

CITY COUNCIL MEETING

AGENDA ITEM II



CITY OF FRANKLIN
COUNCIL AGENDA REPORT

December 19, 2012

From: Judie Milner, Finance Director
Subject: Restoring State Aid Grant (SAG) funding to municipalities

Recommendation:

I recommend the Council considers Resolution 06-13 supporting restoring funding in the State's FY14-FY15 biennium budget for State Aide Grants (SAG) for those communities who were promised funding, completed projects and then did not receive funding from the State as appropriations were cut for promised assistance.

Motion:

January 7, 2013

Councilor moves, ***"I move the City of Franklin City Council approve Resolution 06-13 supporting legislation to fully authorize restored funding to the State Aide Grant program's eligible projects and continue to advance legislative efforts that will provide over the long term a funding mechanism to support these infrastructure projects critical to maintaining the quality of life in our State."***

Discussion:

The State Aide Grant (SAG) typically assisted communities with wastewater, public drinking water, and landfill closure projects by funding 20-30% of principle and lease payments for the project. 124 projects were approved by the SAG program with municipalities moving forward completing the projects. One of these projects was completed by the Winnepesaukee River Basin Program (WRBP) of which the City is a participating community.

Then, in 2008, the State suspended funding for the SAG program leaving the communities holding the proverbial bag for the entire project when they expected to be liable for 70-80% of the cost. The funding has been suspended every year since. WRBP is owed more than \$2.7 million in SAG funding. If WRBP doesn't receive the funding the costs will be the responsibility of the 8 communities participating in this program of which Franklin's share is 22% of capital.

The New Hampshire Municipal Association, who advocates for local municipalities, has asked for support by adopting a resolution asking our state representatives, senators and

governor to restore this funding and getting support from our local delegation to move this legislation forward.

Concurrences:

The City's sewer users pay 16% of the costs of running the Winnepesaukee River Basin Program and 22% of capital costs.

Fiscal Impact:

22% share of \$2.7 million in promised funding means \$594,000 to the City sewer customer over the life of the loan.

Alternatives:

City Council could not take a stand on the issue which could weaken the position of the municipal advocacy group.

Attachments/Exhibits:

Resolution #06-13



CITY OF FRANKLIN, NEW HAMPSHIRE

"The Three Rivers City"

316 Central Street
Franklin, NH 03235

(603) 934-3900
fax (603) 934-7413
cityhall@franklinnh.org

RESOLUTION #06-13

WHEREAS, the State Legislature has historically supported municipal wastewater, public drinking water and landfill closure projects through the State Aid Grant program administered by the New Hampshire Department of Environmental Services; and

WHEREAS, the public derives significant benefits from municipal infrastructure systems including improved public health, public safety, environmental protection and also monetary benefits to our state and local economies from local growth, recreation and tourism; and

WHEREAS, the City of Franklin participates in the Winnepesaukee River Basin Program and recognizes the importance of environmental quality advanced by projects supported by the State Aid Grant program finding it necessary for a healthy and sustainable community; and

WHEREAS, pursuant to RSA 486 and RSA 485-A the State Legislature has expressly authorized a grant program for municipalities to receive from 20% to 30% of assistance toward principal and interest payments on eligible infrastructure projects; and

WHEREAS, local government officials and citizens faithfully relied on the State's commitment to this funding partnership that was created by the Legislature to make these environmental infrastructure investments more affordable at the local level; and

WHEREAS, the Legislature since October, 2008 has deferred all state appropriations to the State Aid Grant program resulting in 124 eligible municipal projects, constructed in reliance of grant funding, but not receiving any funding in state fiscal year 2009, 2010, 2011 and 2012; and

WHEREAS, the backlog of eligible municipal projects includes 100 wastewater projects totaling more than \$46 million, 17 public water supply projects totaling more than \$7.5 million, and 7 landfill projects totaling more than \$800,000 in grant requests; and

RESOLUTION #06-13

PAGE 2

WHEREAS, the New Hampshire Municipal Association has adopted a Legislative Policy position to support future legislative that requests the state fulfills it existing statutory obligations to municipalities.

NOW THEREFORE BE IT RESOLVED that the City of Franklin hereby respectfully requests the city's representatives, state senator, other members of the county delegation and governor support legislative that will be filed in the 2013 legislative session and which will authorize fully restored funding to the State Aid Grant program's eligible deferred projects and continue to advance legislative efforts that will provide over the long term a funding mechanism to support these infrastructure projects critical to maintaining the quality of life in our state.

By a roll call vote.

Roll Call:

Councilor Boyd	_____	Councilor Feener	_____
Councilor Clarenbach	_____	Councilor Sharon	_____
Councilor Cournoyer	_____	Councilor Starkweather	_____
Councilor Desrochers	_____	Councilor Trudel	_____
Councilor Dzujna	_____		

A True Copy Attested: _____
City Clerk

Passed: _____

Approved: _____
Mayor