

Approved

Town of New Boston Selectmen's Meeting January 18, 2022

PRESENT: David Litwinovich Selectman via Zoom
Donna Mombourquette Selectman
Jennifer Allocca Finance Director

Fire Chief Dan MacDonald, Finance Director Jennifer Allocca, Safety Complex Committee members Brandon Merron, Susan Hansen and Frank and Joyce Welton, Town Engineer Kevin Leonard, Turnstone Corp. President Stacy Clark, SMP Architecture Architect Anthony Mento, Ken and Lynn Lombard, NH Municipal Bond Bank Executive Director Tammy St. Gelinas, TD Bank Senior Government Relationships Banking Manager Keith Pike, Mark Suennen, Roger Dignard and one or more additional members of the public were present for all or part of the meeting.

A. CALL TO ORDER: A Bond Hearing of the Board of Selectmen was called to order by David Litwinovich at 6:00PM. Donna took over the meeting beginning with the Pledge of Allegiance.

Item 1: PUBLIC HEARING RE: BOND for Construction of Safety Complex Warrant Article - \$8,900,000

Donna called the Public Hearing to order at 6:02 PM under the provisions of RSA 32:5(i) for the purpose of discussing the issuance of a bond to build a safety complex. A Committee was formed in 2021 to study the potential of constructing a safety complex to house the fire, emergency management and police departments. A brief description of the scope of the plan will be presented tonight by Committee Chairman and Fire Ward Brandon Merron. The details and entire scope and design of the project will be presented February 1, 2022 at the library during two information sessions, one at 10:00 AM and one at 7:00 PM.

Brandon noted the fire department has been requesting a new firehouse from voters since 2016. The request failed for a few years and the department decided to restudy the needs/wants in 2021 by establishing a Committee through a Warrant Article. The Article passed after the vote was delayed from March 2021 to June 2021 causing a late start for the study committee. Several in town requested a safety complex be studied and the Committee took this on. It took some time to determine if a safety complex would fit on the proposed property and this was determined in October. The Committee then moved forward with cost estimates that were determined a couple weeks ago. The Committee also planned for destruction of the current fire station, turning that land into parking/green space and conversion of town buildings including the police department (to become the Recreation Department), old engine house (to become a meeting room). All departments contributed to these decisions. Public information presentations are planned for February 1 at the library, one at 10:00 AM (planned to be live streamed and available to view anytime at https://townhallstreams.com/stream.php?location_id=108&id=42798)

(townhallstreams.com/towns/newboston) and one at 7:00 PM (planned to be live streamed and available to be viewed anytime at http://townhallstreams.com/stream.php?location_id=108&id=42797) (townhallstreams.com/towns/newboston).

Finance Director Jennifer Allocca presented the bond information with NH Municipal Bond Bank Executive Director Tammy St. Gelinas and TD Bank Senior Government Relationships Banking Manager Keith Pike. She reviewed information contained in handouts for this meeting including sample bond amortization schedules from NH Municipal Bond Bank and TD Bank and a summary from the Committee for cost to New Boston taxpayers.

Safety Complex Committee member Joyce Welton was present and asked if the entire bond amount is not spent could the town prepay any remaining amount. The NH Municipal Bond Bank does not allow prepayment, but TD Bank does. In that case Tammy suggested using a Bond Anticipation Note however that may jeopardize interest rates that are currently rising. Tammy noted the NH Municipal Bond bank bills twice a year (January and July) for principal and interest. She explained the bond application process that requires an opinion from legal bond counsel. NH Municipal Bond interest rates are unknown until July, but the TD Bank interest rates are current and can be locked in immediately after the town vote. TD Bank has a maximum repayment timeframe of ten years. The Select Board will vote tomorrow to choose bond counsel for guidance/bond options then begin considering these options with the bond counsel, Tammy and Keith and other municipal loan representatives. The Select Board will make the final funding decision in preparation for voting results.

