

Discussion of Fall 2014 Bond Issue  
Select Board  
Town of Hadley, Massachusetts



August 6, 2014



UniBank Fiscal Advisory Services, Inc.

# Fall 2014 Bond Issue

- o Background
- o Purposes to be Financed
- o Schedule
- o Tax Rate Question

# Background

- o Financing Pattern
  - o Short-term notes at least annually to provide capital project cashflow – usually issued through state Bureau of Accounts
  - o Long-term bonds every few years to permanently finance notes
    - o November 1995
    - o July 1999
    - o August 2002
    - o November 2006
    - o September 2009



# Background

- o Bond Ratings
  - o Since 2002, Town has used Standard & Poor's
    - o 2002 to 2009: A+
    - o 2009 to 2014: AA
    - o 2014 to present: AA+
  - o Rating improvement reflects both
    - o Changing standards
    - o Strong credit characteristics of Town
  - o Town will interface with S&P as part of this bond issue

# The Upcoming Issue

- o Total amount: \$4,010,215
  - o Exempt: \$1,468,537
    - o Hopkins Academy Roof: \$269,787
    - o Wheelchair Van: \$75,000
    - o Tractor: \$48,000
    - o Heavy Rescue/Pumper: \$761,250
    - o Radio Equipment Upgrade: \$179,500
    - o Emergency Generators: \$135,000
  - o Sewer: \$2,002,000
  - o Other Non-Exempt: \$539,678
    - o Athletic Fields Land Acquisition: \$197,678
    - o School Information Technology: \$150,000
    - o Dump Truck: \$192,000

# The Upcoming Issue

- o Outstanding Notes: \$1,075,787
  - o Maturing November 5, 2014
  - o Purposes
    - o Hopkins Academy Roof: \$269,787
    - o Athletic Field Land Acquisition: \$205,000
    - o Wheelchair Van: \$75,000
    - o Tractor: \$48,000
    - o School Information Technology: \$150,000
    - o Sewer Pump Station Design: \$136,000
    - o Dump Truck: \$192,000
  - o Town needs to make principal paydown on Athletic Field notes



# Schedule

- o Draft Disclosure: September 30, 2014
- o Call/Meeting with S&P: early October
- o Release Disclosure: October 14, 2014
- o Bond Sale: October 23, 2014
- o Select Board Meeting: October 29, 2014
- o Bonds Settle: November 4, 2014
- o Notes Mature: November 5, 2014
- o First Interest: May 1, 2015
- o First Principal: To be determined
- o Last Principal: May 1, 2035

# Select Board Consideration

- o No need to take formal vote this evening
- o Board will be asked to take vote at October 29 meeting to award and execute bonds
- o For this meeting – Direction on Tax Rate Question



# Tax Rate Issue

- o Under Massachusetts law, the Town would need to make first principal payment by June 30, 2016 – current plan for most of the upcoming issue
  - o Sewer
  - o Other Non-Exempt
- o Reason to consider a principal payment in fiscal year 2015 for new excluded debt
  - o Outstanding excluded debt service decreases significantly
    - o \$555,000 in fiscal 2014
    - o \$377,000 in fiscal 2015
    - o Approximately 20 cents per \$1,000 on tax rate

# Tax Rate Issue - Options

- o First Principal in FY15; aggressively amortize debt (15 Short)
- o First Principal in FY15; less aggressively amortize debt (15 Long)
- o First Principal in FY16; aggressively amortize debt (16 Short)
- o First Principal in FY16; less aggressively amortize debt (16 Long)

# 15 Short

**TOWN OF HADLEY, MASSACHUSETTS**  
 Municipal Purpose Loan of 2014  
 Projected Debt Service - Short  
 Exempt from Proposition 2 1/2

UniBank Fiscal Advisory Services, Inc.

