



TOWN OF CONCORD

Finance Department

May 5, 2015

PUBLIC NOTICE **REVISED**

Town of Concord \$8,260,000 bond issue scheduled for sale on ~~Thursday, May 14, 2015~~
WEDNESDAY, MAY 13, 2015

The Town of Concord has scheduled a bond sale for **Wednesday, May 13 at 11:00 A.M (NEW DAY and TIME)**. The offering is for \$8,260,000 of General Obligation debt with serial maturities from September 15, 2015 through September 15, 2024 (4.6 years average maturity) as detailed in the Preliminary Official Statement dated May 6, 2015. 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, Massachusetts, 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 \$7,985,000 issuance for which bids were accepted on June 3, 2014. The lowest of seven bids for that 5.6-year average maturity issuance was at a rate of 1.76%, awarded to Fidelity Capital Markets. 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 debt service to be paid within the property tax levy limit*

- **Recreation Improvements - 51 Laws Brook Road** \$ 75,000
*Pursuant to Article 50 of the 2013 Annual Town Meeting;
\$25,000 previously issued*
- **Land Acquisition (McGrath Farm)** \$ 25,000
*Pursuant to Article 52 of the 2013 Annual Town Meeting;
\$500,000 previously issued*
- **CPS School Building Renovations** \$ 450,000
Pursuant to Article 9 of the 2014 Annual Town Meeting
- **Town Government Building Renovations** \$ 275,000
Pursuant to Article 34 of the 2014 Annual Town Meeting
- **Road Improvements (2015 Road Program)** \$1,300,000
Pursuant to Article 55 of the 2014 Annual Town Meeting
- **Land Acquisition & Site Work (37 Knox Trail)** \$ 700,000

Pursuant to Article 1 of the 2014 Special Town Meeting held on May 5th, 2014. The site was acquired on November 5, 2014. It includes a 9,000 sf. office building, half of which will be used to locate the school transportation department administration together with meeting space and staff training rooms. The remaining office space will be occupied by various town government staff.

SUBTOTAL \$2,825,000

B. NEW MONEY debt service supported from enterprise fund revenues

- **W.R. Grace Site Acquisition** \$ 800,000

Pursuant to Article 36 of the 2012 Annual Town Meeting and Article 1 of the Special Town Meeting of April 14, 2015 which authorized acquisition by an eminent domain taking. The borrowing amount is based upon the professional appraisal commissioned by the Town and completed April 2, 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 last November. 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 a school transportation depot.

C. Current Refunding of Sept. 15, 2004 Bonds \$3,413,000 *projected*

The Town is taking bids for the Current Refunding of \$3,500,000 principal outstanding (maturities of Sept. 15, 2015 to Sept. 15, 2024), \$3,413,000 projected reissuance, on the September 2004 bond issuance which financed a portion of the Alcott School construction.

D. Advance Refunding of Sept. 15, 2006 Bonds \$1,222,000 *projected*

The Town is taking bids for the Advance Refunding of \$4,440,000 principal outstanding (maturities of Sept. 15, 2015 to Sept. 15, 2024) on the September 2006 bond issuance which financed a portion of the Thoreau School construction. The refunding will be net of the principal MSBA lump-sum grant remaining at Sept. 16, 2016, \$3,428,000. A condition of the grant, originally received June 2010 in the amount of \$6,366,666, is that the remaining balance as of Sept. 16, 2016 (the first call date) must be applied fully to call a portion of the outstanding bonds. Accordingly this sum will be applied at the closing date of the current issue toward funding of the escrow required for the bond defeasance. The projected reissuance is \$1,222,000.

The refundings are projected to reduce debt service costs by about \$600,000 over the remaining 10-year life of the related bonds. The application of the remaining MSBA grant to the call of the 2006 Bonds will reduce debt service costs by about \$400,000 over the remaining life.

Other Financing

Bond Anticipation Note:

In addition to the bond issue, the Town is also issuing \$400,000 as a one-year Bond Anticipation Note (maturity May 21, 2016) pursuant to Article 48 of the 2013 Annual Town Meeting, Telecommunications Operations. This financing

will cover the continuing roll-out of the town's Broadband service operated by the Concord Municipal Light Plant. The short-term financing is expected to meet the capital costs and customer subscriber connection costs through the current calendar year. As the number of subscribers continues to increase, monthly subscription fees are projected to generate a positive cash flow sufficient to pay note interest and redeem the Notes, although some or all of the current issuance may be renewed at maturity for an additional year term.

Reimbursement of capital costs incurred in advance of the borrowing

Approximately \$1,475,000 of the bond proceeds 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, 2024. The award will be made upon the recommendation of the Treasurer and the approval of the Select Board at its May 18th 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 Tuesday, May 12th. The Preliminary Official Statement dated May 6, 2015, prepared in connection with the bond issue, is available on the Town website at: http://www.concordma.gov/pages/ConcordMA_Finance/os-and-credit-ratings.

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.