

**CITY COUNCIL MEETING**

**AGENDA ITEM IX**



CITY OF FRANKLIN  
COUNCIL AGENDA REPORT

May 4, 2015 City Council Meeting

**From:** Brian J. Sullivan, Municipal Services Director

**Subject:** City Council to conduct a Public Hearing and then consider adopting Resolution # 12-15. A resolution relating to a supplemental appropriation increasing revenues and expenditures for Water Department Capital Projects, with funds to be derived from the State of New Hampshire, Drinking Water State Revolving Fund (DWSRF).

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**Recommended Motion:**

- 1) Councilor Moves: ***"I move that the Franklin City Council adopts Resolution #12-15 by roll call vote."***
- 2) Mayor calls for a second and the vote.

**Discussion:** On January 20 2015, the Franklin City Council voted to adopt Resolution # 06-15. This Resolution authorized borrowing under the State of New Hampshire, Drinking Water State Revolving Fund (DWSRF) in the amount of \$765,000. The purpose of borrowing under the DWSRF program is to perform the "Cross Street Water Tank Rehabilitation Project" and the "U.S. Route 3, Water Main Relocation Project."

On March 25, 2015 the Governor and Executive Council authorized the approval of the loan agreement / funding which includes a 10 year term on the loan, with an excellent interest rate of 1.98%. There will be a "minimum" of 15% loan forgiveness (Grant) on the loan which equates to at least \$114,750.

**Concurrences:** The State of New Hampshire, DWSRF program, provides low interest loans accompanied with grant forgiveness. The two Water Department capital projects are consistent towards accomplishing the goals of this program. Both projects rank as a high priority in the Water Department Capital Improvements Plan. City Council authorized

implementation of this process with the approval of Resolutions #05-15 and #06-15 back on January 20, 2015.

**Fiscal Impact:**

Funding for the 10 year debt service on this loan will be derived from Water Department Revenues, specifically the quarterly "Availability Charge", previously approved by the City Council with the adoption of Ordinance #09-15 passed on February 23, 2015. By choosing a ten year versus a twenty year loan term, the City Council saved the ratepayer \$177,605 in additional interest!

**Alternatives:**

I believe I have provided the City Council with the best alternative possible to complete both of these essential projects thus; I would encourage you to authorize passage of Resolution # 12-15. The City will be soliciting proposals under a very favorable bid climate, while interest rates are low and with DWSRF grant forgiveness at a minimum of 15% percent.

**Attachments/Exhibits:**

- Resolution # 12-15
- Public Hearing Notice



# CITY OF FRANKLIN, NEW HAMPSHIRE

*"The Three Rivers City"*

316 Central Street  
Franklin, NH 03235

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## RESOLUTION #12-15

**A Resolution Relating to a Supplemental Appropriation for Fiscal Year 2015.**

**In the year of our Lord, Two Thousand Fifteen,**

**WHEREAS, the City Council of the City of Franklin has adopted a budget for Fiscal Year 2015 which began July 1, 2014, and;**

**WHEREAS, the City Council of the City of Franklin adopted resolution 05-15 approving the Cross Street Water Storage Tank Rehabilitation and Rout 3/Industrial Park Drive Water Main Relocation Project" on January 20, 2015, and;**

**WHEREAS, the City Council of the City of Franklin further adopted resolution 06-15 authorizing the City to apply for funding through the State of New Hampshire Drinking Water State Revolving Fund (DWSRF) and authorizing the City Manager to execute all related documents on January 20, 2015, and;**

**WHEREAS, the City Council acknowledges the City was approved for the DWSRF loan through the execution of the original loan agreement on March 25, 2015, and;**

**WHEREAS, the City Council wishes to appropriate the DWSRF funds so that expenditures may be made for the project, Now**

**THEREFORE BE IT RESOLVED, that at the scheduled meeting of the City Council on Monday, May 4, 2015, the City Council of the City of Franklin, New Hampshire does hereby adopt resolution 12-15 authorizing the following non lapsing appropriations,**

### **Revenues:**

**Proceeds from debt – Cross Street Acct# 04-0-000-39401-431 – Seven hundred Sixty Five Thousand dollars (\$765,000), and;**

### **Expenditures:**

**Other Improvements – Infrastructure – Cross Street Acct#04-9-014-4079-431 – Seven hundred Sixty Five Thousand dollars (\$765,000),**

**By a roll call vote.**





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## CITY OF FRANKLIN NOTICE OF PUBLIC HEARING & MEETING

**In accordance with the provision of Chapter 31, Division 2 of the Franklin Municipal Code, notice is hereby given that the City of Franklin will hold a Public Hearing on Monday, May 4, 2015 at 6:12 p.m. in the Council Chambers, Franklin City Hall concerning Resolution #12-15 relative to a supplemental appropriation of the Drinking Water State Revolving Fund in the amount of \$765,000 for the renovation of the Cross Street Tank and Route 3 water main relocation.**