



STAFF REPORT

AGENDA ITEM #: #24-07
COUNCIL MTG OF: January 2, 2024
FROM: Michael A. Fowler, P. E., Public Works Director
OFFERED BY: Michael A. Fowler, P. E., Public Works Director
PREPARED BY: Michael A. Fowler, P. E., Public Works Director
SUBJECT: Fund Transfer from Bridge Fund – Sunset Avenue culverts

PURPOSE

The purpose of this document is to seek Town Council approval to use/transfer funds from the Bridge Fund to proceed with construction of 2 culverts located on Sunset Avenue.

TOWN ADMINISTRATOR COMMENTS

The Town Council is encouraged to adopt this resolution which would allow the Town's bridge/culvert replacement program to continue by using existing funds available for this purpose.

BACKGROUND

DPW has a robust culvert replacement program funded traditionally through a combination of Town funds and State Bridge Aid funds. Since 2004, the Department of Public Works has replaced nine bridges/culverts, with the most recent construction being at North Shore Road (Island Pond) in 2021. Staff identified the need to upgrade existing metal pipes at two locations on Sunset Avenue based on hydraulic and structural concerns.

On May 4, 2022, Resolution #2022-035 authorized the issuance of \$1.6M in bonds to fund construction of three culvert projects (Sunset Avenue – #1 & #2, and Franklin Street). Resolution #2022-037 authorized the Supplemental Appropriation of \$1.6M for the three culvert projects on May 19, 2022. Bond proceeds were deposited in the Bridge Fund to supplement banked funds.

The Franklin Street culvert project was first to be bid and awarded in August 2023. Town Council authorized the use of \$1,000,000 of bond proceeds on August 15, 2023 via Resolution #2023-061. Bids were then opened on December 8, 2023 for construction of two culverts on Sunset Avenue. The lowest bid for the two culverts was \$1,272,655. The engineering consultant will also be furnishing construction administration services for \$161,807. The total for construction of the Sunset Avenue culverts will be \$1,434,462. It is recommended to add a small contingency for unforeseen construction conditions to create a round \$1,450,000, with unspent proceeds falling to the Bridge Fund

DISCUSSION

Staff have worked over the past 18-24 months to complete design and permitting. The original design plans included preliminary cost estimates.

Sunset Avenue # 1 & #2 Construction	Summer/Fall 2024	\$1,450,000
Franklin Street Construction	Summer 2024	\$1,000,000
TOTAL		<u>\$2,450,000</u>

After design and bidding has been completed for all three culverts, the total cost will be \$2,450,000.

The Bridge Fund currently has a balance of \$2,476,829 as of December 11, 2023, which is sufficient to cover inspection and construction of all three culverts; this balance includes \$600,000 remaining from the \$1.6M Culvert/Bridge bond and approximately \$88,700 in interest earnings.

FISCAL IMPACT

No additional fiscal impact as the bond has been sold through the New Hampshire Municipal Bond Bank and principal and interest payments are included in the FY 24 budget.

RECOMMENDED ACTION BY COUNCIL

It is recommended that the Town Council authorize the use of \$1,450,000 from the Bridge Fund to construct two culverts on Sunset Avenue.

RECOMMENDED MOTION

See attached Resolution #2024-004.



RESOLUTION

Number 2024-004

Transfer Funds from the Highway Division Bridge Fund

WHEREAS, Section 9.7 of the Town Charter empowers the Town Council to transfer any unencumbered appropriation balance; and

WHEREAS, the Town maintains a Highway Division Bridge Fund in which funds previously appropriated by the Council or accepted from outside sources are deposited; and

WHEREAS, the Department of Public Works is planning to replace the culverts on Sunset Avenue; and

WHEREAS, the project requires funding from the Bridge Fund to augment proceeds from the culvert bond to advance the project to construction;

NOW, THEREFORE, BE IT RESOLVED IN COUNCIL that pursuant to Section 9.7 of the Town Charter the Town Administrator is authorized to transfer the sum of One Million Four Hundred Fifty Thousand Dollars (\$1,450,00) from the Highway Division Bridge Fund, which includes the use of \$600,000 in unobligated bond proceeds, for the replacement of culverts on Sunset Avenue.

This Resolution shall take effect immediately upon its passage.

Adopted: January 4, 2024

Attest:

X _____

Charles Foote, Council Chair

Date: _____

X _____

Cristina Guilford, Town Clerk

Date: _____