

**TOWN OF TUFTONBORO
BOARD OF SELECTMEN
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**Selectmen's Meeting Minutes
9:00 am – Tuftonboro Town House**

Friday, February 12, 2021

The official video of this meeting can be found on the Town of Tuftonboro's YouTube channel at:
<https://www.youtube.com/channel/UCCUmJqZvFTS23RMEFSDQZmw>.

Present: Selectman Bill Marcussen, Selectman Chip Albee and Administrative Secretary Cathy Pounder

CALL TO ORDER

Selectman Marcussen called the Selectmen's meeting to order at 9:00 am.

PUBLIC HEARING PER RSA 3:8-A

Selectman Marcussen opened the Public Hearing per RSA 3:8-A, to discuss the issuance of a bond or note not to exceed the amount of \$1,800,000.00 for purposes of building and equipping a new Police Station. Selectman Marcussen explained this hearing is to meet statute requirements. If a municipal is anticipating borrowing \$100,000.00 or more, they must have a public hearing. Selectman Marcussen gave some background information on the Police Station. The facility has been designed, they have retained a construction manager to run the project, and the CM is going to provide accurate costing so when they go to Town Meeting they will have a firm number for the completion of project, to work with. The Selectmen are looking at two different ways to fund the project. One is to borrow a portion of the money to make up the difference between what is in the capital reserve fund and grants. The second approach will be to fund the project using capital reserve funds, grants, some money from the undesignated fund and some to be raised by taxes. They are looking at a total project cost of around \$1,600,000.00. The Selectmen had asked Jack Widmer, Town Treasurer, to get funding options for \$885,000.00 which is what they see as the difference between grants and capital reserves and the cost of the project. Mr. Widmer submitted the attached numbers from Northway Bank and Union Bank. Mr. Widmer stated that the taxes would raise 25 cents if the Town does 3 years financing, 15 cents for 5 years and 8 cents for 10-year financing. For each additional 100,000 borrowed above the \$885,742.00 the cost for the tax rate would go up 3 cents (25-28 cents) for 3 years, 2 cents (15-17 cents) for 5 years and 1 cent (8-9 cents) for 10 years of financing. Both banks are very reputable but with having history with Northway and their ease of processing loans through them, they would be his top choice. The Town has financed the Gould property and the Fire Station with Northway Bank. Rates can be locked in within 30 days of Town Meeting. The rate may vary between now and Town Meeting but should not be by much. The way the loans are set up first payment would not be until June of 2022. He stressed both banks are good to deal with. The Selectmen and Mr. Widmer discussed capital reserves, financing scenarios and the school district's policy for refunds to Towns. The Selectmen and Mr. Widmer are in support of the payment being done in one year with the use of undesignated funds, capital reserve and grants. Chief Shagoury mentioned if they do the one and done payment the amount to raise by taxes (\$300,000) is what the Town put on the warrant to add to the capital reserve if the building does not pass. The group discussed how the cost of construction materials are continuing to rise.

After no public comments, Selectman Marcussen closed the public hearing at 9:22 am.

Selectman Marcussen spoke to Gordon Hunt's concern of the Selectmen projecting the meals and tax revenue at \$120,000. Mr. Hunt felt it should have stayed at the \$65,000 due to the hospitality industry being hit hard due to COVID restrictions. The Selectmen received confirmation that they would be receiving \$120,000+ for the 2021 year. Selectman Marcussen said we need to keep in mind that the meals and rooms tax amount is a part of the State budget and we receive what they budget, it is not necessarily determined by the hospitality's income.

SIGNATURE FILE

Selectman Albee made a motion to sign an Intent to Cut for Tax Map 16-2-16, Annette Cram, operation 20-455-14. Selectman Marcussen seconded the motion. Motion carried 2-0.

Selectman Marcussen made mention that at the Budget Hearing it was brought up that the SCBA capital reserve account number was old. The Selectmen reached out to the Trustees of the Trust Funds and received the current number as of the end of January, which was \$221,809.00 which is not much of a difference then the previous number. The Selectmen will have to amend the numbers on capital reserves on the floor, at Town Meeting, as there will be interest payments accrued by May.

Selectman Albee made a motion to pay the BTLA settlement payment of \$17,203.23 to PSNH for overassessment of their properties. Selectman Marcussen seconded. Motion carried 2-0.

ADJOURNMENT

At approximately 9:35 am, Selectman Albee made a motion to adjourn, seconded by Selectman Marcussen. Motion carried 2-0.

Respectfully submitted,
Cathy Pounder
Administrative Secretary

TOWN OF TUFTONBORO
FINANCING OPTIONS FOR POLICE STATION

I have contacted two banks for the financing of the proposed Police Station.

Northway Bank which we have used for the Gould Property and the Fire Station financing has provided rate quotes.

Union Bank which I have used for another business venture is also interested and has provide rate quotes as well.

The quotes are based on borrowing \$885,742. I have asked for terms of 3-years, 5-years and 10-years.

	Term	Interest Rate	One Annual Payment	Total Interest over term
Northway Bank	3-Yrs	1.65%	\$305,198.48	\$29,853.44
	5-Yrs	1.80%	\$186,978.90	\$49,152.50
	10-Yrs	2.00%	\$98,761.55	\$101,873.50
Union Bank	3-Yrs	1.65%	\$305,198.48	\$29,853.44
	5-Yrs	1.79%	\$186,923.60	\$48,876.00
	10-Yrs	2.25%	\$100,076.29	\$115,020.90

The quoted rates may change between now and the town meeting in May. Both banks would lock in rates for 30 days so we could get exact rates prior to the town meeting and vote.

There are not application fees from either bank and the only costs are the legal fees for the paperwork which is estimated at \$500 - \$750.

If the amount borrowed was increased by \$100,000 the annual payments would increase approximated:

3-yrs \$33,285 5-Yrs \$20,942 10-Yrs \$10,978 (Northway) 10-Yrs \$11,208 (Union)

Jack Widmer

Treasurer