

Minutes were approved on 12/27/2022

CITY OF LACONIA - CITY COUNCIL SUBCOMMITTEE MEETING
Finance Committee
6:00 P.M.

11/28/2022 - Minutes

1. CALL TO ORDER

Chairman Lipman called the meeting to order at 6:01 PM

2. SALUTE TO THE FLAG

Councilor Cheney led the salute to the flag

3. RECORDING SECRETARY

Katie Gargano, City Clerk

4. ROLL CALL

Chairman Lipman and Councilor Cheney

Absent: Councilor Hamel

5. STAFF IN ATTENDANCE

Kirk Beattie, City Manager; Glenn Smith, Finance Director

6. ACCEPTANCE OF MINUTES FROM PREVIOUS MEETINGS

6.A. City Council Finance Subcommittee Minutes of October 24, 2022

Minutes of the October 24, 2022 Finance Committee meeting were distributed to members of the City Council Finance Subcommittee on November 21, 2022.

With no corrections or changes submitted to the Clerk's Office, the minutes of October 24, 2022 were be accepted as distributed.

7. FINANCE (Lipman (Chair), Hamel, Cheney)

7.A. Accept the bond bid related to the purchase of solid waste and recycling containers

Background: The purpose of the bond is to distribute the net cost of the acquisition of trash and recycling containers for each residence and qualifying business that needs such containers over a ten-year period. The net cost of this purchase is \$850,000.

Issuance of the bond was approved by Council under Resolution 2022-14 on November 14, 2022.

On November 1, 2022, 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	4.85%	5.00%	5.87%
Prepay Penalty	None	Not Specified	Not Specified
Fees	\$500 (est.)	None	\$250

The project has been accepted for inclusion in the January 2023 issue of the New Hampshire Municipal Bond Bank. Interest rates for this issue have not been finalized, although a preliminary rate may be available prior to the November 28th Finance Committee meeting. For purposes of comparison, a recent NHMBB issue offered a rate of 4.72%.

Fiscal Impact: Interest cost is projected to total \$226,737.50 over the 10-year term of the bond, as measured by the rate offered by Franklin Savings Bank.

Discussion: Chairman Lipman requested Finance Director Smith brief the committee on the resolution. Director Smith explained the results from the BID bond request for the tote bond. He told the committee they received 3 responses and 1 tentative response. The 3 banks that responded were Franklin Savings Bank, Bank of New Hampshire and Newburyport Bank, the other tentative response is that the City was accepted into the January issue with the NH Municipal Bond Bank presentation. They do not have an interest rate yet, and they won't have it until January. Director Smith received an email from the Municipal Bond Bank today stating a preliminary rate in January of 4.02% on the 20-year bond and they are estimating that in January the 10-year bond it will be 25-50 basis points of that. Director Smith distributed the email to the committee members. Councilor Lipman asked what the cost of issuance is from the Bond bank. Director Smith said if he remembers correctly, they typically don't have a cost of issuance. We do incur attorney's fees, but we'll incur those in either case. Director Smith explained the only downside about the bond bank is that we are tied into their issue, for example in 5 years from now if we have a much better interest rate, we will not be able to refinance to a lower rate. Chairman Lipman stated that the municipal bond bank does refinance the bonds and Director Smith clarified that yes, they do, but it will be on their schedule and not ours. Director Smith explained what is needed next from this committee would be a vote from the Finance Committee to select an institution who they wish we will institute a bond with and then the whole project can continue to move forward.

Councilor Cheney made a motion to accept the bond bid from the NH Municipal Bond Bank related to the purchase of solid waste and recycling containers as presented. Seconded by Chairman Lipman, there was no further discussion on this matter. The ***motion passed with all in favor.***

Councilor Cheney made the following motion: "(1) That the City shall issue and sell a bond in the aggregate principal amount of \$850,000 to finance the purchase of solid waste and recycling containers as detailed in Resolution 2022-14 (the "Bond") under and pursuant to the Municipal Finance Act (RSA 33), and other laws in addition thereto. Resolution 2022-14 was approved by City Council on November 14, 2022.

