

March 3, 2020

**For Immediate Release**

**For Further Information, Contact:**

Margaret Dennehy, District Treasurer  
16 Charter Road  
Acton, MA 01720  
Tel: (978) 264-4700

**Acton-Boxborough Regional School District, MA \$76,175,000 General  
Obligation Bonds Net 2.15%**

Margaret Dennehy, District Treasurer, received competitive bids from bond underwriters on Tuesday, March 3, 2020 for \$76,175,000 General Obligation School Bonds. Bank of America Merrill Lynch was the winning bidder on the Bonds with an average interest rate of 2.15%. The District received a total of 8 bids on the Bonds. Proceeds from the Bonds will be used to finance various capital improvements and the CT Douglas/Paul Gates Elementary School and Carol Huebner Early Childhood Program.

Prior to the sale, S&P Global Ratings, a municipal credit rating agency, assigned a rating of 'AAA' to the District's Bonds, the highest rating attainable. The agency cited the member towns' strong credit characteristics as well as the District's stable financial position with good fund balances, very strong liquidity and low debt and retirement liability carrying charges as positive credit factors.

The bids for the Bonds were accepted at the office of the District's Financial Advisor, Hilltop Securities Inc., at 54 Canal Street in Boston, Massachusetts.

-end-

3/3/20 Budget  
Sun

**S&P Global**  
Ratings

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## Summary:

### Acton-Boxborough Regional School District, Massachusetts; General Obligation

#### Primary Credit Analyst:

Kaiti Vartholomaïos, New York + 1(212) 438 0866; kaiti.vartholomaïos@spglobal.com

#### Secondary Contact:

Christian Richards, Boston (1) 617-530-8325; christian.richards@spglobal.com

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## Summary:

# Acton-Boxborough Regional School District, Massachusetts; General Obligation

### Credit Profile

US\$82.5 mil GO

*Long Term Rating*

AAA/Stable

New

Acton Boxborough Regl Sch Dist GO

*Long Term Rating*

AAA/Stable

Affirmed

## Rationale

S&P Global Ratings assigned its 'AAA' rating to Acton-Boxborough Regional School District, Mass.' general obligation (GO) school bonds. At the same time, S&P Global Ratings affirmed its 'AAA' rating on the district's outstanding GO debt. The outlook is stable.

### Security and use of proceeds

The bonds are a GO of the district, payable from district sources, including, but not limited to, sums annually apportioned to member communities, in accordance with the district agreement. In addition to the member apportionments, the district also receives intergovernmental revenues, and other miscellaneous revenues. The debt is subject to Proposition 2-1/2. While both member towns voted to exempt the majority of the debt (90%) from Proposition 2-1/2 limitations, a portion of the issuance is not exempt and is therefore the issuance is a limited GO. Based on the application of our criteria, titled "Issue Credit Ratings Linked To U.S. Public Finance Obligors' Creditworthiness" (published Jan. 22, 2018, on RatingsDirect), we rate the limited-tax GO debt at the same level as our view of the district's general creditworthiness. We believe the district has sufficient fungibility of resources required to pay debt service and consequently we are not notching from its implied unlimited-tax GO rating.

Under an agreement with the towns, capital and operating costs will be apportioned based on a prescribed formula that takes the ratio of each town's respective enrollments over a three-year period to the sum of the enrollments in the district. These ratios are the base percentages. Debt service on the bonds is considered a capital cost and apportioned in the same manner as other capital and operating costs.

The district's GO bonds are eligible to be rated above the sovereign because we believe the district can maintain better credit characteristics than the U.S. in a stress scenario. Under our criteria "Ratings Above The Sovereign: Corporate And Government Ratings—Methodology And Assumptions" (published Nov. 19, 2013), the district has a predominately locally derived revenue source, with over 65% of governmental activity revenue derived from property taxes with independent taxing authority through the member towns and independent treasury management from the federal government.

We understand that bond proceeds will fund the design and construction of a new elementary school. The district



*Summary: Acton-Boxborough Regional School District, Massachusetts; General Obligation*

expects to receive a grant from the Massachusetts School Building Authority (MSBA) to fund 49.7% of eligible project costs.

