

**Board of Selectmen
Minutes
August 8, 2016 at 7:30 AM
Town Hall Conference Room**

Present: Selectman Cicolini, Selectman D'Eon, Selectman Mitchell, Selectman Vice-Chair Brazis, Selectman Chair Debra Panetta, Town Manager Scott Crabtree, and Wendy Hatch, Finance Director & Treasurer/Collector

The meeting began at 7:30 AM.

Mrs. Hatch thanked the Board members for meeting in a timely fashion to address the General Obligation Bond and the Bond Anticipation Note.

Mrs. Hatch passed out copies of the Bond Anticipation Note dated August 12, 2016 due August 12, 2017. She explained that on August 4, 2016, bids were accepted on a Bond anticipation note of \$2,540,770 to fund the Belmonte Middle School (\$690,770) and the Saugus High School Feasibility study (\$1,850,000). The winning bid was from Eastern Bank for the full amount, with a premium of \$16,311.80, at a rate of 1.5%, net .8562%. This loan will be dated August 12, 2016 and will be due August 11, 2017.

Mrs. Hatch also distributed information regarding the General Obligation Bond, which is in the amount of \$6,640,000, and reviewed the projects. The winning bid was from Janney Montgomery Scott, LLC, for the full amount, with a premium of \$673,392.45, with True Interest Cost (TIC) at the rate of 1.725953%.

In order to close the loan, she explained that the Board of Selectmen need to vote to accept the winning bids of Eastern Bank and Janney Montgomery Scott, LLC.

Mr. Crabtree discussed the exciting news that the town's bond rating improved to an AA+, and he passed out the summary: Saugus, Massachusetts; General Obligation information from Standard and Poors. This rating improvement was due to the town's strong management with good financial policies and practices, our strong budgetary performance, strong institutional framework, and very strong debt and contingent liability position, with debt service carry charges at 3.8% of expenditures and a net direct debt that is 29.9% of total government fund revenue. The Board discussed how adding additional funds to the stabilization fund played a significant part in the bond rating improving by three levels. The town will save millions of dollars with this improved rating. The Board thanked the Town Manager.

Selectman Cicolini made the motion and read:

Voted: that the maximum useful life of the departmental equipment listed below to be financed with the proceeds of the \$1,258,000 borrowing authorized by the vote of the Town passed May 16, 2016 (Article 23) is hereby determined pursuant to G.L. c.44, §7(9) to be as follows:

<u>Purpose</u>	<u>Borrowing Amount</u>	<u>Maximum Useful Life</u>
cherry picker	\$200,000	10 years
dump trucks	130,000	10 years
water utility truck	120,000	10 years
water compressor truck	90,000	10 years
sewer backhoe	135,000	10 years
voting equipment	145,000	10 years
utility box truck	50,000	10 years
pickup truck	50,000	10 years
public safety radio	38,000	10 years

Further Voted: that the sale of the \$6,640,000 Municipal Purpose Loan of 2016 Bonds of the Town dated August 11, 2016 (the “Bonds”) to Janney Montgomery Scott LLC at the price of \$7,313,392.45 and accrued interest is hereby approved and confirmed. The Bonds shall be payable on August 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>
2017	\$655,000	2.00%	2025	\$375,000	4.00%
2018	625,000	4.00	2026	370,000	4.00
2019	625,000	4.00	2027	290,000	4.00
2020	590,000	4.00	2028	290,000	2.00
2021	580,000	4.00	2029	220,000	2.00
2022	410,000	4.00	2030	220,000	2.25
2023	395,000	4.00	2033	315,000	2.375
2024	380,000	4.00	2036	300,000	2.625

Further Voted: that the Bonds maturing on August 1, 2033 and August 1, 2036 (each a “Term Bond”) shall be subject to mandatory redemption or mature as follows:

Term Bond due August 1, 2033

<u>Year</u>	<u>Amount</u>
2031	\$115,000
2032	100,000
2033*	100,000

*Final Maturity

Term Bond due August 1, 2036

<u>Year</u>	<u>Amount</u>
2034	\$100,000
2035	100,000
2036*	100,000

*Final Maturity

Further Voted: to approve the sale of a \$2,540,779 1.50 percent General Obligation Bond Anticipation Notes of the Town dated August 12, 2016 and payable August 11, 2017 (the “Notes”) to Eastern Bank at par and accrued interest plus a premium of \$16,311.80.

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 July 28, 2016 and a final Official Statement dated August 4, 2016 (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 in connection with the marketing and sale of the Notes, the preparation and distribution of a Notice of Sale and Preliminary Official Statement dated July 28, 2016 and a final Official Statement dated August 4, 2016, 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 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 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 Bonds and Notes, as applicable, for the benefit of the holders of the Bonds and Notes 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 and Notes.

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 or the Notes were taken in executive session, all in accordance with G.L. c.30A, §§18-25, as amended.

Seconded by the Chair:

Roll Call: Selectman D'Eon, yes; Selectman Brazis, yes; Selectman Cicolini, yes; Selectman Mitchell, yes, Selectman Panetta, yes.

Passed unanimously.

Selectman Brazis made a motion to adjourn, seconded by the Chair:

Voted: Yes: 5, No: 0

Adjourned at 8:06 AM.

Respectfully submitted,

Debra Panetta, Chairman
Saugus Board of Selectman