7/31/2014

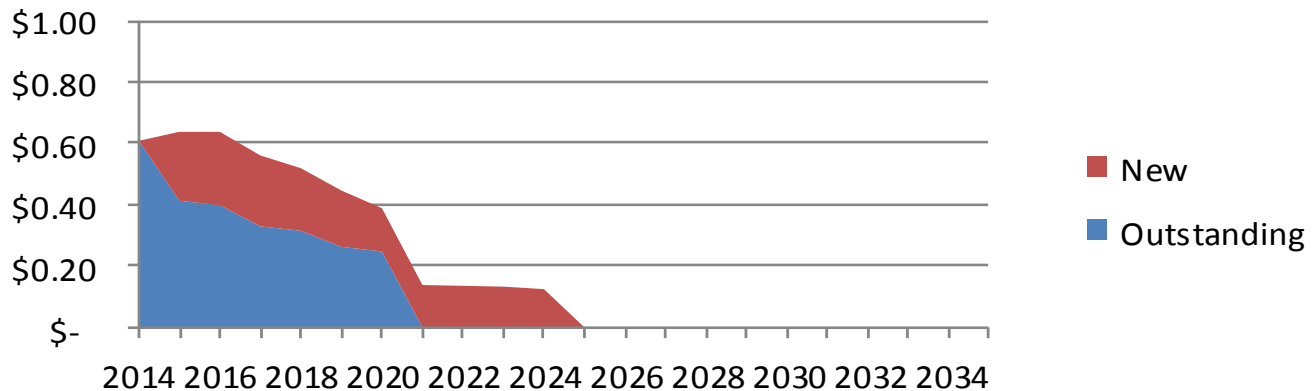
\$ 913,412,272.00 \$ 308,040.00

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	\$	<u>27,314.12</u> <u>Premium</u>	<u>Net Fiscal</u>	<u>Outstanding</u>	<u>Total</u> <u>Projected</u>	<u>Tax Rate</u>	<u>Average</u> <u>SFH</u>
2014					\$ -	\$ 555,416.00	\$ 555,416.00	\$ 0.61	\$ 187.31
2015	\$ 190,215.00	\$ 18,050.77	\$	(3,062.25)	\$ 205,203.52	\$ 376,974.00	\$ 582,177.52	\$ 0.64	\$ 196.33
2016	\$ 191,622.00	\$ 31,958.05	\$	(5,421.56)	\$ 218,158.49	\$ 363,891.00	\$ 582,049.49	\$ 0.64	\$ 196.29
2017	\$ 188,525.00	\$ 27,167.50	\$	(4,608.86)	\$ 211,083.64	\$ 300,665.00	\$ 511,748.64	\$ 0.56	\$ 172.58
2018	\$ 167,525.00	\$ 22,454.38	\$	(3,809.30)	\$ 186,170.07	\$ 287,672.00	\$ 473,842.07	\$ 0.52	\$ 159.80
2019	\$ 152,525.00	\$ 18,266.25	\$	(3,098.80)	\$ 167,692.45	\$ 239,665.00	\$ 407,357.45	\$ 0.45	\$ 137.38
2020	\$ 116,625.00	\$ 14,453.13	\$	(2,451.92)	\$ 128,626.21	\$ 226,204.00	\$ 354,830.21	\$ 0.39	\$ 119.66
2021	\$ 116,625.00	\$ 11,537.50	\$	(1,957.29)	\$ 126,205.21	\$	\$ 126,205.21	\$ 0.14	\$ 42.56
2022	\$ 116,625.00	\$ 8,621.88	\$	(1,462.67)	\$ 123,784.21	\$	\$ 123,784.21	\$ 0.14	\$ 41.75
2023	\$ 116,625.00	\$ 5,706.25	\$	(968.04)	\$ 121,363.21	\$	\$ 121,363.21	\$ 0.13	\$ 40.93
2024	\$ 111,625.00	\$ 2,790.63	\$	(473.42)	\$ 113,942.21	\$	\$ 113,942.21	\$ 0.12	\$ 38.43
2025	\$ -	\$ -	\$	\$ -	\$ -	\$	\$ -	\$ -	\$ -
2026	\$ -	\$ -	\$	\$ -	\$ -	\$	\$ -	\$ -	\$ -
2027	\$ -	\$ -	\$	\$ -	\$ -	\$	\$ -	\$ -	\$ -
2028	\$ -	\$ -	\$	\$ -	\$ -	\$	\$ -	\$ -	\$ -
2029	\$ -	\$ -	\$	\$ -	\$ -	\$	\$ -	\$ -	\$ -
2030	\$ -	\$ -	\$	\$ -	\$ -	\$	\$ -	\$ -	\$ -
2031	\$ -	\$ -	\$	\$ -	\$ -	\$	\$ -	\$ -	\$ -
2032	\$ -	\$ -	\$	\$ -	\$ -	\$	\$ -	\$ -	\$ -
2033	\$ -	\$ -	\$	\$ -	\$ -	\$	\$ -	\$ -	\$ -
2034	\$ -	\$ -	\$	\$ -	\$ -	\$	\$ -	\$ -	\$ -
2035	\$ -	\$ -	\$	\$ -	\$ -	\$	\$ -	\$ -	\$ -
	\$ 1,468,537.00	\$ 161,006.32	\$	(27,314.12)	\$ 1,602,229.20				