### **Credit overview**

The rating reflects the affluent economies of Acton and Boxborough, which underpin the support and governance of the local school district, enabling the district to strengthen its available fund balance position to just over \$5 million (5% of general fund expenditures) and develop a capital stabilization fund of \$1 million to finance associated projects. While not direct, additional flexibility is afforded by the available reserves from the member towns, which are just over 10% of their respective general fund expenditures, which we consider strong. We view the integrated financial decision-making process, management's comprehensive policies and practices, and consistent positive budget-to-actual performance over the last five years as positive credit factors. In our view, although the school district is a separate legal entity, the support from Acton and Boxborough provides significant credit stability and forms the basis for the district's 'AAA' GO rating.

We base the long-term rating on our view of the general creditworthiness of the district, which factors in the credit profiles of the member towns that secure the debt, including:

- Very strong-to-extremely strong income and wealth indicators, and an economy that benefits from access to Boston's broad and diverse metropolitan statistical area (MSA);
- Good fund balances with additional support from both Acton and Boxborough in the event of unexpected events;
- Very strong liquidity; and
- Low debt and retirement liability carrying charges.

Partially offsetting these factors are the district's moderate debt per capita ratio and slow amortization.

### **Economy**

Acton-Boxborough Regional School District, which serves a combined population of just under 30,000, was established in 1955 under Chapter 71 of the Massachusetts General Laws. The district currently provides educational services for grades pre-K through 12. At 204% and 209% of national averages, respectively, the district's median household and per capita effective buying incomes are very strong, in our view. At \$199,466 per capita, the 2019 market value totaling \$5.9 billion is, in our opinion, extremely strong.

We note that Boxborough has four cases filed from various commercial properties relating to tax abatements totaling \$3 million, but we understand that the town has steadily increased its overlay account to handle the effects. Given the town's proactive approach regarding these pending litigation cases and overall financial strength and taxing ability, we do not anticipate a likely effect on the district's revenues.

In the 2018-2019 school year, enrollment totaled 5,485. Following a period of modest decline, officials expect it to start increasing. They expect a sharper increase in students residing in Boxborough than Acton, which will require a rebalance of the calculation of the regional assessment, which is based on average enrollment of the previous three years. However, given the district's prudent financial practices and integrated relationship with the respective towns, we do not expect this to have a material effect on district finances.



*Summary: Acton-Boxborough Regional School District, Massachusetts; General Obligation*

## **Finances**

The district's available fund balance of \$5.1 million is very strong, in our view, at 5% of general fund expenditures at fiscal year-end (June 30) 2019. The district reported a break-even operating result of 0.8% of expenditures in 2019 on a general accounting principles basis. Management reports that this is primarily due to increases in instructional expenses, as well as the establishment of a capital stabilization fund of \$1 million. We note that on a budgetary basis, results are positive. Furthermore, prior to fiscal 2019, the district has had four consecutive surpluses.

The district's primary revenue source is apportionments to member towns, which represented 65% of 2018 general fund revenue, followed by intergovernmental aid at 30% and tuition/charges for services at 5%.

Commonwealth policy limits unassigned general fund balance to no more than 5% of expenditures, which the district is currently meeting at \$3.7 million; when a district's undesignated reserve funds exceed the 5% limit, it must use the funds to lower its member towns' assessments for the following fiscal year. While not direct, additional flexibility is afforded by the available reserves from the member towns. This allows the towns to manage fluctuations in the district's assessments and caters to the district's ability to manage increasing costs. As of fiscal year-end 2019, Acton maintains available reserves of 10% of its general fund expenditures (\$7.5 million nominally) and Boxborough maintains available reserves of 10% of general fund expenditures (\$3.9 million nominally), both of which we would consider strong.

For fiscal 2020, the district is expecting break-even performance. The fiscal 2021 budget appropriation represents a 7.20% increase compared to the previous year, which includes the projected debt service. Officials state that the town budgets also reflect a greater effect on project debt for the taxpayers, who support the project.

