

Date: February 14, 2011

Date Minutes Approved: 03-07-11

BOARD OF SELECTMEN MINUTES

The meeting was opened at 8:10 AM.

JOINT MEETING TO DISCUSS BONDING FOR POTENTIAL FUTURE BUILDING PROJECTS

Present from the Town of Duxbury were:

Board of Selectmen

Shawn Dahlen, Chair; Elizabeth Sullivan, Vice-Chair

Town Administration

Richard MacDonald, Town Manager; John Madden, Finance Director; Thomas Connolly, Treasurer; Barbara Mello, Executive Assistant to the Town Manager

Finance Committee

Kenneth McCarthy, Chair; Gay Shanahan

Fiscal Advisory Committee

Frank Mangione, Chair; Elizabeth Conway; David Madigan

Public Safety Building Feasibility Study Committee

Andre Martecchini, Chair

School Committee

Anne Ward, Chair; John Heinstadt, Vice-Chair

School Administration

Dr. Ben Tantillo, Superintendent; Susan Nauman, School Business Manager

School Building Committee

Elizabeth Lewis, Chair

Present from Eastern Bank were:

Maureen Pacella, Vice-President/Municipal Finance

Patricia Bowen, Vice-President/Municipal Finance

James Fox, SVP and Managing Director, Capital Markets and Government Banking

Mr. Madden made formal introductions. He then explained that he had invited representatives from Eastern Bank, our primary lender, to give us information about various lending options that may be open to us, in light of three big borrowing projects that are on the 2011 Town Meeting warrant (Fire Station, Police Station, and School Building)

Some of the highlights of the discussion were:

- **There are pros and cons to Level Principal Service vs. Level Debt Service Payments, and of a hybrid structure.**

- **Current borrowing rates are very low, and not expected to go much lower. However, if they rise, this will probably mean that the economy is improving, which is good for everyone.**
- **Duxbury currently has an excellent credit rating. A large amount of borrowing may result in a slight downgrade to our credit rating.**
- **We may want to consider having a rate evaluation study.**
- **We may be able to use bank qualified loans to our advantage, in a year when we borrow less than ten million dollars.**
- **The Finance Director is concerned about add-on debt.**

Ms. Ward mentioned that advocates of the School Building project are doing public presentations. They need to be able to explain how much the project will cost. This will depend upon the borrowing structure. Mr. Madden said that the planned borrowing structure will be determined in the next couple of weeks.

ADJOURNMENT

**Mr. Dahlen moved for adjournment at approximately 9:30 AM. Second by Ms. Sullivan.
Vote: 2:0:0.**

LIST OF DOCUMENTS

- 1) *Meeting Presentation Outline*
- 2) *Moody's Credit Rating Report for Duxbury, dated 2-26-10*
- 3) *Standard and Poor's Credit Rating for Duxbury, dated 3-1-10*
- 4) *Standard and Poor's Publication: Top Ten Management Characteristics of Highly Rated Credits in U.S. Public Finance, dated July 26, 2010*
- 5) *Payment Schedules under various borrowing structures for School, Crematory, Fire Station and Police Station*
- 6) *Tax impacts under various borrowing structures for School, Crematory, Fire Station and Police Station*

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