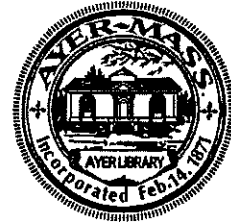


RECEIVED  
TOWN CLERK  
TOWN OF AYER

2015 JUN 12 AM 10:33



Town of Ayer  
Board of Selectmen  
Ayer Town Hall – 1<sup>st</sup> Floor Meeting Room  
Ayer, MA 01432



**Tuesday June 16, 2015**  
**Open Session Meeting Agenda**

- 7:00 PM **Call to Order**  
Review and Approve Agenda
- Announcements**  
BOS Summer Schedule: July 14, 2015 and August 11, 2015
- 7:05 PM\* **Public Input**
- 7:10 PM **Superintendent Mark Wetzel, Department of Public Works**  
1. Groton Sewer Interconnection  
2. Contract Extension for Wall Trucking (sludge hauling)  
3. Contract Extension for PJ Albert Company (Chapter 90 paving)  
4. Award of Stony Brook Wastewater Pumping Station Bid  
5. Direct Network Services – Request to temporarily lease space in DPW  
6. Town Engineer's Report  
7. Municipal Energy Technical Assistance (META) Grant
- 7:45 PM **Parks Commission Chairman Jason Mayo & Rec. Director Jeff Thomas**  
1. Parks Department's Storage/Recreation Needs
- 8:00 PM **Town Administrator's Report**  
1. Administrative Update  
2. Reserve Fund Transfer Request – Town Counsel  
3. Finalization of Goals and Objectives for 2015-2016  
4. Board/Committee Appointments
- 8:20 PM **New Business/Selectmen's Questions**  
1. Holiday Light Committee (Selectman Hillman)  
2. Compliance with MGL Chapter 32B 9 A ½ (Selectman Luca)
- 8:35 PM **Approval of the Minutes**  
June 2, 2015; June 9, 2015
- 8:40 PM **Town Treasurer M. Stephanie Gintner**  
1. Vote/Authorization of Municipal Bonds (BANs)
- \*\*Executive Session Pursuant to MGL c. 30A, sec. 21 A Exemption #2 (Non-Union Personnel) Fire Chief Contract Negotiations**
- Adjournment**

\*Note:

*Agenda Times are for planning purposes only and do not necessarily constitute exact times*

\*\*Note:

*The Board of Selectmen will adjourn for the evening at the conclusion of Executive Session*

## DEPARTMENT OF PUBLIC WORKS

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Mark L. Wetzel, P.E., Superintendent  
Pamela J. Martin, Business Manager



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25 BROOK STREET  
AYER, MASSACHUSETTS 01432  
T: (978) 772-8240  
F: (978) 772-8244

### MEMORANDUM

Date: June 10, 2015  
To: Board of Selectmen  
From: Mark Wetzel, P.E., Public Works Superintendent  
Subject: **June 16 Meeting Agenda Items**

1. Groton Sewer Interconnection – The Town of Groton is proposing to install sewers to service the Four Corners area of Groton. They are proposing an interconnection to the Town of Ayer sewer on Westford Road. As you may recall, this was previously proposed to sewer the Lost Lake area in 2012 but was voted down at Groton Town Meeting. This project is limited to the Four Corners area, with lower flow volume. The Town of Groton will present the project to the Board, requesting development of a Memorandum of Understanding to proceed with this project.
2. Contract Extension for Wall Trucking (sludge hauling)- Attached is a one year contract extension for wastewater treatment plant sludge hauling. Based on the company's performance, I recommend that the Board execute the one year extension.
3. Contract Extension for PJ Albert Company (Chapter 90 paving) - Attached is a one year contract extension for Town road paving. Based on the company's performance, I recommend that the Board execute the one year extension.
4. Award of Stony Brook Wastewater Pumping Station Bid – See attached Recommendation of Award for execution by the Board.
5. Request to temporarily lease space in DPW - Direct Network Services is assisting MassDOT / Raytheon with providing temporary high speed internet service to the Devens Airfield for testing of new tolling systems. The nearest Comcast connection is the DPW office and Direct Network is proposing to install a small router and antenna at the Ayer DPW facility at 25 Brook St to wirelessly transmit the signal to the airfield. The proposed lease agreement is attached for review and approval by the Board.
6. Town Engineer's Report – The Town Engineer will give the Board an update on projects and efforts to date and upcoming work.

**AMENDMENT NO. 1**  
**Wastewater Sludge Disposal Agreement**  
**Subject of Amendment: One Year Renewal Term**

**1. Background Data:**

- a. Effective Date of Agreement: November 18, 2014
- b. OWNER: Town of Ayer, One Main Street, Ayer MA 01432
- c. CONTRACTOR: Wall Trucking Inc., 835 Hartford Turnpike, Shrewsbury, MA 01545
- d. Contract Term: 1 years with provision for 2 one year extensions

**2. Nature of Amendment**

- a. One year extension of Contract Term from July 1, 2015 through June 30, 2016

OWNER and CONTRACTOR hereby agree to modify the above-referenced Agreement as set forth in this Amendment. All provisions of the Agreement not modified by this or previous Amendments remain in effect. The Effective Date of this Amendment is July 1, 2015.

OWNER: Ayer Board of Selectmen

CONTRACTOR: Wall Trucking, Inc.

By: \_\_\_\_\_  
Title: Chairman

Title: \_\_\_\_\_

Date Signed: \_\_\_\_\_

Date Signed: \_\_\_\_\_

COPY

TOWN OF AYER

AGREEMENT BETWEEN CONTRACTOR AND OWNER

CONTRACT

THIS AGREEMENT, made this 18th day of NOVEMBER, 2014, by and between the TOWN OF AYER, Massachusetts, hereinafter called the OWNER, and WALL TRUCKING INC. with legal address and principal place of business at 835 Hartford Pike, Shrewsbury MA 01545 hereinafter called the CONTRACTOR.

WITNESSETH: That for and in consideration of payments and agreements hereinafter mentioned, to be made and performed by the OWNER, the CONTRACTOR hereby agrees with the OWNER that the CONTRACTOR will provide SLUDGE HAULING and DISPOSAL OF SLUDGE for Fiscal Year 2015, upon demand of the OWNER, picked up at the Ayer Wastewater Treatment Plant, 25 Brook Street, Ayer, MA. The location of disposal shall be determined by the OWNER, with input from the CONTRACTOR. The contractor shall at his/her own proper cost and expense furnish all materials, supplies, machinery, equipment, tools, supervision, labor, insurance, and other accessories and services necessary to complete the said work in accordance with the conditions and procedures stated in the Bid and in accordance with the following requirements:

1. Contract Term: Commences December 1, 2014 and concludes on June 30, 2015. This contract is subject to the appropriation of funding for each contract year for this purpose. The Town may extend this contract for two one year periods, subject to the price adjustments specified.

2. Total Contract Value: Not to exceed \$1,500,000 without the prior written consent of the OWNER. The Contract is based on the unit price bid amounts and estimated quantities. For the remainder of FY15, the estimated contract quantities and amounts are :

Bid Item	Est Quantity	Contract Price	Total
A. Transportation to Cranston, RI WWTP			
Cost per gallon	450,000	\$ 0.04822	\$ 21,699.00
B. Transportation to UBWPCF, Millbury, MA			
Cost per gallon	450,000	\$ 0.03188	\$ 14,346.00
C. ALTERNATE - Transportation and Disposal			
Transportation Cost per gallon	850,000	\$ 0.03737	\$ 31,764.50
Disposal: Cost per dry ton	130	\$ 310.00	\$ 40,300.00
		Total Est FY 15	\$ 108,109.50

3. Pick up of Product. The OWNER will notify the CONTRACTOR by mail, telephone or facsimile of the times services are to be performed under this agreement.

4. Billings: The CONTRACTOR shall bill the Department of Public Works on a monthly basis, for services is performed under this contract for the unit prices stated above.

5. Availability of Service: If at any time the CONTRACTOR is unable to furnish the service within three (3) working days of receiving an order, the OWNER may order the service from such supplier who can supply the service and the CONTRACTOR shall pay to the OWNER all expenses incurred which exceed the CONTRACTOR'S bid price.

6. Schedule - Time and days of collection shall be performed Mondays through Fridays, between the hours of 7:00 am and 2:00 pm. Collections can also take place on holidays, Saturdays or Sundays as needed and depending upon schedules of both the Contractor and the Town.

7. Force Majeure - The Contract shall be subject to Force Majeure considerations. Either party hereto shall be excused for performance of any act under the contract if prevented from performance of any act required by reasons of strikes, lockouts, labor trouble, inability to procure materials, failure of power, fire, winds, Acts of God, riots, insurrections, war, change in permit conditions or requirements; accidents; extreme weather conditions including, for example, hurricanes, tornadoes, unusually high amounts of precipitation, unusual extremes of temperature, or unusually extended periods of adverse weather conditions; equipment failure (other than due to the inadequate maintenance thereof) or other reason of a like nature not reasonable within the control of the party. The period for the performance of such obligation shall be extended for an equivalent period for no additional cost to the Owner. Continued failure to perform for periods aggregating sixty (60) or more days, even for causes beyond the control of the Contractor, shall be deemed to render performance impossible, and the Owner shall thereafter have the right to terminate this agreement in accordance with the provisions of the section entitled "Termination of Contract".

8. Termination of Contract - Subject to the provisions of the section explaining Force Majeure, if the Contractor shall fail to fulfill in a timely and satisfactory manner its obligations under this agreement, or if the Contractor shall violate any of the covenants, conditions, or stipulations of this agreement, which failure or violation shall continue for seven (7) business days after written notice of such failure or violation is received by the contractor, then the municipality shall thereupon have the right to terminate this agreement by giving written notice to the contractor of such termination and specifying the effective date thereof, at least seven (7) days before the effective date of such termination.

This Contract may be terminated by either party on thirty (30) days advance written notice effective as of the expiration of the notice period.

9. Insurance - The Contractor shall maintain insurance with minimum limits as defined in the Invitation for Bid, Section 4, Special Conditions for the entire duration of the project work to be performed, and provide a certificate of insurance with the Town of Ayer named as an additional insured.

10. Governing Law - This contract is governed by the laws of the Commonwealth of Massachusetts.

11. Indemnification - The Vendor shall indemnify, defend, and save harmless the Town, all of the Town officers, agents and employees from and against all suits and claims of liability of every name and nature, including attorney's fees and costs of defending any action or claim, for or on account of any claim, loss, liability or injuries to persons or damage to property of the Town or any person, firm, corporation or association arising out of or resulting from any act, omission, or negligence of the Vendor, subcontractors and their agents or employees in the performance of the work covered by this Agreement and/or their failure to comply with terms and conditions of this Agreement. The foregoing provisions shall not be deemed to be released, waived or modified in any respect by reason of any surety or insurance provided by the Vendor under contract with the Town.

The "General Specifications for Supplies and Services," and the Bid Specifications entitled "Sludge Hauling and Disposal", dated October 6, 2014, and the Bid, are made a part hereof and collectively evidence and constitute the Contract.

This Agreement constitutes the entire contract and there are no agreements other than those incorporated herein. This Agreement may not be changed, altered, amended, modified, or terminated orally and any such change, alteration, amendment or modification must be in writing executed by the parties hereto.

IN WITNESS WHEREOF, the parties to these presents have executed this Contract in the year and day first above mentioned.

This Agreement will be effective on **November 18, 2014**, (Effective Date of the Agreement).

OWNER: Ayer Board of Selection  
By: Christy R. Hill  
By: Jamie J. Hill  
By: Angela J. Hill  
Date: 11/18/14

COPY

CONTRACTOR:  
By: Wage Trading Inc  
By: Michael E. Wall

**AMENDMENT NO. 2**  
**ROAD PAVING CONSTRUCTION AGREEMENT**  
**Subject of Amendment: One Year Renewal Term**

**1. Background Data:**

- a. Effective Date of Agreement: April 16, 2013
- b. OWNER: Town of Ayer, One Main Street, Ayer MA 01432
- c. CONTRACTOR: P.J. Albert, Inc., PO Box 2165, Fitchburg, MA 01420
- d. Contract Term: One year with two consecutive 1-year extensions

**2. Nature of Amendment**

- a. One year extension of Contract Term

**3. Description of Modifications**

- a. Contract is extended for one year effective June 16, 2015 through June 30, 2016 in accordance with Agreement paragraph 1.01

OWNER and CONTRACTOR hereby agree to modify the above-referenced Agreement as set forth in this Amendment. All provisions of the Agreement not modified by this or previous Amendments remain in effect. The Effective Date of this Amendment is June 16, 2015.

OWNER: Ayer Board of Selectmen

CONTRACTOR:  
P.J. Albert, Inc.

By: \_\_\_\_\_  
Title: Chairman

\_\_\_\_\_  
Title: \_\_\_\_\_

Date Signed: \_\_\_\_\_

Date Signed: \_\_\_\_\_

COPY

DEPARTMENT OF PUBLIC WORKS

Water Division

Mark L. Wetzel P.E., Superintendent  
Pamela J. Martin, Business Manager



Richard Linde, Foreman  
25 BROOK STREET  
AYER, MASSACHUSETTS 01432  
T: (978) 772-8240  
F: (978) 772-8244

June 11, 2015

Board of Selectmen  
Town of Ayer  
Town Hall  
1 Main Street  
Ayer, MA 01432

**RE: Stony Brook Wastewater Pumping Station Replacement Contract Award**

Dear Board Members:

The Department of Public Works opened bids for the Stony Brook Wastewater Pumping Station Replacement on May 7, 2015. A total of 5 bids were received, however one of the bidders was determined to be ineligible as they did not have the required DCAM Certification. The bid results were as follows:

Bidder	Base Bid	Bid less fencing	Bid less fencing and building mod.	Bid less fencing, building mod and generator
Waterline Industries	\$616,677	\$609,777	\$609,776	\$530,776
J D'Amico Inc	\$648,850	\$ 636,850	\$631,850	\$586,850
Winston Builders Inc	\$789,889	\$765,889	\$741,889	\$704,889
Kinsman Corp	\$ 822,800	\$ 813,200	\$ 813,200	\$809,600

Based on the our review of the bids and the Contractor's Experience Statement, I recommend that the Town award the contract to Waterline Industries Corp. of Seabrook, NH for the Base Bid of \$616,677. Attached is he Notice of Award. If you concur with this recommendation, I will notify the contractor and have them prepare contracts, bonds and insurance certificates for execution by the Board.

Should you have any questions or comments, please do not hesitate to contact me.

Regards,

**AYER DEPARTMENT OF PUBLIC WORKS**

Mark L. Wetzel, P.E.  
Superintendent





# Notice of Award

Date: June 16, 2015

Project: Stony Brook Wastewater Pump Station Replacement	
Owner: Town of Ayer	Owner's Contract No.: #1
Contract:	Engineer's Project No.: NA
Bidder: Waterline Industries Corp	
Bidder's Address: 7 London Lane	
Seabrook, NH 03874	

You are notified that your Bid dated May 7, 2015 for the above Contract has been considered. You are the Successful Bidder and are awarded a Contract for Stony Brook Wastewater Pump Station Replacement.

The Contract Price of your Contract is Six Hundred Sixteen Thousand Six Hundred and Seventy Seven Dollars (\$.),

4 copies of the proposed Contract Documents (except Drawings) accompany this Notice of Award.

1 sets of the Drawings will be delivered separately or otherwise made available to you immediately.


You must comply with the following conditions precedent within 10 days of the date you receive this Notice of Award.

1. Deliver to the Owner 4 fully executed counterparts of the Contract Documents.
2. Deliver with the executed Contract Documents the Contract security [Bonds] as specified in the Instructions to Bidders (Article 20), General Conditions (Paragraph 5.01), and Supplementary Conditions (Paragraph SC-5.01).
3. Deliver with the executed Contract Documents the Insurance Certificates as specified in Supplementary Conditions (Paragraph SC-5.04).

Failure to comply with these conditions within the time specified will entitle Owner to consider you in default, annul this Notice of Award, and declare your Bid security forfeited.

Within ten days after you comply with the above conditions, Owner will return to you one fully executed counterpart of the Contract Documents.

Owner  
By: \_\_\_\_\_  
Authorized Signature  
Title



Copy to Engineer

## STANDARD FORM LEASE

This "Lease" is made this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between Direct Network Services, Inc., A wireless networking business located at 20 Taylor Street, Littleton, MA 01460, ("Tenant") and the Town of Ayer Massachusetts ("Landlord"). Pursuant to the terms of this Lease, Landlord agrees to lease designated space of the Premises at 25 Brook Street, Ayer, MA to Tenant, and Tenant agrees to lease the Premises from Landlord on the terms set forth.

1. **Premises.** The "Premises" shall mean space for a Comcast router and power brick inside the DPW building at 25 Brook Street, Ayer MA., and space on the roof of this building, to install an antenna that is 15.9 x 15.8 x 9.2 inches, weight = 16.3 lbs. The equipment, i.e. Comcast router and wireless antenna each consume 75W. Equipment to be installed in a space designated by the Landlord and shall not interfere with the Landlord's operations.
2. **Term.** The "Term" of this Lease shall be for the period of 1 year commencing on July 1, 2015 and ending on June 30, 2016 (the "Termination Date").
3. **Rent.** The "Rent" for the Premises for the Term of the Lease is \$1000 dollars, payable on July 1, 2015.
4. **Condition and Possession.** Landlord agrees to maintain the structure of any building of which the Premises is part in the same condition as the structure is on the Commencement Date, excepting reasonable wear and tear and damage by fire and other casualty. The Premises are accepted by Tenant in "as is" condition and without any other warranty or representation from Landlord.
5. **Permitted Use.** The Premises shall be used for establishing a wireless connection between the SBA tower at 25 Brook Street Ayer, MA and designated temporary office trailers at the Moore Army Air Field in Ayer MA, and housing one Comcast router and power brick inside the DPW building at 25 Brook Street, Ayer, MA, and an antenna on the roof of said building. No other use of the Premises is permitted.
6. **Assignment and Subletting.** Tenant shall not assign, sublease, transfer or encumber any interest in this Lease or allow any third party to use or occupy any portion of the Premises without the prior written consent of Landlord.
7. **Indemnification and Waiver.** Tenant hereby waives all claims against and releases Landlord and its officers, directors, employees, trustees, beneficiaries, partners, mortgagees and each of their successors and assigns from all claims for any injury to or death of persons, damage to property or business loss in any manner related to: a) any act of a third party; b) any act of God; c) bursting or leaking of any tank, pipe, drain or plumbing fixture; d) failure of any security service, personnel or equipment; or e) any *Force Majeure* or other matter outside of the reasonable control of Landlord. Except to the extent caused by the negligent or willful misconduct of Landlord, Tenant agrees to indemnify, defend and hold Landlord harmless from all claims, debts, demands, liabilities, obligations, damages, penalties, costs and expenses, including, without limitation, reasonable attorneys' fees and expenses, that may be imposed by or against Landlord arising out of or in connection with any damage or injury occurring in the Premises or any acts or omissions of Tenant or any of Tenant's guests, invitees, assignees, subleasees, contractors or licensees.
8. **Insurance.** Tenant shall maintain the following insurance ("Tenant's Insurance"): a) commercial general liability insurance applicable to the Premises and its appurtenances providing, on an occurrence basis, a minimum combined single limit of \$1,000,000. Each commercial general liability insurance policy shall name Landlord (or its successors and assignees) and their respective officers, directors, employees, and agents, and other designees of Landlord and its successors as the interest of such designees shall appear, as additional named insureds. Tenant shall provide Landlord with a certificate of insurance evidencing Tenant's Insurance no later than the Commencement Date or the date Tenant is provided with possession of the Premises, whichever is earlier. During the Term the Tenant shall provide evidence of renewal or existence of such insurance as necessary to assure that Landlord always has current certificates evidencing Tenant's Insurance.

9. **Termination of Lease.** In the event of a Tenant's Default, Landlord shall have the right to terminate this Lease or terminate Tenant's right to possession. Upon receipt of a notice of termination Tenant shall immediately surrender the Premises to Landlord. If Tenant fails to surrender the Premises, Landlord may enter upon and take possession of Premises, in compliance with law.
10. **Surrender of Premises.** At the termination of this Lease or Tenant's right of possession, Tenant shall remove all personal property and surrender the Premises to Landlord in good order and in "broom clean" condition, ordinary wear and tear and damage excepted, removing, as requested by Landlord, any improvements or alterations made by Tenant. If Tenant fails to remove any of Tenant's personal property within two (2) business days after termination, Landlord, at Tenant's sole cost and expense, shall be entitled to remove and store Tenant's personal property. Landlord shall not be responsible for the safekeeping or preservation of Tenant's personal property. Tenant shall pay Landlord, upon demand, all costs of storage. If Tenant fails to remove Tenant's personal property from the Premises or from storage within thirty (30) days after delivery of notice, Landlord may deem all or any part of Tenant's Property to be abandoned and title to that property shall vest in Landlord.
11. **Access** - Tenant will be allowed to access the building and premises during regular business hours, i.e., Monday through Friday per DPW work schedule.

IN WITNESS WHEREOF, the parties have set forth their hands and seals.

TENANT or authorized agent

Date

LANDLORD or authorized agent

Date

**COPY**



**Municipal Energy  
Technical  
Assistance Grants:  
May 2015  
PON-ENE-2015-030**



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## GRANT APPLICATION

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- These grants (formerly known as Owner's Agent Technical Assistance) will fund independent third parties to aid municipalities, regional school districts, or water/wastewater districts in the study, negotiation, development and/or management of clean energy projects.
- A total of \$350,000 is available for disbursement by the Green Communities Division.
- A single applicant may receive a grant of up to \$12,500 for Municipal Energy Technical Assistance (META), except for the zero net energy and zero net-ready assessments, where the maximum allowable amount is \$5,000. Zero net energy and zero net-ready integrated design services are eligible for the maximum grant amount of \$12,500.
- Up to three (3) municipalities may submit one application and receive a combined total of up to \$30,000 (up to \$10,000 per municipality) for municipal energy technical assistance.
- **DOER will assume an applicant is requesting the maximum allowable amount, unless noted otherwise in Summary required in Attachment A.**
- An initial disbursement will be based on provision to DOER of a signed contract between the grantee and its selected third party technical assistance consultant. Remaining disbursements will be based on receipt of vendor invoices provided to the grantee detailing vendor services and tasks completed and charged.