## **Management**

We consider the district's management practices good under our Financial Management Assessment methodology, indicating financial practices exist in most areas, but that governance officials might not formalize or monitor all of them on a regular basis.

In developing the budget, officials conduct a three-year trend analysis as a basis for budgetary assumptions. Budget development begins at the start of every new school year. Conservative assumptions underpin the proposed budget, which considers various third-party inputs relating to contractual terms of new/existing contracts, debt schedule in coordination with the finance officials of both towns, health insurance rate adjustments, special education projections, and other maintenance and operational costs. The finance department generates a monthly budget status report for all departments and buildings, which is reviewed by the central office administration, focusing on the major cost categories, which collectively account for 80% of the district's operating budget and have the highest likelihood of budget variation. The director of finance also makes a quarterly report to the school committee, which is presented at a public meeting. The district has had positive variance in its budget-to-actual performance over the last five years. It regularly reports on its investments and its other postemployment benefit (OPEB) trust, and has relevant policies in place. Although the district itself does not do projections beyond the next budget year, it does participate in the long-term financial planning of Acton and Boxborough since it represents the largest portion of their respective budgets. It hired a third party to perform a comprehensive study which identified, prioritized, and costed out potential projects. Based on this, the district approved a 13-year capital improvement program during fiscal 2019 to fund

*Summary: Acton-Boxborough Regional School District, Massachusetts; General Obligation*

approximately \$22.5 million worth of projects. The investment policy mimics that of the state, but puts additional parameters around investments of bond proceeds, stabilization account funds, and OPEB trust funds. The cash reserve policy establishes a goal of maintaining excess and deficiency fund balance at 4%-4.5% of the general fund budget, and mandates that any use of funds below the minimum threshold be replenished in one year. The district does not have a formal debt management policy.

### **Debt**

Overall net debt is low, in our opinion, as a percentage of market value at 1.6%, and moderate on a per capita basis at \$3,244. Amortization is slow, with 36% of the district's direct debt scheduled to be retired within 10 years. Debt service carrying charges were 1.7% of total governmental fund expenditures (excluding capital outlay) in fiscal 2018, which we consider low. We expect the district to issue approximately \$82.5 million as the final issuance for this project.

### **Pension and other postemployment benefit liabilities**

- We do not view pension and OPEB liabilities as an immediate source of credit pressure for the district despite our expectation that costs will increase.
- OPEB liabilities are funded on a pay-as-you-go basis, which, given claims volatility as well as medical cost and demographic trends, is likely to lead to escalating costs and could create budgetary pressure.
- Offsetting this risk somewhat is the minimal pressure expected from the district's pension liabilities, given strong plan funding status, as well as the establishment of an OPEB trust to pre-fund the OPEB liability.

The district participates in the following plans:

- The Middlesex County Contributory Retirement System, which is 46.4% funded, with a proportionate share of the plan's net pension liability of \$30 million.
- The state-administered Massachusetts Teachers Retirement System (MTRS), which is 54.84% funded. The district does not contribute to, and does not recognize a liability under, MTRS.
- A defined-benefit health care plan that provides medical and life insurance to retirees and their covered dependents. The plan is 10.16% funded with a proportionate share of the plan's net OPEB liability of \$45.8 million.

In fiscal 2018, the district paid its full required contribution of \$2.5 million, or 2.1% of total governmental expenditures, toward its pension obligations. It also contributed \$900,000, or 1.2% of total governmental expenditures, toward its OPEB obligations in fiscal 2018. Combined pension and OPEB carrying charges totaled 3.4% of total governmental fund expenditures in 2018.

### **Outlook**

The stable outlook reflects the district's stable, strong economy and consistent operating performance, coupled with strong integration of its financial decision-making with the respective towns. The outlook also reflects the very strong property wealth and income indicators of sending districts, which we believe provides for a consistent and reliable source of revenue to pay debt service. We do not expect to change the rating within the two-year outlook period.

