

STAFF REPORT

March 8, 2021

Topic: Authorize staff to take all actions necessary to issue a bond in the amount of \$1,600,000 with the New Hampshire Municipal Bond Bank to fund Lakeport Area drainage, roadway, and sidewalk upgrades.

Discussion: The proposed bond provides the funding for the reconstruction of portions of Mechanic Street, Franklin Street and Elm Street to include sidewalks and drainage. The road improvements will occur in conjunction with the water and sewer main replacement projects. This was presented to Council as resolution 2020-17, which conducted a first reading of the Resolution on October 13, 2020. A public hearing and second reading was held on October 26, 2020; following which the Council approved the Resolution.

Solicitation of bids was delayed to accommodate the scheduling of this project. On January 26, 2021, a bid request was distributed to Bank of New Hampshire, Franklin Savings Bank, Northway Bank, TD Bank, Meredith Village Savings Bank, New Hampshire Municipal Bond Bank and Newburyport Bank.

Responses are summarized as follows:

	Rate	Additional Fees
Franklin Savings Bank	1.70%	\$500
Bank of New Hampshire	2.10%	None
Newburyport	2.58%	\$250
Northway	2.10%	None
TD Bank	TBD*	\$4,000
NHMBB	See below	See below

* To be set 48 hours prior to funding

NHMBB: Next issue scheduled for July 13, 2021. Last issue offered at rate of 0.81% for 10 year bond, **anticipating 1.5% July rate**. NHMBB will provide Bond Anticipation Notes at no charge. However, the legal fees incurred by the City in relation to a BAN are expected to total \$3,000.

All proposals provide for annual principal payments and semiannual interest payments.

Fiscal Impact: Interest cost is projected to total \$163,000 over the 10-year term of the bond.

Staff Recommendation: The City Manager recommends that the Finance Committee vote to authorize staff to take any and all actions necessary to issue a bond in the amount of \$1,600,000 with the New Hampshire Municipal Bond Bank to fund Lakeport Area Drainage, Roadway and Sidewalk upgrades.

This report submitted by Glenn Smith, Finance Director

Proposed motion: