

**Town of Needham
Select Board
Minutes for April 5, 2022
Needham Town Hall
Select Board Chambers
And
Via Zoom
<https://us02web.zoom.us/j/89025802900>**

- 6:00 PM Call to Order:
A meeting of the Needham Select Board was convened by Chair Matt Borrelli. Mr. Matthews announced this open meeting is being conducted in a hybrid manner consistent with current Commonwealth Executive Orders due to the current state of emergency from the outbreak of the COVID-19 virus. Present were Matt Borelli, Vice Chair Marianne Cooley, Select Board Member Dan Matthews, Select Board Member Kevin Keane, Town Manager Kate Fitzpatrick, and Support Services Manager Myles Tucker. Select Board Clerk Marcus Nelson was not in attendance.
- Mr. Borrelli reminded the Board that in the absence of a Clerk, necessary for signing documents at this meeting, and requested a motion to install Mr. Matthews as Clerk for the meeting.
- 6:02 PM **Motion:** Mr. Keane: Install Mr. Matthews as Clerk of the Board for the Special Meeting on 5 April 2022. Second: Ms. Cooley. Vote: 4-0.
- 6:03 PM Mr. Borrelli called on Dave Davison, Assistant Town Manager/Director of Finance, to discuss the first agenda item, Approval of the Sale of Bonds and Notes.
- Mr. Davison explained that the reason the sale is before the Board today is to secure the lowest possible interest rate in a period of increasing rates. The Town has maintained its AAA bond rating, as affirmed by S&P on 30 March 2022.
- Mr. Davison continued that the Town offered \$10,850,000 in bonds, for which the Town received seven bids. Piper, Sandler, and Co. offered the lowest rate – 3.5% over the course of the 15-year loan, with a premium offered of \$898,438. This premium, per Massachusetts General Law, is allowed to be applied immediately and to pay issuance costs. The use of the premium reduced the bond issue to \$10,115,000, lowering the amount of principal to be repaid, and hence reducing overall cost to taxpayers. Mr. Davison further noted that the residual premium will be reserved for similar projects or de minimis amounts for debt service at the discretion of the Town. The proceeds will be used to pay expenses for the Public Safety Buildings project.
- Mr. Davison also reviewed the sale of the Bond Anticipation Note (BAN) in the amount of \$2,761,000. The Town received three bids. The lowest bidder was TD

Securities with an interest rate of 1.50% with a premium of \$579.81 resulting in a net interest cost of 1.3761%. The Town will pay off the entire \$2,761,000 BAN when it matures on June 15, 2022. The proceeds will be used to paydown expenses on a series of other capital projects

Mr. Davison explained that there are nine motions to be voted by the Board. Mr. Matthews, in his role as Clerk will need to certify the Vote of the Select Board.

Mr. Borrelli thanked Mr. Davison for the summary, congratulated him and Town staff on the AAA bond rating, and asked Mr. Davison if on the fifth attachment that placeholders would be filled in, to which Mr. Davison responded in the affirmative.

Mr. Borrelli asked further if Mr. Davison anticipates changing any interest rates assumptions for the facility financing plan, to which Mr. Davison responded that his view is conservative and that even the current interest rates still fall below 6-7% used for long-term projections.

Mr. Borrelli asked if there was a reason for a 15-year term versus a longer term, to which Mr. Davison replied that the term aligns with the planned retirement of debt to balance the repayment schedule.

Mr. Matthews summarized the proceedings for the audience, to include that the Town is borrowing a large sum of money, for a long time, and that the younger people in the room may be homeowners and taxpayers during that period.

Ms. Cooley noted her appreciation for Mr. Davison's conservatism.

Ms. Fitzpatrick remarked that the Board may see a bond sale for Emery Grover sooner than later to take advantage of current interest rates.

6:28 PM Motion: Ms. Cooley: Move that the sale of the \$10,115,000 General Obligation Municipal Purpose Loan of 2022 Bonds of the Town dated April 14, 2022 (the "Bonds"), to Piper Sandler & Co. at the price of \$10,933,239.75 and accrued interest, if any, is hereby approved and confirmed. The Bonds shall be payable on August 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>
2022	\$3,225,000	5.00%	2030	\$485,000	5.00%
2023	510,000	5.00	2031	485,000	5.00
2024	510,000	5.00	2032	485,000	5.00
2025	510,000	3.00	2033	480,000	4.00
2026	510,000	5.00	2034	480,000	3.00
2027	505,000	5.00	2035	480,000	3.00
2028	485,000	5.00	2036	480,000	3.00
2029	485,000	5.00			

Second: Mr. Keane. Vote: 4-0.

Mr. Davison remarked that the true rate deviates from the listed rate because the buyer's premium is included in the true rate.

6:29 PM **Motion:** Mr. Keane: Move to approve the sale of a \$2,761,000 1.50 percent General Obligation Bond Anticipation Notes of the Town dated April 14, 2022, and payable June 15, 2022 (the "Notes"), to TD Securities (USA) LLC at par and accrued interest, if any, plus a premium of \$579.81. Second: Ms. Cooley. Vote: 4-0.

6:29 PM **Motion:** Ms. Cooley: Move 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 March 29, 2022, and a final Official Statement dated April 5, 2022 (the "Official Statement"), each in such form as may be approved by the Town Treasurer, be and hereby are ratified, confirmed, approved, and adopted. Second: Mr. Keane. Vote: 4-0.

6:30 PM **Motion:** Mr. Keane: Move 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 March 29, 2022, and a final Official Statement dated April 5, 2022, each in such form as may be approved by the Town Treasurer, be and hereby are ratified, confirmed, approved, and adopted. Second: Ms. Cooley. Vote: 4-0.

6:30 PM **Motion:** Ms. Cooley: Move 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. Second: Mr. Keane. Vote: 4-0.

6:31 PM **Motion:** Mr. Keane: Move that the Acting Town Treasurer and the Select Board 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. Second: Ms. Cooley. Vote: 4-0.

6:31 PM **Motion:** Mr. Keane: Move that we authorize and direct the Town Treasurer to establish post issuance federal tax compliance procedures and continuing disclosure procedures in such forms as the Town 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 and to comply with relevant securities laws. Second: Ms. Cooley. Vote: 4-0.

6:32 PM **Motion:** Mr. Keane: Move that any certificates or documents relating to the Bonds and the Notes (collectively, the “Documents”), may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document; delivery of an executed counterpart of a signature page to a Document by electronic mail in a “.pdf” file or by other electronic transmission shall be as effective as delivery of a manually executed counterpart signature page to such Document; and electronic signatures on any of the Documents shall be deemed original signatures for the purposes of the Documents and all matters relating thereto, having the same legal effect as original signatures. Second: Ms. Cooley. Vote: 4-0.

6:32 PM **Motion:** Ms. Cooley: Move that each member of the Select Board, the Town Clerk and the Acting 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. Second: Mr. Keane. Vote: 4-0.

The Board at this time conducted requisite signing of the bond documents from 6:32 PM to 6:39 PM.

6:39 PM Mr. Borrelli asked Mr. Davison to describe the second agenda item, Sewer Rate Relief.

Mr. Davison remarked that the Board set rates over the winter, to include a sewer rate relief from the Commonwealth of \$283, payable to each rate payer at a rate of 3 cents per rate payer. The total the Commonwealth allowed this year was \$1,800,000 compared to \$52,000,000 the year prior, explaining the small relief per rate payer relative to prior years.

Mr. Matthews asked if there was a possibility to allow flexibility in relief, to which Mr. Davison replied that there were some restrictions, to include debt relief.

6:41 PM **Motion:** Mr. Matthews: Move to accept the rate relief. Second: Ms. Cooley. Vote: 4-0.

6:43 PM

Motion: Ms. Cooley: Move to adjourn. Second: Mr. Matthews. Vote: 4-0. Meeting adjourned.