*Summary: Acton-Boxborough Regional School District, Massachusetts; General Obligation*

**Downside scenario**

While unlikely, should the relationship between the towns and the district change or should management's financial prudence deteriorate, resulting in prolonged structural imbalance, we could lower the rating. We could also do so if operating performance becomes imbalanced, leading to a draw on reserves to levels we view as merely adequate.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at [www.standardandpoors.com](http://www.standardandpoors.com) for further information. Complete ratings information is available to subscribers of RatingsDirect at [www.capitaliq.com](http://www.capitaliq.com). All ratings affected by this rating action can be found on S&P Global Ratings' public website at [www.standardandpoors.com](http://www.standardandpoors.com). Use the Ratings search box located in the left column.



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Our **vision** is to provide high-quality educational opportunities that inspire a community of learners

WELLNESS • EQUITY • ENGAGEMENT

Our **mission** is to develop engaged, well-balanced learners through collaborative, caring relationships

## Bond Sale Summary

Dave Verdolino, Director of Finance  
Margaret Dennehy, District Treasurer  
March 5, 2020

ABRSD

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## Bond Sale Summary

### Winning Bid – “True Interest Cost” and Actual Debt

#### Douglas/Gates School –

<b>\$75M</b> proceeds, 30-year term	<b>2.19859%</b>
Debt after Premium reduction	<b>\$69,955K</b>

#### CIP Plan Funding –

<b>\$7.5M</b> proceeds, 10-year term	<b>1.02695%</b>
Debt after Premium reduction	<b>\$ 6,220K</b>

Aggregate (FYI, bid announcement)	2.15891%
	\$76,175K

ABRSD

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### A guy walks into an investment advisor's office...

(bond buyer) "I want to buy \$75 million\*\* worth of risk-free, long-term government bonds; they're safe, and the interest income will be tax-free which makes them attractive to me."

(bond underwriter says) "How about this issue we are now selling; it's a AAA-rated school district that needs to fund a new building construction...for over 1,000 kids."

"Sounds interesting; what would the cash flow look like?"

"The bonds would have a coupon rate (the bond buyer knows what this means) of 5%, so you'd lock in a tax-free return for 30 years. 5% is much higher than the going interest rate for this investment, so you'd be paid \$70 million\*\*, plus interest, making your actual (true) rate about 2.15%."

"I'm in!!"

\*\* difference in principal amts = bond premium

ABRSD

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### Douglas/Gates Project Debt Cost to Member Taxpayers

Feb 6 presentation estimated first year debt = **\$3,625,000**

Actual debt service after bond sale:

Yr 1 =	<b>\$3,445,991</b>
Yr 2 =	\$3,449,037
Yr 3 =	\$3,449,287
Yr 4 =	\$3,446,287
Yr 5 =	\$3,445,037

Consistently thereafter through 2050 (Yr 30)= \$3,445,825

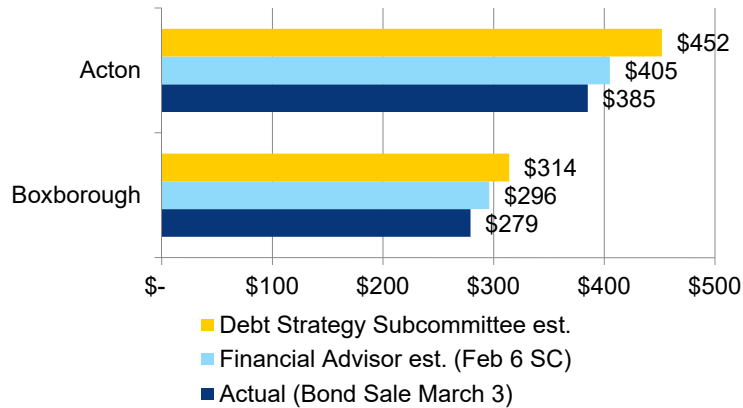
**Total interest saved (vs. previous est.) = \$5,398,000**

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Then and now...