### ELIGIBILITY

- DOER's Green Communities Division is making available **grants** for META to **ALL** 351 Massachusetts municipalities, regardless of Green Community designation status, **PLUS** all regional school districts and water/wastewater districts.
- Previous Green Communities Division Owner's Agent Technical Assistance (OATA) recipients must have **completed all aspects of their previous OATA grants, including all reporting, in order to apply for this current META opportunity.**
- Applicants may apply for META grants that meet the eligibility requirements specified in the application for the following projects types:
  - Municipal solar PV systems no less than 15 kW in size, on property owned by a municipality
  - Net metering agreements for projects no less than 15 kW in size on property not owned by the applicant
  - Assessment or development of community shared solar (CSS)
  - Energy management services, i.e. energy savings performance contracts

- Audits of oil, propane or electrically heated buildings only
- Technical assessments of processes at public water supply and wastewater treatment facilities
- Assessments or feasibility studies for proposed new public buildings to be zero-net energy or zero-net ready buildings (ZNEB)
- Engineering studies and/or bid specifications to convert to more efficient heating systems (e.g. conversion from steam to hot water; NOT simply replacing an inefficient boiler), or conversion to renewable or alternative fuel-sourced heating system, including water or wastewater source heat pumps
- Assessment of potential energy efficiency measures for new building construction design

### **APPLICATIONS & AWARDS**

**Applications may be submitted beginning June 22, 2015 at 9:00 am EST. Any applications received prior to that date and time will be rejected. DOER will accept applications on a rolling basis until available funding in this grant round is committed.**

- All applications must be submitted through an online submission process. Instructions for the online process are contained at the end of this application.
- Applications must contain, at a minimum, the information requested in the application. DOER will reject incomplete applications.
- **Applications will be reviewed and awards made based on the order in which completed applications are received until all available funds are disbursed. Applicants will be notified of one of the following:**
  - An application is complete and all required information has been provided and an META grant will be awarded.
  - An application is incomplete. Such applications will no longer be in the queue and will require submission of the missing information. The place of the application in the queue will be based on when the missing information is received. Please note that, in some past rounds of META grants, applications that were not complete<sup>1</sup> upon initial submission could not be funded since all available funds were awarded prior to submission of missing materials.
  - All funding for this grant opportunity has been awarded and the application is therefore not eligible for review.
- **NOTE:** In order to be deemed complete, an application MUST contain the required signature in Attachment B; the attachments *with* the required information requested under Eligibility Requirements below as appropriate; and all information requested in Attachment A.

### **ASKING QUESTIONS**

This application information is available at [www.commbuys.com](http://www.commbuys.com) as PON-ENE-2015-030 and at [www.mass.gov/energy/grantsandcontracts](http://www.mass.gov/energy/grantsandcontracts). ALL questions must be submitted to Paul Carey at [Paul.S.Carey@state.ma.us](mailto:Paul.S.Carey@state.ma.us) with "PON-ENE-2015-030" in the subject line. Responses will not be sent individually to inquirers, but questions and answers will be posted weekly on the DOER website at [www.mass.gov/energy/grantsandcontracts](http://www.mass.gov/energy/grantsandcontracts).

<sup>1</sup> For example, applications missing a signature in Attachment B, a phone number or required documentation.

**ATTACHMENT B**

**CERTIFICATION OF APPLICATION**

The Certification of Application below must be provided as a *scanned pdf with signature*. For joint applications, one certification must be submitted for each municipality.

**CERTIFICATION OF APPLICATION**

The **Chief Executive Officer** must complete this certification.

I, \_\_\_\_\_ am authorized to execute said Application on behalf of -  
\_\_\_\_\_, the applying municipality, regional school district, or  
water/wastewater district and verify that the information in the Municipal Energy Technical Assistance Grant  
Application is true.

\_\_\_\_\_  
[Signature of Chief Executive Officer]

\_\_\_\_\_  
[Title of Chief Executive Officer]

\_\_\_\_\_  
[Date]

copy

**NOTE:** THE CHIEF EXECUTIVE OFFICER IS DEFINED AS THE MANAGER IN ANY CITY HAVING A MANAGER AND IN ANY TOWN HAVING A CITY FORM OF GOVERNMENT, THE MAYOR IN ANY OTHER CITY, AND THE BOARD OF SELECTMEN IN ANY OTHER TOWN UNLESS SOME OTHER OFFICER OR BODY IS DESIGNATED TO PERFORM THE FUNCTIONS OF A CHIEF EXECUTIVE OFFICER UNDER THE PROVISIONS OF A LOCAL CHARTER OR LAWS HAVING THE FORCE OF A CHARTER.

FOR REGIONAL SCHOOL DISTRICTS, THE CHIEF EXECUTIVE OFFICER IS THE SUPERINTENDENT.

FOR WATER/WASTEWATER DISTRICTS, THE CHIEF EXECUTIVE OFFICER IS THE SUPERINTENDENT.

# Board of Selectmen

MEETING TUESDAYS AT 7:00 P.M. • UPPER TOWN HALL • 1 MAIN STREET • AYER, MASSACHUSETTS 01432



Tel. (978) 772-8220  
Fax. (978) 772-3017

Town Administrator  
(978) 772-8210

## MEMORANDUM

**DATE:** June 12, 2015

**TO:** Ayer Board of Selectmen

**FROM:** Robert A. Pontbriand  
Town Administrator

**SUBJECT:** Town Administrator's Report for the June 16, 2015 Board of Selectmen Meeting

Dear Honorable Selectmen,

I offer the following Town Administrator's Report for the June 16, 2015 BOS Meeting. If you have any questions on this report prior to the meeting, please do not hesitate to contact me directly. Thank you.

1. Administrative Update: I will offer a brief oral update to the BOS regarding various administrative matters and projects since the June 2, 2015 BOS Meeting.
2. Reserve Fund Transfer Request (Town Counsel Legal Services): Attached is a reserve fund transfer request in the amount of \$16,420 for Town Counsel Legal Services (see attached RFT). There is currently \$1,906.32 in the account and Town Counsel has advised that the estimated May 2015 Bill is \$8,210 and the June 2015 Bill has yet to be determined. This budget line item since January 2015 has been significantly reduced to an average of \$7,500 a month. In consultation with Town Counsel and the Town Accountant, the request in the amount of \$16,420 will be sufficient to cover all Town Counsel Legal Services for FY 2015.
3. Finalization of Goals and Objectives for 2015-2016: Attached is the final version of the Goals and Objectives for the BOS and TA for 2015-2016 as a result of the BOS discussions on May 19<sup>th</sup> and June 2<sup>nd</sup> (see attached). It is respectfully recommended that the BOS vote to finalize these goals and objectives for the year ahead.
4. Board/Committee Appointments: Attached is the second round of Board/Committee Appointments. I will be asking consideration for the ZBA Appointment of Mr. John Ellis to be taken as a separate/individual vote as Selectman Livingston would like to recuse herself from this particular vote of appointment for the record (to avoid any perceived conflict of interest).

Attachment(s): Town Counsel RFT  
2015-2016 Goals and Objectives Final Version  
Board/Committee Appointments

**RESERVE FUND TRANSFER REQUEST**

**Section I (Completed by Elected Official or Department Head)**

This request for a transfer from the Reserve Fund is being made in accordance with M.G.L., Chapter 40, Section 6:

1 Amount requested: \$16,420.00

2 To be transferred to:  
A. Account Name: Town Counsel  
B. Account #: 01151

3 Present balance in budget \$1,906.32 \*As of 6/11/2015\*

4 The amount requested will be used for (please attach supporting information):  
Town Counsel Legal Services.

5 The expense is extraordinary or unforeseen for the following reason(s):  
Unforeseen legal costs incurred since the FY 2015 Budget was approved by Town Meeting on May 13, 2014.

6/11/2015  
Date

Robert A. Partridge  
Town Administrator  
Elected Official or Department Head

**Section II Action by Board of Selectmen or Appointing Authority when Section I not completed by an Elected Official**

Transfer Approved: YES NO

Amount Approved: \_\_\_\_\_

Date of Meeting: \_\_\_\_\_

Number Present/Voting \_\_\_\_\_

\_\_\_\_\_  
Chairman

**Section III Action by Finance Committee**

Transfer Approved: YES NO

Amount Approved: \_\_\_\_\_

Date of Meeting: \_\_\_\_\_

Number Present/Voting \_\_\_\_\_

\_\_\_\_\_  
Chairman





06/11/2015 15:53  
248lgabr

TOWN OF AYER  
BUDGET REPORT

P 1  
glytdbud

FOR 2015 12

ACCOUNTS FOR: 001 GENERAL FUND	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
<u>01151 TOWN COUNSEL</u>							
01151 52000 MISCELLANEOUS PROFESSI	0	0	0	1,615.00	.00	-1,615.00	100.0%*
01151 53090 LEGAL SERVICES	85,000	18,000	103,000	99,478.68	.00	3,521.32	96.6%
01151 53095 BOLDUC SETTLEMENT	0	33,268	33,268	33,268.00	.00	.00	100.0%
TOTAL TOWN COUNSEL	85,000	51,268	136,268	134,361.68	.00	1,906.32	98.6%
TOTAL GENERAL FUND	85,000	51,268	136,268	134,361.68	.00	1,906.32	98.6%
TOTAL EXPENSES	85,000	51,268	136,268	134,361.68	.00	1,906.32	



06/11/2015 15:53  
248lgabr

TOWN OF AYER  
BUDGET REPORT

P 2  
glytdbud

FOR 2015 12

	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
GRAND TOTAL	85,000	51,268	136,268	134,361.68	.00	1,906.32	98.6%

\*\* END OF REPORT - Generated by Lisa Gabree \*\*

# Board of Selectmen

MEETING TUESDAYS AT 7:00 P.M. • UPPER TOWN HALL • 1 MAIN STREET • AYER, MASSACHUSETTS 01432



Tel. (978) 772-8220  
Fax. (978) 772-3017

Town Administrator  
(978) 772-8210

## MEMORANDUM

**DATE:** June 12, 2015

**TO:** Ayer Board of Selectmen

**FROM:** Robert A. Pontbriand  
Town Administrator

**SUBJECT:** Final Version of 2015-2016 BOS and TA Goals

Dear Honorable Selectmen,

The following is a final version of the 2015-2016 BOS and TA Goals as a result of the May 19<sup>th</sup> and June 2<sup>nd</sup> meeting discussions. At the June 16, 2015 the BOS should make any final revisions/edits and vote to formalize these goals for the upcoming year. If you have any questions prior to the meeting, please do not hesitate to contact me directly. Thank You.

### 2015-2016 Goals and Objective for the Board of Selectmen:

1. Develop a Free Cash Policy/Framework.
2. Develop and Present an Updated/Revised Nuisance By-Law for Town Meeting Consideration.
3. Implement a Land Use Department.
4. Negotiate and Execute a PILOT Agreement with Central Ave. Compassionate Care.
5. On-going Review and Update of all Town Policies/Procedures (when applicable).
6. Develop, implement and support a Standard Operating Procedure for Snow Removal.
7. Develop an Official Town FMLA Policy.

8. Work with and Support the Parks Commission with a Plan to Address the Park's Department Storage and Recreational Needs.
9. On-going Properties Enforcement.
10. Review and Develop a Policy Pertaining to Taxation/Tax Classification.

**2015-2016 Goals and Objectives for the Town Administrator:**

1. Preparation/Completion and Presentation of the Town's Comprehensive Plan Review and Update for BOS Approval.
2. Update and Implement a BOS Executive Minutes System.
3. Complete the Non-Union Personnel Compensation Study for Personnel Board Review and Fall Town Meeting (Oct. 26, 2015) Consideration.
4. Develop and Implement an Official Town-wide Wellness Program and MIIA Rewards Program.
5. Continue with Public Records Inventory and Disposal (when applicable) of the BOS and TA Offices.
6. Develop a Strategic Plan for Unaccepted Streets in Town.
7. Complete the Update of the Town's Website to Include Continued Implementation of On-Line Permitting.
8. Development of a Land Use Department Proposal for BOS Consideration.
9. Administration of the FY 2016 Budget to Include Development of the FY 2017 Budget and Development of the Respective Town Meeting Warrants.
10. Negotiate on Behalf of the BOS, the Fire Contract and Police Superiors Contract.

# Board of Selectmen

MEETING TUESDAYS AT 7:00 P.M. • UPPER TOWN HALL • 1 MAIN STREET • AYER, MASSACHUSETTS 01432



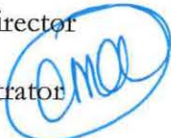
Tel. (978) 772-8220  
Fax. (978) 772-3017

Town Administrator  
(978) 772-8210

## Memorandum

To: Board of Selectmen

Copy: Susan E. Copeland, Town Clerk; Cindy Knox, IT Director

From: Carly M. Antonellis, Assistant to the Town Administrator 

Date: June 12, 2015

Re: 2015 Appointments

The following individuals listed in the table below wish to be considered for reappointment by the Ayer Board of Selectmen.

Name	Position/Board/Committee
<i>One Year Appointments</i>	
<i>Term to Expire June 30, 2016</i>	
Jim Fay	Memorial Garden Committee
Mike Detillion	Memorial Garden Committee
Chuck McKinney	Memorial Garden Committee
Bob Eldridge	Memorial Garden Committee
Janet Lewis	Memorial Garden Committee
Pauline Hamel	MJTC Representative
Name	Position/Board/Committee
<i>Three Year Appointments</i>	
<i>Term to Expire June 30, 2018</i>	
Jess Gugino	Conservation Commission
Takashi Tada	Conservation Commission
Robert Hammond	Registrar of Voters
Ron Defilippo	ZBA
John Ellis	ZBA
Jeremy Callahan	ZBA - Alternate
John Kilcommins	Capital Planning Committee

Town of Ayer  
Board of Selectmen  
Ayer Town Hall – 1<sup>st</sup> Floor Meeting Room  
Ayer, MA 01432



Tuesday June 2, 2015  
Meeting Minutes

*Broadcast and Recorded by APAC*

Present: Jannice L. Livingston, Chair; Gary J. Luca, Vice-Chair; Christopher R. Hillman, Clerk  
Robert A. Pontbriand, Town Administrator  
Carly M. Antonellis, Assistant to the Town Administrator

**Call to Order:** J. Livingston called the meeting to order at 7:02 PM.

**Moment of Silence in Memory of Marcia A. Gilson:** J. Livingston asked for a moment of silence in memory of Marcia A. Gilson, a longtime employee of the Ayer Police Department who recently passed away.

**Review and Approve Agenda:** R. Pontbriand asked to amend the agenda by adding the appointment of a part-time dispatcher and a per diem dispatcher before the Board takes up Goals and Objectives. G. Luca asked to amend the agenda by adding under Selectmen's questions discussion about a letter sent by the Town of Shirley to area legislators regarding regional school district assessments. G. Luca also asked to add under Selectmen's questions a discussion about the status of the Town's billing and receiving pursuant to MGL c.32B, sec. 9 ½ A relative to retiree health insurance billing. G. Luca asked to add an Executive Session to the end of agenda pursuant to MGL c. 30A, sec. 21A Exemption #3 (Litigation Strategy) relative to Officer M. Power.

**Motion:** A motion was made by C. Hillman and seconded by G. Luca to approve the agenda as amended.  
**Motion passed 3-0.**

**Announcements:** J. Livingston made the following announcements: A Super Town Meeting will be held June 8, 2015 at 7:00 PM at the Ayer Shirley Regional High School Auditorium. The Special Town Meeting will be held at 7:15 PM, immediately following the Super Town Meeting at the Ayer Shirley Regional High School Auditorium. Attendance is greatly appreciated.

**Public Input:** Mary Spinner, 18 Myrick Street asked a question relative to the Town receiving money from the TIP Program and the mandate to delineate bike lanes on East Main Street. M. Wetzel stated that bike lanes are proposed in the future upgrades.

**Chief Robert Pedrazzi, Ayer Fire Department:** Chief R. Pedrazzi explained his requests for two reserve fund transfers: 1) for Fire Department supplies (Pump replacement on Forestry Truck #2) 2) for overtime expenses.

**Motion:** A motion was made by G. Luca and seconded by C. Hillman to approve a reserve fund transfer request in the amount of \$6,000 into account 01220-54000 to replace the pump on Forestry Truck #2.  
**Motion passed 3-0.**

**Motion:** A motion was made by G. Luca and seconded by C. Hillman to approve a reserve fund transfer request in the amount of \$28,361 into account 01220-51300 for overtime expenses due to an off duty personnel job injury. **Motion passed 3-0.**

**David Maher, Community and Economic Development Director:** D. Maher gave the Board of Selectmen a brief economic development update on the important business projects in town and also showed upgrades he has made to the Economic and Community Development webpages, as well as the 4<sup>th</sup> of July Committee webpage.

**Superintendent Mark Wetzel, Department of Public Works:** M. Wetzel introduced David Nelson Jr. M. Wetzel is recommending D. Nelson, Jr. for the position of Wastewater Treatment Plant Operator.

**Motion:** A motion was made by G. Luca and seconded by C. Hillman to appoint David Nelson, Jr. to the position of Wastewater Treatment Plant Operator. **Motion passed 3-0.**

*Discussion of Sewer Tie-In Intersection of Douglas Rd and Groton School Rd:* G. Luca had previously inquired about the recently made Tie-In to the Town's sewer system at the intersection of Douglas and Groton School Roads. M. Wetzel stated that he was approached by David E. Ross Associates in October 2014 regarding connecting the property at 545 Farmers Row Groton to the Town's sewer. The property is half in Ayer and half in Groton. G. Luca stated that about 4 years previous a resident from Groton in that area asked to connect to the Town's sewer and was voted down by the Selectmen. G. Luca expressed the need for a policy as the Town's Water and Sewer Commissioners to vote on out-of-town applications wanting to connect to the Town's sewer and/or water system.

**Motion:** A motion was made by G. Luca and seconded by C. Hillman that any applications from outside the Town of Ayer looking to connect into the system come before the Board of Selectmen as the Water and Sewer Commissioners for consideration. **Motion passed 3-0.**

**Appointment of Part-Time and Per Diem Dispatchers:** Chief Murray introduced Cailey McCarthy and William Reed candidates for part-time dispatcher and per diem dispatcher respectively. Chief Murray listed qualifications for both candidates and is recommending them for appointment.

**Motion:** A motion was made by C. Hillman and seconded by G. Luca to appoint Cailey McCarthy as a part-time dispatcher and to appoint William Reed as per diem dispatcher per Chief Murray's recommendation. **Motion passed 3-0.**

**BOS Goals and Objectives Discussion:** J. Livingston continued discussion from the previous meeting relative to goals and objectives. She listed several topics for goals and objectives for the Board to consider at a future meeting, including: updating the nuisance bylaw, policy or guidelines on timeliness of implementing Town Meeting warrant articles, a policy/procedure on a standing operating procedure for snow removal for consideration in August/September. R. Pontbriand asked if the Board was still considering a bylaw relating to placement of signs. J. Livingston stated the Parks Commission is looking for the BOS to consider a policy on Ch. 61/61A related matters. She is concerned that the Parks Commission wanting to be notified within 3 business days is unrealistic. She also added that the Board of Selectmen will continue to follow the policy as outlined in the state statute. J. Livingston also added to the goals and objectives list the need to reach a PILOT agreement with Central Ave. Compassionate Care.

R. Pontbriand again outlined his previously submitted memo relative to his goals and objectives, which include: Comprehensive Plan, Executive Session Minutes System, completion of the non-union personnel compensation study, Town wide wellness program/MIIA rewards program, public records inventory/disposal, e-permitting, FY '17 budget process, 2015 Fall Town Meeting, Development of Land Use Department proposal.

R. Pontbriand stated he will merge everything into one document for BOS consideration at the next meeting.

**Town Administrator's Report:** R. Pontbriand gave a brief administrative update regarding an issue that had recently been brought to his attention by the Town Clerk. It was discovered that the PREVIOUS Town Clerk (John Canney) never filed the Bylaw Change (Article 31 of the May 2012 ATM) with the Attorney General making the Finance Committee a "Committee of Town Meeting" in that the Finance Committee shall be appointed by the Town Moderator. R. Pontbriand said he is working with Town Counsel and the current Town Clerk (Susan Copeland) to rectify the situation.

*One Day Beer and Wine Permit:* R. Pontbriand presented a request from St. Mary's Parish for a one day beer and wine only license for their Block Party to be held June 27, 2015 from 11:00 AM to 8:00 PM.

**Motion:** A motion was made by G. Luca and seconded by C. Hillman to grant St. Mary's Parish a one day beer and wine license for the Block Party to be held on June 27, 2015 from 11:00 AM to 8:00 PM. **Motion passed 3-0.**

*Board/Committee Appointments:*

**Motion:** A motion was made by G. Luca and seconded by C. Hillman to appoint the following people to the following positions for a one year term to expire on June 30, 2016. **Motion passes 3-0:**

Kopelman & Paige, P.C.	Town Counsel
Daniel Swanfeldt	Auctioneer
Gabriel Vellante	Building Inspector
Gabriel Vellante	Fence Viewer
Roland Bernier	Alternate Building Inspector
Robert Friedrich	Plumbing and Gas Inspector
James Bakum	Assistant Plumbing and Gas Inspector
Alan Parker	Wiring/Electrical Inspector
Phil Horgan	Assistant Wiring/Electrical Inspector
Eric Aaltonen	Sealer of Weights and Measures
Ramona Bean	Assistant Tax Collector
Carolyn McCreary	Energy Committee
Alan Wilson	Energy Committee
Jeff Mayes	IT Committee
Alan Wilson	IT Committee
Chief Robert Pedrazzi	Emergency Management Director



David Maher	MRPC Representative
Robert Finn	Reserve Police Officer
Robert Soultainian	Reserve Police Officer
Casey Scott	Reserve Police Officer
Shirley PD Sergeants: Peter Violette, Alfreda Cromwell, Samuel Santiago	Special Police Officer (Out of Town)
Shirley PD Patrol Officers: Craig LaPrade, Everett Moody, Gregory Gushlaw, Brandon Bruin, Jason Strniste	Special Police Officer (Out of Town)
Shirley PD Reserve Officers: Robert Pacetti, Matthew Euliano, Mark Lafferty, William McGuinness, David Lange, Sarah Brodmerkle	Special Police Officer (Out of Town)
Rich Skoczylas	Water and Sewer Rate Review Committee
Mary Spinner	Water and Sewer Rate Review Committee
D. Mike Detellion	Veteran's Agent * Term to expire March 31, 2016
Robert Pontbriand	MART Advisory Board
Robert Pontbriand	MBTA Advisory Board

**Motion:** A motion was made by G. Luca and seconded by C. Hillman to appoint the following people to the following positions for a three year term to expire on June 30, 2018. **Motion passes 3-0:**

Mary Spinner	Capital Planning Committee
James Stephen	Capital Planning Committee
Sr. Paula McCrea	Council on Aging Board of Directors
Sally Balcom	Council on Aging Board of Directors
Harry Zane	Cable TV Advisory Committee

**Motion:** A motion was made by G. Luca and seconded by C. Hillman to appoint the following person to the following position for a five year term to expire on June 30, 2020. **Motion passes 3-0:**

Robert Williams	Industrial Development Finance Authority
-----------------	--

The following Board of Selectmen members were appointed to various committees, as listed below. 4<sup>th</sup> of

July Committee, J. Livingston; Bi-Board, G. Luca; JBOS, G. Luca; Cable TV Advisory; Committee, G. Luca; Capital Planning Committee, C. Hillman; Insurance Advisory Committee (Ex-Officio) no official designation made; TIF Review Committee, no official designation made; Water and Sewer Rate Review Committee, J. Livingston.

