



Office of the Treasurer & Collector of Taxes

***Town of Arlington, Massachusetts
730 Massachusetts Avenue
Arlington, MA 02476***

***Telephone Number: 781-316-3031
Facsimile Telephone: 781-316-3039***

**Stephen J. Gilligan
Treasurer & Collector of Taxes**

MEMORANDUM

To: Board of Selectmen:
Mr. Kevin F. Greeley, Chairman
Ms. Diane M. Mahon, Vice Chairman
Mr. Stephen Byrne
Mr. Joseph Curro
Mr. Daniel J. Dunn

Cc: Adam W. Chapdelaine, Town Manager

From: Stephen J. Gilligan, Treasurer & Collector of Taxes *Stephen J. Gilligan*

Date: November 9, 2015

Re: Request Vote of The Board – To Approve The Sale Of \$4,362,000 Series-A General Obligation Bonds; \$3,225,000 Series-B Refunding Bonds; And \$9,232,000 Bond Anticipation Notes.

This memorandum requests a vote of the Board of Selectmen to authorize the issuance of \$4,362,000 Series-A General Obligation Bonds; \$3,225,000 Series-B Refunding Bonds; and \$9,232,000 Bond Anticipation Notes.

The Town received competitive bids from bond and note underwriters on Thursday, November 5, 2015, for a \$4,362,000 15-year bond issue (Series-A), a \$3,225,000 refunding bond issue (Series-B), and a \$9,232,000 357-day note (BAN) issue. Fidelity Capital Markets was the winning bidder on the Series-A Bonds with an average interest rate of 1.854%, and Fidelity Capital Markets was the winner on the Series-B Refunding Bonds with an average interest rate of 1.5066%. Eastern Bank was the winning bidder on the Notes with a net interest cost of 0.397%.

The Town received premiums with the bids, contributing to the low average interest cost of the issues. The premiums received are:

- \$554,176.76 for Series-A bonds,
- \$244,307.05 for Series-B bonds. (This premium will be deposited in the refunding escrow to defease the called bonds.)

The Town received a total of 4 bids on the Series-A Bonds, 4 bids on the Series-B Refunding Bonds, and 4 bids on the Notes. Series-A Bond and Note proceeds will be used to finance various municipal purposes shown below, while the Series-B Bonds will refinance bonds of the Town originally issued on September 15, 2005 and July 15, 2006.

The refunding bonds will generate total savings for the Town of \$313,116 over the remaining life of the bonds.

Prior to the sale, Standard and Poor's Ratings Services, a municipal bond credit rating agency, affirmed the Town's long-term rating of 'AAA', the highest rating attainable and assigned the 'SP-1+' rating to the Notes, also the highest ratings attainable. This is the eleventh consecutive bond issue attaining the Triple-A rating since August 2008.

Upon a vote of the Board, the closing of the bonds and notes will be Friday November 13, 2015.

The proceeds of the \$4,362,000 Series-A bonds and \$9,232,000 notes are for the following Capital Project(s) categories appropriated by vote under Article 24(3) of the 2015 Annual Town Meeting (ATM):

- \$7,647,000 Community Safety
- \$1,153,000 Public Works
- \$ 196,150 Health & Human Services
- \$ 965,840 Information Technology
- \$ 600,000 Recreation Department
- \$ 275,000 Rink Renovations
- \$2,040,000 School Projects
- \$ 52,360 Library
- \$ 280,000 Redevelopment Board
- \$ 85,000 Planning & Community Development

Enclosed please find our chart detailing each project with authorization amount, borrowing amount, start and completion dates, spending schedule, and extended useful life as previously voted by the Board.

The vote of the Board of Selectmen appears below.

Thank you for your consideration.

VOTE OF THE BOARD OF SELECTMEN

I, the Clerk of the Board of Selectmen of the Town of Arlington, Massachusetts (the "Town"), certify that at a meeting of the board held November 9, 2015, of which meeting all members of the board were duly notified and at which a quorum was present, the following votes were unanimously passed, all of which appear upon the official record of the board in my custody:

Voted: That in order to reduce interest costs, the Treasurer is authorized to issue refunding bonds, at one time or from time to time, pursuant to Chapter 44, Section 21A of the General Laws, or pursuant to any other enabling authority, to refund all of the Town's (i) \$5,171,000 General Obligation Municipal Purpose Loan of 2005 Bonds dated September 15, 2005 and maturing in the years 2016 through 2020, inclusive, in the aggregate principal amount of \$1,000,000 (the "Refunded 2005 Bonds"), and (ii) \$8,100,000 General Obligation Municipal Purpose Loan of 2006 Bonds dated July 15, 2006 and maturing in the years 2017 through 2025, inclusive, in the aggregate principal amount of \$2,350,000 (the "Refunded 2006 Bonds" and collectively with the Refunded 2005 Bonds, the "Refunded Bonds"); and that the proceeds of any refunding bonds issued pursuant to this vote shall be used to pay the principal, redemption premium, if any, and interest on the Refunded Bonds, and costs of issuance of the refunding bonds.

