

STAFF REPORT

November 9, 2020

Topic: Accept the bid for a 20-year bond as filed by Northway Bank for work to be performed on water lines in the Lakeport area starting in late 2020 and continuing through summer 2021

Discussion: The Water Department is proposing that water line be work performed in the Lakeport area starting in late 2020 and continuing through summer 2021. The proposed work includes installing a duplicate line from the Stark Street water tanks to the Clinton St/Prospect St. intersection, and replacement of aging lines on Prospect Street, Clinton Street and Mechanic Street. The Water Department proposed a \$1.8 million bond to cover the cost of this work. This was presented to Council as resolution 2020-18.

The City Council conducted a first reading of Resolution 2020-18 at its meeting of October 13, 2020. A public hearing and second reading was held on October 26, 2020; following which the Council moved to approve the resolution.

On October 21, 2020, a bid request was distributed to area financial institutions, including Bank of New Hampshire, Franklin Savings Bank, Northway Bank, TD Bank, Meredith Village Savings Bank, New Hampshire Municipal Bond Bank and Newburyport Bank.

Bank of New Hampshire and Northway Bank filed bids for this project. TD Bank and the New Hampshire Municipal Bond Bank declined to bid. No response was received from Franklin Savings Bank, Meredith Village Savings Bank and Newburyport Bank.

Responses are summarized as follows:

	Northway Bank	Bank of New Hampshire
Term	20 years	20 years
Interest Rate	2.55%	2.80%
Principal Payments	Annual	Annual
Interest Payments	Semi-annual	Semi-annual
Prepayment Penalty	None	Not Specified
Fees	None	None

Fiscal Impact: Interest cost is projected to total \$520,200 over the 20-year term of the bond.

Staff Recommendation: The City Manager recommends that the Finance Committee vote to accept the bond bid of Northway Bank.

This report submitted by: Glenn Smith, Finance Director