**New Business/Selectmen's Questions:** G. Luca presented a draft policy and additional information on free cash. He would like input from other Board members and to discuss at a later BOS meeting. G. Luca is hopeful the Board can reach consensus on a policy in the future.

G. Luca also brought up an email that was sent to various Town Managers and State Officials from the Town of Shirley relative to regional school district assessments and limiting the request for increases for 2.5%. G. Luca and other Board members expressed concern that they were not included in the letter.

G. Luca then wanted to state his frustration over the Town Treasurer not following state law specifically MGL c.32B, sec. 9 ½A relative to retiree health insurance billing and receiving.

J. Livingston asked R. Pontbriand to look into purchasing light weight podium so it may be transported more easily for outdoor events.

**Approval of the Minutes:**

**Motion:** A motion was made by G. Luca and seconded by C. Hillman to approve the meeting minutes of May 19, 2015. **Motion passed 3-0.**

**Executive Session:** A motion was made at 9:38 PM by G. Luca and seconded by C. Hillman to enter into Executive Session pursuant to MGL c. 30A, sec. 21A Exemption #3 (Litigation Strategy) relative to Officer M. Power. **By Roll Call:** J. Livingston, aye; G. Luca, aye; C. Hillman, aye. **Motion passes by roll call vote 3-0.**

The Board then entered into Executive Session.

At 9:58 PM, the Board then reentered into Open Session.

**Motion:** A motion was made by G. Luca and seconded by C. Hillman to adjourn at 9:59 PM. **Motion passed 3-0.**

**Minutes Recorded and Submitted by Carly M. Antonellis**

**Minutes Approved by BOS:** \_\_\_\_\_

**Christopher R. Hillman:** \_\_\_\_\_

Town of Ayer  
Board of Selectmen  
Ayer Town Hall – 1<sup>st</sup> Floor Meeting Room  
Ayer, MA 01432



Tuesday June 9, 2015  
Meeting Minutes

Present: Gary J. Luca, Vice-Chair; Christopher R. Hillman, Clerk  
Robert A. Pontbriand, Town Administrator

**Call to Order in Open Session:** G. Luca called the meeting to order at 7:08 PM.

**Review and Approve Agenda:** The Board reviewed the posted agenda and made no changes.

**Motion:** A motion was made by C. Hillman and seconded by G. Luca to approve the agenda. **Motion passed 2-0.**

**Vote to Approve Existing Constellation Energy Contract Extension from November 2015 to November 2016 at a fixed rate of .0939 kWh for one year.**

R. Pontbriand presented an overview of the Constellation Energy Contract Extension as reviewed and recommended for approval by the Energy Committee as well as being reviewed by Town Counsel. R. Pontbriand advised that the Town is currently paying a rate of 0.11 (eleven cents kWh) and would realize significant savings as well as a fixed, stable energy rate through November 2016. With anticipated market fluctuations (especially this Fall) this is a prudent decision for the Town.

G. Luca and C. Hillman stated that though this is the right decision for the Town, they were concerned/disappointed that this was brought forward as a "last minute item" that was "urgent".

R. Pontbriand stated that he understood and agrees with the Selectmens' concerns about "last minute items" that are "urgent" and on the timing of this. Unfortunately many of these electricity lock in rate options are extremely time sensitive with the price only good for a twenty-four hour period. We only found out about it at the Energy Committee Meeting and given the significant value in the savings for the Town, the Energy Committee recommended that the Town seize this opportunity.

**Motion:** A motion was made by C. Hillman and seconded by G. Luca to vote to approve the existing Constellation Energy Contract Extension from November 2015 to November 2016 at a fixed rate of .0939 kWh for one year. **Motion passed 2-0.**

**Executive Session:** A motion was made by C. Hillman and seconded by G. Luca to enter into Executive Session pursuant to MGL c. 30A, sec. 21A Exemption #3 (Litigation Strategy) relative to properties enforcement litigation update in the matters of *Town of Ayer v. Ernisse*; *Town of Ayer v. Velardi*; *Town of Ayer v. 190 West Main Street* as well as Exemption #2 (Non-Union Personnel) Contract Negotiations for DPW Superintendent Employment Contract and to adjourn from Executive Session and not return into Open Session.

G. Luca stated that to hold these matters in Open Session could be detrimental to the Town's litigation strategy as well as to the Town's bargaining position(s).

**By Roll Call:** G. Luca, aye; C. Hillman, aye. **Motion passes by roll call vote 2-0.**

The Board then entered into Executive Session.

*[Note: Executive Session portion of the minutes will be available upon request and/or public release subject to the provisions of the Massachusetts Public Records Law]*

**Minutes Recorded and Submitted by Robert A. Pontbriand**

**Minutes Approved by BOS:** \_\_\_\_\_

**Christopher R. Hillman:** \_\_\_\_\_

DRAFT

## NOTICE OF SALE AND PRELIMINARY OFFICIAL STATEMENT DATED JUNE 3, 2015

In the opinion of Locke Lord LLP, Bond Counsel, based upon an analysis of existing law and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986 (the "Code"). Interest on the Notes is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Under existing law, interest on the Notes is exempt from Massachusetts personal income taxes, and the Notes are exempt from Massachusetts personal property taxes. The Notes will be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes. See "Tax Exemption" herein.

### TOWN OF AYER, MASSACHUSETTS \$TBD GENERAL OBLIGATION BOND ANTICIPATION NOTES

The Town of Ayer, Massachusetts (the "Town"), will receive electronic bids (as described below) or telephone bids at First Southwest Company (617) 619-4400, until 11:00 a.m.(Eastern Time) on Wednesday, June 10, 2015, for the purchase of the following described General Obligation Bond Anticipation Notes (the "Notes") of the Town:

**\$TBD** General Obligation Bond Anticipation Notes (new and renewal) dated June 26, 2015 and payable on June 24, 2016. Interest on the Notes will be calculated on a 30 day-month/360 day-year basis (358/360). The Notes will not be subject to redemption prior to their stated maturity date.

The Notes will be issued by means of a book-entry system, evidencing ownership of the Notes in the principal amount of \$1,000 or integral multiples thereof, with transfers of ownership effected on the records of The Depository Trust Company (DTC) and its participants pursuant to the rules and procedures adopted by DTC, unless the issuance of a fully registered note certificate is requested by the winning bidder and the issuance of such certificate is approved by the Town. (See Preliminary Official Statement, "Book-Entry-Transfer System.") Principal and interest on the Notes will be payable upon maturity in federal reserve funds by U.S. Bank National Association, or its successor, as Paying Agent. Disbursements of such payments to the DTC Participants are the responsibility of DTC, and disbursements of such payments to the Beneficial Owners are the responsibility of the DTC Participants and the Indirect Participants.

Notice is hereby given that electronic proposals will be received via **PARITY**, in the manner described above, until 11:00 A.M., Eastern Time, on June 10, 2015. Bids may be submitted electronically via **PARITY** pursuant to this Notice of Sale until 12:00 P.M., Eastern Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact the First Southwest Company or **PARITY** at (212) 404-8102.

Bids may be submitted for all or part of the Notes at a single or various rates of interest in multiples of one-hundredth (1/100) or one-eighth (1/8) of one percent (1%). **No bid for less than par and accrued interest to the date of delivery will be considered.** The Notes will be awarded on the basis of the lowest net interest cost to the Town after deductions of premium, if any. In the event a bidder offering a premium for the Notes is awarded a lesser amount of the Notes than bid, the premium shall be reduced proportionately. The right is reserved to reject any and all bids not complying with this Notice of Sale and, so far as permitted by law, to waive any irregularity with respect to any bid.

Any bidder who submits a winning bid by telephone in accordance with this Notice of Sale shall be required to provide written confirmation of the terms of the bid by faxing or e-mailing a completed, signed bid form to First Southwest Company by not later than 12:00 NOON, Eastern Time, on the date of the sale. An electronic bid made in accordance with this Notice of Sale shall be deemed an offer to purchase the Notes in accordance with the terms provided in this Notice of Sale and shall be binding upon the bidder as if made by a signed and sealed written bid delivered to the Town.

The award of the Notes to the winning bidder will not be effective until the bid has been approved by the Treasurer and the Board of Selectmen of the Town.

On or prior to the date of delivery of the Notes, the successful bidder shall furnish to the Town a certificate acceptable to Bond Counsel generally to the effect that (i) as of June 10, 2015 (the "Sale Date"), the purchaser had offered or reasonably expected to offer all of the Notes to the general public (excluding bond houses, brokers, or similar persons acting in the capacity of underwriters or wholesalers) in a bona fide public offering at the price set forth in such certificate, plus accrued interest, if any, (ii) such price represents the fair market price of the Notes as of the Sale Date, and (iii) as of the date of such certificate, all of the Notes have been offered to the general public in a bona fide offering at the price set forth in such certificate, and at least 10% of the Notes actually has been sold to the general public at such price. To the extent the certifications described in the preceding sentence are not factually accurate with respect to the reoffering of the Notes, Bond Counsel should be consulted by the successful bidder as to alternative certifications that will be suitable

to establish the "issue price" of the Notes for federal tax law purposes. If the purchaser is purchasing the Notes for its own account and not on behalf of another party, and the purchaser does not presently intend to resell the Notes, the successful bidder will be required to so certify.

The purchaser(s) will be furnished, without cost, the opinion of Locke Lord LLP, Boston, Massachusetts, approving the legality of the Notes. The opinion will also indicate that the Notes and the enforceability thereof may be subject to bankruptcy and other laws affecting creditor's rights and that their enforceability may also be subject to the exercise of judicial discretion in appropriate cases. Payment of the principal of and interest on the Notes is not limited to a particular fund or source of revenue nor is any lien or pledge for such payment created with respect to any such fund or source. The Notes will be valid general obligations of the Town of Ayer and, except to the extent they are paid from the bond proceeds in anticipation of which they are issued, or from any other available moneys, the principal of and interest on the Notes are payable from taxes which may be levied upon all taxable property in the Town subject to the limit imposed by Chapter 59, Section 21C of the General Laws with respect to principal and interest payments on the Notes.

It shall be the condition of the successful bidder's obligation to accept delivery of and pay for the Notes that, contemporaneously with or before accepting Notes and paying therefor, it shall be furnished, without cost, with (a) the approving opinion of the firm of Locke Lord LLP, Boston, Massachusetts, with respect to the Notes, (b) a certificate in form satisfactory to said firm, dated as of the date of delivery of such Notes and receipt of payment thereof, to the effect that there is no litigation pending, or to the knowledge of the signer or signers thereof, threatened affecting the validity of such Notes or the power of the Town to levy and collect taxes to pay them, and (c) a certificate of the Town Treasurer's to the effect that, to the best of her knowledge and belief, both the Preliminary Official Statement as of the date of sale and the Final Official Statement as of the date of delivery of such Notes referred to below, do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they made, not misleading.

The successful bidder for all of the Notes may request that the Notes be issued in the form of one fully registered physical certificate, rather than in book-entry form through the facilities of DTC. The successful bidder seeking the issuance of the Notes in this manner shall bear any and all costs of any re-registration or transfer of Notes from time to time. Any bidder seeking to have the Notes issued in the form of fully registered physical certificates, rather than in book-entry form, shall indicate this preference to the Town at the time of the submission of the winning bid. The Town reserves the right to decline any request to issue the Notes in non-book entry form if it should determine, in its sole discretion, that issuing the Notes in this manner is not in its best interests.

CUSIP identification numbers will be printed on the Notes at the option of the purchaser, but neither the failure to print such numbers on any Note, nor any error with respect thereto, shall constitute a cause for a failure or refusal by the purchaser thereof to accept delivery and pay for the Notes. All expenses in relation to the printing of CUSIP numbers on said Notes shall be paid for by the issuer, however, the Town assumes no responsibility for any CUSIP Service Bureau of other charge that may be imposed for the assignment of such numbers.

Additional information concerning the Town of Ayer and the Notes is contained in the Preliminary Official Statement dated June 3, 2015, to which prospective bidders are directed. The Preliminary Official Statement is provided for informational purposes only, and is not a part of this Notice of Sale. The Preliminary Official Statement has been deemed final by the Town as of its date for purposes of SEC Rule 15c2-12(b)(1) except for the omission of the reoffering prices, interest rates, and other terms of the Notes depending on such matters and the identity of the underwriters, but is subject to change without notice and to completion or amendment in a Final Official Statement. Within seven (7) business days following the award of the Notes and receipt of necessary information from the successful bidder(s), at least five (5) copies of the Final Official Statement will be made available to the successful bidder(s). Upon request, additional copies will be provided to the successful bidder(s) to a maximum of one per \$100,000 of par amount purchased.

In order to assist bidders in complying with the requirements of paragraph (b)(5)(i)(C) of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Issuer will undertake to provide notices of certain significant events. A description of this undertaking is set forth in the Preliminary Official Statement.

TOWN OF AYER, MASSACHUSETTS  
/s/ Ms. M. Stephanie Gintner, Treasurer

June 3, 2015

Bond counsel are not passing upon and do not assume any responsibility for the accuracy or adequacy of the information contained herein other than matters set forth as the opinion of bond counsel, and make no representation that they have independently verified the same.

**PRELIMINARY OFFICIAL STATEMENT  
TOWN OF AYER, MASSACHUSETTS  
\$TBD GENERAL OBLIGATION BOND ANTICIPATION NOTES**

The purpose of this Official Statement is to furnish certain information regarding the Town of Ayer, Massachusetts (hereafter referred to as the "Town") and \$TBD principal amount of General Obligation Bond Anticipation Notes (hereafter referred to as the "Notes"). The information contained herein has been furnished by the Town except information attributed to another governmental agency or official as the source.

The Notes are being offered for sale at public bidding on Wednesday, June 10, 2015, and a Notice of Sale dated June 3, 2015, has been furnished to prospective bidders, setting forth for the terms and conditions of bidding.

**The Notes**

The Notes will bear interest payable at maturity at the rate or rates determined upon their sale in accordance with the Notice of Sale dated June 3, 2015. The Notes will be issued by means of a book-entry-only system, evidencing ownership of the Notes in principal amounts of \$1,000 or integral multiples thereof, with transfers of ownership effected on the records of The Depository Trust Company (DTC) and its Participants pursuant to the rules and procedures adopted by DTC, unless the delivery of a fully registered note certificate is requested by the winning bidder and the issuance of such certificate is approved by the Town. (See "Book-Entry-Transfer System" herein.)

**Authorization of the Notes and Use of Proceeds**

The following table sets forth the principal amounts, purposes, statutory references, total original authorizations and dates of approval for the current issue of Notes.

**Please provide the projects and amounts the Town would like to include in this issue. We've listed the projects and amounts currently outstanding in BANs.**

This Issue	Purpose	Total Authorization	Bond Anticipation Notes Outstanding	Statutory Reference (M.G.L., as amended)	Date(s) of Authorization
	DPW Dump Truck	\$ 167,000	\$ 164,771	Ch.44, s.7(9)	5/14/2012
	Town Hall	16,571	16,571	Ch.44, s.7(3A)	5/14/2012
	Service Truck	43,000	37,734	Ch.44, s.7(9)	5/14/2012
	Police security entrance	30,000	25,095	Ch.44, s.7(9)	5/14/2012
	Street signs	43,603	32,141	Ch.44, s.7(14)	5/14/2012
	Water - valve replacement	42,000	42,000	Ch.44, s.8(7C)	5/14/2012
	Water - one ton cab and chassis	69,000	64,575	Ch.44, s.7(9)	5/14/2012
	Water - cross country main transmission engineering	75,000	75,000	Ch.44, s.7(9)	5/14/2012
	Sewer - #3 RAS pump and controls replacement	60,000	24,344	Ch.44, s.7(9)	5/14/2012
	Sewer - Hydro-jetter	81,000	78,042	Ch.44, s.7(9)	5/14/2012
	Sewer - W. Main pump station construction	450,000	450,000	Ch.44, s.8(15)	5/14/2012
	Solid waste - one ton dump truck	50,000	48,358	Ch.44, s.7(9)	5/14/2012
	Network infrastructure upgrades	10,000	10,000	Ch.44, s.7(28)	5/13/2013
	Tractor with front-end loader	18,500	16,550	Ch.44, s.7(9)	5/13/2013
	Replace admin vehicle	30,000	25,928	Ch.44, s.7(9)	5/13/2013
	Replace Fire Chief vehicle	45,000	43,814	Ch.44, s.7(9)	5/13/2013
	Truck mounted asphalt/recycling mixer	20,000	19,850	Ch.44, s.7(9)	5/13/2013
	Rehab engine #4	121,382	121,382	Ch.44, s.7(9)	5/13/2013
	Spec Pond Filter valve replacement	50,000	50,000	Ch.44, s.8(7C)	5/13/2013
	meter read radio system upgrade	37,801	37,801	Ch.44, s.7(9)	5/13/2013
	WWTP Facility engineering evaluation	100,000	100,000	Ch.44, s.7(1)	5/13/2013
	Meter read radio system upgrade	31,922	31,922	Ch.44, s.7(9)	5/13/2013
	Culvert replacement - Victor Dr	150,000	150,000	Ch.44, s.7(1)	5/13/2013
	Software & laptops	27,000	27,000	Ch.44, s.7(28) & 7(29)	5/13/2013
			<u>\$ 1,692,878</u>	(1)	
<u>\$</u>	<u>-</u>				

(1) This issue will retire a like amount of bond anticipation notes maturing June 26, 2015.

## Tax Exemption

In the opinion of Locke Lord LLP, Bond Counsel to the Town ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. In the opinion of Bond Counsel, the Notes are designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition of, or the accrual or receipt of interest on, the Notes.

The Code imposes various requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. Failure to comply with these requirements may result in interest on the Notes being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Notes. The Town has covenanted to comply with such requirements to ensure that interest on the Notes will not be included in federal gross income. The opinion of Bond Counsel assumes compliance with these requirements.

Bond Counsel is also of the opinion that, under existing law, interest on the Notes is exempt from Massachusetts personal income taxes, and the Notes are exempt from Massachusetts personal property taxes. Bond Counsel has not opined as to other Massachusetts tax consequences arising with respect to the Notes. Prospective Noteholders should be aware, however, that the Notes are included in the measure of Massachusetts estate and inheritance taxes, and the Notes and the interest thereon are included in the measure of certain Massachusetts corporate excise and franchise taxes. Bond Counsel expresses no opinion as to the taxability of the Notes or the income therefrom or any other tax consequences arising with respect to the Notes under the laws of any state other than Massachusetts.

To the extent the issue price of the Notes is less than the amount to be paid at maturity of such Notes (excluding amounts stated to be interest and payable at least annually over the term of such Notes), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Notes which is excluded from gross income for federal income tax purposes and is exempt from Massachusetts personal income taxes. For this purpose, the issue price of the Notes is the first price at which a substantial amount of such Notes is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to the Notes accrues daily over the term to maturity of such Notes on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Notes to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Notes. Noteholders should consult their own tax advisors with respect to the tax consequences of ownership of Notes with original issue discount, including the treatment of purchasers who do not purchase such Notes in the original offering to the public at the first price at which a substantial amount of such Notes is sold to the public.

Notes purchased, whether at original issuance or otherwise, for an amount greater than the stated principal amount to be paid at maturity of such Notes, or, in some cases, at the earlier redemption date of such Notes ("Premium Notes"), will be treated as having amortizable note premium for federal income tax purposes and Massachusetts personal income tax purposes. No deduction is allowable for the amortizable note premium in the case of obligations, such as the Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, a Noteholder's basis in a Premium Note will be reduced by the amount of amortizable note premium properly allocable to such Noteholder. Holders of Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable note premium in their particular circumstances.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes.

Prospective Noteholders should be aware that from time to time legislation is or may be proposed which, if enacted by law, could result in interest on the Notes being subject directly or indirectly to federal income taxation, or otherwise prevent Noteholders from realizing the full benefit provided under current federal tax law of the exclusion of interest on the Notes from gross income. To date, no such legislation has been enacted into law. However, it is not possible to predict whether any such legislation will be enacted into law. Further, no assurance can be given that any pending or future legislation, including amendments to the Code, if enacted into law, or any proposed legislation, including amendments to



the Code, any future judicial, regulatory or administrative interpretation or development with respect to existing law, will not adversely affect the market value or marketability of, or the tax status of interest on, the Notes. Prospective Noteholders are urged to consult their own tax advisors with respect to any such legislation, interpretation or development.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is exempt from Massachusetts personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Notes may otherwise affect the federal or state tax liability of a Noteholder. Among other possible consequences of ownership or disposition of, or the accrual or receipt of interest on, the Notes, the Code requires recipients of certain social security and certain railroad retirement benefits to take into account receipts or accruals of interest on the Notes in determining the portion of such benefits that are included in gross income. The nature and extent of all such other tax consequences will depend upon the particular tax status of the Noteholder or the Noteholder's other items of income, deduction or exclusion. Bond Counsel expresses no opinion regarding any such other tax consequences, and Noteholders should consult with their own tax advisors with respect to such consequences.

## **Security and Remedies**

Full Faith and Credit. General obligation bonds and notes of a Massachusetts city or town constitute a pledge of its full faith and credit. Payment is not limited to a particular fund or revenue source. Except for "qualified bonds" as described below (see "Serial Bonds and Notes" under "TYPES OF OBLIGATIONS" below) and setoffs of state distributions as described below (see "State Distributions" below), no provision is made by the Massachusetts statutes for priorities among bonds and notes and other general obligations, although the use of certain moneys may be restricted.

Tax Levy. The Massachusetts statutes direct the municipal assessors to include annually in the tax levy for the next fiscal year "all debt and interest charges matured and maturing during the next fiscal year and not otherwise provided for [and] all amounts necessary to satisfy final judgments". Specific provision is also made for including in the next tax levy payments of rebate amounts not otherwise provided for and payment of notes in anticipation of federal or state aid, if the aid is no longer forthcoming.

The total amount of a tax levy is limited by statute. However, the voters in each municipality may vote to exclude from the limitation any amounts required to pay debt service on indebtedness incurred before November 4, 1980. Local voters may also vote to exempt specific subsequent bond issues from the limitation. (See "Tax Limitations" Under "PROPERTY TAX" below.) In addition, obligations incurred before November 4, 1980 may be constitutionally entitled to payment from taxes in excess of the statutory limit.