Further Voted: that the sale of the \$4,362,000 General Obligation Municipal Purpose Loan of 2015 Bonds, Series A, of the Town dated November 13, 2015 (the "Series A Bonds"), to Fidelity Capital Markets, a division of National Financial Services LLC ("Fidelity"), at the price of \$4,905,165.89 and accrued interest, if any, is hereby approved and confirmed. The Series A Bonds shall be payable on November 1 of the years and in the principal amounts and bear interest at the respective rates, as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2016	\$562,000	5.000%	2024	\$225,000	5.000%
2017	505,000	5.000	2025	190,000	5.000
2018	500,000	5.000	2026	145,000	2.250
2019	475,000	5.000	2027	145,000	2.375
2020	445,000	5.000	2028	135,000	2.500
2021	285,000	5.000	2029	125,000	2.750
2022	285,000	5.000	2030	110,000	3.000
2023	230,000	5.000			

Further Voted: that the sale of the \$3,225,000 General Obligation Refunding Bonds, Series B, of the Town dated November 13, 2015 (the "Series B Bonds" and together with the Series A Bonds, the "Bonds"), to Fidelity at the price of \$3,466,721.14 and accrued interest, if any, is hereby approved and confirmed. The Series B Bonds shall be payable on July 15 of the years and in the principal amounts and bear interest at the respective rates, as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2016	\$195,000	4.00%	2021	\$235,000	4.00%
2017	495,000	4.00	2022	235,000	4.00
2018	485,000	4.00	2023	235,000	2.00
2019	460,000	4.00	2024	225,000	2.00
2020	450,000	4.00	2025	210,000	2.00

Further Voted: to approve the sale of \$9,232,000 2.00 percent General Obligation Bond Anticipation Notes of the Town dated November 13, 2015, and payable November 10, 2016 (the "Notes" and together with the Bonds, the "Obligations"), to Eastern Bank at par and accrued interest, if any, plus a premium of \$146,709.94.

Further Voted: that in connection with the marketing and sale of the Obligations, the preparation and distribution of a Notice of Sale and Preliminary Official Statement, one for the Bonds and one for the Notes, each dated October 27, 2015, and a final Official Statement, one for the Bonds and one for the Notes, each dated November 5, 2015 (the "Official Statement"), each in such form as may be approved by the Town Treasurer, be and hereby are ratified, confirmed, approved and adopted.

Further Voted: that the Series A Bonds shall be subject to redemption, at the option of the Town, upon such terms and conditions as are set forth in the Official Statement.

Further Voted: to authorize the execution and delivery of a Refunding Escrow Agreement to be dated November 13, 2015, between the Town and U.S. Bank National Association, as Escrow Agent and Paying Agent.

Further Voted: that the Town Treasurer and the Board of Selectmen be, and hereby are, authorized to execute and deliver continuing and significant events disclosure undertakings in compliance with SEC Rule 15c2-12 in such forms as may be approved by bond counsel to the Town, which undertakings shall be incorporated by reference in the Obligations, as applicable, for the benefit of the holders of the Obligations from time to time.

Further Voted: that we authorize and direct the Treasurer to review and update the Town's post-issuance federal tax compliance procedures with such changes, if any, as the Treasurer and bond counsel to the Town deem sufficient in order to monitor and maintain the tax-exempt status of the Obligations.

Further Voted: that each member of the Board of Selectmen, the Town Clerk and the Town Treasurer be and hereby are, authorized to take any and all such actions, and execute and deliver such certificates, receipts or other documents as may be determined by them, or any of them, to be necessary or convenient to carry into effect the provisions of the foregoing votes.

I further certify that the votes were taken at a meeting open to the public, that no vote was taken by secret ballot, that a notice stating the place, date, time and agenda for the meeting (which agenda included the adoption of the above votes) was filed with the Town Clerk and a copy thereof posted in a manner conspicuously visible to the public at all hours in or on the municipal building that the office of the Town Clerk is located or, if applicable, in accordance with an alternative method of notice prescribed or approved by the Attorney General as set forth in 940 CMR 29.03(2)(b), at least 48 hours, not including Saturdays, Sundays and legal holidays, prior to the time of the meeting and remained so posted at the time of the meeting, that no deliberations or decision in connection with the sale of the Obligations were taken in executive session, all in accordance with G.L. c.30A, §§18-25, as amended.

Dated: November 9, 2015

Clerk of the Board of Selectmen