

NHMBB New Hampshire
Municipal Bond Bank

MONADNOCK BROADBAND GROUP

December 2, 2019

Presented by:

Tammy J. St. Gelais, Executive Director

ABOUT THE BOND BANK



- ▶ Created in 1977 by the NH State Legislature
 - ▶ RSA 35-A
- ▶ Non-Profit agency
 - ▶ a political subdivision of the State
- ▶ Operated by a five member Board of Directors, including the State Treasurer
- ▶ Full-time staff of 3
- ▶ Bond sales in January and July
- ▶ Issued 1,268 in individual loans equaling \$2.66 Billion to NH Towns, Cities, School Districts, Counties & various other Districts
- ▶ Refunded (refinanced) bonds 24 times since 1986 returning over \$70M in savings to participating communities
- ▶ Bond Ratings –
 - ▶ AA+ by S&P Global – affirmed in May, 2019
 - ▶ Aa2 by Moody's Investors Service – affirmed in May, 2018

NHMBB SERVICES

- ▶ Long term financing through general obligation bonds
 - ▶ January
 - ▶ July
- ▶ Short term financing through bond anticipation notes (BANs)
- ▶ Provide estimated debt schedules for planning purposes
- ▶ Attend meetings in your community



BENEFITS TO PARTICIPATING COMMUNITIES

- ▶ Competitive Interest Rates
 - ▶ Credit Enhancement and Security
 - ▶ Reduced Time Requirements
 - ▶ Low Cost of Issuance
 - ▶ Fixed Interest Rates
 - ▶ Administrative Assistance Provided
 - ▶ Streamlined Borrowing Process
 - ▶ Disclosure Requirements
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PURPOSES FOR FINANCING

- ▶ Capital projects allowed by NH Statutes(RSA 33:3) such as:
 - ▶ Schools – additions and renovations
 - ▶ Town Halls
 - ▶ Libraries
 - ▶ Police & Fire Stations
 - ▶ DPW & other Public Buildings
 - ▶ Water and Sewer Systems
 - ▶ Landfills
 - ▶ Roads
 - ▶ Fire Trucks
 - ▶ Broadband Infrastructure
 - ▶ Conservation Land
 - ▶ Capital Improvements/Infrastructure
 - ▶ Refinancing of prior loans issued by the community such as: USDA loans, State Revolving Loans, Bank Loans etc.



PLANNING BEFORE THE BOND SALE

- ▶ Contact us for estimated debt service schedules
- ▶ Contact your bond counsel to review warrant article and request a fee quote
- ▶ Prepare cash flow of funds for the project
- ▶ Bond counsel fees can be included in the project cost or in your budget
- ▶ Coordinate your financing needs with the Bond Bank's sale schedules



BOND SALE SCHEDULE HIGHLIGHTS

	<u>July 2020</u>	<u>January 2021</u>
Application Deadline:	May 8, 2020	November 6, 2020
Bonds Priced:	July 14, 2020	January 6, 2021
Participants Receive Funds:	August 12, 2020	February 11, 2021
First Interest Payment Date:	February 15, 2021	August 15, 2021
First Principal Payment Date:	August 15, 2021	February 15, 2022



Schedule

BASIC LOAN REQUIREMENT

- ▶ Obtain voter approval as required by NH State Statute
- ▶ Completed application
- ▶ Audit by CPA firm
- ▶ Local Bond Counsel opinion



BOND SALE PROCESS

- ▶ Bond Bank sells bonds competitively as a pooled issue
- ▶ Interest rates are determined for participants
- ▶ Approximate true interest cost July 2019 Bond Issue:

5 Year Loan	1.49%
10 Year Loan	1.62%
15 Year Loan	2.13%
20 Year Loan	2.60%
25 Year Loan	2.70%



- ▶ Final documents distributed for signatures
- ▶ Bond proceeds are wired to participants

MONITORING AFTER BOND SALE

- ▶ Expend proceeds per RSA regulations
- ▶ Send annual audits to Bond Bank as long as bond is outstanding
- ▶ Confirm annually that purpose of project financed by the bond has not changed



PROFESSIONAL ADVISORS

- ▶ Financial Advisor
 - ▶ Hilltop Securities Inc.
- ▶ Bond Counsel
 - ▶ Locke Lord, LLP
- ▶ Trustee/Paying Agent
 - ▶ U.S.
- ▶ Auditor
 - ▶ Baker Newman Noyes



CONTACT

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QUESTIONS?

