



New Hampshire Municipal Bond Bank Celebrates 30 Years

By Sheila M. St. Germain

The New Hampshire Municipal Bond Bank has provided loans to Granite State local governments for three decades. Turning 30 is a good time to look back and reflect, so we turned to the archives to learn how the Bond Bank first got its start. Fortunately, minutes from the early years noted the frequent presence of one local government figure in particular: John B. Andrews. And, as it turns out, John was able to fill in many of the details and help us share our story.

When John Andrews first came to New Hampshire in 1975 to become Executive Director of the New Hampshire Municipal Association, there were about 10 state “bond banks” around the country, including banks in Maine and Vermont. Prior to coming to New Hampshire, John worked with the Maine Municipal Association and was instrumental in establishing the Maine Bond Bank. In fact, the two organizations worked closely together and the Maine Bond Bank also had its offices in the state municipal association building. “I was looking for ideas that could benefit New Hampshire local governments,” said John,

“so I called the Boston law firm with whom I had worked to create the Maine Municipal Bond Bank and asked them to write a bill for a New Hampshire bank.” John enlisted the support of then State Treasurer Robert Flanders, and together they lobbied the bill in over the course of a few legislative sessions.

The first few meetings were held at the office of the Bank Commissioner, in Concord, and the next several meetings were held at Concord National Bank. In October of 1978, the New Hampshire Municipal Bond Bank (NHMBB) found its home at 10 Park Street in Concord, steps away from the

State House. The bank remained there until February 2003, when we moved to our current location at the Local Government Center.

In the early years, the board had the task of organizing this agency, which involved hiring bond counsel, financial advisor, trustee and auditors as the major advisors to the Bond Bank. Additional areas of concern were the ratings from credit agencies and the loan application process for the municipalities. Thirty years later, the



Gathered in front of the NHMBB offices at the Local Government Center are Board of Directors and staff members (from left to right) Sheila St. Germain, Executive Director; Steve Panagoulis, Chairman; Katie Chambers, Treasurer; Jim Tibbetts, Vice Chairman; Nancy Woods, Accountant; Bob Levan, Director; Tammy St. Gelais, Program Administrator; and Cathy Provencher, State Treasurer.

same concerns exist. The advisors to the Bond Bank are crucial to its success; credit ratings influence the interest rates and we are always trying to improve the application process.

One thousand sixty-five loans, totaling \$1,911,659,184, were issued to municipalities from 1978 to 2008. In the early years, water and sewer projects were common projects. New schools, renovations to schools, town halls, libraries, police stations, fire stations, road repairs, basic public improvements and fiscal year changes represent some of the projects financed over the years. Fire trucks were popular from the late eighties to the late nineties, resulting in 47 loans. In the last few years, funding requests for land and easement purchases for conservation purposes first started to appear, and loan requests for dam repairs have increased in the last two years due to the major flooding across the state.

Loans vary in size, from the smallest loan of \$19,000 for repairs to a fire



Newbury Town Hall, 2004, loan amount: \$650,000

truck for Waterville Valley in 1983, to the largest loan of \$49 million for the construction of the new Bedford School District Middle/High School. In reflecting on his loan experience, Mark Conrad, Chief Financial Officer for Bedford School District, said

recently, “NHMBB’s financial advisor was indispensable in helping the Bedford School District develop an efficient \$49 million debt service program for our new middle school/high school. The ability of the Bond Bank to streamline the application process was an added bonus.”



In October 1978, the New Hampshire Municipal Bond Bank celebrated its grand opening at 10 Park Street in downtown Concord, NH. Gathered for the official ribboncutting are (left to right) first Executive Director Robert S. Weeks, Jr.; NH Bank Commissioner and Director Roland Roberge; staff member Carolyn L. Bond; Director Thomas E. LaClair; Governor Mel Thompson; State Treasurer and Director Robert F. Flanders; Director Arthur “Skip” L. Barrett, Jr.; and Director Bayard F. Pope.