# 15 Short

## Tax Rate Impacts Exempt Debt - 15 Short Town of Hadley, Massachusetts



# 15 Long

**TOWN OF HADLEY, MASSACHUSETTS**  
 Municipal Purpose Loan of 2014  
 Projected Debt Service - Long  
 Exempt from Proposition 2 1/2

UniBank Fiscal Advisory Services, Inc.

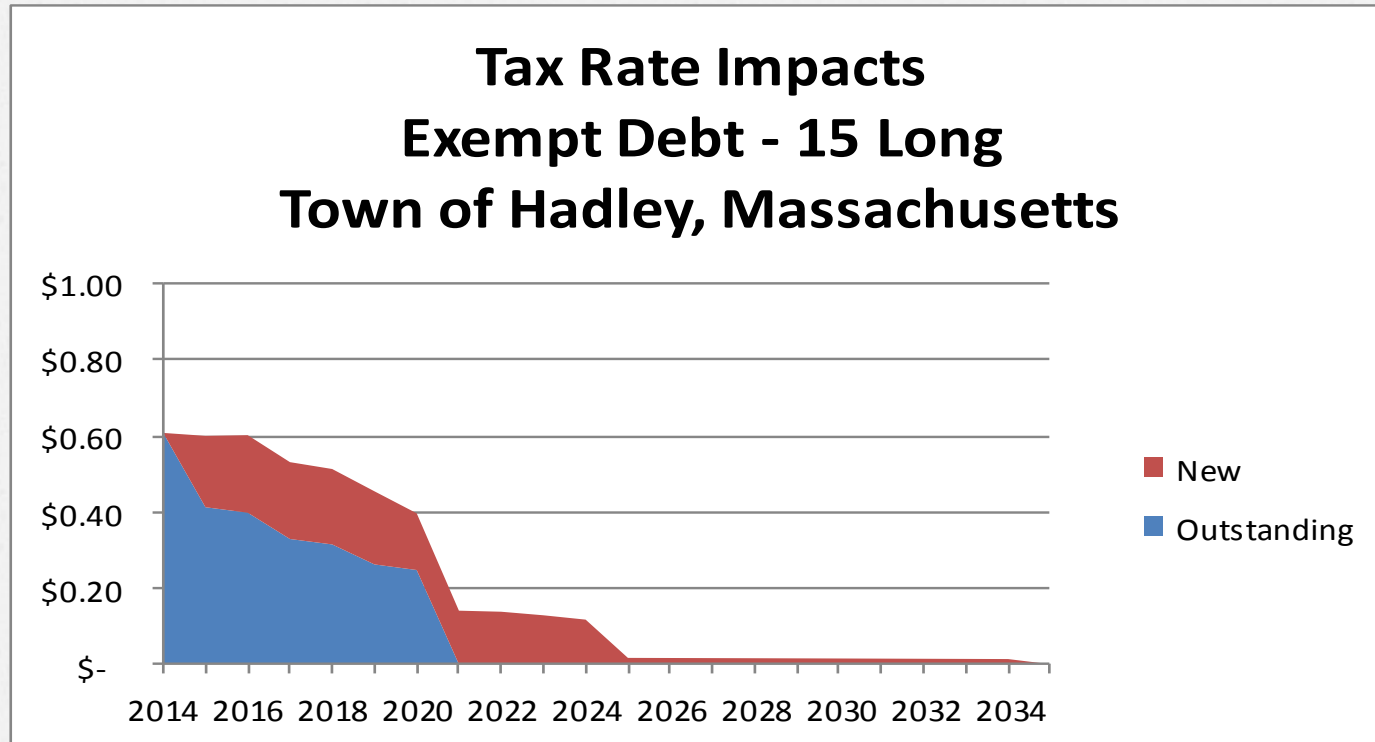
7/31/2014

\$ 913,412,272.00 \$ 308,040.00

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Premium</u>	<u>Net Fiscal</u>	<u>Outstanding</u>	<u>Total Projected</u>	<u>Tax Rate</u>	<u>Average SFH</u>
2014								
2015 \$	155,215.00 \$	18,353.14 \$	(2,166.13) \$	171,402.02 \$	376,974.00 \$	548,376.02 \$	0.60 \$	184.93
2016 \$	156,622.00 \$	33,448.05 \$	(3,947.70) \$	186,122.35 \$	363,891.00 \$	550,013.35 \$	0.60 \$	185.49
2017 \$	158,525.00 \$	29,532.50 \$	(3,485.57) \$	184,571.93 \$	300,665.00 \$	485,236.93 \$	0.53 \$	163.64
2018 \$	158,525.00 \$	25,569.38 \$	(3,017.82) \$	181,076.55 \$	287,672.00 \$	468,748.55 \$	0.51 \$	158.08
2019 \$	156,525.00 \$	21,606.25 \$	(2,550.07) \$	175,581.18 \$	239,665.00 \$	415,246.18 \$	0.45 \$	140.04
2020 \$	120,625.00 \$	17,693.13 \$	(2,088.23) \$	136,229.90 \$	226,204.00 \$	362,433.90 \$	0.40 \$	122.23
2021 \$	115,625.00 \$	14,677.50 \$	(1,732.31) \$	128,570.19 \$		128,570.19 \$	0.14 \$	43.36