Except for taxes on the increased value of certain property in designated development districts which may be pledged for the payment of debt service on bonds issued to finance economic development projects within such districts, no provision is made for a lien on any portion of the tax levy to secure particular bonds or notes or bonds and notes generally (or judgments on bonds or notes) in priority to other claims. Provision is made, however, for borrowing to pay judgments, subject to the General Debt Limit. (See "DEBT LIMITS" below.) Subject to the approval of the State Director of Accounts for judgments above \$10,000, judgments may also be paid from available funds without appropriation and included in the next tax levy unless other provision is made.

Court Proceedings. Massachusetts cities and towns are subject to suit on their general obligation bonds and notes and courts of competent jurisdiction have power in appropriate proceedings to order payment of a judgment on the bonds or notes from lawfully available funds or, if necessary, to order the city or town to take lawful action to obtain the required money, including the raising of it in the next annual tax levy, within the limits prescribed by law. (See "Tax Limitations" under "PROPERTY TAX" below.) In exercising their discretion as to whether to enter such an order, the courts could take into account all relevant factors including the current operating needs of the city or town and the availability and adequacy of other remedies. The Massachusetts Supreme Judicial Court has stated in the past that a judgment against a municipality can be enforced by the taking and sale of the property of any inhabitant. However, there has been no judicial determination as to whether this remedy is constitutional under current due process and equal protection standards.

Restricted Funds. Massachusetts statutes also provide that certain water, gas and electric, community antenna television system, telecommunications, sewer, parking meter and passenger ferry fee, community preservation and affordable housing receipts may be used only for water, gas and electric, community antenna television system, telecommunications, sewer, parking, mitigation of ferry service impacts, community preservation and affordable housing purposes, respectively; accordingly, moneys derived from these sources may be unavailable to pay general obligation bonds and notes issued for other purposes. A city or town that accepts certain other statutory provisions may establish an enterprise fund for a utility, health care, solid waste, recreational or transportation facility and for police or fire services; under those provisions any surplus in the fund is restricted to use for capital expenditures or reduction of user charges. In addition, subject to certain limits, a city

or town may annually authorize the establishment of one or more revolving funds in connection with use of certain revenues for programs that produce those revenues; interest earned on a revolving fund is treated as general fund revenue. A city or town may also establish an energy revolving loan fund to provide loans to owners of privately-held property in the city or town for certain energy conservation and renewable energy projects, and may borrow to establish such a fund. The loan repayments and interest earned on the investment of amounts in the fund shall be credited to the fund. Also, the annual allowance for depreciation of a gas and electric plant or a community antenna television and telecommunications system is restricted to use for plant or system renewals and improvements, for nuclear decommissioning costs, and costs of contractual commitments, or, with the approval of the State Department of Telecommunications and Energy, to pay debt incurred for plant or system reconstruction or renewals. Revenue bonds and notes issued in anticipation of them may be secured by a prior lien on specific revenues. Receipts from industrial users in connection with industrial revenue financings are also not available for general municipal purposes.

State Distributions. State grants and distributions may in some circumstances be unavailable to pay general obligation bonds and notes of a city or town in that the State Treasurer is empowered to deduct from such grants and distributions the amount of any debt service paid on "qualified bonds" (See "Serial Bonds and Notes" under "TYPES OF OBLIGATIONS" below) and any other sums due and payable by the city or town to the Commonwealth or certain other public entities, including any unpaid assessments for costs of any public transportation authority (such as the Massachusetts Bay Transportation Authority or a regional transit authority) of which it is a member, for costs of the Massachusetts Water Resources Authority if the city or town is within the territory served by the Authority, for any debt service due on obligations issued to the Massachusetts School Building Authority, or for charges necessary to meet obligations under the Commonwealth's Water Pollution Abatement or Drinking Water Revolving Loan Programs, including such charges imposed by another local governmental unit that provides wastewater collection or treatment services or drinking water services to the city or town.

If a city or town is (or is likely to be) unable to pay principal or interest on its bonds or notes when due, it is required to notify the State Commissioner of Revenue. The Commissioner shall in turn, after verifying the inability, certify the inability to the State Treasurer. The State Treasurer shall pay the due or overdue amount to the paying agent for the bonds or notes, in trust, within three days after the certification or one business day prior to the due date (whichever is later). This payment is limited, however, to the estimated amount otherwise distributable by the Commonwealth to the city or town during the remainder of the fiscal year (after the deductions mentioned in the foregoing paragraph). If for any reason any portion of the certified sum has not been paid at the end of the fiscal year, the State Treasurer shall pay it as soon as practicable in the next fiscal year to the extent of the estimated distributions for that fiscal year. The sums so paid shall be charged (with interest and administrative costs) against the distributions to the city or town.

The foregoing does not constitute a pledge of the faith and credit of the Commonwealth. The Commonwealth has not agreed to maintain existing levels of state distributions, and the direction to use estimated distributions to pay debt service may be subject to repeal by future legislation. Moreover, adoption of the annual appropriation act has sometimes been delayed beyond the beginning of the fiscal year and estimated distributions which are subject to appropriation may be unavailable to pay local debt service until they are appropriated.

Bankruptcy. Enforcement of a claim for payment of principal or interest on general obligation bonds or notes would be subject to the applicable provisions of Federal bankruptcy laws and to the provisions of other statutes, if any, hereafter enacted by the Congress or the State legislature extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. Massachusetts municipalities are not generally authorized by the Massachusetts General Laws to file a petition for bankruptcy under Federal Bankruptcy laws. In cases involving significant financial difficulties faced by a single city, town or regional school district, the Commonwealth has enacted special legislation to permit the appointment of a fiscal overseer, finance control board or, in the most extreme cases, a state receiver. In a limited number of these situations, such special legislation has also authorized the filing of federal bankruptcy proceedings, with the prior approval of the Commonwealth. In each case where such authority was granted, it expired at the termination of the Commonwealth's oversight of the financially distressed city, town or regional school district. To date, no such filings have been approved or made.

### **Book-Entry Transfer System**

This section shall only apply to Notes issued in book-entry form through the facilities of The Depository Trust Company.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes. The Notes will be issued in fully-registered form registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One-fully registered Note certificate will be issued for each interest rate, each in the aggregate principal amount bearing such interest rate, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of securities deposited with DTC must be made by or through Direct Participants, which will receive a credit for such securities on DTC's records. The ownership interest of each actual purchaser of each security deposited with DTC ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in securities deposited with DTC are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in securities deposited with DTC, except in the event that use of the book-entry system for such securities is discontinued.

To facilitate subsequent transfers, all securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to securities deposited with DTC unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the securities deposited with DTC will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the issuer of such securities or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the issuer of such securities or the Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the securities held by it at any time by giving reasonable notice to the issuer of such securities or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered to Beneficial Owners.

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, physical certificates will be printed and delivered to Beneficial Owners.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

### **Opinion of Bond Counsel**

The unqualified approving opinion as to the validity of the Notes will be rendered by Locke Lord LLP, Boston, Massachusetts, Bond Counsel. The opinion will be dated the date of original delivery of the Notes and will speak only as of such date.

Except as to matters expressly set forth in their opinion, the scope of engagement of Bond Counsel does not extend to passing upon or assuming responsibility for the accuracy or adequacy of any statement made in this Official Statement, and they make no representation that they have independently verified the same other than matters expressly set forth as their opinion.

### **Financial Advisory Services of First Southwest Company, LLC**

First Southwest Company, LLC, Boston, Massachusetts, serves as financial advisor to the Town of Ayer, Massachusetts.

### **Disclosure of Significant Events**

In order to assist underwriters in complying with the requirements of paragraph (b)(5)(i)(C) of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule") applicable to municipal securities having a stated maturity of 18 months or less, the Town will covenant for the benefit of the owners of the Notes to file with the Municipal Securities Rulemaking Board (the "MSRB"), notices of the occurrence of any of the following events with respect to the Notes within ten business days of such occurrence: (a) principal and interest payment delinquencies; (b) non-payment related defaults, if material; (c) unscheduled draws on debt service reserves reflecting financial difficulties; (d) unscheduled draws on credit enhancements reflecting financial difficulties; (e) substitution of credit or liquidity providers, or their failure to perform; (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (g) modifications to rights of owners of the Notes, if material; (h) bond calls, if material, and tender offers; (i) defeasances; (j) release, substitution or sale of property securing the repayment of the Notes, if material; (k) ratings changes on the Notes; (l) bankruptcy, insolvency, receivership or similar event of the Town; (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (n) appointment of a successor or additional trustee or the change of name of a trustee, if material. Other than the Town, there are no obligated persons with respect to the Notes within the meaning of the Rule.

The covenant will be included in a Significant Events Disclosure Certificate to be executed by the signers of the Notes and incorporated by reference in the Notes. The sole remedy available to the owners of the Notes for the failure of the Town to comply with any provision of the certificate shall be an action for specific performance of the Town's obligations under the certificate and not for money damages; no other person shall have any right to enforce any provision of the certificate.

**In the past five years, the Town has not failed to comply in any material respects with any previous undertakings to provide annual reports or notices of significant events in accordance with the Rule.**

## THE TOWN OF AYER, MASSACHUSETTS

### General

The Town of Ayer, which was established as a Town in 1871, is located in eastern Massachusetts in Middlesex County, approximately 36 miles from Boston and 29 miles from Worcester. It is bordered by the Town of Shirley on the west, Groton on the north, Littleton on the east and Harvard on the south. It is approximately 9.0 square miles in area and according to the 2010 federal census has a population of 7,427 persons.

### Local Government

Local legislative decisions are made by an open town meeting consisting of the registered voters of the Town. Subject to the legislative decisions made by the town meeting, the affairs of the Town are generally administered by a board of five selectmen. Local school affairs are administered by a school committee of six persons and local taxes are assessed by a board of three assessors. The selectmen, the school committee members and the assessors are elected for staggered three-year terms on an at-large basis.

### Principal Executive Officers

**Please update the table below to reflect the Town's current principal officials.**

<u>Office</u>	<u>Name</u>	<u>Term and Manner of Selection</u>	<u>Term Expires</u>
Board of Selectmen	Christopher R. Hillman, Chair	Elected - 2-Year Term	2016
	Gary J. Luca	Elected - 1-Year Term	2015
	Jannice L. Livingston	Elected - 3-Year Term	2017
Town Administrator	Robert A. Pontbriand	Appointed by Selectmen	Annual
Town Clerk	Susan Copeland	Elected - 3-Year Term	2017
Treasurer	M. Stephanie Gintner	Elected - 3-Year Term	2016
Collector	Susan Copeland	Elected - 3-Year Term	2017
Town Accountant	Lisa A. Gabree	Appointed by Selectmen	Annual
Town Counsel	Kopelman & Paige	Appointed by Selectmen	Annual

### Municipal Services

The Town provides general governmental services for the territory within its boundaries, including police and fire protection, ambulance service, water, sewer, parks and recreation, a library, and public education for grades kindergarten through twelve.

Electricity is provided by the Constellation Energy to the Town. The Town receives gas from National Grid.

### Transportation

The Town, although outside the district covered by the Massachusetts Bay Transportation Authority, is served by a direct MBTA commuter rail line to Boston. The State makes special appropriations to reimburse the MBTA for costs incurred in serving areas outside its designated district, and the Town is not assessed for this service. The Montachusett Regional Transit Authority provides transportation to 22 cities and towns including Ayer. Principal highways serving the Town are Route 495, Route 2 and Route 110.

### Education

The Town provides education from pre-kindergarten through grade twelve. As of July 1, 2011, the Town regionalized its public school system with the Town of Shirley by creating the Ayer-Shirley Regional School District. The Town's public school facilities include one elementary school (Page/Hilltop) and a High/Middle School. The Page/Hilltop building and the High/Middle building can house 1,200 students each.

## School Enrollments

The following table sets forth a five-year trend in public school enrollments through 2014-15:

	Actual Enrollments as of October 1				
	2010-11	2011-12	2012-13	2013-14	2014-15
Kindergarten - 4	452	366	403	724	721
Grades 5 - 8	307	310	281	552	540
Grades 9 - 12	334	186	183	325	341
Total	1,093	862	867	1,601	1,602

Source: Superintendent of Schools.

## Age, Income and Wealth Levels

The following tables compare the age, income and wealth level averages among the Town of Ayer, the Commonwealth and the United States as a whole:

	<u>Ayer</u>	<u>Massachusetts</u>	<u>U.S.</u>
Median Age			
2010	38.2	39.1	37.2
2000	34.8	36.5	35.3
1990	29.5	33.6	32.9
Median Family Income			
2010	\$78,809	\$81,165	\$51,144
2000	61,968	61,644	50,046
1990	32,939	44,367	35,225
Per Capita Income			
2010	\$29,845	\$33,966	\$27,334
2000	26,400	25,952	21,587
1990	14,586	17,224	14,420

Source: U.S. Department of Commerce, Bureau of the Census. (Includes military personnel formerly stationed at Fort Devens which closed in 1993.)

## Population Trends

<u>2010</u>	<u>2000</u>	<u>1990</u>	<u>1980</u>
7,427	7,287	6,871	6,993

Source: U.S. Department of Commerce, Bureau of the Census (includes military personnel formerly stationed at Fort Devens, which closed in 1993).

On the basis of the 2010 federal census, the Town has a population density of approximately 808 persons per square mile.

## Ayer and Devens Development

### **Please review this section and provide updates, if any.**

In the late 1800s the Town of Ayer developed around the convergence of several east-west and north-south railroad linkages in its downtown commercial district. By the early 1900s the United States government carved a 4,400 acre military base from the towns of Ayer, Harvard, Shirley and Lancaster, beginning an 80 year economic link between the Town of Ayer and the military and civilian personnel at Fort Devens.

In the 1980's the Base Realignment and Closure Committee recommended that Fort Devens be closed. In 1994 the state legislature and host communities approved designation of the Massachusetts Government Land Bank (now Mass Development) as lead agency to implement redevelopment of the "Devens Enterprise Zone" in accordance with the Devens Reuse Plan of 1994.

This plan identified four primary goals:

- Achieve sustainable development that balances economic, social and environmental needs, while maintaining and enhancing the natural resource base.
- Provide a diversity of uses to avoid dependence on one type of use, and to provide employment opportunities for a range of skills and experience levels.
- Achieve success. Demonstrate the interdependence of economic development and environmental protection and the symbiosis of public and private uses.
- Balance local, regional and state interests.

### **Most Recent Developments**

- Ayer's Office of Community Development is applying for a 2015 CDBG grant of \$900,000 from DHCD which if awarded will be used to upgrade and renovate at least eighteen units of eligible housing throughout Town and subsidize a full infrastructure upgrade; water sewer, sidewalks, landscaping and street paving of a major length of Pleasant Street, located in the Town's oldest downtown area.
- Due to the sale of homes where prior CDBG work was done, recaptured money of nearly \$80,000 is being used to upgrade two additional homes out of the usually established target area.
- Having achieved State designated "Green Community" status in 2011 and receiving a \$151,000 grant, the Town's Energy Committee is in the final stages of using the initial grant to complete a number of energy saving projects. The final project will fund upgrading to LED all of the outside lighting of the Ayer Police Department Headquarters.
- Continuing Downtown revitalization projects include: Rail Trail Commuter Rail Parking facility, aggressive Marketing of the Downtown Business District for present and future business growth through season wide Downtown events: which this year included the Open Ayer Octoberfest, Halloween and Christmas activities
- New business growth on the main streets of Ayer included: Markos Restaurant, Allure Nail and Hair, Harding Bush Art Shop, Owen's Jacob Hair Salon and Spa, Iron House Tatoo and Piercing, From the Heart Card and Gift Shop, Du's Tailoring and Dry Cleaning, a new Subway Sandwich and Taco Bell Restaurant, Brighter Horizon Environmental, Ayer Convenience Store( formerly a Cumberland Farms), Heads Up Hair and Nail Salon, Union Coffee Roasters ( a downtown coffee emporium)
- The Town was awarded a second grant of \$300,000 from the Department of Mental Health to fund work with the Drug Court at Ayer District Court and its Advocate's affiliate.

Ayer's economy continues to be strong. The labor force continues to grow with unemployment less than the statewide average at 5.2% down from 6.3% last year and local companies have continued to invest in their fixed assets and operations.

Some examples of new growth in the process or completed during fiscal 2014 include:

- \$500,000 for purchase and construction of a new restaurant to be located at 9 Main Street in the former O'Hanlon's location. New restaurant to be called New England Flat Bread Pizza and Ale House. Slated opening for May 2015
- Additional renovation of Merrimac Warehouse for PAK Technologies expanding their manufacturing with possible new extended rail siding for additional manufacturing need
- \$700,000 equipment and manufacturing process expansion for Optometrics
- Finalizing plans for new Family Dollar Department Store to be located on former Fitchburg Rd. car wash site
- An aggressive new CEO, Mr. Salvatore Perla, was appointed to head the Nashoba Valley Medical Center and he has initiated many new programs and begun the process on a number of areas of expansion at this medical facility
- Catania Spagna is in the process of increasing their manufacturing capability with the additional of a new two track rail spur and a full building to cover the tank car loading process--- Multi-million dollar investment

### Labor Force, Employment and Unemployment Rate

According to the Massachusetts Department of Employment and Training, as of March 2015, the Town had a total labor force of 4,096 of whom 3,877 were employed and 219, or 5.3%, were unemployed as compared with 4.8% for the Commonwealth. The following table sets forth the Town's average labor force and unemployment rates for calendar years 2010 through 2014 and the unemployment rates for the Commonwealth and the United States for the same period:

Year	Town of Ayer		Massachusetts	United States
	Labor Force	Rate		
2014	4,006	6.2 %	5.8 %	6.2 %
2013	4,354	6.5	7.1	7.4
2012	4,303	6.4	6.7	8.1
2011	4,258	7.3	6.8	8.9
2010	4,485	8.3	8.3	9.4

Source: Massachusetts Department of Employment and Training.

### Major Employer

Name	Nature of Business	Number of Employees
Nashoba Valley Medical Center	Hospital	474
L-3 Communications	Electronics	206
Vitasoy	Packaging	183
Shanklin Corp.	Packaging Machinery	153
CPF Inc.	Bottler	150
Apple Valley Center	Nursing Home	130
Cain's Food Inc.	Food Products	110
Seal Air Corp.	Converted Paper products	105
Town of Ayer	Municipal Government	90
Cantania-Spagna	Food Products	80
Gervais Inc.	New Car Dealer	42
Moore's Lumber & Building Sp.	Millwork, Building Materials	33
Horizon Milling	Food Products	30

Source: Economic Developer.

### Building Permits

**Please provide the number of building permits issued, including estimated valuations, through April 1, 2015 or of a more recent date.**

Calendar Year	Total	
	No	Value
2015		
2014	259	11,885,276
2013	241	17,359,554
2012	278	21,310,732
2011	220	15,433,758
2010	191	9,097,296

Source: Town of Ayer Building Commissioner.



## PROPERTY TAXATION

Property is classified for the purpose of taxation according to its use. The legislature has in substance created three classes of taxable property: (1) residential real property, (2) open space land, and (3) all other (commercial, industrial and personal property). Within limits, cities and towns are given the option of determining the share of the annual levy to be borne by each of the three categories. The share required to be borne by residential real property is at least 50 per cent of its share of the total taxable valuation; the effective rate for open space must be at least 75 per cent of the effective rate for residential real property; and the share of commercial, industrial and personal property must not exceed 175 percent of their share of the total valuation. A city or town may also exempt up to 20 percent of the valuation of residential real property (where used as the taxpayer's principal residence) and up to 10 percent of the valuation of commercial real property (where occupied by certain small businesses). Property may not be classified in a city or town until the State Commissioner of Revenue certifies that all property in the city or town has been assessed at its fair cash value. Such certification must take place every three years, or pursuant to a revised schedule as may be issued by the Commissioner.

Related statutes provide that certain forest land, agricultural or horticultural land (assessed at the value it has for these purposes) and recreational land (assessed on the basis of its use at a maximum of 25 percent of its fair cash value) are all to be taxed at the rate applicable to commercial property. Land classified as forest land is valued for this purpose at five percent of fair cash value but not less than ten dollars per acre.

In order to determine appropriate relative values for the purposes of certain distributions to and assessments upon cities and towns, the Commissioner of Revenue biennially makes his own redetermination of the fair cash value of the taxable property in each municipality. This is known as the "equalized value". See "INDEBTEDNESS – Debt Limits" below.

### Tax Levy Computation

The following table illustrates the manner in which the tax levy was determined for the following fiscal years:

	<u>Fiscal 2015</u>	<u>Fiscal 2014</u>	<u>Fiscal 2013</u>	<u>Fiscal 2012</u>	<u>Fiscal 2011</u>
<b>Gross Amount to be Raised:</b>					
Appropriations	\$ 29,837,233	\$ 26,799,013	\$ 25,294,234	\$ 26,115,818	\$ 29,932,886
Other Local Expenditures	1,531,550	1,294,402	1,414,951	223,154	1,000,290
State and County Charges	89,414	84,329	85,786	80,288	790,280
Allowance for Abatements	314,185	316,479	293,879	293,475	298,492
Total Amount to be Raised	<u>\$ 31,772,382</u>	<u>\$ 28,494,222</u>	<u>\$ 27,088,850</u>	<u>\$ 26,712,735</u>	<u>\$ 32,021,948</u>
<b>Offsets:</b>					
Estimated Receipts from State	\$ 857,934	\$ 845,400	\$ 1,166,388 (2)	\$ 1,009,320 (2)	\$ 5,783,879
Estimated Receipts Local	8,499,081	7,628,635	7,492,274	7,490,804	8,311,824
Available Funds Appropriated:					
Free Cash	1,695,426	790,870	-	439,161	1,151,975
Other Available Funds	147,178	271,149	219,779	156,214	34,573
Other Revenue Used to Reduce the Tax Rate	-	-	-	-	-
Total Offsets	<u>\$ 11,199,619</u>	<u>\$ 9,536,054</u>	<u>\$ 8,878,441</u>	<u>\$ 9,095,499</u>	<u>\$ 15,282,251</u>
Tax Levy	<u>\$ 20,572,762</u>	<u>\$ 18,958,168</u>	<u>\$ 18,210,409</u>	<u>\$ 17,617,236</u>	<u>\$ 16,739,697</u>
Property Valuation	\$ 1,015,810,400	\$ 982,811,670	\$ 969,263,490	\$ 971,629,320	\$ 967,365,590
Tax Rate per \$1,000 (Residential)	\$ 14.62	\$ 14.08	\$ 13.63	\$ 13.10	\$ 12.09
Tax Rate per \$1,000 (C/I/P)(1)	\$ 29.97	\$ 28.55	\$ 27.99	\$ 27.20	\$ 26.82

Source: Board of Assessors.

(1) Commercial/Industrial/Personal

(2) Reduction reflects redirected school aid due to the creation of the Ayer Shirley Regional School District.