## Impact to Average Taxpayers



Average SF Home Assessed Value:

Acton \$590K

Boxborough \$610K

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## Revised Budget Vote Details

		<u>Feb 6 SC</u>	<u>Mar 5 SC</u>	<u>Difference</u>
Budget Saturday Appropriation	\$ 93,974,777			
Add First Year Debt Service (Total)		3,625,000	3,445,991	
Revised Appropriation		\$ 97,599,777	\$ 97,420,768	\$ (179,009)
Budget Saturday Assessment	\$ 74,769,241			
Add First Year Debt Service (Total)		3,625,000	3,445,991	
Revised Assessment		\$ 78,394,241	\$ 78,215,232	\$ (179,009)
Revised Assessment Shares -	ACTON	66,163,514	\$ 66,012,542	\$ (150,972)
	BOXBOROUGH	12,230,727	\$ 12,202,690	\$ (28,037)
Revised Impact on Avg. SF Tax	ACTON	405	385	(20)
	BOXBOROUGH	296	279	(17)



ABRSD

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## “Timing is everything”



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On Mon, Mar 2, 2020 at 10:34 AM Adam Klein <[aklein@abschools.org](mailto:aklein@abschools.org)> wrote:  
 There a sale at the Bond store this week!  
 Good luck tomorrow.  
 A

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## Epilog - “But wait, there’s more!...”

### Total debt service on CIP \$7.5 million bond (in \$000s)

#### 1. Original (Hypothetical) CIP Funding Plan –

Total P + i payments through FY2031 **\$9,384K**

#### 2. Revised (FY2021 Budget Estimate) –

Total P + i payments through FY2030 **\$8,325K**

Savings = **\$1,059K**

#### 3. March 3, 2020 Bond Issue (Actual) –

Total P + i payments through FY2030 **\$7,918K**

Further Savings = **\$1,059K**

**Total interest saved (vs. original est.) = \$1,466K**



# Acton-Boxborough Regional School District

15 Charter Road – Acton, MA 01720  
www.abschools.org

**Finance Department**  
David A. Verdolino, Director  
(978) 264-4700  
dverdolino@abschools.org

To: Peter Light, Superintendent,  
Acton-Boxborough School Committee  
Re: Bond Issuance Recommendation  
Date: March 5, 2020

Dear Peter and Members:

The purpose of this memo is to summarize recent activities regarding the sale of bonds for financing of the debt for the new school and CIP plan, and to present a recommended vote that is required to move forward with this process.

As previously discussed (per my memo dated February 6, 2020), the consensus among all officials weighing in on this matter is to utilize the funds representing the expected bond premium to reduce the original amount of the borrowing, thereby minimizing the amount of future interest cost borne by the taxpayers of Acton and Boxborough.

On February 25, District Treasurer Margaret Dennehy and I participated, along with our Financial Advisors from Hilltop Securities (Hilltop), in a conference call with representatives of Standard and Poor's (S&P), a municipal bond ratings agency. On February 28, S&P conferred its highest credit rating – AAA with a stable outlook – on the District's forthcoming bond issue.

Prior to the bond sale (see next paragraph), Margaret and I reviewed the Official Statement (bond prospectus) with Hilltop and the District's Bond Counsel, Locke Lord. This Official Statement is the document on which underwriters and/or potential bond buyers would submit bids to purchase the bonds and finance the aforementioned projects.

On March 3, Hilltop conducted a public bond sale, and received eight separate bids. Upon evaluation of all bids, and consultation with Locke Lord, Hilltop determined the winning bidder (i.e., representing the **lowest true interest cost** to the District), as Bank of America Merrill Lynch, with an average interest rate of approximately 2.15%. Margaret has certified the award to that bidder, subject to approval of the School Committee tonight.

While a more complete analysis will be presented subsequently, Hilltop has calculated the actual first year debt service cost relating to the new school project, based on acceptance of the bond issuance as per above. This amount is as follows:

Estimated first year new school bond debt service (Feb 6 memo)	\$3,625,000
Actual first year new school bond debt service (per Hilltop)	<u>\$3,445,991</u>
Difference (potential reduction to voted appropriation)	\$ 179,009

March 5, 2020

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The underlying reasons for this potential reduction are, as has been discussed, (1) the historically low interest rates on government bonds, which are seen as inherently safe investments and (2) structuring the bond repayment in roughly equal total amounts (principal plus interest) over its 30-year life.