2022 \$	115,625.00 \$	11,786.88 \$	(1,391.14) \$	126,020.73 \$		126,020.73 \$	0.14 \$	42.50
2023 \$	109,625.00 \$	8,896.25 \$	(1,049.98) \$	117,471.27 \$		117,471.27 \$	0.13 \$	39.62
2024 \$	101,625.00 \$	6,155.63 \$	(726.52) \$	107,054.11 \$		107,054.11 \$	0.12 \$	36.10
2025 \$	12,000.00 \$	3,615.00 \$	(426.66) \$	15,188.34 \$		15,188.34 \$	0.02 \$	5.12
2026 \$	12,000.00 \$	3,315.00 \$	(391.25) \$	14,923.75 \$		14,923.75 \$	0.02 \$	5.03
2027 \$	12,000.00 \$	3,000.00 \$	(354.07) \$	14,645.93 \$		14,645.93 \$	0.02 \$	4.94
2028 \$	12,000.00 \$	2,670.00 \$	(315.13) \$	14,354.87 \$		14,354.87 \$	0.02 \$	4.84
2029 \$	12,000.00 \$	2,325.00 \$	(274.41) \$	14,050.59 \$		14,050.59 \$	0.02 \$	4.74
2030 \$	12,000.00 \$	1,980.00 \$	(233.69) \$	13,746.31 \$		13,746.31 \$	0.02 \$	4.64
2031 \$	12,000.00 \$	1,605.00 \$	(189.43) \$	13,415.57 \$		13,415.57 \$	0.01 \$	4.52
2032 \$	12,000.00 \$	1,215.00 \$	(143.40) \$	13,071.60 \$		13,071.60 \$	0.01 \$	4.41
2033 \$	12,000.00 \$	825.00 \$	(97.37) \$	12,727.63 \$		12,727.63 \$	0.01 \$	4.29
2034 \$	12,000.00 \$	420.00 \$	(49.57) \$	12,370.43 \$		12,370.43 \$	0.01 \$	4.17
2035 \$	- \$	- \$	- \$	- \$		- \$	- \$	-
	\$ 1,468,537.00 \$	\$ 208,688.69 \$	\$ (24,630.44) \$	\$ 1,652,595.25				