## Valuations and Tax Levies

Valuation of real and personal property in the Town of Ayer is established by the Board of Assessors. Based on the total assessed valuation for fiscal 2015, the Town is at approximately 100.4 percent of the equalized valuation as shown below:

Fiscal Year	Assessed Valuations (1)			Equalized Valuation (2)	Assessed Valuation as a Percent of Equalized
	Real Property	Personal Property	Total		
2015	\$891,188,400	\$124,622,000	\$1,015,810,400	\$1,012,014,600	100.4%
2014	876,039,700	106,771,970	982,811,670	1,030,968,100	95.3
2013	862,782,800	106,480,690	969,263,490	1,030,968,100	94.0
2012	863,256,300	108,373,020	971,629,320	1,033,831,100	94.0
2011	863,784,700	103,580,890	967,365,590	1,033,831,100	93.6

(1) Source: Massachusetts Department of Revenue

(2) Source: Massachusetts Department of Revenue - Equalized valuations are established as of January 1 of even-numbered years for the next two calendar years.

## Classification of Property

Following is a breakdown of the Town's assessed valuations for the following fiscal years:

Type of Property	Fiscal 2015 Assessed Valuation	% of Total Assessed Valuation	Fiscal 2014 Assessed Valuation	% of Total Assessed Valuation	Fiscal 2013 Assessed Valuation	% of Total Assessed Valuation
Residential	\$ 643,066,800	63.3 %	\$ 628,963,700	64.0 %	\$ 621,119,500	64.1 %
Commercial	105,074,600	10.3	100,935,500	10.3	98,149,200	10.1
Industrial	143,047,000	14.1	146,140,500	14.9	143,514,100	14.8
Personal	124,622,000	12.3	106,771,970	10.9	106,480,690	11.0
Total:	<u>\$ 1,015,810,400</u>	<u>100.0 %</u>	<u>\$ 982,811,670</u>	<u>100.0 %</u>	<u>\$ 969,263,490</u>	<u>100.0 %</u>

Source: Massachusetts Department of Revenue.

## Largest Taxpayers

The following is a list of the Town's largest taxpayers based on fiscal 2015 assessed valuations, all of whom are current in their tax payments:

Name	Nature of Business	Fiscal 2015 Assessed Valuation	Fiscal 2015 Property Taxes	% of Total Assessed Valuation
NE Hydro Electric Co. Inc.	Public Utility	\$ 78,471,600	\$ 2,351,794	0.23 %
New England Power Co.	Public Utility	36,603,340	1,096,598	0.11
Cargill Incorporated	Flour Milling	17,269,310	517,561	0.05
Nashoba Valley Medical Center	Hospital	15,210,590	455,861	0.04
Pan Am Southern	Transportation	12,601,200	377,658	0.04
C.P.F. Inc.	Bottling Facility	12,008,350	359,890	0.04
Epic Entgerprises Inc.	Bottling Facility	11,368,400	340,711	0.03
EIP Nemco Way Owner LLC	Communications	10,310,300	309,000	0.03
Bottling Group LLC	Bottling Equipment	6,395,180	191,664	0.02
John E Cain Co.	Manufacturer	6,394,980	191,658	0.02
Total		<u>\$ 206,633,250</u>	<u>\$ 6,192,395</u>	<u>0.61 %</u>

Source: Board of Assessors.

## Abatements and Overlay

The Town is authorized to increase each tax levy by an amount approved by the State Commissioner of Revenue as an "overlay" to provide for tax abatements. If abatements are granted in excess of the applicable overlay, the excess is required to be added to the next tax levy.

Abatements are granted where exempt real or personal property has been assessed or where taxable real or personal property has been overvalued or disproportionately valued. The assessors may also abate uncollectible personal property taxes. They may abate real and personal property taxes on broad grounds (including inability to pay) with the approval of the State Commissioner of Revenue. But uncollected real property taxes are ordinarily not written off until they become municipal "tax titles" by purchase at the public sale or by taking, at which time the tax is written off in full by reserving the amount of the tax and charging surplus.

The following table sets forth the amount of overlay reserve for the last five years and abatements and exemptions granted during each fiscal year:

Fiscal Year	Net Tax Levy	Overlay Allowance		Exemptions/ Abatements Granted through Fiscal Year	Excess (Deficit)
		Dollar Amount	Percent of Net Levy		
2014	\$18,641,689	\$316,479	1.7%	\$133,538	\$182,941
2013	17,916,530	293,879	1.6	71,038	222,841
2012	17,323,761	293,475	1.7	111,416	182,059
2011	16,441,205	298,492	1.8	93,043	205,449
2010	15,765,086	262,922	1.7	82,208	180,714

Source: Town Accountant.

## Sale of Tax Receivables

Cities and towns are authorized to sell delinquent property tax receivables by public sale or auction, either individually or in bulk. The Town does not expect to utilize this option at the present time.

## Tax Collections

The taxes for each fiscal year are due in quarterly tax payments. Preliminary tax payments are due August 1 and November 1 with payment of the actual tax bill (after credit is given for the preliminary payments) in installments on February 1 and May 1 if actual tax bills are mailed by December 31. Interest accrues on delinquent taxes at the rate of 14 percent per annum. The Town of Ayer bills for taxes on a quarterly basis.

The following table sets forth the Town's tax collections for the last five fiscal years:

Fiscal Year	Total Tax Levy	Net Tax Levy (1)	% of Net Collected as of FY-End (2)
2014	\$ 18,958,168	\$ 18,641,689	98.1 %
2013	18,210,409	17,916,530	98.6
2012	17,617,236	17,323,761	98.1
2011	16,739,697	16,441,205	94.9
2010	16,028,008	15,765,086	97.3

Source: Town Accountant.

(1) Total tax levy less overlay.

**Please confirm the accuracy of this statement.**

(2) Collections for the current fiscal year are comparable to previous fiscal years.

## Tax Titles and Possessions

Real property (land and buildings) is subject to a lien for the taxes assessed upon it, subject to any paramount federal lien and subject to bankruptcy and insolvency laws. (In addition, real property is subject to a lien for certain unpaid municipal charges or fees.) If the property has been transferred, an unenforced lien expires on the fourth December 31 after the end of the fiscal year to which the tax relates. If the property has not been transferred by the fourth December 31, an unenforced lien expires upon a later transfer of the property. Provision is made, however, for continuation of the lien where it could not be enforced because of a legal impediment.

The persons against whom real or personal property taxes are assessed are personally liable for the tax (subject to bankruptcy and insolvency laws). In the case of real property, this personal liability is effectively extinguished by sale or taking of the property.

Massachusetts law permits a municipality either to sell by public sale (at which the municipality may become the purchaser) or to take real property for nonpayment of taxes. In either case the property owner can redeem the property by paying the unpaid taxes, with interest and other charges, but if the right of redemption is not exercised within six months (which may be extended an additional year in the case of certain installment payments), it can be foreclosed by petition to the Land Court. Upon foreclosure, a tax title purchased or taken by the municipality becomes a "tax possession" and may be held and disposed of in the same manner as other land held for municipal purposes.

## Taxes Outstanding

The following table presents aggregate taxes outstanding, including tax liens, as of fiscal year end for the last five fiscal years:

<u>As of June 30</u>	<u>Real Estate &amp; Personal Property (1)</u>	<u>Tax Liens and Foreclosures</u>
2014	\$ 347,634	\$ 530,777
2013	581,119	576,201
2012	442,691	783,068
2011	1,048,446	446,264
2010	545,691	415,082

Source: Town Accountant.

(1) For five prior fiscal years. Excludes abated taxes; includes taxes in litigation if any.

## Taxation to Meet Deficits

Overlay deficits, i.e., tax abatements in excess of the overlay included in the tax levy to cover abatements, are required to be added to the next tax levy. It is generally understood that revenue deficits, i.e., those resulting from non-property tax revenues being less than anticipated, are also required to be added to the tax levy (at least to the extent not covered by surplus revenue).

Amounts lawfully expended since the prior tax levy and not included therein are also required to be included in the annual tax levy. The circumstances under which this can arise are limited since municipal departments are generally prohibited from incurring liabilities in excess of appropriations except for major disasters, mandated items, contracts in aid of housing and renewal projects and other long-term contracts. In addition, utilities must be paid at established rates, and certain established salaries, e.g. civil service, must legally be paid for work actually performed, whether or not covered by appropriations.

Cities and towns are authorized to appropriate sums, and thus to levy taxes, to cover deficits arising from other causes, such as "free cash" deficits arising from a failure to collect taxes. This is not generally understood, however, and it has not been the practice to levy taxes to cover free cash deficits. Except to the extent that such deficits have been reduced or eliminated by subsequent collections of uncollected taxes (including sales of tax titles and tax possessions), lapsed appropriations, non-property tax revenues in excess of estimates, other miscellaneous items or funding loans authorized by special act, they remain in existence.

## Tax Limitations

Chapter 59, Section 21C of the General Laws, also known as Proposition 2½, imposes two separate limits on the annual tax levy of a city or town.

The primary limitation is that the tax levy cannot exceed 2½ percent of the full and fair cash value. If a city or town exceeds the primary limitation, it must reduce its tax levy by at least 15 percent annually until it is in compliance, provided that the reduction can be reduced in any year to not less than 7½ percent by majority vote of the voters, or to less than 7½ percent by two-thirds vote of the voters.

For cities and towns at or below the primary limit, a secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding fiscal year as determined by the State Commissioner of Revenue by more than 2½ percent, subject to exceptions for property added to the tax rolls or property which has had an increase, other than as part of a general revaluation, in its assessed valuation over the prior year's valuation.

This "growth" limit on the tax levy may be exceeded in any year by a majority vote of the voters, but an increase in the secondary or growth limit under this procedure does not permit a tax levy in excess of the primary limitation, since the two limitations apply independently. In addition, if the voters vote to approve taxes in excess of the "growth" limit for the purpose of funding a stabilization fund, such increased amount may only be taken into account for purposes of calculating the maximum levy limit in each subsequent year if the board of selectmen of a town or the city council of a city votes by a two-thirds vote to appropriate such increased amount in such subsequent year to the stabilization fund.

The applicable tax limits may also be reduced in any year by a majority vote of the voters.

The Commonwealth's Commissioner of Revenue may adjust any tax limit "to counterbalance the effects of extraordinary, non-recurring events which occurred during the base year".

The statute further provides that the voters may exclude from the taxes subject to the tax limits and from the calculation of the maximum tax levy (a) the amount required to pay debt service on bonds and notes issued before November 4, 1980, if the exclusion is approved by a majority vote of the voters, and (b) the amount required to pay debt service on any specific subsequent issue for which similar approval is obtained. Even with voter approval, the holders of the obligations for which unlimited taxes may be assessed do not have a statutory priority or security interest in the portion of the tax levy attributable to such obligations. It should be noted that Massachusetts General Laws Chapter 44, Section 20 requires that the taxes excluded from the levy limit to pay debt service on any such bonds and notes be calculated based on the true interest cost of the issue. Accordingly, the Department of Revenue limits the amount of taxes which may be levied in each year to pay debt service on any such bonds and notes to the amount of such debt service, less a pro rata portion of any original issue premium received by the city or town that was not applied to pay costs of issuance.

Voters may also exclude from the Proposition 2½ limits the amount required to pay specified capital outlay expenditures or for the city or town's apportioned share for certain capital outlay expenditures by a regional governmental unit. In addition, the city council of a city, with the approval of the mayor if required, or the board of selectmen or the town council of a town may vote to exclude from the Proposition 2½ limits taxes raised in lieu of sewer or water charges to pay debt service on bonds or notes issued by the municipality (or by an independent authority, commission or district) for water or sewer purposes, provided that the municipality's sewer or water charges are reduced accordingly.

In addition, Proposition 2½ limits the annual increase in the total assessments on cities and towns by any county, district, authority, the Commonwealth or any other governmental entity (except regional school districts, the MWRA and certain districts for which special legislation provides otherwise) to the sum of (a) 2½ percent of the prior year's assessments and (b) "any increases in costs, charges or fees for services customarily provided locally or for services subscribed to at local option". Regional water districts, regional sewerage districts and regional veterans districts may exceed these limitations under statutory procedures requiring a two-thirds vote of the district's governing body and either approval of the local appropriating authorities (by two-thirds vote in districts with more than two members or by majority vote in two-member districts) or approval of the registered voters in a local election (in the case of two-member districts). Under Proposition 2½ any State law to take effect on or after January 1, 1981 imposing a direct service or cost obligation on a city or town will become effective only if accepted or voluntarily funded by the city or town or if State funding is provided. Similarly, State rules or regulations imposing additional costs on a city or town or laws granting or increasing local tax exemptions are to take effect only if adequate State appropriations are provided. These statutory provisions do not apply to costs resulting from judicial decisions.

## Unused Levy Capacity (1)

The following table sets forth the Town's tax levy limits and unused levy capacity:

	Calendar Year Average				
	2015	2014	2013	2012	2011
Primary Levy Limit (2)	\$ 25,395,260	\$ 24,570,292	\$ 24,231,587	\$ 24,290,733	\$ 24,184,140
Prior Fiscal Year Levy Limit	17,940,301	17,077,983	16,225,124	15,467,685	14,667,604
2.5% Levy Growth	448,508	426,950	405,628	386,692	366,690
New Growth (3)	962,975	435,368	447,231	370,747	433,391
Overrides	-	-	-	-	-
Growth Levy Limit	19,351,784	17,940,301	17,077,983	16,225,124	15,467,685
Debt Exclusions	2,115,340	1,406,186	1,263,322	1,201,208	1,361,041
Capital Expenditure Exclusions	-	-	-	193,039	-
Other Adjustments	-	-	-	-	-
Tax Levy Limit	21,467,124	19,346,487	18,341,305	17,619,371	16,828,726
Tax Levy	20,572,762	18,958,168	18,210,409	17,617,236	16,739,697
Unused Levy Capacity (4)	894,362	388,319	130,896	2,135	89,029
Unused Primary Levy Capacity (5)	\$ 6,043,476	\$ 6,629,991	\$ 7,153,604	\$ 8,065,609	\$ 8,716,455

(1) Source: Massachusetts Department of Revenue.

(2) 2.5% of assessed valuation.

(3) Allowed increase for new valuations (or required reduction) - certified by the Department of Revenue.

(4) Tax Levy Limit less Tax Levy.

## Impact of Proposition 2 1/2

As illustrated by the table above, the Town's primary response to the fiscal constraints imposed by Proposition 2 1/2 has been to vote to exempt a significant portion of its long-term debt from Proposition 2 1/2; i.e. of the \$13,184,697 principal amount of long-term debt outstanding as of June 30, 2014, \$5,354,315 (or approximately 41%) is exempt from Proposition 2 1/2.

## Pledged Taxes

Taxes on the increased value of certain property in designated development districts may be pledged for the payment of costs of economic development projects within such districts and may therefore be unavailable for other municipal purposes. (See "Tax Increment Financing for Development Districts" below.)

## Initiative Petitions

Various proposals have been made in recent years for legislative amendments to the Massachusetts Constitution to impose limits on state and local taxes. To be adopted, such amendments must be approved by two successive legislatures and then by the voters at a state election.

## Community Preservation Act

The Massachusetts Community Preservation Act (the "CPA") permits cities and towns that accept its provisions to levy a surcharge on its real property tax levy, dedicate revenue (other than state or federal funds), and to receive state matching funds for (i) the acquisition, creation, preservation, rehabilitation and restoration of land for recreational use, open space, and affordable housing and (ii) the acquisition, preservation, rehabilitation and restoration of historic resources. The provisions of the CPA must be accepted by the voters of the city or town at an election after such provisions have first been accepted by either a vote of the legislative body of the city or town or an initiative petition signed by 5% of its registered voters.

A city or town may approve a surcharge of up to 3% (but not less than 1% under certain circumstances) and may make an additional commitment of funds by dedicating revenue other than state or federal funds, provided that the total funds collected do not exceed 3% of the real property tax levy, less any exemptions adopted (such as an exemption for low-

income individuals and families and for low and moderate-income senior citizens, an exemption for \$100,000 of the value of each taxable parcel of residential real property or \$100,000 of the value of each taxable parcel of class three, commercial property, and class four, industrial property as defined in Chapter 59, Section 2A of the General Laws, and an exemption for commercial and industrial properties in cities and towns with classified tax rates). In the event that the municipality shall no longer dedicate all or part of the additional funds to community preservation, the surcharge on the real property tax levy of not less than 1% shall remain in effect, provided that any such change must be approved pursuant to the same process as acceptance of the CPA. The surcharge is not counted in the total taxes assessed for the purpose of determining the permitted levy amount under Proposition 2½ (see "Tax Limitations" under "PROPERTY TAXATION" above). A city or town may revoke its acceptance of the provisions of the CPA at any time after 5 years from the date of such acceptance and may change the amount of the surcharge or the exemptions to the surcharge at any time, including reducing the surcharge to 1% and committing additional municipal funds as outlined above, provided that any such revocation or change must be approved pursuant to the same process as acceptance of the CPA.

Any city or town that accepts the provisions of the CPA will receive annual state matching grants to supplement amounts raised by its surcharge and dedication of revenue. The state matching funds are raised from certain recording and filing fees of the registers of deeds. Those amounts are deposited into a state trust fund and are distributed to cities and towns that have accepted the provisions of the CPA, which distributions are not subject to annual appropriation by the state legislature. The amount distributed to each city and town is based on a statutory formula and the total state distribution made to any city or town may not exceed 100% of the amount raised locally by the surcharge on the real property tax levy.

The amounts raised by the surcharge on taxes, the dedication of revenue and received in state matching funds are required to be deposited in a dedicated community preservation fund. Each city or town that accepts the provisions of the CPA is required to establish a community preservation committee to study the community preservation needs of the community and to make recommendations to the legislative body of the city or town regarding the community preservation projects that should be funded from the community preservation fund. Upon the recommendations of the committee, the legislative body of the city or town may appropriate amounts from the fund for permitted community preservation purposes or may reserve amounts for spending in future fiscal years, provided that at least 10% of the total annual revenues to the fund must be spent or set aside for open space purposes, 10% for historic resource purposes and 10% for affordable housing purposes.

The CPA authorizes cities and towns that accept its provisions to issue bonds and notes in anticipation of the receipt of surcharge and dedicated revenues to finance community preservation projects approved under the provisions of the CPA. Bonds and notes issued under the CPA are general obligations of the city or town and are payable from amounts on deposit in the community preservation fund. In the event that a city or town revokes its acceptance of the provisions of the CPA, the surcharge shall remain in effect until all contractual obligations incurred by the city or town prior to such revocation, including the payment of bonds or notes issued under the CPA, have been fully discharged.

The Town accepted the Act and set the rate at 3% in 2002. In 2003, the Town voted to reduce the rate to 1%. The Town will utilize revenues to pay for a variety of municipal projects eligible for financing under the CPA. The balance in the fund as of June 30, 2014 was \$1,523,787.

### Community Preservation Fund Revenues

	Property Tax	State Contribution	Total
2014	\$ 150,506	\$ 77,514	\$ 228,020
2013	143,275	38,142	181,417
2012	137,067	35,915	172,982
2011	125,966	35,100	161,066
2010	123,870	44,151	168,021
2009	121,491	81,911	203,402

## TOWN FINANCES

### The Budget and Appropriation Process

The annual appropriations of the Town are ordinarily made at the annual meeting which usually takes place in May. Appropriations may also be voted at special meetings. Every town must have an appropriation, advisory, or finance committee. The committee (or the Board of Selectmen if authorized by by-law) is required to submit a budget of proposed expenditures at the annual town meeting.

Water and sewer department expenditures are generally included in the budgets adopted by city councils and town meetings, but electric and gas department funds may be appropriated by the municipal light board. Under certain legislation, any city or town which accepts the legislation may provide that the appropriation for the operating costs of any department may be offset, in whole or in part, by estimated receipts from fees charged for services provided by the department. It is assumed that this general provision does not alter the pre-existing power of an electric or gas department to appropriate its own receipts.

The school budget is limited to the amount appropriated by the town meeting, but the school committee retains full power to allocate the funds appropriated.

In a town, town meeting may at any time vote to transfer any amount previously appropriated to any other authorized use by law, and, under certain circumstances and subject to certain limits and requirements, the selectmen of a town, with the concurrence of the finance committee, may transfer amounts appropriated for the use of any department to any other appropriation for the same department or to any other department.

State and county assessments, abatements in excess of overlays, principal and interest not otherwise provided for, and final judgments are included in the tax levy whether or not included in the budget. Revenues are not required to be set forth in the budget but estimated non-tax revenues are taken into account by the assessors in fixing the tax levy. (See "PROPERTY TAXATION," above.)

### Operating Budget Trends

The following table sets forth the trend in the Town's operating budgets:

**In the same format as the table below, please provide the fiscal 2016 operating budget summary.**

	Fiscal 2015	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011
General Government	\$ 2,115,687	\$ 1,701,620	\$ 1,562,476	\$ 1,586,233	\$ 1,470,861
Public Safety	4,110,510	3,355,129	3,174,420	3,246,381	3,082,192
Education	10,963,829 *	9,715,704	9,637,618	9,089,116	10,479,527
Public Services	1,204,573	1,033,430	966,372	1,021,113	965,113
Human Services	353,901	352,807	310,095	268,172	236,172
Culture and Recreation	622,349	588,884	590,585	571,865	565,024
Employee Benefits	2,978,364	2,970,708	2,972,856	3,137,714	4,844,708
State & County Assessments (1)	89,414	84,329	85,786	80,288	80,075
Debt Service (2)	1,182,253 *	1,284,691	1,273,313	1,347,894	1,493,804
Total	<u>\$ 23,620,880 (3)</u>	<u>\$ 21,087,302</u>	<u>\$ 20,573,521</u>	<u>\$ 20,348,776</u>	<u>\$ 23,217,476</u>

Source: Town Accountant.

- (1) In addition, the State charged the Town an assessment for school and charter school choice as follows: FY2014 \$0; FY2013 \$0\*. FY2012 \$0\*; and FY2011 \$460,540.
- (2) Debt service includes debt exclusion overrides: FY2014 \$2,115,340 (includes \$1,015,018 on the Ayer Shirley Regional School District high school and middle school renovation project); FY2013 \$1,060,581, FY2012 \$1,091,383, and FY2011 \$1,123,390.
- (3) Includes \$807,000 capital assets to be purchased.

\*\$1,015,018 is included as education as it is debt service assessed by the Ayer Shirley Regional School District.



## Education Reform

State legislation known as the Education Reform Act of 1993, as amended, imposes certain minimum expenditure requirements on municipalities with respect to funding for education. The requirements are determined on the basis of formulas affected by various measures of wealth and income, enrollments, prior levels of local spending and state aid, and other factors. Since its inception, the Town has funded its school operations at the level mandated by the Act.

