

**TOWN OF EATON, NEW HAMPSHIRE 03832**  
**EATON TOWN HALL**  
**BOARD OF SELECTMEN**  
**BOND HEARING**  
**January 22, 2024**

A Bond Hearing took place on Monday, January 22, 2024 at the Eaton Town Hall and also via Zoom. Present at the Town Hall were Selectmen Richard Fortin and Greg Grinnell. Selectman Edward Reilly attended via Zoom. The Hearing was called to order at 6:30 pm.

Dick Fortin opened the Hearing and gave an overview of the Capital Improvement Committee and their recommendations to the Selectmen. Dick Fortin explained that the recommendation was to continue to fund the Capital Reserve Funds for large purchases such as vehicles and also for road construction projects. Dick Fortin stated that the Committee recommended construction of a new Town Highway Garage and an addition to Town Hall, both of which would require bonding/borrowing of funds. Dick Fortin stated that the current Town garage was built in 1973 and that the CIP Committee identified reasons why it should be replaced. Dick Fortin further stated that the Town Hall was constructed in the early 1950s as a school and noted that the Committee also identified reasons why an addition for office space is recommended.

Dick Fortin explained that the Selectmen reviewed the recommendations and made the decision to put both construction projects before the voters at Town Meeting. Dick Fortin explained that the decision will be made in March, but that the Selectmen must hold the Bond Hearing and follow legal procedures in the event that the projects are approved by the voters. Dick Fortin stated that the Selectmen anticipated these capital projects and hired a professional audit firm three years ago, which is required in order to pursue bonding.

Dick Fortin explained that the Town can pursue funds through the NH Municipal Bond Bank or a private bank and explained the process to pursue bonding through the NHMBB. Greg Grinnell stated that payments through the Bond Bank are scheduled and cannot be altered, whereas if funds are borrowed through a private bank, the loan could be paid off early with no penalties. Dick Fortin noted that the Board is looking at two separate loans totaling \$1.5 million and explained that it makes sense to borrow the funds for the Town Hall addition with a smaller term to avoid interest.

Marnie Cobbs asked what would happen if the voters only approved \$800,000 for the Town Garage. Dick Fortin explained that the \$1.2 million is based on an estimate for the project. Dick Fortin explained that the original building proposal has been reduced to a 64x80 building and also includes costs such as a new septic system, surveyor, demolition of the existing shed, moving the salt container, converting the existing garage to a sand shed, moving of water and propane lines and site work. John Hartman questioned the placement of an office for the Road Agent. Dick Fortin explained that there is a small office within the garage and that above it is a small storage area for tools. Dick Fortin also noted that the school bus will need a lean-to off the new or old garage building.

Dick Fortin explained that the Selectmen also agreed that the Town Hall needs attention and the Committee has proposed a 38x24 addition with two offices and center hallway, which addresses security and storage. John Hartman questioned whether the storage area will be fireproof. Dick Fortin stated that the file storage area will be climate-controlled and fireproof for archived records. Dick Fortin gave an overview of the proposed heating and water system, which should reduce costs. Kim Bowker questioned whether the existing Town Hall would remain the same. Dick Fortin stated that it will become meeting space and that it would allow others to use the Facility. Jane Gray noted that the Community Circle wanted to utilize the Town Hall, but the downstairs was not large enough and stated that there are Town groups that would use the Town Hall. Marnie Cobbs questioned whether the Town Hall could be for gatherings other than Town business. Dick Fortin stated that the Selectmen would have to discuss the issue and develop a policy.

Dick Fortin explained the tax rate is based on property valuation, operating budgets and Warrant Articles. Dick Fortin stated that if the projects are approved at Town Meeting, the bond payments would increase the tax rate above what is needed for regular operations. Jonathan Simonds noted that last year's budget increased approximately 21% and questioned the increase this year. Dick Fortin noted that the Board has not yet finalized the budget, but it could be up to 10%. Dick Fortin stated that the Budget Hearing will be held on February 8<sup>th</sup> and noted that an estimated tax rate would be available at that time.

The Board reviewed a chart (attached) showing possible bond payments if the projects are approved. Dick Fortin stated that the payments are estimated at a 5% interest rate, which is higher than anticipated by the Bond Bank. Dick Fortin explained that a shorter term reduces the amount of interest paid but has a higher tax rate impact. Steve Farrell stated that he would want to see the impact over several years as the costs increase if property values increase. Dick Fortin stated that if the property values increase, the tax rates should go down if costs remain level.

