



TOWN OF NEW LONDON, NEW HAMPSHIRE

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BOARD OF SELECTMEN MEETING MINUTES

April 7, 2021

6:00 PM

Via Zoom

PRESENT:

Janet Kidder, Chairman
Nancy Rollins, Selectman
John Cannon, Selectman
Kim Hallquist, Town Administrator
Wendy Johnson, Finance Officer

ALSO PRESENT:

Bill Helm, Fiscal Policy Panel Member
Steve Theroux, Treasurer
Jay Lyon, New London Fire Chief
Bob Harrington, Public Works Director
Will Kidder, Town Clerk/Tax Collector
Nicholas Ourusoff, New London Resident
Mike Williams, New London resident

Chair Cannon called the meeting to order at 6:00 PM and read the zoom authorization information. Chair Cannon called the roll: Nancy Rollins: present, Janet Kidder: present, John Cannon: present,

Public Hearing

Chair Cannon opened the Public Hearing announcing that pursuant to the provisions of RSA 33:3-d, the Board of Selectmen of the Town of New London is holding this public hearing to discuss the possible issuance of refunding bonds. The proceeds of these refunding bonds would be used to refinance approximately \$2,757,209.00 in current Town indebtedness in order to achieve interest cost savings and to pay certain costs of issuing the refunding bonds.

Steve Theroux, Treasurer, explained that the plan is to refinance some of the town's existing debt to lower the interest rate and realize savings for the town. The loans now being considered for refinancing through the NH Bond Bank are:

- Mascoma Savings Bank loan in the original principal amount of \$875,000 dated August 21, 2017.
- Mascoma Savings Bank loan in the original principal amount of \$600,000 dated June 17, 2019.
- Mascoma Savings Bank loan in the original principal amount of \$750,000 dated September 9, 2019.

Mr. Theroux noted consideration was given to include more than the three loans noted above. After review, it was determined that due to the relatively short time remaining to maturity, and the already low interest rates (1.9% - 2.7%) of those loans, it did not make economic sense to refinance that debt. The debt being considered for refinancing have interest rates of 2.85% - 3.4% and maturity in FY2035 and

FY2038, making refinancing desirable for the town. It is estimated that the town will save over \$200,000 over the life of the loan due to the lower interest rates from refinancing. The interest rate for the refinancing is not yet known but is expected to be 1.5% or below. Mr. Theroux concluded that his recommendation would be to refinance the debt with NH Bond Bank due to the significant savings to the town.

The posted total if \$2,757,209 was the total debt that could potentially be refinanced, however only the three loans noted above have been included in the refinancing plan.

Having no further public comment, the Chair closed the public hearing.

The Board thanked Mr. Theroux for his efforts in investigating the issue and agreed that refinancing the loans in question was a good idea given the savings to the town that would be realized.

IT WAS MOVED (Nancy Rollins) AND SECONDED (Janet Kidder) adopt the Resolution Authorizing the Issuance of Refunding Bonds Dated as of April 7, 2021.

Roll call vote: Nancy Rollins: yes, Janet Kidder: yes, John Cannon: yes. **THE MOTION WAS APPROVED UNANIMOUSLY. The Resolution is included in its entirety at the end of these Minutes.**

Other Business: FY2022 Budget updates

Kim Hallquist informed the Board that since Town Meeting was delayed for three months, we can adjust the budget to include the actual health insurance rates; typically, the final rates are revised after the budget has been prepared so estimates are used. Ms. Hallquist noted that the estimate of 9% was used in the original budget as approved by the Selectmen, the final rate is 6.2%. Making the change results in a reduction of \$61,942.78.

Ms. Hallquist noted that she also recommends a reduction in the area of Planning & Zoning. With the decision to combine the positions of Planning & Zoning Administrator, there is a reduction of \$50,479. Ms. Hallquist pointed out that the net budget savings is about \$20,000 when the reduction of Sunapee's portion of the Zoning Administrator expense is considered.

Ms. Hallquist noted that Public Works Director Bob Harrington suggests that the sidewalk project using \$120,000 of Capital Reserve Funds be eliminated and the tractor purchase of \$93,000 be increased to \$122,000.

Bob Harrington explained that he recently learned of a plan by the Water Precinct to replace water lines along Main Street. This work would impact the sidewalks being considered in the \$120,000 appropriated in the budget, so it makes sense to put the sidewalk project off until the water main work is completed, expected to be done during the summer of 2022.