(2) That the Bond shall be issued as a single registered Bond, for a term of 10 years and bearing an interest rate offered by the New Hampshire Municipal Bond Bank for its January 2023 issue and sold to the New Hampshire Municipal Bond Bank at the price of par.

(3) That the Clerk, City Manager and the signers of the Bond are each hereby authorized to take any and all actions necessary or convenient to carry out the provisions of this Vote and the aforesaid Resolution, including the execution of a Loan Agreement with the New Hampshire Municipal Bond Bank and delivering the Bond against payment therefore.

(4) That the projects for which the Bond is authorized under Resolution 2022-14 have life expectancies in excess of ten years." The motion was seconded by Chairman Lipman, there was no further discussion on this matter. The ***motion passed with all in favor.***

Chairman Lipman read the Finance certificate of the meeting into the record as follows:

I, the undersigned Clerk of the Committee on Finance (the "Committee") of the City of Laconia, New Hampshire (the "City"), certify that the following is a true copy of excerpts from the minutes of a meeting of the Committee duly called and held November 28, 2022 immediately preceding the 7:00pm Council meeting. Proper notice was given to each member of the said Committee and to the public. Two (2) of the three (3) members of said Committee, constituting a quorum, were present and voting throughout and that the following vote was adopted by the said Committee at said Meeting by a vote of two (2) yeas and zero (0) nays (the "Vote"):

VOTED:

"(1) That the City shall issue and sell a bond in the aggregate principal amount of \$850,000 to finance the purchase of solid waste and recycling containers as detailed in Resolution 2022-14 (the "Bond") under and pursuant to the Municipal Finance Act (RSA 33), and other laws in addition thereto. Resolution 2022-14 was approved by City Council on November 14, 2022.

(2) That the Bond shall be issued as a single registered Bond, for a term of 10 years and bearing an interest rate offered by the New Hampshire Municipal Bond Bank for its January 2023 issue and sold to the New Hampshire Municipal Bond Bank at the price of par.

(3) That the Clerk, City Manager and the signers of the Bond are each hereby authorized to take any and all actions necessary or convenient to carry out the provisions of this Vote and the aforesaid Resolution, including the execution of a Loan Agreement with the New Hampshire Municipal Bond Bank and delivering the Bond against payment therefore.

(4) That the projects for which the Bond is authorized under Resolution 2022-14 have life expectancies in excess of ten years."

I further certify that the meeting was open to the public; that the aforesaid Vote was not taken by secret ballot nor in executive session; that notice of the time and place of the Meeting was posted in at least two (2) appropriate places: Laconia City Hall and the Laconia Community Center at least twenty-four (24) hours excluding Sundays and legal holidays, prior to the Meeting; that no deliberations with respect to the Vote were taken in executive session; and that the minutes of the Meeting, have been promptly recorded and have been or will be made open to the public inspection within seventy-two (72) hours of the Meeting, all in accordance with RSA 91-A:2.

I further certify that the above Vote has not been amended or rescinded and remains in full force and effect as of this date.

The Certificate was signed and dated by Chairman Lipman, witnessed, and sealed by City Clerk Katie Gargano.

8. **Any other business that may come before the Committee**

The Finance Committee had a brief discussion about the Welfare guidelines clarifying that they are all set. The guidelines are set to go before the full City Council for approval at the 11/28/22 7:00 pm meeting. The committee then looked at the future items listed on the 11/28/22 City Council Regular meeting agenda to see if there was going to be a need for any future meetings. It was confirmed there were none.

The Finance Committee expressed gratitude toward Director Smith for all his hard work on the Welfare guidelines.

9. **ADJOURNMENT**

Chairman Lipman adjourned the meeting at 6:26 PM.

Respectfully Submitted,

Katie Gargano, City Clerk.