



Building Construction Committee

Design Concept Presentation



Purpose

- In accordance with RSA 33:8-a, this hearing is to receive public input on the proposed bond for construction of a new Town Office Building and renovation of the current building to become the new Police Department



Bond Proposal

Article 1: Long-Term Borrowing for Construction of New Town Office Building, Construction of an Access Drive, and Renovation of the Current Town Office Building to Become the Sanbornton Police Station

To see if the Town will vote to raise and appropriate the sum of Two Million Nine Hundred Eighty-One Thousand One Hundred Fifty-Two Dollars (\$2,981,152) (gross budget) for the construction and equipping of a new town office building on the Town-owned land behind Old Town Hall (Tax Map 26 Lots 45 and/or 47), construction of a new access drive through the Town-owned property in Tax Map 26 Lot 67, and the conversion and equipping of the current Town Office building as a police station; Two Million Two Hundred Eight Thousand Five Hundred Seventeen Dollars (\$2,208,517) of such sum to be raised through the issuance of bonds or notes under and in compliance with the Municipal Finance Act (RSA 33); to authorize the Selectmen to apply for, obtain, and accept federal, state, or other aid, if any, which may be available for said project and to comply with all laws applicable to said project; to authorize the Selectmen to issue, negotiate, sell and deliver such bonds or notes and to determine the rate of interest thereon for a 10-year maturity and other terms thereof; and to authorize the Selectmen to take any other action necessary to carry out this vote or to pass any other vote relative thereto; furthermore, to authorize the withdrawal of Six Hundred Thousand Dollars (\$600,000) from the Town's Unassigned Fund Balance for use on this project and to authorize the withdrawal of One Hundred Seventy-Two Thousand Six Hundred Thirty-Five Dollars (\$172,635) from the Town Building Improvement & Design Capital Reserve Fund for use on this project.

(3/5 majority vote required)

This Warrant Article is designated as a Special Warrant Article.

Recommended by the Selectmen – Recommended by the Budget Committee (7 - Yes, 0 - No)



Hearing Ground Rules

- Individuals will be limited to 5 minutes for any initial comments
- Individuals will not be allowed to testify again until all others who wish to speak have had their chance
- Comments should be limited to the topic of the building project
- The Chair reserves the right to cut off testimony that is redundant or repetitive
- Personal attacks or profanity will not be tolerated
- Participants online will be given equal opportunity to testify



Building Construction Committee

- Project is a result of action by Board of Selectmen following failure of \$5 million project at March 2019 Town Meeting. BCC formed October 2019, 30+ meetings to date.
- General sentiment was: recognize the need, but price tag too high. Maybe building more than we needed.
- Committee tasked to work with Bonnette, Page & Stone (BPS) to re-evaluate options provided at 2019 Town Meeting. BPS support was provided at no cost to the Town
- Focus on safety and security needs of Police Department; secondary emphasis on addressing quality of life (QOL) and compliance issues at Town Office
- “All options on the table” – no preconceived outcome. 8 concepts evaluated.
- Final BCC report released in December 2020 – available on the Town website



Safety/Security Issues at PD

- Lack of any exterior or interior ballistic protection
- Lack of proper holding facilities for detainee and public safety
- Lack of a secure lobby area
- Lack of push button or badge access control within interior PD spaces
- Lack of proper secure storage for firearms, evidence, or records
- Lack of restroom facilities for detainees that does not bring them into contact with civilian employees or the general public
- Lack of a private witness interrogation space
- Lack of required facilities to separate juveniles from adults with proper audio and visual isolation
- Lack of a sally port to facilitate secure detainee transfer to/from vehicles



Quality of Life/Compliance Issues at Town Office

- Lack of ADA compliance
- Lack of proper workspace for the Welfare Officer (currently working out of the kitchen area) with the appropriate privacy to conduct business as required under RSA 165.
- Lack of potable water
- Lack of proper workspace for the Recreation Department Director. That work is currently being done out of the Highway Department garage.
- Lack of adequate restrooms to accommodate routine usage by Town Office employees and the public (currently only 1 toilet)
- Improper storage for vital records inside the vault (water lines pass through the vault, putting documents at risk)
- Inadequate electrical service to support the required equipment
- Parking (for the entire Life-Safety Building campus)



BCC Conclusions

- Significant safety and security issues exist at the Police Station and need to be addressed before employees or the public are hurt
- Town Office has numerous issues with ADA compliance as well as quality of life issues that impact both employees and the public
- Addressing space issues also needs to include addressing long-term storage and improving the use of existing space
- Delays in addressing both PD and Town Office issues only increase the cost of a potential fix and put people at greater risk of harm
- A solution that focuses on the existing Town Office building can address all the identified issues in the most cost effective way possible