Mr. Harrington also suggested that an additional \$29,000 be appropriated for the sidewalk tractor to purchase a tractor that will perform better than the tractors used by the town in the past. He explained that he located a unit that is currently used as a demo that the town can get for a much-reduced price. Mr. Harrington noted that in addition to doing a better job clearing snow from the sidewalk, the ability to have sand or salt on board will save time on staff having to go back to the shop so often to get more material. Additionally, with independent suspension, the unit will be safer for staff to operate.

IT WAS MOVED (Nancy Rollins) AND SECONDED (Janet Kidder) to accept the changes recommended to the FY2022 budget. Roll call vote: Nancy Rollins: yes, Janet Kidder: yes, John Cannon: yes. **THE MOTION WAS APPROVED UNANIMOUSLY.**

Ms. Hallquist noted that unless other items are brought to the Selectmen, the remaining money issues to be considered are: (1) the petitioned warrant article to purchase the Stahlman Building and (2) whether to include the purchase of the land behind the Public Works Garage on the town meeting warrant. The Buildings and Facilities Committee will review the wetlands delineation at its next meeting; the public hearing on the petition will be held on April 19th. The Selectmen may be able to finalize all budget items at that time.

IT WAS MOVED (Nancy Rollins) AND SECONDED (Janet Kidder) to adjourn. THE MOTION WAS APPROVED UNANIMOUSLY.

The meeting adjourned at 6:22PM.

Respectfully submitted,

Kimberly Hallquist
Town Administrator

TOWN OF NEW LONDON, NEW HAMPSHIRE

A Resolution Authorizing the Issuance of Refunding Bonds Dated as of April 7, 2021

WHEREAS, the Town of New London, New Hampshire (the "Town") has issued certain loans as described on Exhibit A, attached hereto and made a part hereof, which are eligible to be refunded at par at any time without penalty in the aggregate outstanding principal amount of approximately \$2,000,959 (the "Refunded Bonds"); and

WHEREAS, it appears likely that bonds issued today would have a net interest cost less than the net interest cost on the Refunded Bonds; and

WHEREAS, the Town may be able to realize debt service savings by issuing certain refunding bonds (the "Refunding Bonds"), the proceeds of which would be utilized to current refund or advance refund the Refunded Bonds and to pay certain other costs relating thereto, including any necessary redemption premium and the costs of issuing the Refunding Bonds.

NOW THEREFORE, BE IT RESOLVED that the Town, acting by and through its Select Board (the "Governing Board"), hereby authorizes the issuance of Refunding Bonds pursuant to the provisions of RSA 33:3-d, the proceeds of which shall be utilized to current refund or advance refund the Refunded Bonds, to pay the redemption premium, if any, applicable thereto, any principal and interest coming due on the Refunded Bonds prior to any redemption date and to pay the costs of issuance of the Refunding Bonds, including costs of any credit enhancement; and

IT IS FURTHER RESOLVED that the Town is hereby authorized to finally approve the aforesaid refunding by entering into a Loan Agreement or Bond Purchase Agreement (the "Agreement") with the New Hampshire Municipal Bond Bank or such other underwriter(s) or bond purchaser(s) as the Governing Board may deem appropriate in connection with the issuance of the Refunding Bonds to evidence the Town's approval of the terms and conditions of the Refunding Bonds; and

IT IS FURTHER RESOLVED that the Agreement and such other documents, if any, as shall be required in connection with the issuance of the Refunding Bonds shall be signed on behalf of the Issuer by its Chairman of the Governing Board or its Vice-Chairman of the Governing Board, each acting singly, or such other individuals as may be required by state law or as may be specified by bond counsel; and

IT IS FURTHER RESOLVED that an Escrow Contract and such other documents as shall be required in connection with the issuance of the Refunding Bonds shall be signed on behalf of the Town by the aforementioned individuals, or such other individuals as may be required by state law or as may be specified by bond counsel; and

IT IS FURTHER RESOLVED that the Town is authorized to enter into such other documents, to engage such other professionals (including a Financial Advisor, Escrow Agent, Verification Agent and Paying Agent), and to do such other things as are necessary to consummate the aforesaid refunding; and

IT IS FURTHER RESOLVED that all actions heretofore taken by the Town consistent with the foregoing are hereby confirmed, ratified and approved.

EXHIBIT A

LOANS TO BE REFUNDED

1. Mascoma Savings Bank loan in the original principal amount of \$875,000 dated August 21, 2017.
2. Mascoma Savings Bank loan in the original principal amount of \$600,000 dated June 17, 2019.
3. Mascoma Savings Bank loan in the original principal amount of \$750,000 dated September 9, 2019.