



Warner Board of Selectmen

Public Hearing

Meeting Minutes

Thursday, February 22, 2018

APPROVED

Chairman Dabuliewicz opened the hearing at 7:15 pm

Attendance: Selectman John Dabuliewicz – Chairman, Selectman Clyde Carson, Selectman Kimberley Edelman and Town Administrator – Jim Bingham

1. Public Hearing

- A. Chairman Dabuliewicz opened the hearing under RSA 33:8-a.
- B. Selectman Edelman said currently the fire department equipment is stored in 4 different locations. A video was shown to the audience, Captain Brian Monaghan talked through the video. The video showed how over crowded the station is, there are inches between each truck and the aisles are less than should space wide. Because of the size of the station, the trucks need to be custom made. When the trucks are used in the winter they don't dry off properly in the station.
- C. Kimberley asked the audience by a show of hands how many have seen the brochure that was created. Based on Kimberley's reaction, the show of hands was favorable. She asked how many read the Intertown Record articles and the show of hands was less. She then asked how many have viewed the Facebook page, or the town's website, again not as many.
- D. Kimberley said she has heard that it takes 3 years for a bond to pass at Town Meeting. She pointed out that this is year 4 talking about this project.
1. 2015 a capital reserve fund was established for the fire station construction seeded with \$165,000.
 2. 2016 the town voted to add \$100,000 to the reserve and 148 W. Main St. was purchased.
 3. 2017 the town voted to add \$182,000 to the reserve to complete the architectural work.
 4. 2018 the voters will decide to build.
- E. Kimberley talked about the needs. The gear that is currently stored in the apparatus bay is against code. There is equipment stored in 4 different locations which adds time to a call. The building is not ADA compliant, ceilings and doors are not the proper size so equipment needs to be customized shorter in height and length and there is no parking for the staff. The building needs work and there is a mold problem. There is no adequate storage for gear and supplies. The new station will be able to store all 13 pieces of equipment, adequate storage, the bays will be a drive-thru, will have a ventilation system, training room, space for the Emergency Operation Center, ADA compliant, 40 parking spaces to name a view of the positive aspects. Kimberley pointed out the features of the building to the audience using a displayed plan.
- F. Anthony Mento, from SMP Architect, explained how there has been discussion over the last few years about the contaminants that are on the firefighter's equipment, turn-out gear, hose, trucks etc. and showed the audience the decontamination room that has a large walk-in shower so you can rinse down the majority of the contaminants. The turn-out gear would then be placed in an extractor washer and dryer. The contaminants are contained in one zone. The air system in this room is separated.
- G. Kimberley talked about the cost for the fire station which is \$2,610,496 (guaranteed maximum price), this price includes a contingency, if the money is not spent, the money will go back to the town. There is material testing which is required as construction moves forward, there are utility costs and fees bringing the total cost of construction and the hard and soft costs amount to \$2,748,496. Kimberley said she has researched the cost of neighboring fire stations and finds Warner's cost to be a good number. What's missing from the cost is fixtures, furniture, and equipment. The Emergency Management Director is pursuing a FEMA grant and the firefighters are willing to help do some interior work. A lot of work was done to reduce the cost of the new fire station.