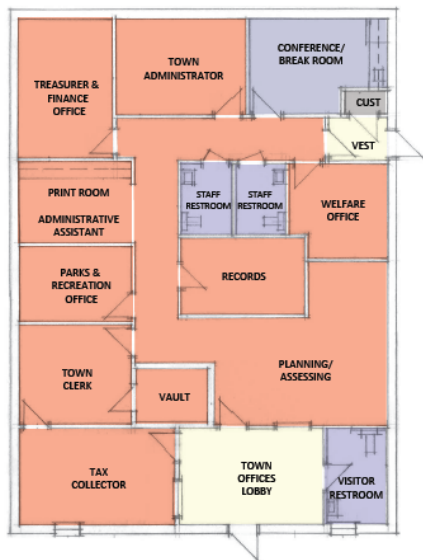
Key Factors in BCC Recommendations

- Meet safety and security concerns with PD; address compliance/QOL issues at Town Office
- Meets but does not exceed the Town's needs
 - Minimum solutions with capacity to meet demands for 20+ years
 - Ability to expand if/when required
- Provide best value – delivers biggest impact for the best price
- Options create minimum disruption – allow for continuation of required Town services without creating need for temporary office space.
- Create the smallest tax impact practical while meeting the Town's needs

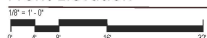


Proposed Building Project

- Build a standalone Town Office in the field behind Old Town Hall (2660 sq ft) and renovate the current building for the PD
 - Triples the space for the PD, addresses all security concerns
 - Relieves the parking issues at the Life-Safety Building campus, which is a major concern of residents
 - Provides options for future expansion (20-30 years from now) of either facility that the current Town Office didn't allow
 - Helps promote usage and interest in Old Town Hall
 - Addresses all of the Town facility deficiencies
- 16-month project starting August 2021



Front Elevation

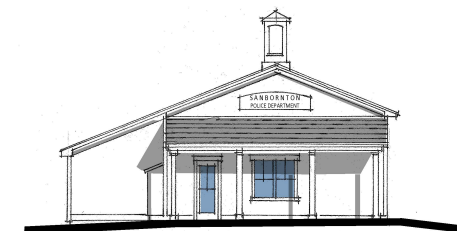
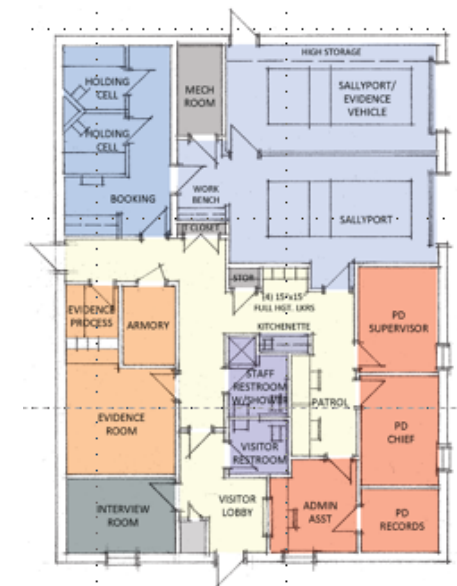


Town Office Building Project
Sanbornton, New Hampshire
TTG 5085
DP 12/15/2020

TURNER GROUP

New Town Office

April 2021



Front Elevation



Police Department
Building Project
Sanbornton, New Hampshire

TTG 5085
DP 01/12/2021

TURNER GROUP

PD Renovation



Proposed Project Financing

- Gross budget for the project is \$2,981,152
 - \$2,208,517 comes from the bond
 - \$600,000 from the Town's Unassigned Fund Balance
 - \$172,635 from the Town Building Improvement & Design Capital Reserve Fund
- Redirect other bond payments to offset the tax rate impact
 - \$135,000 from the expired Highway Garage bond
 - \$52,000 by pre-payment of the bond for the ARRA/Maple Circle water quality project
 - These payments are already in the tax rate so they don't increase the rate

The net projected impact is an 11¢ increase on the tax rate starting in FY23
(December 2022 tax bill)