The School Committee may wish to amend its previous budget vote to reflect the impact of the debt service reduction on the FY2021 District appropriation, and the related assessments to the member towns. If it so votes, the resulting related amounts would be as follows:

	<u>Feb 6 Memo</u>	<u>Revision Recommended</u>
<b><u>Appropriation</u></b>		
Budget Saturday Recommendation	\$93,974,777	\$93,974,777
<i>Add first year new school bond debt service</i>	<u>3,625,000</u>	<u>3,445,991</u>
<b>Revised Budget Appropriation</b>	<b>\$97,599,777</b>	<b>\$97,420,768</b>
<b><u>Assessment</u></b>		
Budget Saturday Recommendation (total)	\$74,769,241	\$74,769,241
<i>Add first year new school bond debt service</i>	<u>3,625,000</u>	<u>3,445,991</u>
<b>Revised Budget Appropriation (total)</b>	<b>\$78,394,241</b>	<b>\$78,215,232</b>
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<b><u>Revised Apportionment</u></b>	<b><u>Acton</u></b>	<b><u>Boxborough</u></b>
Budget Saturday Recommendation	\$63,106,272	\$11,662,969
<i>Add first year new school bond debt service</i>	<u>2,906,270</u>	<u>539,721</u>
<b>Revised Apportioned Assessment</b>	<b>\$66,012,542</b>	<b>\$12,202,690</b>
<b><u>Impact to Average SF Taxpayer (FYI)</u></b>	<b><u>Acton</u></b>	<b><u>Boxborough</u></b>
Est. first year increase to property tax bill (Feb 6 Memo)	\$405	\$296
Est. first year increase – Revision Recommended	<b>\$385</b>	<b>\$279</b>

As you can see, the bond results present a favorable opportunity to take advantage of this low interest rate to the benefit of the communities' taxpayers, beginning with FY2021, the first year in which the new school bonded debt is subject to repayment. Therefore, I recommend that the Committee consider amending its previous FY21 budget/assessment vote. I have included suggested motion wording on the following page.

Thank you for your consideration.







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**Recommendation for REVISION to Final Vote,  
FY2021 Acton-Boxborough Regional School District Budget and Assessments**

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MOTION: That the total appropriation for the Acton-Boxborough Regional School District for the fiscal year July 1, 2020 through June 30, 2021 be set at \$97,420,768, and that member towns be assessed in accordance with the Education Reform Law and the terms of the Regional Agreement and amendments thereto as follows:

**Acton \$66,012,542**, (consisting of a Capital Assessment of \$5,620,491 and an Operating Assessment of \$60,392,051); and

**Boxborough \$12,202,690**, (consisting of a Capital Assessment of \$933,618 and an Operating Assessment of \$11,269,072);

With the remainder to be accounted for by the following sources of funds:

Anticipated Chapter 70 Aid in the amount of \$15,345,811,

Anticipated Chapter 71, Section 16C Transportation Aid of \$2,097,225,

Anticipated Charter School Aid in the amount of \$50,000,

Anticipated Federal Medicaid Reimbursement of \$250,000,

Anticipated Investment Earnings of \$300,000,

Estimated Miscellaneous Revenues of \$17,500, and

Transfer from E&D Reserves in the amount of \$1,145,000.