## Revenues

**Property Taxes:** Property taxes are the major source of revenue for the Town. The total amount levied is subject to certain limits prescribed by law; for a description of those limits see "PROPERTY TAXATION - Tax Limitations," above.

**State Distributions:** In addition to grants for specified capital purposes (some of which are payable over the life of the bonds issued for the projects), the Commonwealth provides financial assistance to cities and towns for current purposes. Payments to cities and towns are derived primarily from a percentage of the State's personal income, sales and use, and corporate excise tax receipts, together with the net receipts from the State Lottery. A municipality's state aid entitlement is based on a number of different formulas, of which the "schools" and "lottery" formulas are the most important. Both of the major formulas tend to provide more state aid to poorer communities. The formulas for determining a municipality's state aid entitlement are subject to amendment by the state legislature and, while a formula might indicate that a particular amount of state aid is owed, the amount of state aid actually paid is limited to the amount appropriated by the state legislature. The state annually estimates state aid, but the actual state aid payments may vary from the estimate.

In the fall of 1986, both the State Legislature (by statute, repealed as of July 1, 1999) and the voters (by initiative petition) placed limits on the growth of state tax revenues. Although somewhat different in detail, each measure essentially limited the annual growth in state tax revenues to an average rate of growth in wages and salaries in the Commonwealth over the three previous calendar years. If not amended, the remaining law could restrict the amount of state revenues available for state aid to local communities.

The following table sets forth the amount of state aid received by the Town for the last five fiscal years:

<u>Fiscal Year</u>	<u>Receipts</u>	<u>Special Education Circuit Breaker</u>
2014	\$ 1,013,454	\$ -
2013 (1)	1,215,177	-
2012 (2)	1,527,237	-
2011	5,706,832	337,910
2010	6,322,974	200,109

Source: Massachusetts Department of Revenue (net of assessments).

- (1) Fiscal 2013 included \$333,567 state aid Chapter 70 funds related to Vocational Technical High School as of FY14 town is a member.
- (2) The decrease in state aid receipts is due to the creation of the Ayer Shirley Regional School District. School aid that previously was sent to the Town is now directed to the school district.

**State School Building Assistance Program:** Under its school building assistance program, the Commonwealth of Massachusetts provides grants to cities, towns and regional school districts for school construction projects. Until July 26, 2004, the State Board of Education was responsible for approving grants for school projects and otherwise administering the program. Grant amounts ranged from 50% to 90% of approved project costs. Municipalities generally issued bonds to finance the entire project cost, and the Commonwealth disbursed the grants in equal annual installments over the term of the related bonds.

Pursuant to legislation which became effective on July 26, 2004, the state legislature created the Massachusetts School Building Authority (the "Authority") to finance and administer the school building assistance program. The Authority has assumed all powers and obligations of the Board of Education with respect to the program. In addition to certain other amounts, the legislation dedicates a portion of Commonwealth sales tax receipts to the Authority to finance the program.

Projects previously approved for grants by the State Board of Education are entitled to receive grant payments from the Authority based on the approved project cost and reimbursement rate applicable under the prior law. The Authority has paid and is expected to continue to pay the remaining amounts of the grants for such projects either in annual installments to reimburse debt service on bonds issued by the municipalities to finance such projects, or as lump sum payments to contribute to the defeasance of such bonds.

Projects on the priority waiting list as of July 1, 2004 are also entitled to receive grant payments from the Authority based on the eligible project costs and reimbursement rates applicable under the prior law. With limited exceptions, the Authority is required to fund the grants for such projects in the order in which they appear on the waiting list. Grants for any such projects that have been completed or substantially completed have been paid and are expected to continue to be paid by the Authority in lump sum payments, thereby eliminating the need for the Authority to reimburse interest expenses that would otherwise be incurred by the municipalities to permanently finance the Authority's share of such project costs. Interest on debt issued by municipalities prior to July 1, 2004 to finance such project costs, and interest on temporary debt until receipt of the grant, is included in the approved costs of such projects. Grants for any such projects that have not yet commenced or that are underway have been and are expected to continue to be paid by the Authority as project costs are incurred by the municipality pursuant to a project funding agreement between the Authority and the municipality, eliminating the need for the municipality to borrow even on a temporary basis to finance the Authority's share of the project costs in most cases.

The range of reimbursement rates for new project grant applications submitted to the Authority on or after July 1, 2007 has been reduced to between 40% and 80% of approved project costs. The Authority promulgated new regulations with respect to the application and approval process for projects submitted after July 1, 2007. The Authority expects to pay grants for such projects as project costs are incurred pursuant to project funding agreements between the Authority and the municipalities. None of the interest expense incurred on debt issued by municipalities to finance their portion of the costs of new projects will be included in the approved project costs eligible for reimbursement.

**Federal Aid:** In addition to state aid, the Town receives annually certain amounts of federal aid. Following is a five-year history of the Town's federal aid receipts and an estimate for the current fiscal year:

Fiscal Year	Receipts
2014 (1)	\$ 541,799
2013	991,600
2012	1,680,009
2011	1,851,754
2010	1,021,585

Source: Town Accountant.

(1) Decrease attribute to the fact the Town did not apply for a new CDBG (HUD) grant in fiscal 2014 which decreased the total revenue by \$523,000.

**Motor Vehicle Excise Tax:** An excise is imposed on the registration of motor vehicles (subject to exemptions) at the rate of \$25 per \$1,000 of valuation. The excise is collected by and for the benefit of the municipality in which the motor vehicle is customarily kept. Valuations are determined by a statutory formula based on manufacturers' list price and year of manufacture. Bills not paid when due bear interest at 12 percent per annum. Provision is also made, after notice to the owner, for suspension of the owner's operating license or registration by the registrar of motor vehicles.

The following table presents a five-year history and an estimate for the current fiscal year of motor vehicle excise tax receipts of the Town:

Fiscal Year	Receipts(1)
2014	\$ 1,032,734
2013	998,776
2012	968,834
2011	663,493
2010	749,358

Source: Town Accountant.

(1) Net after refunds. Includes receipts from prior years' levies.

**Water and Sewer Rates and Services:** At the 1998 Annual Town Meeting, the Town approved the establishment of enterprise funds for water and sewer, effective July 1, 1999.

Water services are provided to approximately 97 percent of the Town and sewer services to 85 percent. Water rates are based on a fee of \$2.41 per 100 cubic feet of water up to 6,000 cubic feet and \$3.00 per 100 cubic feet for any amount over 6,000 cubic feet and less than 12,000 cubic feet and \$3.53 per 100 cubic feet for any amount over 12,000 cubic feet. Sewer fees are based on a fee of \$6.71 per 100 cubic feet up to 6,000 cubic feet and \$7.68 per 100 cubic feet for any amount over 6,000 cubic feet and less than 12,000 cubic feet and \$8.75 per 100 cubic feet for any amount over 12,000 cubic feet.

In fiscal 2014, water and sewer revenues, including liens, fees, permits, penalties and interest income, totaled \$5,308,471 and expenditures, including salaries, supplies, employee benefits, indirect costs and debt service totaled \$4,076,925. It should be noted that the DPW changed the water and sewer billing software close to fiscal year end 2013. Due to problems, a portion of 2013 water and sewer billings were delayed until July 2013 and are not included in fiscal year 2013 totals.

### **Annual Audits**

The Town of Ayer is audited annually, most recently for fiscal 2014 by Giusti, Hingston and Company, Certified Public Accountants, of Georgetown, Massachusetts.

The attached financials speak only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in that appendix.

### **Financial Statements**

Set forth on the following pages is Governmental Funds Balance Sheets for fiscal year ended June 30, 2014, June 30, 2013, and June 30, 2012, a Statement of Revenues and Expenditures (Governmental Funds) for fiscal year ended June 30, 2014 and a Comparative Statement of Revenues and Expenditures (Governmental Funds) for fiscal years ended June 30, 2013 through June 30, 2010. Said financial statements were extracted from audited financial statements and combined for the purpose of this presentation.

Town of Ayer, Massachusetts  
 Governmental Funds  
 Balance Sheet  
 June 30, 2014 (1)

	<u>General</u>	<u>Economic Development</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Cash/Investments	\$ 5,867,278	\$ 2,844,114	\$ 2,431,799	\$ 11,143,191
<b>Receivables:</b>				
Property Taxes	498,349	-	5,306	503,655
Tax Liens	265,675	-	2,347	268,022
Excises	238,418	-	-	238,418
Due From Others	13,067	45,833	81,387	140,287
Loans	-	879,271	-	879,271
Intergovernmental	2,012	-	366,271	368,283
Departmental	4,701	11,727	-	16,428
Due From Other Fund	270	-	352	622
Tax Foreclosures	200,591	-	-	200,591
<b>Total Assets</b>	<u>\$ 7,090,361</u>	<u>\$ 3,780,945</u>	<u>\$ 2,887,462</u>	<u>\$ 13,758,768</u>
<u><b>Liabilities and Fund Balances</b></u>				
<b>Liabilities:</b>				
Warrants and Accounts Payable	\$ 147,119	\$ 6,742	\$ 31,502	\$ 185,363
Accrued Salaries Payable	106,510	674	2,889	110,073
Employees' Withholding Payable	29,402	-	-	29,402
Other Accrued Liabilities	-	2,855	392	3,247
Due to Other Fund	48,000	622	-	48,622
Other Liabilities	65,520	-	(30,993)	34,527
Bonds Anticipation Notes Payable	-	-	513,836	513,836
<b>Total Liabilities</b>	<u>396,551</u>	<u>10,893</u>	<u>517,626</u>	<u>925,070</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable Revenues	953,542	936,831	451,466	2,341,839
Property Taxes Paid in Advance	6,174	-	-	6,174
<b>Total Deferred Inflows of Resources</b>	<u>959,716</u>	<u>936,831</u>	<u>451,466</u>	<u>2,348,013</u>
<b>Fund Equity:</b>				
<b>Fund Balances:</b>				
Restricted	180,166	-	2,252,866	2,433,032
Committed	1,440,833	2,858,301	17,281	4,316,415
Assigned	204,321	-	135,332	339,653
Unassigned	3,908,774	(25,080)	(487,109)	3,396,585
<b>Total Fund Balances</b>	<u>5,734,094</u>	<u>2,833,221</u>	<u>1,918,370</u>	<u>10,485,685</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 7,090,361</u>	<u>\$ 3,780,945</u>	<u>\$ 2,887,462</u>	<u>\$ 13,758,768</u>

(1) Extracted from the audited financial statements of the Town.

**Town of Ayer, Massachusetts**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2013 (1)**

<b>ASSETS</b>	General	Economic Development	Nonmajor Governmental Funds	Total Governmental Funds
Cash & Investments	\$ 5,507,025	\$ 2,487,618	\$ 2,291,667	\$ 10,286,310
Receivables:				
Property Taxes	581,119	-	6,381	587,500
Tax Liens	321,594	-	2,750	324,344
Excises	396,841	-	-	396,841
Due from Others	-	45,833	21,153	66,986
Loans	-	712,713	-	712,713
Intergovernmental	2,460	-	457,983	460,443
Departmental	829	7,401	55,035	63,265
Due From Other Fund	-	-	2,006	2,006
Tax Foreclosures	200,591	-	-	200,591
<b>TOTAL ASSETS</b>	<b>\$ 7,010,459</b>	<b>\$ 3,253,565</b>	<b>\$ 2,836,975</b>	<b>\$ 13,100,999</b>
<b>LIABILITIES &amp; FUND BALANCES</b>				
Liabilities:				
Warrants and Accounts Payable	\$ 349,789	\$ 21,634	\$ 46,686	\$ 418,109
Accrued Salaries Payable	99,778	655	2,044	102,477
Employees' Withholding Payable	28,990	-	-	28,990
Other Accrued Liabilities	-	8,046	25,781	33,827
Due to Other Fund	1,197	684	-	1,881
Unclaimed Checks	2,181	-	-	2,181
Other Liabilities	83,712	-	(12,746)	70,966
Intergovernmental in Advance	-	-	38,030	38,030
Bonds Anticipation Notes Payable	-	-	292,679	292,679
Unearned Revenue:				
Property Taxes	390,866	-	6,381	397,247
Loans	-	712,713	-	712,713
Others	-	45,833	21,153	66,986
Tax Liens	321,594	-	2,750	324,344
Excises	220,939	-	-	220,939
Departmental	829	7,401	55,035	63,265
Tax Foreclosures	200,590	-	-	200,590
Intergovernmental	2,460	-	423,987	426,447
<b>TOTAL LIABILITIES</b>	<b>\$ 1,702,925</b>	<b>\$ 796,966</b>	<b>\$ 901,780</b>	<b>\$ 3,401,671</b>
Fund Equity:				
Fund Balances:				
Restricted	244,967	-	2,004,435	2,249,402
Committed	63,657	2,491,112	17,747	2,572,516
Assigned	857,790	-	140,440	998,230
Unassigned	4,141,120	(34,513)	(227,427)	3,879,180
<b>TOTAL FUND BALANCES</b>	<b>5,307,534</b>	<b>2,456,599</b>	<b>1,935,195</b>	<b>9,699,328</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<b>\$ 7,010,459</b>	<b>\$ 3,253,565</b>	<b>\$ 2,836,975</b>	<b>\$ 13,100,999</b>

(1) Extracted from the audited financial statements of the Town.

**Town of Ayer, Massachusetts**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2012 (1)**

<b>ASSETS</b>	General	HUD/CDBG Grants	Nonmajor Governmental Funds	Total Governmental Funds
Cash & Investments	\$ 4,422,049	\$ 2,970,505	\$ 1,910,410	\$ 9,302,964
Receivables:				
Property Taxes	485,345	-	4,407	489,752
Tax Liens	467,093	-	3,932	471,025
Excises	322,579	-	-	322,579
Due from Others	-	-	107,204	107,204
Loans	-	-	832,309	832,309
Intergovernmental	3,876	-	332,871	336,747
Departmental	9,018	1,863	55,035	65,916
Due From Other Fund	1,526	-	1,898	3,424
Tax Foreclosures	200,591	-	-	200,591
<b>TOTAL ASSETS</b>	<b>\$ 5,912,077</b>	<b>\$ 2,972,368</b>	<b>\$ 3,248,066</b>	<b>\$ 12,132,511</b>
<b>LIABILITES &amp; FUND BALANCES</b>				
Liabilites:				
Warrants and Accounts Payable	390,981	3,755	115,360	510,096
Accrued Salaries Payable	77,295	551	2,690	80,536
Employees' Withholding Payable	23,916	-	-	23,916
Other Accrued Liabilities	-	2,045	-	2,045
Due to Other Fund	-	652	1,024	1,676
Unclaimed Checks	2,181	-	-	2,181
Other Liabilites	86,487	-	(50,616)	35,871
Taxes Paid in Advance	42,653	-	-	42,653
Deferred Revenue:				
Property Taxes	343,312	-	4,407	347,719
Loans	-	-	832,309	832,309
Others	-	-	162,239	162,239
Tax Liens	467,093	-	3,931	471,024
Excises	322,579	-	-	322,579
Departmental	9,018	1,863	-	10,881
Tax Foreclosures	200,591	-	-	200,591
Intergovernmental	3,876	-	8,291	12,167
<b>TOTAL LIABILITIES</b>	<b>\$ 1,969,982</b>	<b>\$ 8,866</b>	<b>\$ 1,079,635</b>	<b>\$ 3,058,483</b>
Fund Equity:				
Fund Balances:				
Restricted	297,896	-	1,986,108	2,284,004
Committed	16,506	2,981,620	19,319	3,017,445
Assigned	54,579	-	163,004	217,583
Unassigned	3,573,114	(18,118)	-	3,554,996
<b>TOTAL FUND BALANCES</b>	<b>3,942,095</b>	<b>2,963,502</b>	<b>2,168,431</b>	<b>9,074,028</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<b>\$ 5,912,077</b>	<b>\$ 2,972,368</b>	<b>\$ 3,248,066</b>	<b>\$ 12,132,511</b>

(1) Extracted from the audited financial statements of the Town.

Town of Ayer, Massachusetts  
 Governmental Funds  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Fiscal Year Ended June 30, 2014 (1)

	<u>General</u>	<u>Economic Development</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Revenues:</u>				
Property Taxes	\$ 18,775,374	\$ -	\$ 156,032	\$ 18,931,406
Tax Liens	140,765	-	-	140,765
Excises	1,018,885	-	-	1,018,885
Penalties and Interest	152,517	-	-	152,517
Licenses and Permits	205,168	-	-	205,168
Fees and Other Departmental	156,965	-	87,022	243,987
Intergovernmental	5,210,994	-	1,158,491	6,369,485
Charges for Services	-	49,984	125,973	175,957
Fines and Forfeits	3,854	-	-	3,854
Earnings on Investments	43,887	53,707	1,730	99,324
In Lieu of Taxes	18,814	-	-	18,814
Contributions	-	-	27,247	27,247
Miscellaneous	29,475	77,972	-	107,447
<b>Total Revenues</b>	<b>25,756,698</b>	<b>181,663</b>	<b>1,556,495</b>	<b>27,494,856</b>
<u>Expenditures:</u>				
Current				
General Government	1,677,024	314,490	420,413	2,411,927
Public Safety	3,343,441	-	466,824	3,810,265
Education	13,970,467	-	-	13,970,467
Highways and Public Works	1,107,392	40,551	424,650	1,572,593
Human Services	307,143	-	179,724	486,867
Culture and Recreation	600,702	-	76,511	677,213
Debt Service	1,196,340	-	5,198	1,201,538
Intergovernmental	88,390	-	-	88,390
Employee Benefits	1,817,589	-	-	1,817,589
<b>Total Expenditures</b>	<b>24,108,488</b>	<b>355,041</b>	<b>1,573,320</b>	<b>26,036,849</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,648,210</b>	<b>(173,378)</b>	<b>(16,825)</b>	<b>1,458,007</b>
<u>Other Financing Sources (Uses):</u>				
Operating Transfers In	-	550,000	-	550,000
Operating Transfers (Out)	(1,221,650)	-	-	(1,221,650)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,221,650)</b>	<b>550,000</b>	<b>-</b>	<b>(671,650)</b>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>426,560</b>	<b>376,622</b>	<b>(16,825)</b>	<b>786,357</b>
<b>Fund Balance, Beginning</b>	<b>5,307,534</b>	<b>2,456,599</b>	<b>1,935,195</b>	<b>9,699,328</b>
<b>Fund Balance, Ending</b>	<b>\$ 5,734,094</b>	<b>\$ 2,833,221</b>	<b>\$ 1,918,370</b>	<b>\$ 10,485,685</b>

(1) Extracted from the audited financial statements of the Town.

**TOWN OF AYER, MASSACHUSETTS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

	As of June 30, (1)			
	2013	2012	2011	2010
<b>Revenues:</b>				
Property Taxes	\$ 18,212,810	\$ 17,831,792	\$ 16,229,284	\$ 15,757,028
Tax Liens	-	-	-	108,986
Excises	1,243,891	968,036	662,066	749,248
Penalties and Interest	130,310	145,197	70,134	59,353
License and Permits	196,667	270,469	185,991	199,770
Fees & Other Departmental	161,491	144,468	117,170	130,955
Intergovernmental	5,458,095	5,366,324	8,838,163	8,755,802
Fines & Forfeits	16,450	18,860	17,324	30,715
Earnings on Investments	19,784	19,709	23,036	81,756
In Lieu of Taxes	8,100	18,509	8,412	8,496
Miscellaneous	112,136	30,451	147,848	47,966
<b>Total Revenues</b>	<b>\$ 25,559,734</b>	<b>\$ 24,813,815</b>	<b>\$ 26,299,428</b>	<b>\$ 25,930,075</b>
<b>Expenditures:</b>				
General Government	\$ 1,568,091	\$ 1,453,628	\$ 1,353,967	\$ 1,657,822
Public Safety	3,135,950	3,122,045	3,004,622	2,919,095
Education	13,723,844	13,430,157	14,360,738	13,655,249
Intergovernmental	82,546	84,828	846,034	731,603
Highways & Public Works	1,104,886	999,385	1,205,859	938,077
Human Services	303,595	286,463	279,560	228,170
Culture & Recreation	604,321	571,449	561,291	575,992
Employee Benefits	1,855,712	1,902,813	3,728,936	3,535,803
Debt Service	1,266,007	1,347,894	1,519,233	1,448,971
<b>Total Expenditures</b>	<b>\$ 23,644,952</b>	<b>\$ 23,198,662</b>	<b>\$ 26,860,240</b>	<b>\$ 25,690,782</b>
Excess of Revenues Over (Under) Expenditures	1,914,782	1,615,153	(560,812)	239,293
Other Financing Sources (Uses)				
Operating Transfers - In	-	-	34,669	14,850
Operating Transfers - Out	(549,343)	(437,548)	(542,397)	(418,330)
Proceeds from Bonds	-	-	1,522,000	29,000
Payment to Refunding Agent	-	-	(1,460,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(549,343)</b>	<b>(437,548)</b>	<b>(445,728)</b>	<b>(374,480)</b>
Excess of Revenues and Other Sources Over (Under) Expenditures & Other	1,365,439	1,177,605	(1,006,540)	(135,187)
Fund Balance, Beginning		2,764,490	2,872,463	3,007,650
Prior Period Adjustments	-	-	898,567	-
Fund Balance, Beginning, as restated	3,942,095	2,764,490	3,771,030	3,007,650
<b>Fund Balance, Ending</b>	<b>\$ 5,307,534</b>	<b>\$ 3,942,095</b>	<b>\$ 2,764,490</b>	<b>\$ 2,872,463</b>

(1) Extracted from the audited financial statements of the Town.



**Unassigned/Undesignated General Fund Balances and Free Cash**

Under Massachusetts law an amount known as "free cash" is certified as of the beginning of each fiscal year by the State Bureau of Accounts and this, together with certain subsequent tax receipts, is used as the basis for subsequent appropriations from available funds, which are not required to be included in the annual tax levy. Subject to certain adjustments, free cash is surplus revenue less uncollected and overdue property taxes from prior years.

The following table sets forth the trend in the Town's unassigned/undesignated general fund balances and free cash:

<u>Year</u>	<u>Unassigned/Undesignated General Fund Balance as of June 30 (1)</u>	<u>Free Cash as of July 1</u>
2014	\$3,908,774	\$1,284,460
2013	4,141,120	1,695,426
2012	3,573,114	1,421,490
2011	888,410	(68,213) (2)
2010	1,179,259	439,161
2009	2,244,642	1,437,211

(1) Source: Audited Financial Statements.

(2) The decrease in Free Cash is attributable to reduced revenue collections and delayed transfer of current tax receivables to Tax Liens.