Additional Funding Options

- Use Unassigned Fund Balance (DOT reimbursement) to reduce project cost
 - Approx \$788,000 coming back from DOT for Lower Bay Rd project
 - Apply \$600,000 from the UFB to reduce the amount to be bonded
 - Reduces tax rate impact by \$0.13
- Use UFB to pay off the bond on the ARRA/Maple Circle project
 - Pre-pay the balance (\$52,000) to free up the payment in FY23 (already in the tax rate)
 - Paying off the bond eliminates a \$52,000 payment and reduces the tax rate impact another \$0.10
- Use Town Building Improvement & Design CRF to reduce the bond
 - Pay architectural/design fees (\$172,635) from the CRF (FY22 balance will be \$303,000)
 - Make first year bond payment (Interest only – approx. \$60,000) from the CRF
 - Pay Bond Counsel fees
 - Reduces tax impact by another \$0.04

Using these three funding options reduces the tax rate impact of the project by \$0.27



About the Unassigned Fund Balance

- Required by the State to maintain a reserve of 5-17% of its total obligation (Municipal, School, County, and State) for unanticipated expenditures
 - Town policy is to maintain a 10% balance
 - For FY21, that obligation was \$12,326,916 – which means a retained UFB balance of \$1,232,692
- Funds in excess of the required balance are available to be spent
 - BOS can use it to reduce the tax rate
 - The Legislative Body (Town Meeting) can vote to spend it on specific items or projects
 - Depleting all the reserve in one year means no tax rate adjustment may be possible the next year
- At the end of 2021, the UFB was \$1,685,046 (14%)
 - The expenditures proposed in the 2021 Town Warrant would leave roughly \$550,000 that can be applied to the tax rate next year



Total Pricing/Tax Impact

- Pricing based on BPS estimates for the H.L. Turner designs
 - Base Cost of Project: \$2,981,152 (Gross budget)
 - Apply UFB: -\$600,000
 - Apply Building CRF: -\$172,635
 - Net Cost: \$2,208,517 (amount to be bonded – 10-yr term)
- Tax impact starting in 2023
 - Base change: +\$0.38
 - Net change: +\$0.11 (Includes redirecting the Highway Garage and Maple Circle bond payments to the building bond)

