



TOWN OF CONCORD

Finance Department
April 25, 2016

PUBLIC NOTICE

Town of Concord \$9,995,000 bond issue scheduled for sale on WEDNESDAY, MAY 11, 2016

The Town of Concord has scheduled a bond sale for Wednesday, May 11 at 11:00 A.M. The offering is for \$9,995,000 of General Obligation debt with serial maturities from September 15, 2016 through September 15, 2027 (5.45 years average maturity) as detailed in the Preliminary Official Statement dated April 27, 2016. Bids from underwriters must be for all of the bonds and may be submitted either:

- (1) sealed and delivered to First Southwest Company, 54 Canal Street, 3rd floor, Boston, MA,
or
- (2) electronically via Parity in accordance with the Notice of Sale.

In connection with the sale, the Town has applied for a rating on the bonds from Moody's Investors Service, Inc. The Town has not contracted for the issuance of any policy of municipal bond insurance or any other credit enhancement facility. The most recent sale of long-term debt was a \$8,185,000 issuance for which bids were accepted on May 13, 2015. The lowest of seven bids for that 3.8-year average maturity issuance was at a rate of 1.40%, awarded to Stern, Agee & Leach, Inc. In connection with that sale, Moody's Investors Service assigned its highest rating of Aaa and concurrently affirmed the Aaa rating assigned to the Town's outstanding rated long-term debt. The Town's credit rating has been unchanged at Aaa since 1987.

Use of Proceeds

The bonds will finance the following projects pursuant to authorizations approved by the Concord Town Meeting:

A. NEW MONEY tax-supported debt service to be paid within the property tax levy limit

- **Town Building Improvements – 141 Keyes Road** \$ 200,000
Pursuant to Article 30 of the 2014 Annual Town Meeting;
- **CPS School Building Renovations** \$ 650,000
Pursuant to Article 23 of the 2015 Annual Town Meeting
- **School Transportation Facility Construction** \$ 950,000
Pursuant to Article 24 of the 2015 Annual Town Meeting

• Road Improvements (2015 Road Program)	\$1,200,000
<i>Pursuant to Article 42 of the 2015 Annual Town Meeting</i>	
• Parking Management Plan - equipment	\$ 150,000
<i>Pursuant to Article 53 of the 2015 Annual Town Meeting</i>	
• Town House Interior Improvements	\$ 350,000
<i>Pursuant to Article 54 of the 2015 Annual Town Meeting</i>	
• 37 Knox trail renovations and site improvements	\$ 200,000
<i>Pursuant to Article 55 of the 2015 Annual Town Meeting</i>	
• Fire Engine Replacement	\$ 550,000
<i>Pursuant to Article 57 of the 2015 Annual Town Meeting</i>	
<i>SUBTOTAL</i>	<u>\$4,250,000</u>

B. NEW MONEY debt service supported from enterprise fund revenues

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| • W.R. Grace Site Acquisition | \$ 25,000 |
| <i>Pursuant to Article 36 of the 2012 Annual Town Meeting and Article 1 of the Special Town Meeting of April 14, 2015; \$800,000 previously issued.</i> | |

Acquisition was authorized by an eminent domain taking. The initial borrowing Amount of \$800,000 was based upon a professional appraisal commissioned by the Town and completed April 2, 2015. The site was acquired on August 10, 2015.

The site is 79 acres bordered by the Assabet River and the Town of Acton, accessible through 27 Knox Trail in Acton, a site purchased by the Town of Concord in November 2014. Planned uses for a majority of the site include a solar array of 30-40 acres connected to the Concord Municipal Light Plant and various public works uses including eventually, a wastewater treatment plant. Approximately 4 acres will be used to construct and locate the school transportation facility.

In accordance with state law applicable to eminent domain takings, the FY16 property tax bill has been paid by the town itself as part of the acquisition cost. The current borrowing covers this additional purchase expense.

• Telecommunication services (CMLP)	\$ 500,000
<i>Pursuant to Article 28 of the 2012 Annual Town Meeting.</i>	
<i>\$400,000 will be applied to redeem a one-year Bond Anticipation Note maturing May 20, 2016</i>	
<i>SUBTOTAL</i>	<u>\$ 525,000</u>

C. Advance Refunding of March 1, 2007 and September 15, 2007 Bonds \$5,220,000
projected

The Town is taking bids for refunding bonds from two prior bond issues:

- *the Advance Refunding of \$2,525,000 principal outstanding (maturities of March 1, 2018 to March 1, 2027) on the March 2007 bond issuance which financed a portion of the Alcott School construction and a major water system improvement (Article 52 of 2004);*
- *The Advance Refunding of \$3,000,000 principal outstanding (maturities of September 15, 2018 to September 15, 2025) on the September 2007 bond issuance which financed a portion of the Thoreau School construction.*

The refundings are projected to reduce debt service costs by about \$550,000 over the remaining life of the related bonds. As the bonds to be refunded are Debt-Excluded by ballot votes of the electorate (\$3,775,000) or supported by the Water Fund (\$1,750,000), all of the savings will be applied to reduce the property tax levy and water rates of future years. The refunding issue of \$5,220,000 (projected principal amount) is less than the bonds to be called in advance of their maturity (\$5,525,000) due to the application of any bond premium to be received as part of the winning bid

Reimbursement of capital costs incurred in advance of the borrowing

Approximately \$750,000 of the NEW MONEY bond proceeds of \$4,775,000 will be applied to reimburse the general treasury for project expenditures incurred to date and for which no short-term Bond Anticipation Notes had been issued, pursuant to a Declaration of Intent and an Advance of Funds in Lieu of Borrowing Report to be executed by the Select Board prior to the closing date of the bonds.

Bond Award

The bonds will be awarded to the underwriter offering the lowest true interest cost (TIC) to the Town over the life of the bonds through September 15, 2027. The award will be made upon the recommendation of the Treasurer and the approval of the Select Board at its May 16th meeting.

The Credit Review statement from Moody's Investors Service will be available on the Town website (www.concordma.gov) as soon as it is received, expected by Monday, May 9th. The Preliminary Official Statement dated April 27, 2015, prepared in connection with the bond issue, will be available on the Town website.

Questions concerning the bond sale may be addressed to Anthony T. Logalbo, Treasurer, Town of Concord, by telephone at 978-318-3090, or by e-mail at: finance@concordma.gov.