

New London Bonded Debt

Debt Outstanding 6/30/25

\$ 49,333	Paid 2027
92,000	Paid 2027
158,578	Paid 2031
765,779	Paid 2035 (Town share of Sewer bond)
1,170,000	Paid 2035
679,700	Paid 2035

2,914,710	

Projected New Debt

10,350,000	Police Facility FY 26 - FY28 with new site FY 26-28
3,300,000	Buker renovation/demolition/replacement FY 2029
0	Fire facility and equipment (from Capital Reserves)
0	Water capacity NLSWP (\$10,000,000 uncertainFY35)
0	Conservation unknown (\$ 450,000 in Reserves)

\$16,564,710	

01/08/25

Debt Capacity per 2021 Analysis and Recommendation*

*“Debt Service (Principal and Interest) **shall not exceed 10%** of the annual General Fund budget of the Town”*

\$ 13,500,000 FY 2029 Estimated General Fund budget

\$ 1,500,000 FY 2029 Estimated Principal and Interest

11.1% P+I/GF budget

Tax Rate Estimate

[Dependent on Equalized Assessed Value, General Fund Budget, Revenue sources, Unassigned Fund Balances used]

\$4.25 - \$4.50 1/1/29 +25% +/-

**NH Municipal Finance Act (RSA 33:4-a); debt limit equal to 3% of equalized assessed property value*

\$ 2,050,000,000 Equalized Assessed Property Value

\$ 61,500,000 3% Debt Limit

January 8, 2025 (Rev.)

To: Board of Selectmen
Cc: Town Administrator, Finance Officer
From: Bill Helm
Re: Debt Capacity

In 2021 a “panel” of former New London Selectmen made a report to the then Board of Selectmen recommending a method for assessing a limit on the amount of outstanding long term debt.

On the attached pages I have projected a possible scenario for applying this methodology to the current consideration of using long term debt to finance a new police facility. *All of the assumptions made in this analysis are my responsibility.*

To achieve a ratio of debt service (principal and interest payments) to General Fund budget in the year 2029 (the stabilizing year after issuing new debt), that is no greater than ten percent higher than the limit recommended (11.1% vs.10%), I determined **a maximum debt obligation for a new police facility would be approximately \$10,350,000.**

As recently as a year ago, I believed that a case could be made for a higher debt commitment for the police project because of the likely tax revenue benefit to be derived from the Twin Pines and Continuum projects. Given the contamination discovery and uncertain future for either of these developments, it is not now appropriate to consider this benefit.

We should now test our assumptions with our consultants and the Police Facility Advisory Committee members as to the potential cost

savings that may be realized from the proposed project, and on what basis we should now proceed.

Bill