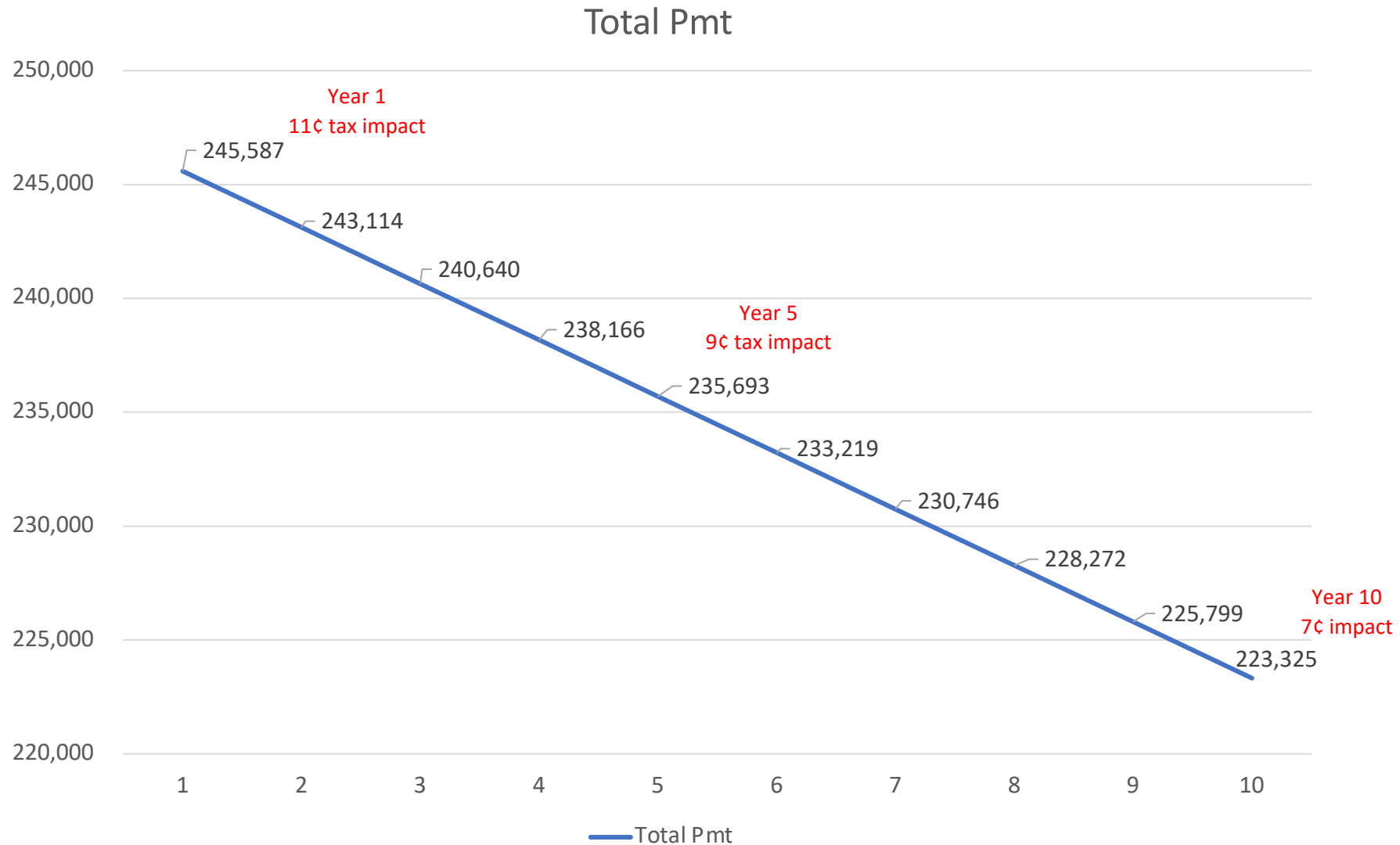
Property value

	\$200,000	\$300,000	\$400,000	\$500,000	\$600,000	\$700,000	\$800,000	\$900,000	\$1,000,000
Annual Tax Increase	\$22	\$33	\$44	\$55	\$66	\$77	\$88	\$99	\$110
Per Tax Bill (Jun/Dec)	\$11	\$17	\$22	\$28	\$33	\$39	\$44	\$50	\$55

Real Life Tax Impacts



Bond Payments Decrease Over the Life of the Loan





Cost Changes

- Concern over the high cost of building materials and availability
 - Pricing done in Dec 2020 when prices were already “high”
 - Construction Manager works closely with suppliers to keep cost/schedule impacts to a minimum (Not like buying 2x4’s for your home)
- Pricing includes higher estimate of interest rate than current rates
 - Calculations based on 1.12% - current rate is 0.81%
 - Banks are not expecting any significant change between now and July
- Estimates include management reserves (\$200,000) to cover unanticipated costs
- Building Improvement Capital Reserve Fund could cover another \$100,000 in increases if required

Material and labor costs won’t go down – and interest rates will go up.
Waiting will only cost the Town more money



Handouts



Financial Figures

Cost to Build As Designed (Gross Budget)	\$2,981,152
Proposed Use of Unassigned Fund Balance	-\$600,000
Proposed Use of Town Building Improvement & Design Capital Reserve Fund	-\$172,635
Total Amount to Bond	\$2,208,517
Tax Rate Increase (starting FY23)	11¢ per \$1,000 of Assessed Value

Property Value	Annual Tax Increase	Per Tax Bill (Jun/Dec)
\$200,000	\$22	\$11
\$300,000	\$33	\$17
\$400,000	\$44	\$22
\$500,000	\$55	\$28
\$600,000	\$66	\$33
\$700,000	\$77	\$39
\$800,000	\$88	\$44
\$900,000	\$99	\$50
\$1,000,000	\$110	\$55

Real-life Impacts of an 11¢ Tax Rate Increase

Impact of Other Bonds/Notes

The bond for the Highway Garage was paid off in 2020. That payment (\$135,000) is already in the tax rate, so continuing it doesn't add to taxes.

The Town also has a promissory note from 2013 for a water project on Maple Circle. The Town recommends paying that note off (\$52,000) with money from the Unassigned Fund Balance. That will make another \$52,000 available starting in FY23 to apply to the building bond without adding to the tax rate.

About the Unassigned Fund Balance

The Town is required by the State to maintain a reserve of 5-17% of its total obligation (Municipal, School, County, and State) in what is essentially a "rainy day fund" called the Unassigned Fund Balance (UFB). Any money raised by taxes for the operating budget that isn't spent, or any extra revenue that is received during the year, goes into the UFB at the end of the fiscal year (June 30th).

For FY21, our obligation was \$12,326,916 – which means a retained UFB balance of \$1,232,692. Any balance above that can be spent two ways: the Board can vote to use it to reduce the tax rate when setting taxes, or it can be voted upon at Town Meeting to spend on something designated by the voters. In 2020, the Board used \$350,000 to reduce taxes, leaving a balance of \$1,685,056. That leaves roughly \$450,000 this year to apply for future tax rates.