Dick Fortin stated that the Selectmen are looking for feedback from the voters as to whether it would be better to pursue a longer term to reduce the tax rate or a shorter term to reduce the amount of interest paid. Kim Bowker questioned whether the voters will be voting on the term of the bond at Town Meeting. Dick Fortin stated that the Warrant Article is to approve the amount appropriated and authorize the Selectmen to negotiate the terms of the bond. John Hartman suggested a longer term on the bond to match the life of the building. Steve Farrell questioned whether a bond could be re-financed. The Board noted that they would research that issue.

Bill Kittredge stated that steel buildings are available online for much lower cost. Dick Fortin stated that the Town did receive several estimates for steel and wooden buildings, but that they were for the shell only. Dick Fortin stated that the CIP Committee has reviewed a cost estimate from a Contractor for the entire project. Greg Grinnell explained that the Committee reviewed several estimates that were similar. Dick Fortin stated that Construx is willing to work with the Town to make sure the cost is within the approved budget. Peter Klose noted that no agreements have been signed and that additional estimates could be obtained. Dick Fortin noted that the Board feels the cost estimate is solid to move forward.

John Hedden noted that the CIP Committee also reviewed school and road costs and questioned whether there are any significant costs that might alter the voters' decision on bond terms. Jane Gray explained that the Eaton School Board established Capital Reserve Funds to absorb large costs such as a new school bus or special education services. John Hartman stated that there are maintenance issues with the Conway school buildings, which may increase the contract costs for Eaton.

Dick Fortin explained that the Selectmen have a spreadsheet with anticipated costs for planning purposes so that costs can be reviewed and scheduled in an attempt to keep the tax rate fairly level. Dick Fortin stated that funds will be placed in a Capital Reserve Fund to cover road construction costs and that the projects will be scheduled according to available funds over the next five to 10 years.

Marnie Cobbs questioned whether the Selectmen feel the Town can afford these projects. Greg Grinnell stated that it is not the Board's decision and that the projects are being brought to the voters to make the decision. Ed Reilly stated that the voters will have to make the decision after receiving more information at the Budget Hearing. Jeanne Reilly questioned if there are items outside of the Town's control that may affect the tax rate. Dick Fortin gave a history of the County, Local and State Education tax rates, which is combined with the Town portion that gives the final tax rate. Jeanne Reilly questioned whether each project will be voted on separately and Dick Fortin stated that there are two Warrant Articles and that each is voted on by a separate ballot.

John Hartman questioned why the tax rate increased in 2024. Dick Fortin explained that the tax rate was higher in 2017 and that when covid hit, the Selectmen reduced the rate by using the fund balance to give the residents a break. Steve Farrell questioned whether any thought has been given to property owners that are not voters and may not know about the possible increased tax rate. Dick Fortin stated that the Fall Tatler that went out with the tax bills alluded to the CIP Committee but at that time there were no recommendations or costs. Dick Fortin stated that the Board has been using the website and "Eatonears" email to get information out to residents. Ed Reilly noted that the Selectmen have discussed the possibility of sending out an informational letter to property owners.

Marnie Cobbs stated that she is concerned about increased taxes. Road Agent Heath stated that the road projects should have been addressed years ago. Dennis Sullivan questioned the cost of gravel versus paved roads. Road Agent Heath noted that some of the paved roads have no base and need to be totally reconstructed and then paved every 10 years. Road Agent Heath further explained that the gravel roads are maintained by the appropriated funds for gravel each year.

John Hartman questioned the number of tax payers in Town. Dick Fortin stated that there are approximately 600 parcels of land and that an average of five new residences were built in a two-to-three-year timeframe. Dick Fortin noted that the tax impact for these two projects will decrease each year under the proposed payment plans.

Kim Bowker stated that the Town Garage is needed but the Town Hall addition would be nice. Dick Fortin explained that the Town was subjected to a First Amendment Audit which highlighted the need for secure office space. Jane Gray stated that the Selectmen first drafted a plan for a secure addition in the 1980s when there was a shooting and the State wanted Town offices to be secure. Don Fields stated that in most Town Halls, employees are protected.