Safety Complex Committee member Brandon Merron asked if the town would be getting a loan if TD Bank was chosen. Keith noted it is a General Obligation Debt of the Town. TD Bank requires annual payments of principal and interest and allows prepay. Timing of the project is important as there is an 86% chance the federal government is going to move interest rates in March. Jennifer also noted the bond counsel may also help the town consider investment options.

Safety Complex Committee member Susan Hansen was present and asked what investment options the town would have. Jennifer and Keith noted towns are very limited in the options such as CD portfolio, fixed income portfolio or money market to keep it fully protected and collateralized.

Brandon asked if interest will decrease as payments are made due to the remaining amount of the loan. Keith and Tammy noted this would occur, but more interest could be charged due to the length of the loan. TD Bank is limited to a ten-year loan but if the loan is more years more interest will be charged. Inflation is also a concern as construction materials and other costs have increased. Twenty-nine year loans are available from the NH Municipal Bond Bank from the Principal Structure or the Level-Debt Payment Structure.

Mark Suennen of Twin Bridge Road was present and asked about timing as the vote will occur in March. Jennifer and Keith noted if the voters approve the bond, TD Bank could have underwriting already prepared for the day after the vote to close the loan and lock in the rate. Jennifer and Tammy noted the town would have to wait until July to close with the NH

Municipal Bond Bank with interest rates available in July. In March 2023 the town would make its first payment to TD Bank, the first interest payment to the NH Municipal Bond Bank would be February 2023 and the first principal and interest payment would be August 2023, the highest payment according to the schedule provided.

SMP Architecture Architect Anthony Mento was present and noted the current design is preliminary. This what Turnstone Corp. used to bring cost estimates to the Committee. If the Warrant Article is approved SMP will immediately begin designing the facility more precisely. Once the construction documents are finalized SMP will work with Turnstone to determine accurate pricing. The current estimate is preliminary. If the Warrant Article is approved SMP and Turnstone will work to meet the budget. The budget includes everything from design costs, permitting to construction Demolition of existing building, renovation of other buildings. These details will be discussed at the February 1 meetings.

Ken Lombard of Pine Echo Road was present and asked how conservative the interest rates are from the NH Municipal Bond Bank. Tammy noted they were very conservative in January 2021 but not as conservative now as they are anticipated to increase at least 50 basis points from now to July 2022.

Mark asked what is the likely affect to the interest rate if the Warrant Article fails in 2022 and comes up again in 2023 at the same amount. Keith noted there is a 31% chance that the federal fund rate in December 2022 will increase by 1 to 1.25 points according to the FOMC federal watch website forecast.

Roger Dignard of South Hill Road was present and suggested a poll of the audience for financing preference although there are several options such as a combination of funding that will be considered with bond counsel to incur the least amount of interest possible while constructing a building that will last many useful years for the town.

Anthony noted he has seen some combinations of bond funding such as bridge loan/band note. This is also an option for New Boston.

Mark asked about NH Investment Pool interest rates for investments. Keith noted there is no interest there now due to too much cash caused by ARPA grants, but the yield curve is now normalizing. He suggested possibly using a laddered CD portfolio fully collateralized and protected depending on the timing of the project. Arbitrage would be avoided according to IRS regulations.

Turnstone Corp. President Stacy Clark was present and noted construction is anticipated to be completed one year from the start of the project, with foundations ready approximately late fall 2022.

Jennifer thanked all for attending and noted if anyone has any further questions please call or e-mail her and she will work on obtaining answers.

The Select Board thanked all for attending. Donna closed the Public Hearing at 6:34 PM.

B. OTHER BUSINESS:

None.

Item 2: Possible Request for Non-Public-Per RSA 91-A:3, II: None.

ADJOURNMENT: David moved to adjourn the meeting at 6:35 PM. Donna seconded the motion. All were in favor. 2-0 Poll Vote: David-yes and Donna-yes.

Prepared by Maralyn Segien

**Next Scheduled Meeting: Town Hall Conference Room January 19, 2022 (6:00 PM)
7 Meetinghouse Hill Road- New Boston, NH 03070
Phone: (603) 487-2500-www.newbostonnh.gov
Handicap Access available**