

CITY OF LACONIA - CITY COUNCIL SUBCOMMITTEE MEETING  
Finance Committee  
Immediately following the regular Council Meeting  
City Hall - Armand A. Bolduc City Council Chamber (via ZOOM)

Due to the COVID-19 crisis and in accordance with Governor Sununu's Emergency Order #12 and Executive Order 2020-04 this meeting is to be conducted electronically.

The public has access to listen to and participate in this meeting by using the following link:  
[Zoom Meeting](#) and entering password: **652596**

Listen Only: **1-646-558-8656** Call and enter Webinar ID: **823 6027 0804**

For problems, please call 603-524-3877 ext 249 or email [cityclerk@laconianh.gov](mailto:cityclerk@laconianh.gov)

To view this meeting: Youtube under the City of Laconia website <https://www.laconianh.gov/laconianh>

*Due to technical difficulties, we are temporarily suspending live transmission of City meeting on Channel 26. There are incompatibilities between the Zoom virtual meeting platform and the Atlantic Broadband platform. Live transmissions of City meetings on Channel 26 will resume as soon as COVID-19 restrictions are lifted and in-person meeting resume.*

1. **CALL TO ORDER**
2. **RECORDING SECRETARY**
3. **ROLL CALL**
4. **STAFF IN ATTENDANCE**
5. **FINANCE (Lipman (Chair), Hamel, Cheney)**
  - 5.A. **Proposal to refinance existing City debt with the goal of reducing expenses by taking advantage of record low interest rates**

Documents:

[STAFF REPORT - REFINANCE.PDF](#)  
[COMMITMENT LETTER.PDF](#)
  - 5.B. **Review of the financial implications of going to an automated curbside solid waste program**
6. **Any other business that may come before the Committee**
7. **ADJOURNMENT**

This meeting facility is ADA accessible. Any person with a disability who wishes to attend this public meeting and needs additional accommodations, please contact Cheryl Hebert, Meeting ADA Coordinator, at City Hall by calling (603) 527-1265 at least 72 hours in advance so that the City can make any necessary arrangements.

**STAFF REPORT**  
September 14, 2020

**Topic:** Proposal to refinance existing City debt with the goal of reducing expenses by taking advantage of record low interest rates.

**Discussion:** Recently staff reviewed existing bonded debt to identify opportunities to reduce interest expense given current low interest rates. Institutions with which the City has an established debt relationship were given the opportunity to propose refinancing options for eligible bonds. For three bonds, the interest rate offered by Northway Bank was more competitive than that offered by the originating institution, Franklin Savings Bank.

**Fiscal Impact:** Refinancing as proposed will reduce expenditures by \$396,322 over the remaining life of these bonds, with \$41,0006 in savings accruing in FY21.

**a. Bond:        2015 Frank Bean/Fire Station/Main St. Bridge/DTIF**

Original Debt:	\$8,105,000
Principal Due 8/1/20	\$6,077,093
Maturity Date:	2035
Current Interest Rate:	3.25%
Proposed Interest Rate	2.35%
Anticipated Savings:	\$292,656
Anticipated FY21 Savings:	\$ 29,172 <i>DTIF 21% - \$6,126    General Fund 79% - \$23,046</i>

**b. Bond:        2019 Police/Fire Radio-Tower-Dispatch**

Original Debt:	\$700,000
Principal Due 8/1/20	\$630,000
Maturity Date:	2029
Current Interest Rate:	2.75%
Proposed Interest Rate	2.10%
Anticipated Savings:	\$ 18,428
Anticipated FY21 Savings:	\$ 1,934

**c. Bond:        2018 General Street, Sidewalk & Drainage Improvements**

Original Debt:	\$2,500,000
Principal Due 8/1/20	\$2,000,000
Maturity Date:	2029
Current Interest Rate:	3.09%
Proposed Interest Rate	2.10%
Anticipated Savings:	\$ 85,238
Anticipated FY21 Savings:	\$ 9,900

**Recommendation:** Staff recommends refinancing existing bonds as indicated.

**Report Prepared By:** Glenn Smith, Finance Director



August 25, 2020

Mr. Glenn Smith  
Finance Director  
45 Beacon Street, East  
Laconia, NH 03246

**RE: City of Laconia - General Obligation Term Notes**

Dear Mr. Smith:

Northway Bank (the "Bank") is pleased to offer financing to assist the City in the issuance of three (3) individual Notes for the following loans:

**LOAN #1**

Purpose .....	Refinance existing municipal term debt currently held with Franklin Savings Bank originally utilized for capital improvements to the City's Central fire station, capping the Frank Bean Road landfill, Riverwalk improvements, and Main Street bridge work.
Amount Requested.....	up to \$6,077,095.00
Maturity Date.....	February 1, 2035 (15 years)
Rate.....	<b>2.35%</b>
Payments.....	Level principal and interest payments due annually commencing February 1, 2021, and on each 1 <sup>st</sup> day of February thereafter
Prepayment Penalties.....	None
Bank Commitment Fee .....	None
Bank's Legal Fee .....	None

**LOAN #2**

Purpose .....	Refinance existing municipal term debt currently held with Franklin Savings Bank originally utilized for general improvements to the City's roads, sidewalks, and drainage systems.
Amount Requested.....	\$2,000,000.00
Maturity Date.....	July 24, 2028 (8 years)
Rate.....	<b>2.10%</b>
Payments.....	Level principal and interest payments due annually commencing July 24, 2021, and on each 24th day of July thereafter
Prepayment Penalties.....	None
Bank Commitment Fee .....	None
Bank's Legal Fee .....	None

**LOAN #3**

Purpose .....	Refinance existing municipal term debt currently held with Franklin Savings Bank originally utilized for enhancements to the City's police/fire radio system, replacement of dispatch equipment, and installation of new transmitters on existing towers.
Amount Requested.....	\$630,000.00
Maturity Date.....	July 24, 2028 (8 years)
Rate.....	<b>2.10%</b>
Payments.....	Level principal and interest payments due annually commencing July 24, 2021, and on each 24th day of July thereafter
Prepayment Penalties.....	None
Bank Commitment Fee .....	None
Bank's Legal Fee .....	None

This commitment is for bank-qualified tax-exempt obligations and requires closings by September 30, 2020. Financing is contingent upon the City's compliance with the terms and conditions of NH RSA 33, the Municipal Finance Act, and other applicable laws; and the Bank's satisfactory review of (a) the City's most recent annual report and audit and (b) attorney's opinion relative to the City's authority to borrow and the tax-exempt status of the borrowings.

Upon approval and the acceptance of this commitment, please have it fully executed and returned to my attention at the address below. Please feel free to call me should you have any questions.

Sincerely,



Kristy J. Goodson, Senior Vice President  
Corporate and Municipal Services  
[Kgoodson@northwaybank.com](mailto:Kgoodson@northwaybank.com)  
(603) 342-1488

KJG/wsm

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Accepted: **CITY OF LACONIA**

Date: \_\_\_\_\_

\_\_\_\_\_  
by: Susan Batstone, City Treasurer

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by: Scott Myers, City Manager