



**TOWN OF NEWMARKET, NEW HAMPSHIRE  
By the Newmarket Town Council**

**Resolution #2021/2022 - 30  
Relating to the Town's Debt Policy**

**WHEREAS:** having a debt policy ensures that long term financial commitments funded through bonds or notes will be considered and managed with a consistent medium;

**NOW, THEREFORE, BE IT RESOLVED BY THE NEWMARKET TOWN COUNCIL THAT:**

the Town adopts a Debt Policy as follows:

**DEBT MANAGEMENT**

- A. The Town will consider the use of debt financing only for capital improvement projects and major equipment purchases, only under the following circumstances:
1. When the resulting asset's useful life or the projected service life of the equipment will exceed the term of the financing.
  2. When there are designated revenues sufficient to service the debt, whether from revenues, other specified and reserved resources, or infrastructure cost-sharing revenues
  3. Debt financing is not considered appropriate for any recurring purpose such as current operating and maintenance expenditures.
- B. The Town may use the following criteria to evaluate pay-as-you-go versus long-term debt financing in funding capital improvements:
1. Factors which favor pay-as-you-go:
    - a. Current revenues and adequate fund balances are available
    - b. Project phasing is feasible
    - c. Debt levels would adversely affect the Town's borrowing capacity
    - d. Market conditions are unstable or present difficulties in receiving favorable financing rates
  2. Factors which favor long-term financing:

- a. Revenues available for debt service are considered sufficient and reliable.
  - b. Market conditions present favorable interest rates and demand for municipal financing
  - c. A project is mandated by State or Federal requirements and current revenues and funds balances are insufficient to pay project costs
  - d. A project is immediately required to meet or relieve capacity needs
  - e. The life of the asset financed is ten years (10) or longer
  - f. A project's long-term benefits require that costs be shared by current and future users and outweigh the additional costs as measured on a present value basis.
- C. General obligation debt may be used in lieu of revenue debt if expenses can be significantly reduced (as compared to financing from self-supporting revenues) and if special or enterprise fund revenue available for debt service is considered to be sufficient and reliable.
- D. Total indebtedness is restricted by RSA 33:4-a & b to an amount at any one time not to exceed 3% of the last locally assessed valuation of the municipality as last equalized by the commissioner of revenue administration.
- E. A debt analysis will be prepared by Town staff for each long-term financing. The analysis will assess the impact of debt issuance on current and future operating and capital budgets and address the reliability of revenues to support debt service payments.
- F. The Town will generally conduct financing on a competitive basis; however, negotiated financing or low interest programs may be used where the use of an unusual or complex financing or security structure is a concern with regard to marketability, or it is more cost effective to negotiate with a sole source.
- G The Town will monitor and report all forms of debt annually. Concerns and recommended remedies will be reported to the Town Council as necessary.
- J. The Town will monitor compliance with bond covenants and adhere to Federal arbitrage regulations.
- K. The Town will follow a policy of full disclosure on every financial report and bond prospectus voluntarily following disclosure guidelines provided by the Government Finance Officers' Association (GFOA), unless the cost of compliance with the higher standard is unreasonable.

*First Reading:*

*Second Reading:*

*Approval:*

<b>VOTING RECORD</b>			
Date of Vote:	YES	NO	ABSTAIN
Councilor White			
Councilor Ward			
Councilor Blackstone			
Councilor Brabec			
Councilor Lamattina			
Vice Chair Conley			
Chair Weinstein			
Total Votes:			
Resolution: Does   Does Not pass.			

Approved: \_\_\_\_\_  
Toni Weinstein, Chair Town Council

A True Copy Attest: \_\_\_\_\_  
Terri Littlefield, Town Clerk