(3)

**Stabilization Fund**

The Town maintains a stabilization fund and a capital stabilization fund which are accounted for in the Trust Funds. The stabilization funds plus interest income may be appropriated at an annual or special town meeting for any municipal purpose. The following table shows the trend in the Town's regular stabilization fund balance and capital stabilization fund balance for the following fiscal years:

**Please provide the projected balances of the Stabilization Fund and Capital Stabilization Fund as of June 30, 2015.**

<u>June 30,</u>	<u>Regular Stabilization Fund Balance</u>	<u>Capital Stabilization Fund Balance</u>
2014	\$ 1,016,578	\$ 246,415
2013	876,372	262,086
2012	802,600	289,332
2011	710,301	277,671
2010	621,019	277,548

**Tax Increment Financing for Development Districts**

Under recent legislation, cities and towns are authorized to establish development districts to encourage increased residential, industrial and commercial activity. All or a portion of the taxes on growth in assessed value in such districts may be pledged and used solely to finance economic development projects pursuant to the city or town's development program for the district. This includes pledging such "tax increments" for the payment of bonds issued to finance such projects. As a result of any such pledge, tax increments raised from new growth properties in development districts are not available for other municipal purposes. Tax increments are taken into account in determining the total taxes assessed for the purpose of calculating the maximum permitted tax levy under Proposition 2 ½ (see "Tax Limitations" under "PROPERTY TAXATION" above).

The Town has not established any such districts.

## **Investment of Town Funds**

Investments of funds of cities and towns, except for trust funds, are generally restricted by Massachusetts General Laws Chapter 44, §55. That statute permits investments of available revenue funds and bond and note proceeds in term deposits and certificates of deposits of banks and trust companies, in obligations issued or unconditionally guaranteed by the federal government or an agency thereof with a maturity of not more than one year, in repurchase agreements with a maturity of not more than 90 days secured by federal or federal agency securities, in participation units in the Massachusetts Municipal Depository Trust ("MMDT"), or in shares in SEC-registered money market funds with the highest possible rating from at least one nationally recognized rating organization.

MMDT is an investment pool created by the Commonwealth. The State Treasurer is the sole trustee, and the funds are managed under contract by an investment firm under the supervision of the State Treasurer's office. According to the State Treasurer the Trust's investment policy is designed to maintain an average weighted maturity of 90 days or less and is limited to high-quality, readily marketable fixed income instruments, including U.S. Government obligations and highly-rated corporate securities with maturities of one year or less.

Trust funds, unless otherwise provided by the donor, may be invested in accordance with §54 of Chapter 44, which permits a broader range of investments than §55, including any bonds or notes that are legal investments for savings banks in the Commonwealth. The restrictions imposed by §54 and §55 do not apply to city and town retirement systems.

## INDEBTEDNESS

### Authorization of General Obligation Bonds and Notes

Serial bonds and notes are authorized by vote of two-thirds of the Town Meeting. Refunding bonds and notes are authorized by the Selectmen. Borrowings for some purposes require State administrative approval.

When serial bonds or notes have been authorized, bond anticipation notes may be issued by the officers authorized to issue the serial bonds or notes. Revenue anticipation notes and temporary notes in anticipation of authorized federal and state aid generally may be issued by the Treasurer with the approval of the Selectmen.

### Debt Limits

General Debt Limit. The General Debt Limit of the Town consists of a Normal Debt Limit and a Double Debt Limit. The Normal Debt Limit of the Town is 5 percent of the valuation of taxable property as last equalized by the State Department of Revenue. The Town can authorize debt up to this amount without State approval. It can authorize debt up to twice this amount (the Double Debt Limit) with the approval of the Municipal Finance Oversight Board consisting of the Attorney General, the State Treasurer, the State Auditor and the Director of Accounts.

There are many categories of general obligation debt which are exempt from and do not count against the General Debt Limit. Among others, these exempt categories include revenue anticipation notes and grant anticipation notes; emergency loans; loans exempted by special laws; certain school bonds, sewer bonds, solid waste disposal facility bonds and economic development bonds supported by tax increment financing; and subject to special debt limits, bonds for water (limited to 10 percent of equalized valuation), housing, urban renewal and economic development (subject to various debt limits), and electric, gas, community antenna television systems, and telecommunications systems (subject to separate limits). Revenue bonds are not subject to these debt limits. The General Debt Limit and the special debt limit for water bonds apply at the time the debt is authorized. The other special debt limits generally apply at the time the debt is incurred.

### Types of Obligations

General Obligations. Massachusetts cities and towns are authorized to issue general obligation indebtedness of these types:

Serial Bonds and Notes. These are generally required to be payable in annual principal amounts beginning no later than the end of the next fiscal year commencing after the date of issue and ending within the terms permitted by law. A level debt service schedule, or a schedule that provides for a more rapid amortization of principal than level debt service, is permitted. The principal amounts of certain economic development bonds supported by tax increment financing may be payable in equal, diminishing or increasing amounts beginning within 5 years after the date of issue. The maximum terms of serial bonds and notes vary from one year to 40 years, depending on the purpose of the issue. The maximum terms permitted are set forth in the statutes. In addition, for many projects, the maximum term may be determined in accordance with useful life guidelines promulgated by the State Department of Revenue ("DOR"). Serial bonds and notes may be issued for the purposes set forth in the statutes. In addition, serial bonds and notes may be issued for any other public work improvement or asset not specifically listed in the Statutes that has a useful life of at least 5 years. Bonds or notes may be made callable and redeemed prior to their maturity, and a redemption premium may be paid. Refunding bonds or notes may be issued subject to the maximum applicable term measured from the date of the original bonds or notes and must produce present value savings over the debt service of the refunded bonds. Generally, the first required annual payment of principal of the refunding bonds cannot be later than the first principal payment of any of the bonds or notes being refunded thereby, however, principal payments made before the first principal payment of any of the bonds or notes being refunded thereby may be in any amount.

Serial bonds may be issued as "qualified bonds" with the approval of the state Municipal Finance Oversight Board composed of the State Treasurer, the State Auditor, the Attorney General and the Director of Accounts, subject to such conditions and limitations (including restrictions on future indebtedness) as may be required by the Board. Qualified bonds may mature not less than 10 nor more than 30 years from their dates and are not subject to the amortization requirements described above. The State Treasurer is required to pay the debt service on qualified bonds and thereafter to withhold the amount of the debt service paid by the State from state aid or other state payments; administrative costs and any loss of interest income to the State are to be assessed upon the city or town.

Tax Credit Bonds or Notes. Subject to certain provisions and conditions, the officers authorized to issue bonds or notes may designate any duly authorized issue of bonds or notes as "tax credit bonds" to the extent such bonds and notes are otherwise permitted to be issued with federal tax credits or other similar subsidies for all or a portion of the borrowing costs. Tax credit bonds may be made payable without regard to the annual installments required by any other law, and a sinking fund may be

established for the payment of such bonds. Any investment that is part of such a sinking fund may mature not later than the date fixed for payment or redemption of the applicable bonds.

**Bond Anticipation Notes.** These generally must mature within two years of their original dates of issuance but may be refunded from time to time for a period not to exceed five years from their original dates of issuance, provided that for each year that the notes are refunded beyond the second year they must be paid in part from revenue funds in an amount at least equal to the minimum annual payment that would have been required if the bonds had been issued at the end of the second year. For certain school projects, however, notes may be refunded from time to time for a period not to exceed seven years without having to pay any portion of the principal of the notes from revenue funds. The maximum term of bonds issued to refund bond anticipation notes is measured (except for certain school projects) from the date of the original issue of the notes.

**Revenue Anticipation Notes.** These are issued to meet current expenses in anticipation of taxes and other revenues. They must mature within one year but, if payable in less than one year, may be refunded from time to time up to one year from the original date of issue. The Town has not issued notes in anticipation of current revenues since fiscal 2004.

**Grant Anticipation Notes.** These are issued for temporary financing in anticipation of federal grants and state and county reimbursements. They must generally mature within two years, but may be refunded from time to time as long as the municipality remains entitled to the grant or reimbursement.

**Revenue Bonds.** Cities and towns may issue revenue bonds for solid waste disposal facilities and for projects financed under the Commonwealth's Clean Water Trust Programs and for certain economic development projects supported by tax increment financing. In addition, cities and towns having electric departments may issue electric revenue bonds, and notes in anticipation of such bonds, subject to the approval of the State Department of Telecommunications and Energy.

**Direct Debt Summary  
as of June 30, 2014**

**First Southwest will update this table once this issue has been finalized.**

<b>General Obligation Bonds Outstanding (1):</b>		
Within the General Debt Limit:		
Sewers and Drains (2)	\$ 4,260,000	
School (3)	337,000	
Water	168,000	
General (4)	5,079,000	
MWPAT	90,000	
Total Inside:		\$ 9,934,000
Outside the General Debt Limit:		
Sewers	42,000	
Water	2,596,882	
General	586,000	
MWPAT (5)	25,815	
Total Outside:		3,250,697
Short-Term Debt Outstanding:		
Bond Anticipation Notes (6)	1,692,878	
Total Short-Term Debt Outstanding:		1,692,878
<b>Total Direct Debt:</b>		<b>\$ 14,877,575</b>

- (1) Excludes overlapping debt, lease-purchase agreements and unfunded pension liability.
- (2) \$133,000 has been exempted from the provisions of Proposition 2 ½.
- (3) \$217,000 has been exempted from the provisions of Proposition 2 ½.
- (4) \$4,978,500 has been exempted from the provisions of Proposition 2 ½.
- (5) \$25,815 has been exempted from the provisions of Proposition 2 ½.
- (6) Payable June 26, 2015.

## Key Debt Ratios

	As of June 30,				
	2014	2013	2012	2011	2010
Long Term Debt Outstanding	\$13,184,697	\$15,402,257	\$17,696,817	\$17,440,376	\$19,556,863
Per Capita Debt (1)	\$1,775.23	\$2,073.82	\$2,382.77	\$2,348.24	\$2,683.80
Percent of Assessed Valuation (2)	1.34%	1.64%	1.83%	1.80%	2.01%
Percent of Equalized Valuation (3)	1.27%	1.49%	1.71%	1.68%	1.80%
Debt per Capita as a Percent of Personal Income per Capita (1)	5.94%	6.95%	7.98%	7.87%	8.99%

(1) Source: U.S. Department of Commerce, Bureau of the Census.

(2) Source: Massachusetts Department of Revenue - Assessed valuation as of the prior January 1.

(3) Source: Massachusetts Department of Revenue - Equalized valuation in effect for that fiscal year (equalized valuations are established for January 1 of each even-numbered year for the next two calendar years).

## Annual Debt Service Requirements (1)

The following table sets forth principal and interest payments on general obligation bonds of the Town as of June 30, 2014.

Fiscal Year	Currently Outstanding (2)		Less	Total	Cumulative % Principal Retired
	Principal	Interest	MWPAT Subsidies		
2015	\$ 1,992,559	\$ 525,313	\$ (8,857)	\$ 2,509,016	15.1 %
2016	1,798,677	457,467	(8,264)	2,247,880	28.8
2017	1,748,677	392,347	(7,692)	2,133,332	42.0
2018	1,493,677	325,879	(7,112)	1,812,444	53.3
2019	1,428,677	261,023	(6,607)	1,683,093	64.2
2020	1,388,677	198,709	(5,880)	1,581,506	74.7
2021	1,138,752	141,388	(188)	1,279,952	83.4
2022	795,000	91,250	-	886,250	89.4
2023	555,000	56,625	-	611,625	93.6
2024	445,000	32,475	-	477,475	97.0
2025	50,000	12,300	-	62,300	97.3
2026	50,000	10,800	-	60,800	97.7
2027	50,000	9,300	-	59,300	98.1
2028	50,000	7,750	-	57,750	98.5
2029	50,000	6,200	-	56,200	98.9
2030	50,000	4,650	-	54,650	99.2
2031	50,000	3,100	-	53,100	99.6
2032	50,000	1,550	-	51,550	100.0
Total:	<u>\$ 13,184,697</u>	<u>\$ 2,538,127</u>	<u>\$ (44,600)</u>	<u>\$ 15,678,224</u>	

(1) Excludes overlapping debt, lease-purchase obligations, unfunded pension liability and other post-employment benefits liability.

(2) Principal totaling \$5,354,315 and interest totaling \$1,020,014 has been exempted from the provisions of Proposition 2 ½.

## Authorized Unissued Debt

Currently, the Town has approximately \$1,752,413 authorized but unissued debt for various capital purposes.

## Contracts

Municipal contracts are generally limited to currently available appropriations. A city or town generally has authority to enter into contracts for the exercise of any of its corporate powers for any period of time deemed to serve its best interests, but generally only when funds are available for the first fiscal year; obligations for succeeding fiscal years generally are expressly subject to availability and appropriation of funds. Municipalities have specific authority in relatively

few cases to enter long-term contractual obligations that are not subject to annual appropriation, including contracts for refuse disposal and sewerage treatment and disposal. Municipalities may also enter into long-term contracts in aid of housing and renewal projects. There may be implied authority to make other long-term contracts required to carry out authorized municipal functions, such as contracts to purchase water from private water companies.

Municipal contracts relating to solid waste disposal facilities may contain provisions requiring the delivery of minimum amounts of waste and payments based thereon and requiring payments in certain circumstances without regard to the operational status of the facilities.

Municipal electric departments have statutory power to enter into long-term contracts for joint ownership and operation of generating and transmission facilities and for the purchase or sale of capacity, including contracts requiring payments without regard to the operational status of the facilities. Pursuant to the Home Rule Amendment to the Massachusetts Constitution, cities and towns may also be empowered to make other contracts and leases.

The Town of Ayer is a participant in the following two significant contracts:

Casella Waste Services provides refuse disposal services to the Town. The cost to the Town was \$82,453 for fiscal 2014. The estimated cost for fiscal year 2015 is \$91,900.

MassDevelopment at neighboring Devens provides wastewater treatment services to the Town. The cost in fiscal years 2010 through 2014 was \$261,569, \$246,902, \$271,746, \$243,796 and \$255,221 respectively. The expected cost for this contract in fiscal 2015 is approximately \$261,320.

The Town is currently disposing of municipal bio solids at Upper Blackstone Water Pollution Control Authority in Millbury and the Cranston RI Wastewater Treatment Plant. The total actual cost of transport and treatment in fiscal 2014 was \$199,609 which includes \$115,301 paid to Upper Blackstone Water Pollution Control. As of October 6, 2014 through June 30, 2015, the Town has contracted with Wall Trucking, Inc. to provide this service. The Town has estimated a cost of \$155,000 for fiscal 2015.

## **RETIREMENT SYSTEM**

The Massachusetts General Laws provide for the establishment of contributory retirement systems for state employees, for teachers and for county, city and town employees other than teachers. Teachers are assigned to a separate statewide teachers' system and not to the city and town systems. For all employees other than teachers, this law is subject to acceptance in each city and town. Substantially all employees of an accepting city or town are covered. If a town has a population of less than 10,000 when it accepts the statute, its non-teacher employees participate through the county system and its share of the county cost is proportionate to the aggregate annual rate of regular compensation of its covered employees. In addition to the contributory systems, cities and towns provide non-contributory pensions to a limited number of employees, primarily persons who entered service prior to July 1, 1937 and their dependents. The Public Employee Retirement Administration Commission ("PERAC") provides oversight and guidance for and regulates all state and local retirement systems.

The obligations of a city or town, whether direct or through a county system, are contractual legal obligations and are required to be included in the annual tax levy. If a city or town, or the county system of which it is a member, has not established a retirement system funding schedule as described below, the city or town is required to provide for the payment of the portion of its current pension obligations which is not otherwise covered by employee contributions and investment income. "Excess earnings," or earnings on individual employees' retirement accounts in excess of a predetermined rate, are required to be set aside in a pension reserve fund for future, not current, pension liabilities. Cities and towns may voluntarily appropriate to their system's pension reserve fund in any given year up to five percent of the preceding year's tax levy. The aggregate amount in the fund may not exceed ten percent of the equalized valuation of the city or town.

If a city or town, or each member city and town of a county retirement system, has accepted the applicable law, it is required to annually appropriate an amount sufficient to pay not only its current pension obligations, but also a portion of its future pension liability. The portion of each such annual payment allocable to future pension obligations is required to be deposited in the pension reserve fund. The amount of the annual city or town appropriation for each such system is prescribed by a retirement system funding schedule which is periodically reviewed and approved by PERAC. Each system's retirement funding schedule is designed to reduce the unfunded actuarial pension liability of the system to zero by not later than June 30, 2030, with annual increases in the scheduled payment amounts of not more than 4.5 percent. The funding schedule must provide that payment in any year of the schedule is not less than 95 percent of the amount appropriated in the previous fiscal year. City, town and county systems which have an approved retirement funding schedule receive annual pension funding grants from

the Commonwealth for the first 16 years of such funding schedule. Pursuant to recent legislation, a system (other than the state employees' retirement system and the teachers' retirement system) which conducts an actuarial valuation as of January 1, 2009, or later, may establish a revised schedule which reduces the unfunded actuarial liability to zero by not later than June 30, 2040, subject to certain conditions. If the schedule is so extended under such provisions and a later updated valuation allows for the development of a revised schedule with reduced payments, the revised schedule shall be adjusted to provide that the appropriation for each year shall not be less than that for such year under the prior schedule, thus providing for a shorter schedule rather than reduced payments.

City, town and county systems may choose to participate in the Pension Reserves Investment Trust Fund (the "PRIT Fund"), which receives additional state funds to offset future pension costs of participating state and local systems. If a local system participates in the PRIT Fund, it must transfer ownership and control of all assets of its system to the Pension Reserves Investment Management Board, which manages the investment and reinvestment of the PRIT Fund. Cities and towns with systems participating in the PRIT Fund continue to be obligated to fund their pension obligations in the manner described above. The additional state appropriations to offset future pension liabilities of state and local systems participating in the PRIT Fund are required to total at least 1.3 percent of state payroll. Such additional state appropriations are deposited in the PRIT Fund and shared by all participating systems in proportion to their interests in the assets of the PRIT Fund as of July 1 for each fiscal year.

Cost-of-living increases for each local retirement system may be granted and funded only by the local system, and only if it has established a funding schedule. Those statutory provisions are subject to acceptance by the local retirement board and approval by the local legislative body, which acceptance may not be revoked.

### Middlesex County Retirement System

The Town participates in the contributory retirement system of Middlesex County that is partially funded by employee contributions. The Town meets its share of cost primarily on a pay-as-you-go basis by contributing annually the amount determined by the Public Employee Retirement Administration (PERA). This contribution is a legal obligation of the Town and is required to be included in its annual tax levy.

The Middlesex County Retirement System issues a publicly available financial report that includes financial statements and the required supplementary information. That report may be obtained by writing to the Middlesex County Retirement System, 25 Linnell Circle, Billerica, Massachusetts 01865.

As of January 1, 2014, the total unfunded pension benefit obligation of the Middlesex County Retirement System was \$1,228,586,434 assuming 7.875% discount rate as follows:

Total pension benefit obligation	\$2,195,732,452
Assets at market value	967,146,018
Unfunded pension benefit obligation	<u>\$1,228,586,434</u>
The Town's estimated share	<u>\$ 16,247,621</u>

The System's current funding schedule amortizes the unfunded liability by 2035. The annual contributions of the Town to the Retirement System for the current and last five fiscal years are as follows:

Fiscal Year	Town Contribution
2015	\$1,344,155
2014	1,262,630
2013	1,107,165
2012	1,058,730
2011	1,228,614
2010	1,177,119

Source: Town Treasurer/Accountant.

Cost-of-living increases for each local retirement system may be granted and funded only by the local system, and only if it has established a funding schedule. Those statutory provisions are subject to acceptance by the local retirement board and approval by the local legislative body, which acceptance may not be revoked. The Middlesex County Retirement System has voted to accept this legislation.

The foregoing data does not include the retirement system costs or liabilities of any larger entity of which the Town is a constituent part and for which it is assessed a share of expenses.

### Middlesex County Retirement System Funding Schedule

(1) Fiscal Year	(2) Employer Normal Cost	(3) Amortization of 2002 ERI Liability	(4) Amortization of 2003 ERI Liability	(5) Amortization of 2010 ERI Liability	(6) Amortization of Remaining Unfunded Liability	(7) Total Plan Cost (2) + (3) + (4) + (5) + (6)	(8) Total Unfunded Actuarial Accrued Liability at Beginning of Fiscal Year	(9) Percent Increase to Total Cost
2015	\$ 16,941,148	\$ 1,676,175	\$ 733,735	\$ 60,947	\$ 75,111,276	\$ 94,523,281	\$ 1,276,045,381	
2016	17,618,794	1,676,175	733,735	60,947	80,577,643	100,667,294	1,294,413,316	6.50 %
2017	18,323,546	1,676,175	733,735	60,947	86,416,265	107,210,668	1,308,441,579	6.50
2018	19,056,488	1,676,175	733,735	60,947	92,652,016	114,179,361	1,317,394,390	6.50
2019	19,818,748	1,676,175	733,735	60,947	99,311,414	121,601,019	1,320,451,696	6.50
2020	20,611,498	-	733,735	60,947	108,098,905	129,505,085	1,316,700,797	6.50
2021	21,435,958	-	-	60,947	113,124,012	134,620,917	1,305,127,191	3.95
2022	22,293,396	-	-	60,947	117,648,972	140,003,315	1,288,099,749	4.00
2023	23,185,132	-	-	-	122,354,931	145,540,063	1,264,941,728	3.95
2024	24,112,537	-	-	-	127,249,128	151,361,665	1,235,043,271	4.00
2025	25,077,038	-	-	-	132,339,094	157,416,132	1,197,609,806	4.00
2026	26,080,120	-	-	-	137,632,657	163,712,777	1,151,840,730	4.00
2027	27,123,325	-	-	-	143,137,964	170,261,289	1,096,864,106	4.00
2028	28,208,258	-	-	-	148,863,482	177,071,740	1,031,730,709	4.00
2029	29,336,588	-	-	-	154,818,022	184,154,610	955,407,599	4.00
2030	30,510,052	-	-	-	161,010,742	191,520,794	866,771,168	4.00
2031	31,730,454	-	-	-	167,451,172	199,181,626	764,599,627	4.00
2032	32,999,672	-	-	-	174,149,219	207,148,891	647,564,886	4.00
2033	34,319,659	-	-	-	181,115,188	215,434,847	514,223,781	4.00
2034	35,692,445	-	-	-	188,359,796	224,052,241	363,008,590	4.00
2035	37,120,143	-	-	-	195,894,187	233,014,330	192,216,790	4.00
2036	38,604,949	-	-	-	-	38,604,949	-	(83.43)
2037	40,149,147	-	-	-	-	40,149,147	-	4.00
2038	41,755,113	-	-	-	-	41,755,113	-	4.00
2039	43,425,318	-	-	-	-	43,425,318	-	4.00
2040	45,162,331	-	-	-	-	45,162,331	-	4.00

Source: Actuarial Valuation Report of the Middlesex County Retirement System, PERAC.