111 Huntington Avenue  
9th Floor  
Boston, MA 02199-7613  
Telephone: 617-239-0100  
Fax: 617-227-4420  
www.lockelord.com

Chelsea A. Tryder  
Direct Telephone: 617-239-0212  
Direct Fax: 617-507-3470  
chelsea.tryder@lockelord.com

March 5, 2020

**BY HAND DELIVERY**

Margaret Dennehy, Treasurer  
Acton-Boxborough Regional School District  
16 Charter Road  
Acton, MA 01720

Re: \$76,175,000 General Obligation School Bonds  
Dated and closing: March 12, 2020

Dear Margaret:

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

1. Bonds – each to be signed by you as the District Treasurer and by the District Chair and each to be sealed with the District seal.
2. Vote of the School Committee – to be passed at the March 5, 2020 meeting of the school committee and signed by the District Secretary.
3. Signature, No Litigation and Official Statement Certificate – to be signed by you as the District Treasurer, by the District Chair and by the District Secretary and sealed with the District seal.
4. Tax Certificate – to be signed by you as the District Treasurer and by the District Chair. 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 reviewed by our tax partner 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.
5. Continuing Disclosure Certificate – to be signed by you as the District Treasurer and by the District Chair. (Exhibit B is not to be signed.)

Margaret Dennehy, Treasurer  
March 5, 2020  
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6. Continuing Disclosure Certificate of the Member Towns – to be signed by the Treasurer of each Member Town. Although hard copies of the certificate for each Member Town are enclosed herein, a pdf of the signed certificate for each Member Town will be sufficient for closing.
7. IRS Form 8038G – to be signed by you as the District Treasurer. We will take care of filing one on behalf of the District with the IRS
8. Blanket Issuer Letter of Representations – to be signed by you as the District Treasurer.

Once executed, these documents should be returned to your financial advisor at Hilltop Securities Inc. by overnight delivery or as otherwise arranged with your financial advisor. For further information on returning the documents please contact your financial advisor.

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

Very truly yours,



Chelsea A. Tryder

Enclosures

cc: Hilltop Securities Inc.  
Kara A. Adams, Esq.

VOTE OF THE ACTON-BOXBOROUGH REGIONAL SCHOOL DISTRICT  
**SCHOOL COMMITTEE**

I, the Secretary (the “District Secretary”) of the School Committee (the “Committee”) of the Acton-Boxborough Regional School District, Massachusetts (the “District”), certify that at a meeting of the Committee held March 5, 2020 of which meeting all members of the Committee 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 Committee in my custody:

**Voted:** that we hereby determine, in accordance with G.L. c. 70B, that the amount of the cost of the CT Douglas/Paul Gates Elementary School and Carol Huebner Early Childhood Program school project authorized by a vote of the District passed on November 5, 2019 (the “Project”) not being paid by the school facilities grant is at least \$75,000,000 and we hereby approve of the issuance of notes and bonds in such amount under said G.L. c. 70B.

**Further Voted:** that the sale of the \$76,175,000 General Obligation School Bonds of the District dated March 12, 2020 (the “Bonds”), to Bank of America Merrill Lynch at the price of \$82,718,858.59 is hereby approved and confirmed. The Bonds shall be payable on March 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>
2021	\$1,920,000	5.000%	2034	\$ 2,320,000	3.000%
2022	1,920,000	5.000	2035	2,390,000	3.000
2023	1,985,000	5.000	2036	2,465,000	2.000
2024	2,050,000	5.000	2037	2,510,000	2.000
2025	2,115,000	5.000	2038	2,560,000	2.000
2026	2,190,000	5.000	2039	2,615,000	2.000
2027	2,270,000	5.000	2040	2,665,000	3.000
2028	2,350,000	5.000	2041	2,745,000	3.000
2029	2,440,000	5.000	2042	2,830,000	2.125
2030	2,530,000	5.000	2043	2,890,000	2.125
2031	2,005,000	5.000	2044	2,950,000	2.250
2032	2,105,000	5.000	2045	3,015,000	2.250
2033	2,210,000	5.000	2050	16,130,000	2.250



**Further Voted:** that the Bonds maturing on March 1, 2050 (a “Term Bond”) shall be subject to mandatory redemption or mature as follows:

<u>Term Bond due March 1, 2050</u>	
<u>Year</u>	<u>Amount</u>
2046	\$3,085,000
2047	3,155,000
2048	3,225,000
2049	3,295,000
2050*	3,370,000

\*Final Maturity

**Further Voted:** that any premium received by the District upon the sale of the Bonds, or any other bonds or notes for the Project (collectively, “Debt”), less any such premium applied to the payment of the costs of issuance of the related Debt issuance, may be applied to the payment of costs of the Project, in accordance with Chapter 44, Section 20 of the General Laws, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount.

