

IN BOARD OF SELECTMEN  
WEDNESDAY, FEBRUARY 18, 2015

Present: Chairman Charles C. Woodard, Selectman Lawrence W. O'Brien, Selectman Robert C. Haarde, Selectman Leonard A. Simon, Vice-Chairman Patricia A. Brown and Town Manager Maureen G. Valente

The statutory requirements as to notice having been complied with, the meeting was convened at 3:00 p.m. in the Thompson Conference Room at the Flynn Building.

Selectman O'Brien moved that the Board vote to approve the final matters related to the resignation of the Town Manager. Selectman Simon seconded.

The Board voted in favor unanimously of the motion.

Vote to Ratify Action by Town Treasurer to Award winning bid for a \$19 million bond issue sold on February 9, 2015

The Town Manager reviewed the 2015 Bond Issue, focusing on the large premium that was received and how that is used in calculation of the True Interest Cost (TIC) and the All-in Interest Cost (AIC). She noted that in years past, the Town would receive small amount of premium, and that was generally used to pay the issuance costs. Now Towns are seeing large premiums in an effort to get higher coupon rates for their clients. Because of these high premiums we have to be careful with federal arbitrage laws and state laws as to how money is applied to projects in a way that do not conflict with each other and the Town follows all requirements. The result is that Bond Counsel is now advising that large premiums are to be applied to the project available funds, and reduce the amount that is borrowed by that same amount. She noted that to effectuate this change Town Meeting would have to conduct two votes: first to reduce the bond authorization, and second to vote to use the premium as available funds. She further suggested that best way to do this might be to have a Special Town Meeting within the upcoming Annual Town Meeting.

Selectmen Brown noted this is very confusing and that it's important to educate the public before town meeting.

Town Manager Valente concluded by stating that while this is a more complicated bond issuance than in prior years, the overall impact is a "wash" to taxpayers. The coupon rate on the annual debt payment is higher than without the premium but the amount borrowed is lower.

Board members had questions, including "What happens if Town Meeting doesn't approve it?" The Town Manager replied that the premium funds can only be used for this purpose since this was an exempt issuance, and the Town still has the legal obligation to pay the bonds, so she believes Town Meeting will concur to vote the two votes necessary to have all the funds for the Police Station, Nixon School project and Johnson Property purchase by the end of the fiscal year. She further noted that Finance Director Terkelsen may ask the Board to approve an internal borrowing for the Johnson property until Town Meeting, so there are sufficient funds to close on the property at the end of February. She concluded by noting that we are obligated to do this by our prior Town Meeting vote...this is a different means of getting there.

Regarding the Refunding Bonds in Series B, the Town Manager noted that although the refunding saved \$707,000 over the life of the bonds being refunded, 64% of the savings will go to MSBA because they provide us with grants for 64% of the outstanding debt service. That means the savings for the Town will be around \$250,000 over the remaining 6 years of the debt.

Selectman O'Brien moved in the words of the vote prepared by bond counsel to ratify the action by the Town Treasurer to award the winning bid. The motion was seconded by Selectman Simon. It was a unanimous vote in favor of the motion. The words of that motion are attached to these minutes. Town Manager Valente read a list of all documents which need to be signed from the Locke and Lord (bond counsel) correspondence, which the Board members signed. That list is attached to these minutes.

Town Manager Valente noted that our Finance Director, Andrea Terkelsen, put an enormous amount of time into this bond issuance. There were two issues due to the difference length of time of the authorizations, one issuance was a refunding, some funding came from the Community Preservation Act, and while some were voted to be exempt from Proposition 2 ½, some were not, adding to the complexity of this bond deal. The Board noted they would be conveying to Ms. Terkelsen their appreciation of her efforts at their next meeting.

With all business concluded, at 4:00 pm a motion was made by Selectman O'Brien to adjourn. The motion was seconded by Selectman Simon.

All voted in favor of the motion unanimously.



Attest: \_\_\_\_\_

Maureen G. Valente

Town Manager-Clerk

2/18/15

VOTE OF THE BOARD OF SELECTMEN

I, the Clerk of the Board of Selectmen of the Town of Sudbury, Massachusetts (the "Town"), certify that at a meeting of the board held February 18, 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 we hereby determine, in accordance with G.L. c.70B, that the amount of the cost of the General John Nixon Elementary School project authorized by a vote of the Town passed on December 3, 2014 (Article 1), excluded from the limitations of Proposition 2½, so-called, by a vote of the Town passed December 9, 2014 (Question 1) not being paid by the school facilities grant is \$720,354 and we hereby approve of the issuance of notes and bonds in such amount under said G.L. c.70B.

Further 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 a portion of the Town's \$13,400,000 General Obligation Refunding Bonds dated February 1, 2005 maturing on June 1 in the years 2016 through 2020, inclusive, (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 and interest on the Refunded Bonds and costs of issuance of the refunding bonds.

Further Voted: that the sale of the \$10,204,800 General Obligation Municipal Purpose Loan of 2015 Bonds, Series A of the Town dated February 26, 2015 (the "Series A Bonds") to Janney Montgomery Scott LLC at the price of \$10,967,615.33 is hereby approved and confirmed. The Bonds shall be payable on February 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	\$539,800	2.00%	2026	\$490,000	3.00%
2017	545,000	3.00	2027	490,000	3.00
2018	540,000	4.00	2028	490,000	3.00
2019	540,000	5.00	2029	495,000	3.00
2020	540,000	5.00	2030	495,000	3.00
2021	535,000	5.00	2031	495,000	3.00
2022	535,000	5.00	2032	470,000	3.00
2023	535,000	5.00	2033	470,000	3.00
2024	530,000	5.00	2034	470,000	3.125
2025	530,000	5.00	2035	470,000	3.125

Further Voted: that the sale of the \$7,472,000 General Obligation Municipal Purpose Loan of 2015 Bonds, Series B of the Town dated March 5, 2015 (the "Series B Bonds" and together with the Series A Bonds the "Bonds") to J.P. Morgan Securities LLC at the price of \$8,444,515.72 is hereby approved and confirmed. The Bonds shall be payable on June 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	\$1,177,000	3.00%	2019	\$1,130,000	5.00%
2017	1,135,000	5.00	2020	1,425,000	5.00
2018	1,135,000	5.00	2021	1,470,000	4.00

Further Voted: that in connection with the marketing and sale of the Bonds, the preparation and distribution of a Notice of Sale and Preliminary Official Statement dated February 4, 2015, and a final Official Statement dated February 12, 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: that the Town Treasurer and the Board of Selectmen be, and hereby are, authorized to execute and deliver a continuing disclosure undertaking in compliance with SEC Rule 15c2-12 in such form as may be approved by bond counsel to the Town, which undertaking shall be incorporated by reference in the Bonds for the benefit of the holders of the Bonds from time to time.

Further Voted: that we authorize and direct the Treasurer to establish post issuance federal tax compliance procedures in such form as the Treasurer and bond counsel deem sufficient, or if such procedures are currently in place, to review and update said procedures, in order to monitor and maintain the tax-exempt status of the Bonds.

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

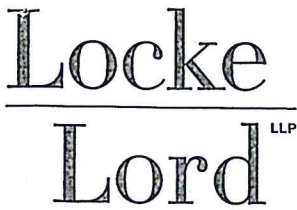
with an alternative method of notice prescribed or approved by the Attorney General as set forth in 940 CMR 29.03(2)(b) at least 48 hours, not including Saturdays, Sundays and legal holidays, prior to the time of the meeting and remained so posted at the time of the meeting, that no deliberations or decision in connection with the sale of the Bonds were taken in executive session, all in accordance with G.L. c.30A, §§18-25, as amended.

Dated: February 18, 2015

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Clerk of the Board of Selectmen

AM 45896699.1





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Boston, MA 02199  
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RECEIVED  
BOARD OF SELECTMEN  
SUDBURY, MA

2015 FEB 18 A 11: 15

February 17, 2015

Claudia J. Matzko  
Direct Telephone: 617-239-0176  
Direct Fax: 888-325-9523  
claudia.matzko@lockelord.com

**BY OVERNIGHT DELIVERY**

Maureen Valente, Town Manager  
Town of Sudbury  
Flynn Building  
278 Old Sudbury Road  
Sudbury, Massachusetts 01776

Re: \$10,204,800 General Obligation Municipal Purpose Loan of 2015 Bonds, Series A dated February 26, 2015 (the "Series A Bonds") and \$7,472,000 General Obligation Municipal Purpose Loan of 2015 Bonds, Series B dated March 5, 2015 (the "Series B Bonds" and together with the Series A Bonds, the "Bonds")

Dear Maureen:

Enclosed are the Bonds and the related closing documents for the above-referenced issues. The Bonds and the closing documents are to be executed as follows:

1. Bonds – each to be signed by the Treasurer and by the Board of Selectmen (the "Selectmen") and each to be sealed with the Town seal.
2. Vote of the Selectmen – to be passed at the February 18, 2015 meeting of the Selectmen and signed by the Clerk of the Board of Selectmen. ✓
3. Signature, No Litigation and Official Statement Certificate relating to the Series A Bonds – to be signed by the Treasurer, by the Selectmen and by the Town Clerk and sealed with the Town seal. ✓
4. Signature, No Litigation and Official Statement Certificate relating to the Series B Bonds – to be signed by the Treasurer, by the Selectmen and by the Town Clerk and sealed with the Town seal. ✓
5. Tax Certificate – to be signed by the Treasurer and by the Selectmen. Please note that we are sending this document without having yet received certain information regarding private use in connection with the cafeteria contract and, accordingly, the Tax Certificate is incomplete and in draft form. We will provide an execution version once we receive the necessary information. Prior to execution, such signatories should read this document carefully to confirm that the facts stated therein are correct. If any of those facts are incorrect, or if any of the statements made are unclear, please telephone me at once to discuss any changes that may need to be made. Please note that this document will be ✓

Maureen Valente, Town Manager  
February 17, 2015  
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reviewed by one of our tax partners prior to the closing and such partner may suggest certain changes be made to the document. In the event that material changes are made, we will send you copies of any such changes.

6. Continuing Disclosure Certificate – to be signed by the Treasurer and by the Selectmen. ✓  
(Exhibit B is not to be signed.)
7. IRS Form 8038G – to be signed by the Treasurer. We will take care of filing one on behalf of the Town, with the IRS.

Once executed, these documents should be returned to your financial advisor at UniBank Fiscal Advisory Services, Inc. by overnight delivery or as otherwise arranged with your financial advisor. For further information on returning the documents please contact David Eisenthal.

If you should have any questions, please do not hesitate to contact me.

Very truly yours,



Claudia J. Matzko

CJM/mlt

Enclosures

cc: David Eisenthal

AM 45838446.1

TOWN OF SUDBURY, MASSACHUSETTS  
2015 Bond Issue

**SERIES A BONDS**

	<u>Police Exempt</u>	<u>Police Non-Exempt</u>	<u>Johnson Exempt</u>	<u>Johnson Non-Exempt</u>	<u>Nixon</u>	<u>Total</u>
Par Amount	\$ 6,760,000.00	\$ 280,800.00	\$ 1,724,000.00	\$ 1,000,000.00	\$ 440,000.00	\$ 10,204,800.00
Available Funds			\$ 66,000.00			
Premium to Town	\$ 478,187.27	\$ 26,716.71	\$ 122,405.37	\$ 70,643.92	\$ 65,662.06	\$ 763,615.33
Total to Town	\$ 7,238,187.27	\$ 307,516.71	\$ 1,912,405.37	\$ 1,070,643.92	\$ 505,662.06	\$ 10,968,415.33
Project Costs	\$ 7,200,000.00	\$ 280,800.00	\$ 1,900,000.00	\$ 1,000,000.00	\$ 500,000.00	\$ 10,880,800.00
Issuance Costs	\$ 33,800.00	\$ 1,300.00	\$ 8,600.00	\$ 4,700.00	\$ 2,400.00	\$ 50,800.00
Remaining	\$ 4,387.27	\$ 24,616.71	\$ 3,805.37	\$ 65,943.92	\$ 3,262.06	\$ 102,015.33
Total	\$ 7,238,187.27	\$ 306,716.71	\$ 1,912,405.37	\$ 1,070,643.92	\$ 505,662.06	\$ 11,033,615.33
Interest	\$ 2,469,845.25	\$ 92,653.98	\$ 625,916.91	\$ 366,303.13	\$ 113,910.28	\$ 3,668,629.55
Final Maturity	2035	2035	2035	2035	2025	
Average Life (years)	10.439	8.982	10.366	10.469	5.379	
TIC%	2.723%	2.519%	2.717%	2.725%	1.840%	2.694%
AIC%	2.779%	2.576%	2.773%	2.777%	1.938%	2.750%

**SERIES B BONDS**

	<u>Refunding</u>	<u>Police Design</u>	<u>Total</u>
Par Amount	\$ 6,845,000.00	\$ 627,000.00	\$ 7,472,000.00
Available Funds			\$ -
Premium to Town	\$ 895,339.75	\$ 77,175.97	\$ 972,515.72
Total to Town	\$ 7,740,339.75	\$ 704,175.97	\$ 8,444,515.72
Project/Redemption Costs	\$ 7,695,000.00	\$ 627,000.00	\$ 8,322,000.00
Issuance Costs	\$ 39,900.00	\$ 3,175.00	\$ 43,075.00
Remaining	\$ 5,439.75	\$ 74,000.97	\$ 79,440.72
Total	\$ 7,740,339.75	\$ 704,175.97	\$ 8,444,515.72
Interest	\$ 1,229,770.28	\$ 104,453.50	\$ 1,334,223.78
Final Maturity	2021	2021	
Average Life (years)	3.919	3.631	
TIC%	1.146%	1.104%	1.143%
AIC%	1.288%	1.236%	1.284%
PV Savings	\$ 688,224.25		
FV Savings	\$ 707,417.22		