- H. Kimberley researched financing, she went to six banks. Some of the banks wouldn't talk to her because they knew she was talking to the Bond Bank as well and some banks would only do business if the town moved all the bank accounts to them. The NH Municipal Bond Bank came in with the lowest set of numbers.
- I. Before Kimberley turned the hearing over to John, she wanted to say "thank you" publicly. There has been a huge effort put into this project. In 2010 there was a small committee of firefighters that worked on the first design, but, it was determined that the site chosen for the building would not work. Then in 2014 another committee worked hard looking at potential sites. Forty different sites were looked at and the one purchased was the number one site chosen. For the last 3 years, the current committee has been meeting on a regular basis to get the new fire station to a point where it addresses the needs of the fire station looking out 40 years.
- J. Anthony Mento said a lot of the information references the "Architect", we are the point people and have been meeting with the committee members and working with the town. We have a team of engineers and the figures include about 4 other companies that have participated as well. Those costs are folded in.
- K. John pointed out that the town is asking the voters to approve \$2,500,000 bond, \$200,000 will come from the unassigned fund balance and \$50,000 taxation which will make up the \$2,750,000. As Kimberley explained the NH Municipal Bond Bank has the best rates, however, we won't know the interest rate until the bond is sold. The Director of the Bond Bank assured the Selectmen that the rate of 3.25% is a conservative estimate. John pointed out that the Selectmen have not yet voted to go to the NH Municipal Bond Bank because approval is first needed by the voters. The Selectmen does feel using the NH Municipal Bond Bank is the best deal. The NH Municipal Bond Bank was established in 1977 by Legislature, since then they have provided \$2,585,000,000 in financing to municipalities and school districts. Last year they gave \$120,000,000 to local governments. Local governments pool borrowing with other NH local governments to share the fixed costs of borrowing. John pointed out that this is important because the town would have to float their own bond and come up with necessary certificates etc. and the Bond Bank will help with that along with all the other towns that will be part of the bond issue, this allows for a better deal. The bonds are tax-free and historically are very attractive to investors. The town has secured a bond attorney from Drummond and Woodsum in the amount of \$3,500 to help with the bond. The attorney will prepare an opinion which must be provided to the NH Municipal Bond Bank Board of Director's saying this is a good investment and the town was in compliance with the budget process and required notices for hearings to name a few of the requirements. The attorney will also assist the town with preparing a bond anticipation note which is a short-term note to help pay for construction until July 12 when the bond is received. If approved by the voters the goal is to start construction in April.
- L. The bond timetable is as follows:
1. By April 13 the town must complete the application.
 2. April 27 the bond counsel has the loan agreements.
 3. May 7 bond council sends preliminary (not audible) to rating agencies in the bond bank.
 4. Sell the bond on June 5.
 5. July 11 & 12 pre-closing and closing.
 6. July 12 bond proceeds will be wired to the town and at that time the note is paid back.
 7. February 15, 2019, the town would have to pay the first interest payment.
 8. August 15, 2019, the first interest in principal payment will be due. John said the town will not know the actual amount until then because it depends if the town will get a level principal or level debt bond. He said the level principal looks like the best deal.
- M. Kimberley provided an example of the tax impact. A bond for \$2,500,000 for 20 years, level debt, the tax impact would be .63 cents per thousand. A property valued at \$200,000 the impact would be \$126.00 per year added to the tax bill (.30 cents a day). John added the bond bank will also renegotiate the bond interest rate if the rates go down and we share in the money that they save.

2. Public Comments

Question: What is the town's bond rate.

John: We don't have a bond rate of our own that's why we are going to the NH Municipal Bond Bank.

Question: Is this going to be a private (not audible) stand-alone deal just for this project or is this going to be bundled with (not audible).

John: It's going to be with other municipal bond bank lenders when it's sold. They put all the requests together from various towns.

Question: I have a comment and a question. The comment is if you get a bond at 3.25% for 20 years, your total will be \$3.4 million and some change to fund the entire project, so it is a lot of money and borrowing money is expensive. The question is, after reading the Selectmen's minutes, are you considering a cap on the interest rate?

Kimberley: I don't know what you mean by capping the bond. A 15-year bond, the interest rate would be less. We know that the bond bank caps at 4%.

Question: You can specify a maximum rate for the bond to the bond bank as I understood from reading the meeting minutes.

Kimberley: We can't specify the rate. I would need to look at those minutes. That doesn't sound like something the Board has heard.

Mike Cutting: The only thing that could happen is the Selectmen decided to make a motion and approve they would not accept a bond rate in excess of a certain percentage.

Question: Are the Selectmen inclined to do that?

John: We haven't discussed it.

Question: Is it something your will to do.

John: The Board has not discussed it, so I can't answer it.

Kimberley: We have not heard of capping before so we would have to go back and talk....

Question: Negotiating any contracts you present an offer....

Kimberley: The bond is going to be sold on Wall Street, so we are not going to be able to negotiate with Wall Street.

Question: No you can't, but you can at the initial contract (the rest was not audible).

Kimberley: The question is would we walk away if it's too much. If the bond is at a higher rate, I'm gonna guess the banks will be higher. We have the Bond Bank rate history for the last 20 years and have always been less than banks.

Question: There was the mention of equipment on other property, are those loaner properties that residents volunteered to let the equipment be there, are they town properties and how many.

Ed Raymond - Fire Chief: We have 3 pieces on the existing site, we have 2 pieces on Kearsarge Mt. Road station, and one piece on my property.

Question: Can the property on Kearsarge be sold to off-set.

Ed Raymond: That would be up to the Selectmen.

Question: What do the Selectmen think.

John: That would be the first choice I would make personally.