**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 24, 2020, and a final Official Statement dated March 3, 2020 (the “Official Statement”), each in such form as may be approved by the District 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 District, upon such terms and conditions as are set forth in the Official Statement.

**Further Voted:** that the District Treasurer and the Chair of the Committee 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 District, 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 District Treasurer to establish post issuance federal tax compliance procedures and continuing disclosure procedures in such forms as the District 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 to comply with relevant securities laws.

**Further Voted:** that each member of the Committee, the District Secretary and the District 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 Clerks of each of the member towns of Acton and Boxborough, Massachusetts (together, the "Town Clerks") and a copy thereof posted in a manner conspicuously visible to the public at all hours in or on the municipal buildings in which the offices of the Town Clerks and the District Secretary are located, or in accordance with an approved alternative method of notice prescribed or approved by the Massachusetts Attorney General as set forth in 940 CMR 29.03(4), 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: March 5, 2020

  
**District Secretary**

**SCHOOL COMMITTEE VOTE:**

**MOTION** (by *Adam Klein*) ) "I move to adopt the votes relating to the sale and issuance of \$76,175,000 bonds to be issued on March 12, 2020 as presented and written above, said votes to be incorporated into the minutes of this meeting by reference."

**SECOND** (by *Ginny Kremer*) )

**SO VOTED** ( *unanimously* )



David Verdolino <dverdolino@abschools.org>

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## RE: Acton-Boxborough RSD Bond Results

1 message

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Adams, Kara <Kara.Adams@lockelord.com>

Thu, Mar 5, 2020 at 12:06 PM

To: David Verdolino <dverdolino@abschools.org>, "Manley, Richard" <Richard.Manley@lockelord.com>

Cc: "Kristy Tofuri (HTS)" <Kristy.Tofuri@hilltopsecurities.com>, "Peter Frazier (HTS)" <peter.frazier@hilltopsecurities.com>, Margaret Dennehy <mdennehy@abschools.org>

Hi Dave, Sometimes committees or boards will move to adopt the votes as presented and written without needing to recite any of it and incorporate the text by reference into the minutes – your committee could do this is the feel comfortable with it, something to the following effect with one vote on it would suffice: "I move to adopt the votes relating to the sale and issuance of the \$76,175,000 bonds to be issued on March 12, 2020 as presented and written, said votes to be incorporated into the minutes of this meeting by reference."

Does this plan sound like it would work for your Committee?

Kara

Kara K. Adams

Senior Counsel

**Locke Lord LLP**

111 Huntington Avenue

Boston, MA 02199

T: 617-239-0387

F: 866-644-8575

[kara.adams@lockelord.com](mailto:kara.adams@lockelord.com)

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**From:** David Verdolino <dverdolino@abschools.org>

**Sent:** Thursday, March 5, 2020 11:35 AM

**To:** Manley, Richard <Richard.Manley@lockelord.com>; Adams, Kara <Kara.Adams@lockelord.com>

**Cc:** Kristy Tofuri (HTS) <Kristy.Tofuri@hilltopsecurities.com>; Peter Frazier (HTS) <peter.frazier@hilltopsecurities.com>; Margaret Dennehy <mdennehy@abschools.org>

**Subject:** Fwd: Acton-Boxborough RSD Bond Results

Rick, Kara -

Thank you for forwarding the vote language for tonight's meeting.

I will present these prescribed votes to the SC as written, but I have two procedural questions:

1. I count nine separate votes; do they need to move and vote each one separately, or can one omnibus motion and vote suffice, assuming that they contain the suggested language?
2. For purposes of expediency, could the tables of numbers (2nd and 3rd votes - especially the 2nd, obviously) be referenced but not read aloud? Thereby, I would attach a copy of the table(s) not specifically read into the minutes, to be incorporated by reference??

Thanks for your attention and any advice re my questions.

Dave