Notes: Recommended contributions are assumed to be paid on July 1 and December 31.

Item (2) increases at 4.0% per year. Item (6) increases at 4% per year beginning in fiscal 2022.

Fiscal 2015 appropriation is budgeted amount determined with prior valuation.

Projected unfunded actuarial accrued liability does not reflect deferred investment gains.

Projected normal cost does not reflect the future impact of pension reform for new hires.



## Other Post-Employment Benefits

In addition to pension benefits, cities and towns may provide retired employees with health care and life insurance benefits. The portion of the cost of such benefits paid by cities and towns is generally provided on a pay-as-you-go basis. The Town of Ayer pays 50 percent of retired employees' health care and life insurance benefits on a pay-as-you-go basis. The annual payments by the Town for the last five fiscal years are as follows:

Fiscal Year	Benefit Cost
2014	\$ 702,386
2013	548,395
2012	637,225
2011	608,393
2010	542,263

The Governmental Accounting Standards Board ("GASB") recently promulgated its Statement Nos. 43 and 45, which will for the first time require public sector entities to report the future costs of these non-pension, post-employment benefits in their financial statements. These new accounting standards do not require pre-funding the payment of these costs as the liability for such costs accrues, but the basis applied by the standards for measurement of costs and liabilities for these benefits is conservative if they continue to be funded on a pay-as-you-go basis and will result in larger yearly cost and liability accruals than if the cost of such benefits were pre-funded in a trust fund in the same manner as traditional pension benefits. Cities and towns that choose to self-insure all or a portion of the cost of the health care benefits they provide to employees and retirees may establish a trust fund for the purpose of paying claims. In addition, cities and towns may establish a trust fund for the purpose of pre-funding other post-employment benefits liability in the same manner as traditional pension benefits.

The Town has performed an actuarial valuation study of its non-pension, post-employment benefits. **Has an updated actuarial valuation been conducted? If so, please provide a copy of the report. If not, when does the Town expect updated information to be available?** As of July 1, 2012, the Town's unfunded actuarial accrued liability was approximately \$11,506,561 (assuming a 4% discount rate) and the annual required contribution for fiscal year 2013 is \$1,365,650. The Town has not yet determined how it will fund this liability; however the fiscal 2012, fiscal 2013 and fiscal 2014 budgets included approximately \$10,000, \$40,000 and \$170,000, respectively, to begin funding this liability. **Please provide the actual amount that was included in the fiscal 2015 budget and the amount included in the fiscal 2016 budget, if any.** The Town's proposed fiscal 2015 budget includes \$300,000 for this purpose.

## COLLECTIVE BARGAINING

City and town employees (other than managerial and confidential employees) are entitled to join unions and to bargain collectively on questions of wages, hours and other terms and conditions of employment.

The Town has approximately 84 full-time employees. Approximately 80 percent belong to unions or other collective bargaining groups as shown below:

<u>Employee Category</u>	<u>Represented by</u>	<u>Number of Employees</u>	<u>Contract Expires (1)</u>
Police – Communication Workers	AFL-CIO	4	6/30/15
Police – Superior Officers	NEPBA	4	6/30/16
Police – Patrolmen	AYER	12	6/30/15
Firefighters	IAFF	12	6/30/16
Public Works	AFSCME	21	6/30/16
Town Hall Clerical	AFSCME	14	6/30/17
Total		<u>67</u>	

(1) Negotiations are currently ongoing for the contracts that expire on June 30, 2015.

## LITIGATION

**Please confirm the validity of the use of this statement.**

At present there are several cases pending in various courts throughout the Commonwealth where the Town of Ayer is a defendant. In the opinion of the Town, there is no litigation either pending or threatened that is likely to result, either individually or in the aggregate, in final judgment against the Town that would materially affect its financial position.

June 3, 2015

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TOWN OF AYER, MASSACHUSETTS  
/s/ Ms. M. Stephanie Gintner, Treasurer

Town of Ayer, Massachusetts



Authorized Unincubed Debt:

Date: 6/26/2014  
File #: 134955

BA#	Art.	Date of Author.	Amount Originally Authorized	Amount Bonded, Rescinded or Paid Down	Date Bonded, Rescinded or Paid Down	Amount Remaining	Purpose	Law Cite	Maximum Term	Notes Outstanding	Maturity Date	Original Issue Date	Rollover Date	Amount Available for BA#	State of Legal Approval	Year BO
	10	5/8/1995	3,450,000	3,400,000 50,000	R-10/22/12	-	Police Station							-		
	20	5/18/1999	100,000	100,000	R-10/22/12	-	Open Space							-		
	17	5/10/2010	532,500	130,000 402,500	B-6/15/10 B-6/28/12	-	Sewer Equipment	44 7(9)	5-15					-	RL 6/2/10, PLO 6/15/10	
	17	5/10/2010	325,000	25,000 300,000	B-6/28/12 R-10/22/12	-	Water Main	44 8 and/or 29C	40					-	RL 6/2/10, PLO 6/15/10	
	17	5/10/2010	250,000	250,000	B-6/28/12	-	Sewer Pump Station	44 7(1) or 8(15)	30					-	RL 6/2/10, PLO 6/15/10	
	17	5/10/2010	198,000	143,000 55,000	B-6/15/10 B-6/28/12	-	Water Equipment	44 8(7C)	10					-	RL 6/2/10, PLO 6/15/10	
	19	5/10/2010	1,063,066	1,063,066	B-6/28/12	-	Water Treatment Plan	44 8(4)	30					-	RL 6/8/11, PLO 6/22/11	
	4	10/25/2010	15,000	10,631 4,349	B-6/28/12 PD-6/28/12	-	Additional Water Main	44 8(5)	40					-	RL 6/8/11, PLO 6/22/11	
	19	5/9/2011	289,000	230,783 58,217	B-6/28/12 PD-6/28/12	-	Departmental Equipment	44 7(9)	5-20					-	RL 6/8/11, PLO 6/22/11	
	19	5/9/2011	170,000	170,000	B-6/28/12	-	Water Equipment	44 8(7C)	10					-	RL 6/8/11, PLO 6/22/11	
	19	5/9/2011	40,000	40,000	B-6/28/12	-	Planning	44 7(2)	5					-	RL 6/8/11, PLO 6/22/11	
	19	5/9/2011	35,000	35,000	B-6/28/12	-	Computer Hardware and Software	44 7(28) (\$25,000) 44 7(29) (\$10,000)	10 5					-	RL 6/8/11, PLO 6/22/11	
	19	5/9/2011	30,000	30,000	B-6/28/12	-	Water Meter	44 8(7A)	10					-	RL 6/8/11, PLO 6/22/11	
	6	10/24/2011	100,000	100,000	B-6/28/12	-	Additional Water Equipment	44 8(7C)	10					-	RL 4/26/12	
	19	5/14/2012	167,000			167,000	DPW Dump Truck w/ Plow & Spreader	44 7(9)	5	164,771	6/26/2015	6/26/2013	6/26/2014	2,229	RL 4/23 13, PLO 6/4/13	2013
	19	5/14/2012	16,571			16,571	Town Hall Carpeting & Tile	44 7(3A)	30	16,571	6/26/2015	6/26/2013	6/26/2014	-	RL 4/23 13, PLO 6/4/13	2013
	19	5/14/2012	43,000			43,000	Fire Department Service Truck	44 7(9)	5	37,734	6/26/2015	6/26/2013	6/26/2014	5,266	RL 4/23 13, PLO 6/4/13	2013
	19	5/14/2012	30,000	4,965	PD-6/26/14	25,095	Police Station Security Entrance System Replacement	44 7(9)	5	25,095	6/26/2015	6/26/2013	6/26/2014	-	RL 4/23 13, PLO 6/4/13	2013
	19	5/14/2012	42,000			42,000	Water - 6" Bronze Clay Valve Replacement	44 8(7C) and/or 29C	10	42,000	6/26/2015	6/26/2013	6/26/2014	-	RL 4/23 13, PLO 6/4/13	2013
	19	5/14/2012	69,000			69,000	Water - 1-Ton Cab & Chassis Utility Vehicle	44 7(9)	5	64,575	6/26/2015	6/26/2013	6/26/2014	4,425	RL 4/23 13, PLO 6/4/13	2013
	19	5/14/2012	75,000			75,000	Water - Cross Country Main Transmission Engineering	44 7(22) and/or 29C	5	75,000	6/26/2015	6/26/2013	6/26/2014	-	RL 4/23 13, PLO 6/4/13	2013
	19	5/14/2012	60,000			60,000	Sewer - #3 RAS Pump & Control Replacement	44 7(9) and/or 29C	5	24,344	6/26/2015	6/26/2013	6/26/2014	35,656	RL 4/23 13, PLO 6/4/13	2013
	19	5/14/2012	81,000			81,000	Sewer - Hydro-Jetter	44 7(9) and/or 29C	5	78,042	6/26/2015	6/26/2013	6/26/2014	2,958	RL 4/23 13, PLO 6/4/13	2013
	19	5/14/2012	450,000			450,000	Sewer - W. Main Pump Station Construction	44 8(15) and/or 29C	30	450,000	6/26/2015	6/26/2013	6/26/2014	-	RL 4/23 13, PLO 6/4/13	2013
	19	5/14/2012	50,000			50,000	Solid Waste - 1-Ton Dump Truck w/ Plow	44 7(9)	5	48,358	6/26/2015	6/26/2013	6/26/2014	1,642	RL 4/23 13, PLO 6/4/13	2013
	20	5/14/2012	43,603	11,462	PD-6/26/14	32,141	Street Signs	44 7(14)	10	32,141	6/26/2015	6/26/2013	6/26/2014	-	RL 4/23 13, PLO 6/4/13	2013
	18	5/13/2013	150,000			150,000	Victor Drive Culvert Replacement	44 7(1)	30	150,000	6/26/2015	6/26/2014		-	RL 10 2/13	2014
	18	5/13/2013	100,000			100,000	Sewer Planning	44 7(1)	5-30	100,000	6/26/2015	6/26/2014		-	RL 10 2/13	2014
	18	5/13/2013	50,000			50,000	Spectacle Pond Filter Valve Replacement	44 8(7C)	10	50,000	6/26/2015	6/26/2014		-	RL 10 2/13	2014
	18	5/13/2013	45,000			45,000	Fire Chief Vehicle	44 7(9)	5-20	43,814	6/26/2015	6/26/2014		1,186	RL 10 2/13	2014
	18	5/13/2013	30,000			30,000	Police Administration Vehicle	44 7(9)	5-20	25,028	6/26/2015	6/26/2014		4,972	RL 10 2/13	2014
	18	5/13/2013	27,000			27,000	Ambulance Enterprise - Computer Software	44 7(29)	5	27,000	6/26/2015	6/26/2014		-	RL 10 2/13	2014
	18	5/13/2013	27,000			27,000	Ambulance Enterprise - Computer Hardware	44 7(28)	10					-	RL 10 2/13	2014
	18	5/13/2013	20,000			20,000	DPW Asphalt Recycling Mixer	44 7(9)	5	19,850	6/26/2015	6/26/2014		150	RL 10 2/13	2014
	18	5/13/2013	18,500			18,500	Parks Departmental Equipment (Tractor)	44 7(9)	5	16,550	6/26/2015	6/26/2014		1,950	RL 10 2/13	2014
	18	5/13/2013	10,000			10,000	Computer Network Upgrades	44 7(28)	28	10,000	6/26/2015	6/26/2014		-	RL 10 2/13	2014
	19	5/13/2013	121,382			121,382	Fire Engine #4 Rehabilitation	44 7(9)	5	121,382	6/26/2015	6/26/2014		0	RL 5/6/14	2014
	20	5/13/2013	37,801			37,801	Meter Radio Band System	44 7(9)	5	37,801	6/26/2015	6/26/2014		0	RL 5/6/14	2014
	21	5/13/2013	31,922			31,922	Additional Meter Radio Band System	44 7(9)	5	31,922	6/26/2015	6/26/2014		-	RL 5/6/14	2014
	Sub-Total		\$ 20,906,089	\$ 19,154,276		\$ 1,752,413				1,692,878				\$ 59,535		
<b>Other Debt Issues</b>																
	Sub-Total															
	TOTAL					1,752,413				1,692,878				59,534.60		

\*If Town issues through MSBA, will be under Ch. 70B for max term of 25 years.  
(1) Exempt from Proposition 2 1/2.



# FirstSouthwest<sup>™</sup>

***For Discussion Purposes Only***  
**Town of Ayer, Massachusetts**  
**Tentative Financing Schedule**  
**General Obligation Bond Anticipation Notes**

May							June						
S	M	T	W	Th	F	S	S	M	T	W	Th	F	S
					1	2		1	2	3	4	5	6
3	4	5	6	7	8	9	7	8	9	10	11	12	13
10	11	12	13	14	15	16	14	15	16	17	18	19	20
17	18	19	20	21	22	23	21	22	23	24	25	26	27
24	25	26	27	28	29	30	28	29	30				
31													

- May 7, 2015                      Town receives draft POS with embedded **red** questions
- May 22, 2015                    Last day for Town to provide POS updates and finalize borrowing amounts/terms
- May 25, 2015                    HOLIDAY
- May 26, 2015                    Send draft POS to Bond Counsel for review and comment;  
Send draft POS to Moody's to schedule a rating call
- June 2<sup>nd</sup> or 3<sup>rd</sup>                    Rating call with Moody's – TO BE DETERMINED
- June 3, 2015                      Clear POS for electronic distribution to prospective bidders
- June 10, 2015                    Competitive sale; receive bids on the BANs
- Week of June 15, 2015        Board of Selectmen meets to approve sale and sign associated paperwork  
**(NEEDS TO BE CONFIRMED)**
- June 24, 2015                    Signed and sealed BAN paperwork delivered to FirstSouthwest  
(FirstSouthwest can send a courier to pick up the signed documents, if needed)
- June 26, 2015                    Dated/Delivery date of BANs;  
Town receives proceeds;  
Town pays off maturing BANs
- June 24, 2016                    Maturity date of this issue (TO BE DETERMINED)

**MUNICIPAL PURPOSE LOAN**

Town of Ayer, Massachusetts

\$3,244,149 General Obligation Bond Anticipation Notes

Sale Date: 6/10/2015  
 Dated Date: 6/26/2015  
 Delivery Date: 6/26/2015  
 Due Date: 11/20/2015  
 Bank Qualification: Yes



Purpose	Vote Date(s)	Reference	Article Number	Amount Authorized	Previous Issues	Bonds, Grants, and/or Paydowns	Renewal This Issue	New This Issue	Total This Issue	Balance Unissued	Original Issue Date	Prorata Interest	Prorata Premium
DPW Dump Truck	5/14/2012	Ch.44, s.7(9)	19	\$167,000	\$64,771	\$100,000	\$64,771	\$0	\$64,771	\$2,229	6/26/2013	\$259.08	\$164.52
Town Hall	5/14/2012	Ch.44, s.7(3A)	19	\$16,571	\$16,571	\$0	\$16,571	\$0	\$16,571	\$0	6/26/2013	\$66.28	\$42.09
Service Truck	5/14/2012	Ch.44, s.7(9)	19	\$43,000	\$37,734	\$0	\$37,734	\$0	\$37,734	\$5,266	6/26/2013	\$150.94	\$95.84
Police security entrance	5/14/2012	Ch.44, s.7(9)	19	\$30,000	\$25,095	\$0	\$25,095	\$0	\$25,095	\$4,905	6/26/2013	\$100.38	\$63.74
Street signs	5/14/2012	Ch.44, s.7(14)	20	\$43,603	\$32,141	\$0	\$32,141	\$0	\$32,141	\$11,462	6/26/2013	\$128.56	\$81.64
Water - valve replacement	5/14/2012	Ch.44, s.8(7C)	19	\$42,000	\$42,000	\$0	\$42,000	\$0	\$42,000	\$0	6/26/2013	\$168.00	\$106.68
Water - one ton cab and chassis	5/14/2012	Ch.44, s.7(9)	19	\$69,000	\$14,575	\$50,000	\$14,575	\$0	\$14,575	\$4,425	6/26/2013	\$58.30	\$37.02
Water - cross country main transmission engineering	5/14/2012	Ch.44, s.7(9)	19	\$75,000	\$75,000	\$0	\$75,000	\$0	\$75,000	\$0	6/26/2013	\$300.00	\$190.50
Sewer - #3 RAS pump and controls replacement	5/14/2012	Ch.44, s.7(9)	19	\$60,000	\$24,344	\$0	\$24,344	\$0	\$24,344	\$35,656	6/26/2013	\$97.38	\$61.83
Sewer - W. Main pump station construction	5/14/2012	Ch.44, s.8(15)	19	\$450,000	\$450,000	\$0	\$450,000	\$0	\$450,000	\$0	6/26/2013	\$1,800.00	\$1,143.00
Solid waste - one ton dump truck	5/14/2012	Ch.44, s.7(9)	19	\$50,000	\$38,358	\$10,000	\$38,358	\$0	\$38,358	\$1,642	6/26/2013	\$153.43	\$97.43
Network infrastructure upgrades	5/13/2013	Ch.44, s.7(28)	18	\$10,000	\$10,000	\$0	\$10,000	\$0	\$10,000	\$0	6/26/2014	\$40.00	\$25.40
Tractor with front-end loader	5/13/2013	Ch.44, s.7(9)	18	\$18,500	\$16,550	\$0	\$16,550	\$0	\$16,550	\$1,950	6/26/2014	\$66.20	\$42.04
Replace admin vehicle	5/13/2013	Ch.44, s.7(9)	18	\$30,000	\$25,928	\$0	\$25,928	\$0	\$25,928	\$4,072	6/26/2014	\$103.71	\$65.96
Replace Fire Chief vehicle	5/13/2013	Ch.44, s.7(9)	18	\$45,000	\$43,814	\$0	\$43,814	\$0	\$43,814	\$1,186	6/26/2014	\$175.26	\$111.29
Truck mounted asphalt/recycling mixer	5/13/2013	Ch.44, s.7(9)	18	\$20,000	\$19,850	\$0	\$19,850	\$0	\$19,850	\$150	6/26/2014	\$79.40	\$50.42
Rehab engine #4	5/13/2013	Ch.44, s.7(9)	19	\$121,382	\$121,382	\$0	\$121,382	\$0	\$121,382	\$0	6/26/2014	\$485.53	\$308.31
Spec Pond Filter valve replacement	5/13/2013	Ch.44, s.8(7C)	18	\$50,000	\$50,000	\$0	\$50,000	\$0	\$50,000	\$0	6/26/2014	\$200.00	\$127.00
Meter read radio system upgrade	5/13/2013	Ch.44, s.7(9)	21	\$37,801	\$37,801	\$0	\$37,801	\$0	\$37,801	\$0	6/26/2014	\$151.20	\$96.01
WWTP Facility engineering evaluation	5/13/2013	Ch.44, s.7(9)	18	\$100,000	\$100,000	\$0	\$100,000	\$0	\$100,000	\$0	6/26/2014	\$400.00	\$254.00
Meter read radio system upgrade	5/13/2013	Ch.44, s.7(9)	21	\$31,922	\$31,922	\$0	\$31,922	\$0	\$31,922	\$0	6/26/2014	\$127.69	\$81.08
Culvert replacement - Victor Dr	5/13/2013	Ch.44, s.7(1)	18	\$150,000	\$125,178	\$24,822	\$125,178	\$0	\$125,178	\$0	6/26/2014	\$500.71	\$317.95
Software & laptops	5/13/2013	Ch.44, s.7(28) & 7(29)	18	\$27,000	\$27,000	\$0	\$27,000	\$0	\$27,000	\$0	6/26/2014	\$108.00	\$68.58
DPW Spectacle Pond Corrosion Control Equipment	5/19/2015	Ch.44, s.8(7C)	20	\$50,000	\$0	\$0	\$0	\$50,000	\$50,000	\$0	6/26/2015	\$200.00	\$127.00
DPW Water Main Replacements	5/19/2015	Ch.44, s.8	20	\$1,500,000	\$0	\$0	\$0	\$1,500,000	\$1,500,000	\$1,350,000	6/26/2015	\$600.00	\$381.00
DPW Meter Radio Read System	5/19/2015	Ch.44, s.7(9)	20	\$50,000	\$0	\$0	\$0	\$50,000	\$50,000	\$0	6/26/2015	\$200.00	\$127.00
Fire/Ambulance Cardiac Monitor	5/19/2015	Ch.44, s.7(9)	20	\$35,000	\$0	\$0	\$0	\$29,900	\$29,900	\$5,100	6/26/2015	\$119.60	\$75.95
East Main Street Water Mains	5/19/2015	Ch.44, s.8	20	\$895,088	\$0	\$0	\$0	\$895,088	\$895,088	\$0	6/26/2015	\$3,580.35	\$2,273.52
East Main Street Sewer Mains	5/19/2015	Ch.44, s.8(15)	21	\$639,147	\$0	\$0	\$0	\$639,147	\$639,147	\$0	6/26/2015	\$2,556.59	\$1,623.43
<b>Totals</b>				<b>\$4,857,015</b>	<b>\$1,430,014</b>	<b>\$184,822</b>	<b>\$1,430,014</b>	<b>\$1,814,135</b>	<b>\$3,244,149</b>	<b>\$1,428,044</b>		<b>\$12,976.60</b>	<b>\$8,240.14</b>

# Town of Ayer, Massachusetts

**\$3,244,149 General Obligation Bond Anticipation Notes**

**Sale Date:** 6/10/2015  
**Dated Date:** 6/26/2015  
**Delivery Date:** 6/26/2015  
**Due Date:** 11/20/2015  
**Days Per Year:** 360  
**Day Count:** 144  
**Bank Qualified:** Yes  
**Rating:** None



Bidder	Principal	Coupon Rate	Premium	Interest	Net Interest	NIC	Prorata Premium	Prorata Interest	Award	Reoffering Yield
TD Securities	\$3,244,149	1.00%	\$8,240.14	\$12,976.60	\$4,736.46	0.3650%	\$8,240.14	\$12,976.60	\$3,244,149	
Eastern Bank	\$3,244,149	1.00%	\$7,993.58	\$12,976.60	\$4,983.02	0.3840%				
Jefferies LLC	\$3,244,149	1.50%	\$14,180.00	\$19,464.89	\$5,284.89	0.4073%				
Century Bank	\$3,244,149	1.00%	\$6,488.30	\$12,976.60	\$6,488.30	0.5000%				
Oppenheimer & Co.	\$3,244,149	1.50%	\$7,916.00	\$19,464.89	\$11,548.89	0.8900%				
<b>Award Totals</b>							\$8,240.14	\$12,976.60	\$3,244,149	

Weighted Average Net Interest Cost: 0.3650%