# 15 Long

## Tax Rate Impacts Exempt Debt - 15 Long Town of Hadley, Massachusetts





# 16 Short

**TOWN OF HADLEY, MASSACHUSETTS**  
 Municipal Purpose Loan of 2014  
 Projected Debt Service - Short  
 Exempt from Proposition 2 1/2

UniBank Fiscal Advisory Services, Inc.

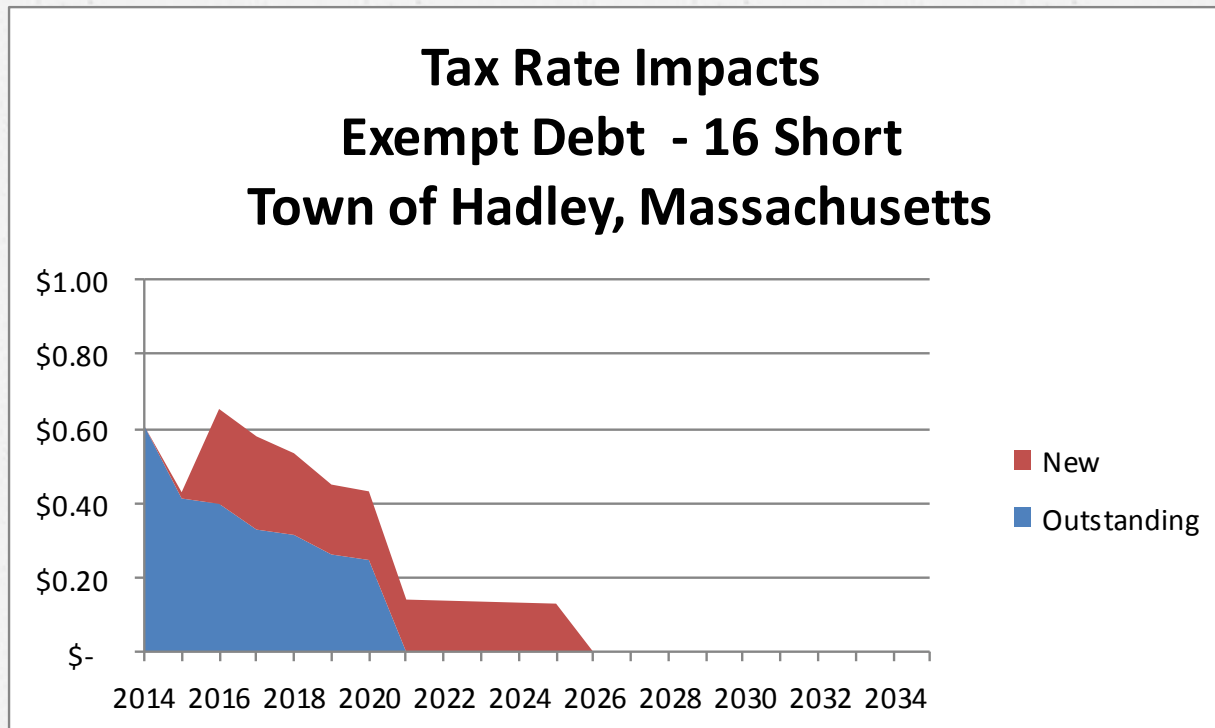
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\$ 913,412,272.00 \$ 308,040.00

