rate changes have been adjusted for any amendments to projects from the proposed CIP.

CIP Only					CIP Only				
Net Change in Property Tax Rates					Net Change in Utility Rates				
	2024	2025	2026			2024	2025	2026	
City	0.10	0.18	0.25		Water	0.27	0.52	0.92	
School	0.01	0.09	0.19		Sewer	0.85	1.17	1.31	
Total Change	0.11	0.27	0.44		Total Change	1.12	1.69	2.23	
Est Tax Rate	22.09	22.36	22.80		Est Utility Rate	17.34	19.03	21.26	
% Change City	1.25%	2.21%	3.05%		% Change Water	4.21%	7.78%	13.28%	
% Change School	0.09%	0.83%	1.74%		% Change Sewer	8.66%	10.98%	11.93%	
% Change Total	0.50%	1.22%	1.98%		% Change Total	6.91%	9.75%	12.45%	
Including Prior Year Authorizations					Including Prior Year Authorizations				
Net Change in Property Tax Rates					Net Change in Utility Rates				
	2024	2025	2026			2024	2025	2026	
City	0.36	(0.08)	(0.02)		Water	2.36	0.82	(0.62)	
School	0.01	0.06	0.07		Sewer	1.41	0.92	0.03	
Total Change	0.37	(0.02)	0.05		Total Change	3.77	1.74	(0.59)	
Est Tax Rate	22.35	22.33	22.38		Est Utility Rate	19.99	21.73	21.14	
% Change City	4.48%	-0.95%	-0.25%		% Change Water	36.82%	9.35%	-8.58%	
% Change School	0.09%	0.55%	0.64%		% Change Sewer	14.37%	8.20%	0.28%	
% Change Total	1.68%	-0.09%	0.23%		% Change Total	23.24%	8.70%	-3.29%	
Rate per \$1,000 of Assessed Value					Rate per 100 Cubic Feet of Water Consumption				

The table below reflects the net change from year to year, and the total change after 3 years, for an average single family home for taxes and user fees, based on the FY22 assessed value at \$413,518 with 75 HCF of average water usage.



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Impact to Average Single Family Home				
				Change
				After
Description	Yr1	Yr2	Yr3	3 Years
CIP Only				
Property Tax	45	112	182	339
Water Fees	20	39	69	128
Sewer Fees	64	88	98	250
Total Avg SFH Impact	129	238	349	717
Including PY Authorizations				
Property Tax	153	(8)	(21)	124
Water Fees	177	62	(47)	192
Sewer Fees	106	69	2	177
Total Avg SFH Impact	436	122	(65)	493