

STAFF REPORT

May 17, 2021

Topic: Accept the bond bid related to the acquisition of property on Church Street.

Discussion: The purpose of the bond is to distribute the net cost of the acquisition of the 30 Church Street and 50 Church Street properties over a ten-year period. The net cost of this purchase is \$683,000.

Issuance of the bond was approved by Council under Resolution 2021-06 on May 10, 2021.

On May 7, 2021, a bid request was distributed to Bank of New Hampshire, Franklin Savings Bank, Northway Bank, TD Bank, Meredith Village Savings Bank, New Hampshire Municipal Bond Bank and Newburyport Bank.

Bank of New Hampshire, Franklin Savings Bank and Newburyport Bank filed bids for this project. Northway Bank and the New Hampshire Municipal Bond Bank declined to bid. No response was received from Meredith Village Savings Bank.

All responses provided for a fixed interest rate, annual principal payments and semiannual interest payments. Rate and fee information is summarized below.

	FSB	BNH	Newburyport
Rate	2.15%	2.50%	3.85
Prepay Penalty	None	Not Specified	Not Specified
Fees	\$500	None	\$200

Fiscal Impact: Interest cost is projected to total \$80,700 over the 10-year term of the bond.

Staff Recommendation: The City Manager recommends that the Finance Committee vote to accept the bond bid of Franklin Savings Bank.

This report submitted by: Glenn Smith, Finance Director