The Town is due a refund of about \$788,000 from the State for its share of funding of the Lower Bay Rd project from 2019/2020. The Town had to pay all the costs up front and the State pays back 80%. On July 1, that \$788,000 will move to the UFB. It is this funding that is being recommend to be applied to the building project. Even after paying \$600,000 for the project and \$52,000 to pay off the promissory note early, the UFB will increase by \$156,000. Putting this funding toward the project doesn't put the UFB at any risk, and it still leaves money to be used in the future if needed to offset the tax rate.

Plans and financial information are available on the Town website: <https://www.sanborntonnh.org/building-construction-committee>



Town of Sanbornton Building Construction Bond

Proposed bond for \$2,208,217 to build a new Town Office and renovate the current building to become the new Sanbornton Police Station

Public Hearing

Apr 22, 7 PM (Primary)/Apr 23, 7 PM (Backup)
In person at Old Town Hall
(19 Meetinghouse Hill Rd)

Or

Join via Zoom or Telephone <https://zoom.us>

Meeting ID: 747 374 5109

Passcode: 03269

By Phone: +1 312 626 6799 US

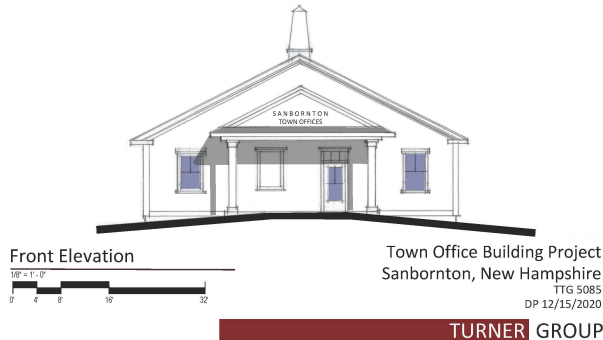
Town Meeting

May 15, 10 AM In person in the field behind
Old Town Hall (19 Meetinghouse Hill Rd)

Warrant Article #1

This proposal would build a new Town Office building behind the Old Town Hall and renovate the current building to become the new Police Department. This plan is presented as the best way to address all of the Town's space needs and deficiencies, which have been studied and documented for over 25 years. This would provide adequate facilities for current needs, while preserving the option for future expansion at either site when it is needed.

The proposed 11¢ tax rate change would begin in FY23 on the December 2022 tax bill.



Town Office

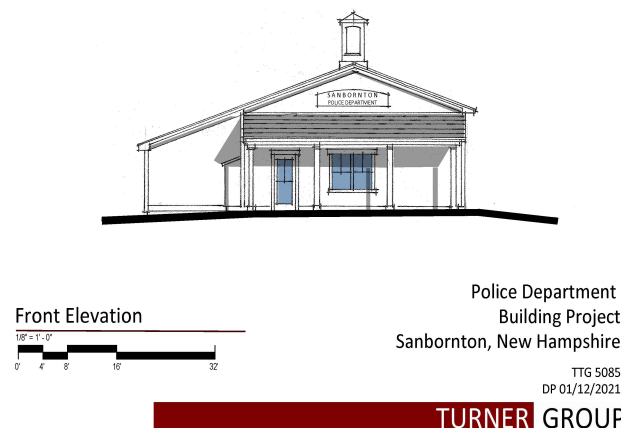
- Builds 2,660 sq ft of office space
- Includes workspace for Welfare Director, Recreation Director
- Addresses all ADA compliance
- Adds additional restrooms for staff/public
- Shifts large meetings to Old Town Hall

Examples of Police Dept Issues

- Lack of any exterior or interior ballistic protection
- Lack of proper holding facilities for detainee and public safety
- Lack of a secure lobby area
- Lack of proper secure storage for firearms, evidence, or records
- Lack of restroom facilities for detainees that does not bring them into contact with civilian employees or the general public
- Lack of a private witness interrogation space and required facilities to separate juveniles from adults with proper audio and visual isolation
- Lack of a sally port to facilitate secure detainee transfer to/from vehicles

Examples of Town Office Issues

- Lack of ADA compliance
- Lack of proper workspace for the Welfare Officer (currently working out of the kitchen area) and the Recreation Department Director (currently working out of the Highway Department garage).
- Lack of adequate restrooms to accommodate routine usage by Town Office employees and the public (currently only 1 toilet) during normal occupancy
- Improper storage for vital records (water lines pass through the vault, putting documents at risk)
- Inadequate electrical service to support the required equipment



Police Department

- Creates 2,660 sq ft ballistic-hardened building – triples space for PD
- Includes 2-bay sally port
- Adds proper storage for weapons, evidence
- Includes 2 Holding Cells with toilet/sink, separate Interview Room