



CITY OF DOVER

CITY OF DOVER - RESOLUTION

Agenda Item#: 12.C.3.

Resolution Number: **R – 2018.10.10 – 138**
Resolution Re: **Appropriation (Revised) For FY2020 Capital Improvements Program and Authorization for Bonding**

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:

Item #	Description	Proposed Appropriations	Life/Yrs	Department	Fund
1	Chapel Restoration/Facilities & Grounds Office	\$ 1,800,000	20	Comm Serv - PW	General
2	Central Falls Dam Repairs	300,000	20	Comm Serv - PW	General
3	Downtown Wayfinding	440,000	15	Comm Serv - PW	General
4	Street Reconstruction - Spur Road	2,000,000	20	Comm Serv - PW	General
5	Catch Basin Spoils Facility	1,750,000	20	Comm Serv - PW	General
6	Street Reconstruction - Oak/Broadway	1,320,000	20	Comm Serv - PW	General
7	Middle School - Roof Replacement	545,000	20	Education	General
8	Catch Basin Spoils Facility	1,750,000	20	CS - Sewer	Sewer
9	Pump Station Upgrade - River Street	1,000,000	15	CS - Sewer	Sewer
	Total	10,905,000			

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.

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.



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AUTHORIZATION

Approved as to Funding: Daniel R. Lynch
Finance Director

Sponsored by: Mayor Karen Weston
By Request

Approved as to Legal: Anthony Blenkinsop
Form and Compliance: City Attorney

Recorded by: Susan Mistretta
Acting City Clerk

DOCUMENT HISTORY:

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

DOCUMENT ACTIONS:

VOTING RECORD		
Date of Vote:	YES	NO
Mayor Karen Weston		
Deputy Mayor Robert Carrier, At Large		
Councilor Michelle Muffett-Lipinski, Ward 1		
Councilor Dennis Ciotti, Ward 2		
Councilor Deborah Thibodeaux, Ward 3		
Councilor Marcia Gasses, Ward 4		
Councilor Dennis Shanahan, Ward 5		
Councilor Matthew Keane, Ward 6		
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 FY2020 Capital Improvements Program financed by debt and authorizes the sale of bonds.

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
FY2020 Authorization	7,610,000	545,000	0	2,750,000	0	10,905,000
FY2020 Retirement	4,163,390	1,900,788	1,238,545	1,428,481	525,000	9,256,204
Net Change	3,446,610	(1,355,788)	(1,238,545)	1,321,519	(525,000)	1,648,796

Legal Debt Limits

The following table summarizes the amount of debt outstanding & authorized-unissued, as of June 30, 2018 and this authorization, against the legal debt limits.

Description	City	School	Water	DBIDA-IP	DBIDA-IB	Exempt	Total
Debt Outstanding	40,666,911	85,637,329	16,888,764	0	0	31,062,361	174,255,365
Authorized - Unissued	13,539,494	8,100,000	24,372,000	2,450,000	0	12,246,336	60,707,830
Total Issued & Unissued	54,206,405	93,737,329	41,260,764	2,450,000	0	43,308,697	234,963,195
This Authorization	7,610,000	545,000	0	0	0	2,750,000	10,905,000
Grand Total	61,816,405	94,282,329	41,260,764	2,450,000	0	46,058,697	245,868,195
Legal Debt Limit	104,171,072	243,065,834	347,236,906	4,000,000	NA	NA	
Unused Capacity	42,354,667	148,783,505	305,976,142	1,550,000			
Percent Unused	40.7%	61.2%	88.1%	38.8%			

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.



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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.

Item #	Description		Proposed			
			Appropriations	FY2020	FY2021	FY2022
1	Chapel Restoration/Facilities & Grounds Office		1,800,000	1,200,000	600,000	
2	Downtown Wayfinding		440,000	40,000	400,000	
3	Street Reconstruction - Spur Road		2,000,000	475,000	1,525,000	
4	Street Reconstruction - Oak/Broadway		1,320,000	400,000	920,000	
5	Pump Station Upgrade - River Street		1,000,000	300,000		700,000
		Total	6,560,000	2,415,000	3,445,000	700,000

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 FY2020. 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.



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CIP Only					CIP Only				
Net Change in Property Tax Rates					Net Change in Utility Rates				
	2020	2021	2022			2020	2021	2022	
City	0.16	0.27	0.36		Water	0.02	0.11	0.44	
School	0.02	0.02	0.03		Sewer	0.24	0.25	0.33	
Total Change	0.18	0.29	0.39		Total Change	0.26	0.36	0.77	
Est Tax Rate	27.25	27.54	27.93		Est Utility Rate	14.09	14.45	15.22	
% Change City	1.57%	2.60%	3.44%		% Change Water	0.39%	2.11%	8.30%	
% Change School	0.17%	0.17%	0.25%		% Change Sewer	2.77%	2.81%	3.71%	
% Change Total	0.66%	1.06%	1.43%		% Change Total	1.88%	2.56%	5.43%	
Including Prior Year Authorizations					Including Prior Year Authorizations				
Net Change in Property Tax Rates					Net Change in Utility Rates				
	2020	2021	2022			2020	2021	2022	
City	0.26	0.21	(0.11)		Water	1.05	1.03	(0.10)	
School	0.28	(0.01)	(0.01)		Sewer	0.39	0.54	(0.27)	
Total Change	0.54	0.20	(0.12)		Total Change	1.44	1.57	(0.37)	
Est Tax Rate	27.61	27.81	27.69		Est Utility Rate	15.27	16.84	16.47	
% Change City	2.55%	2.01%	-1.06%		% Change Water	20.23%	16.51%	-1.61%	
% Change School	2.35%	-0.08%	-0.08%		% Change Sewer	4.51%	5.97%	-2.94%	
% Change Total	1.99%	0.72%	-0.44%		% Change Total	10.41%	10.28%	-2.40%	
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 FY18 estimated assessed value at \$299,087 with 75 HCF of average water usage.

Impact to Average Single Family Home				
				Change
Description	Yr1	Yr2	Yr3	After 3 Years
CIP Only				
Property Tax	54	87	117	257
Water Fees	2	8	33	43
Sewer Fees	18	19	25	62
Total Avg SFH Impact	73	114	174	361
Including PY Authorizations				
Property Tax	162	60	(36)	185
Water Fees	79	77	(8)	149
Sewer Fees	29	41	(20)	50
Total Avg SFH Impact	270	178	(64)	383