The Bond Bank’s current ratings (as of October 6, 2008) of AA-, Aa3, and AA from Fitch Ratings, Moody’s Investors Service and Standard & Poor’s, respectively, contribute to the competitive interest rates received in the Bond Bank’s sales. The competitive rates and easy application process have brought some municipalities to the Bond Bank many times over the years.

The City of Laconia has several loans with NHMBB. “The Bond Bank makes borrowing for capital projects as easy as it can get,” said Pamela Reynolds, Finance Director for the City of Laconia. “Once approved by the City, the application process is simple. No bond rating is needed

and approvals are prompt. The staff has been very helpful in answering my questions.”

In addition to the municipal loans, the NHMBB’s Utility Division has provided funds to Hampton Water Works and Concord Steam. Concord Regional Solid Waste/Resource Recovery Co-operative’s private activity bonds were obtained through the Bond Bank and the Education Division has provided funding to Pinkerton Academy and Coe-Brown Northwood Academy.

Over the years, twenty different directors have been appointed to the NHMBB Board. Board members serve on a volunteer basis and have

donated countless hours to the success of the Bond Bank. Arthur (Skip) L. Barrett, Jr. was the first chairman of the Board and served 22 continuous years on the Board. (A special thanks to you, Skip!) Several members have served on the Board for 10 years or more. We appreciate the dedication and service provided by all of our past and present board members.

“Over the last 30 years, the NHMBB has become a ‘first stop’ for local governments seeking long-term favorable financing for capital projects,” said John Andrews. “Its financial stability is enviable and proves that New Hampshire local governments are good investments.”

The chart below and those on the following page provide a brief overview of the last 30 years, including information about interest rates, projects and refundings. We are proud to have served New Hampshire local governments for the past three decades and look forward to continuing to help shape the future of the Granite State.

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LOAN RATE HISTORY	Month of Issue	Jun-08	Jun-03	Jun-98	Jul-93	Jul-88	Jul-83	Dec-78
	Bond Series	2008A	2003CD	1998A	1993C	1988A	1993A	1978ABC
	Issue Amt.	42.310M	77.440M	50.710M	2.694M	28.840M	6.970M	7.880M
	5-yr	3.300%	N/A	4.25%	5.30%	6.98%	6.97%	5.49%
	10-yr	3.700%	2.550%	4.58%	5.20%	7.03%	8.17%	5.92%
	15-yr	4.080%	N/A	4.78%	5.42%	7.21%	8.91%	6.27%
	20-yr	4.240%	3.570%	4.87%	5.61%	7.57%	9.46%	6.18%
	30-yr	4.560%	N/A	N/A	N/A	N/A	N/A	N/A



New Hampshire Municipal Bond Bank By the Numbers

REFUNDING HISTORY

Year	Amount Refunded	Approximate Savings
1986	\$37,000,000	\$2,000,000
1992	33,500,000	1,000,000
1993	100,000,000	3,000,000
1996	41,000,000	1,000,000
1998	28,000,000	640,000
2002	92,000,000	2,930,000
2003	73,000,000	5,120,000
2004	74,000,000	1,700,000
2005	34,000,000	1,500,000
2007	40,200,000	1,300,000

PROJECT TOTALS

The NHMBB has funded 1,065 loans to local governments.

City Projects	\$429,049,261
County Projects	\$16,846,390
District Projects	\$80,139,940
School Projects	\$973,667,948
Town Projects	\$411,955,645
Total of Loans	\$1,911,659,184

A selection of projects funded by the NHMBB over the years.

CAPITAL/PUBLIC IMPROVEMENTS

65

DAM REPAIR

5

FIRE TRUCKS

47

LAND PURCHASE/
CONSERVATION

54

LIBRARY

23

NEW SCHOOLS

68

POLICE STATIONS/
FACILITIES

36

ROAD REPAIRS

61

SEWER PROJECTS

144

CITY/TOWN OFFICES/
MUNICIPAL BUILDINGS

32

WATER PROJECTS

128

NHMBB

PROJECTS BY THE NUMBERS