

Town of Norwich, Vermont



CHARTERED 1761

Herbert A. Durfee, III  
Town Manager

TO: Selectboard  
FROM: Herbert A. Durfee, III, Town Manager *HAL*  
DATE: September 22, 2020  
RE: Bank Loan – Browns Schoolhouse Road Pedestrian Bridge Replacement

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Article 5 of the March 3, 2020 Town Meeting (passed 1,049 Yes vs. 465 No) that authorized expenditure of up to \$80,000 for replacement of the Browns Schoolhouse Road pedestrian bridge over the Charles Brown Brook.<sup>1</sup>

As previously discussed and approved by the Selectboard, based on a formal bidding process, Nick Fabrikant was awarded a contract to construct the replacement bridge at a cost not to exceed \$65,700.<sup>2</sup>

Given that amount, the following area banks were solicited for reasonable loan terms to offset the cost of the replacement bridge:

<u>Bank Name:</u>	<u>Replied:</u>	<u>Interest (per annum over 5 years):</u>
• Mascoma Bank	Yes	2.80%, fixed
• People's United Bank	Yes	Only serving current customers
• Bar Harbor Bank	Yes	Only serving current customers
• Community Bank	No	----
• Ledyard Bank	No	----
• Northfield Savings Bank	Yes	2.25%, fixed

Based on the above information, the Board packet includes loan documents from Northfield Savings Bank that reflect \$65,700 principal, at a 2.25% per annum interest rate, for a term of 5 years, with payment due on July 1<sup>st</sup> beginning July 1, 2021.<sup>3</sup>

<sup>1</sup> At the time of Town Meeting a \$50,000 grant application for some state funding was pending. If funded, the grant would have been used to offset the cost of the replacement bridge. Unfortunately, the Town was not awarded a grant.

<sup>2</sup> As of 9/18/20, the bridge is nearly complete and is about 1½ weeks ahead of schedule, and it remains on budget.

<sup>3</sup> There are several donations that the Trails Committee secured since and during the bank solicitation process, including a \$10,000 Byrne grant. Those donations and any future ones will be applied to the principal amount owed.