Question: What's the value of that property.

Kimberley: I don't know the value, I can tell you there is interest in the property as well as historical interest.

Question: Is there a differential in energy costs in the new structure versus the current?

Kimberley: The new building is more energy efficient, we are running numbers on what is estimated and will have them for Town Meeting.

Question: Could the Selectmen go through the timeline, how will the town fund the startup of the project in April if the money is not available until June, will there be a bridge loan.

Kimberley: Yes, the bridge financing is the bond anticipation note. It's short-term financing and the figure for that short-term is \$465,000 to pay the contractors up through July. The Bond Bank will arrange for this financing as well.

Question: What happens if the project exceeds the projected cost.

Ken Holmes - North Branch Construction - Our contract is not to exceed contract or construction managers at risk which means the guaranteed maximum payment (GMP) may not be exceeded with very few exceptions.

Question: How much contingency is in your contract price.

Ken: \$118,709, 5%.

Question: Approximately .63 cents per thousand, is that for a 15-year bond?

Kimberley: That was the 20 year, level debt, .63 cent tax impact.

Question: What's is the maximum the bond can be pushed out to.

Kimberley: 20 years. They only do 15 and 20-year bonds. Also, the bond cannot be paid off early, but at the 10-year mark, the bond will be refinanced. The interest rate will not increase. The NH Bond Bank is set up to help NH towns.

Question: This is a huge and needed project for the town. I am concerned about the cost, the next 20 years it will be the burden of the taxpayers to fund this, which is okay, however, each year the town budget will increase. What are the Selectmen doing to off-set some of the cost, what savings are going to be presented at Town Meeting?

Kimberley: We are now in the energy business, so we are producing energy and will help us in 12 years time when the payments for the solar array come to a close. We will sell, hopefully, we haven't discussed it or agreed to it, but I suspect that we will sell the current station. The new building will not require the same level of maintenance that this building needs if we continue to stay in it. Ventilation is needed, solve the mold issue and either raise the ceiling or continue purchasing custom trucks.

Question: The Selectboard did establish an Economic Development Advisory Committee that has been very active in developing a plan to try to find ways to make Warner more attractive.

Kimberley: I have recommended we let the EDAC try to figure that out what to do with the fire station.

Question: Have you had any conversations with the school district on what big items might be coming over the years that will impact our taxes?

Kimberley: No I have not, personally, the need does not change based on what the school district is doing.

Question: Is there a list of any kind pending capital equipment needed in the next 24 months?

Ed Raymond: We do have an existing Capital Improvement Plan. We have a 1996 engine 1 that was due to be replaced 2 years ago, unfortunately, before the time was up for the vehicle, \$11,000 was invested in it. We are trying to keep the engine longer so we won't need to pay 20% more to have a new engine fit in the current fire station. In about 2 years we will be looking at buying a new truck at a cost of about \$500,000, there is currently about \$300,000 in the capital reserve. If the truck is purchased for the current station the cost will be an additional 20% more.

Question: So, there no list of new equipment to fill the space.

Ed: No.

Kimberley: The only way we would need to add equipment is if something happened with the ambulance relationship with the town of Hopkinton. The town pays about \$79,000 per year for ambulance services. For the town to maintain its own ambulance service would be quite costly.

Question: Is this fire station complete so that you won't need to make additions to it for five years, is it a done deal?

Kimberley: It's a done deal.

Question: Is this the first bond the town has done?

Kimberley: The town yes, in recent memory. The Water District has been through the bond process recently.

Question: Who will do the site work.

Ken Holmes: We have not released that information.

Question: So the site work is part of the contract, not the Warner Highway Department.

Ken: Correct.

Comment: Well interest rates went up today, so I say let's get on with this and be done with it.

Question: What happens in July when the bond goes for sale and the bond bank doesn't meet the number of bonds that need to be sold.

Jim Bingham: There are towns, school districts, water districts all over the state looking at projects and they all need a bond. The NH Municipal Bond Bank takes the applications that come in, the bond attorney's complete due diligence, pools the qualified applications and represents the entire state in the bond market.

3. Public Hearing Closure

Chairman Dabuliewicz closed the public hearing at 8:25 pm.

4. Adjournment

Meeting adjourned at 8:26 pm

Board of Selectmen

John Dabuliewicz – Chairman

Clyde Carson

Kimberley Edelmann

Recorder of the minutes: Mary Whalen

Selectman's Meeting Minutes