Don Fields questioned whether the voters will decide the term of the bond. Greg Grinnell stated that the Selectmen are seeking input on that issue. Dick Fortin stated that the Selectmen will be at the elections tomorrow and encouraged residents to stop and give their opinion on the projects and the bond terms. Ed Reilly stated that the operating budget and projected costs over the next few years will impact the Selectmen's decision on the term of the bond.

John Hartman questioned whether the term of the Town Hall addition bond could be longer to lower the cost. Dick Fortin noted that the Bond Bank can provide that information. Kristie Foster questioned whether the Selectmen are leaning to the Bond Bank for funding. Dick Fortin stated that the Board will be reaching out to private banks to obtain interest rates and annual payments to compare with the Bond Bank. Heidi Fields questioned whether any grant programs have been found to assist with the costs. Dick Fortin noted that no grants have been found for municipal buildings.

Steve Farrell questioned whether final construction costs will be approved at Town Meeting. Dick Fortin explained that the voters will be considering an Article that would raise a specific amount of money and also give the Selectmen authority to move forward with the project and negotiating bond terms. Don Fields stated that the Warrant Article would give the Selectmen the authority to spend up to a certain amount for the project and that they will negotiate bond terms in the best interest of the taxpayers.

There being no further questions or discussion, the Bond Hearing was adjourned at 8:12 pm.

Respectfully submitted,

*Lianne Boelzner*

Lianne Boelzner

**Estimated Payment and Tax Rates**  
*January 22, 2024*

	Town Hall -- \$300,000				Town Garage -- \$1.2m							
	5 year	Tax Rate	10 yr	Tax Rate	10 yr	Tax Rate	15 yr	Tax Rate	20 yr	Tax Rate	25 yr	Tax Rate
1	75,000	0.51	44,625	0.31	178,500	1.23	138,500	0.95	121,500	0.83	113,000	0.78
2	72,000	0.49	42,825	0.29	171,300	1.18	133,200	0.91	119,850	0.82	113,250	0.78
3	69,000	0.47	41,400	0.28	165,600	1.14	129,400	0.89	116,700	0.80	110,500	0.76
4	66,000	0.45	39,975	0.27	159,900	1.10	125,600	0.86	113,550	0.78	107,750	0.74
5	63,000	0.43	38,550	0.26	154,200	1.06	121,800	0.84	110,400	0.76	105,000	0.72
6			37,125	0.25	148,500	1.02	118,000	0.81	107,250	0.74	102,250	0.70
7			35,700	0.25	142,800	0.98	114,200	0.78	104,100	0.71	99,500	0.68
8			34,275	0.24	137,100	0.94	110,400	0.76	100,950	0.69	96,750	0.66
9			32,850	0.23	131,400	0.90	106,600	0.73	97,800	0.67	94,000	0.65
10			31,425	0.22	125,700	0.86	102,800	0.71	94,650	0.65	91,250	0.63
11							99,000	0.68	91,500	0.63	88,500	0.61
12							95,200	0.95	88,350	0.61	85,750	0.59
13							91,400	0.63	85,200	0.58	83,000	0.57
14							87,600	0.60	82,050	0.56	80,250	0.55
15							83,800	0.58	78,900	0.54	77,500	0.53
16								75,750	0.52	69,750	0.48	
17								72,600	0.50	67,275	0.46	
18								69,450	0.48	64,800	0.44	
19								66,300	0.46	62,325	0.43	
20								63,150	0.43	59,850	0.41	
21										57,375	0.39	
22										54,900	0.38	
23										52,425	0.36	
24										49,950	0.34	
25										47,475	0.33	
	<b>345,000</b>		<b>378,750</b>		<b>1,515,000</b>		<b>1,657,500</b>		<b>1,860,000</b>		<b>2,034,375</b>	
Int:	<b>45,000</b>		<b>78,750</b>		<b>315,000</b>		<b>457,500</b>		<b>660,000</b>		<b>834,375</b>	
***Estimated 1st Year Payment for a \$300,000 home												
		153.00		93.00		369.00		285.00		249.00		234.00
***Estimated 1st Year Payment for a \$500,000 home												
		255.00		155.00		615.00		475.00		415.00		390.00