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Premium</u>	<u>Net Fiscal</u>	<u>Outstanding</u>	<u>Total Projected</u>	<u>Tax Rate</u>	<u>Average SFH</u>
2014								
2015 \$	- \$	18,050.77 \$	(2,654.55) \$	15,396.22 \$	376,974.00 \$	392,370.22 \$	0.61 \$	187.31
2016 \$	201,312.00 \$	36,713.43 \$	(5,399.09) \$	232,626.34 \$	363,891.00 \$	596,517.34 \$	0.43 \$	132.32
2017 \$	201,525.00 \$	31,680.63 \$	(4,658.96) \$	228,546.66 \$	300,665.00 \$	529,211.66 \$	0.65 \$	201.17
2018 \$	177,525.00 \$	26,642.50 \$	(3,918.05) \$	200,249.45 \$	287,672.00 \$	487,921.45 \$	0.58 \$	178.47
2019 \$	152,525.00 \$	22,204.38 \$	(3,265.38) \$	171,463.99 \$	239,665.00 \$	411,128.99 \$	0.53 \$	164.55
2020 \$	152,525.00 \$	18,391.25 \$	(2,704.62) \$	168,211.63 \$	226,204.00 \$	394,415.63 \$	0.45 \$	138.65
2021 \$	116,625.00 \$	14,578.13 \$	(2,143.86) \$	129,059.26 \$		129,059.26 \$	0.43 \$	133.01
2022 \$	116,625.00 \$	11,662.50 \$	(1,715.09) \$	126,572.41 \$		126,572.41 \$	0.14 \$	43.52
2023 \$	116,625.00 \$	8,746.88 \$	(1,286.32) \$	124,085.56 \$		124,085.56 \$	0.14 \$	42.69
2024 \$	116,625.00 \$	5,831.25 \$	(857.55) \$	121,598.70 \$		121,598.70 \$	0.14 \$	41.85
2025 \$	116,625.00 \$	2,915.63 \$	(428.77) \$	119,111.85 \$		119,111.85 \$	0.13 \$	41.01
2026 \$	- \$	- \$	- \$	- \$		- \$	0.13 \$	40.17
2027 \$	- \$	- \$	- \$	- \$		- \$	- \$	-
2028 \$	- \$	- \$	- \$	- \$		- \$	- \$	-
2029 \$	- \$	- \$	- \$	- \$		- \$	- \$	-
2030 \$	- \$	- \$	- \$	- \$		- \$	- \$	-
2031 \$	- \$	- \$	- \$	- \$		- \$	- \$	-
2032 \$	- \$	- \$	- \$	- \$		- \$	- \$	-
2033 \$	- \$	- \$	- \$	- \$		- \$	- \$	-
2034 \$	- \$	- \$	- \$	- \$		- \$	- \$	-
2035 \$	- \$	- \$	- \$	- \$		- \$	- \$	-
	\$ 1,468,537.00 \$	\$ 197,417.32 \$	\$(29,032.24) \$	\$ 1,636,922.08				

# 16 Short

## Tax Rate Impacts Exempt Debt - 16 Short Town of Hadley, Massachusetts



# 16 Long

**TOWN OF HADLEY, MASSACHUSETTS**  
 Municipal Purpose Loan of 2014  
 Projected Debt Service - Long  
 Exempt from Proposition 2 1/2

UniBank Fiscal Advisory Services, Inc.

7/31/2014

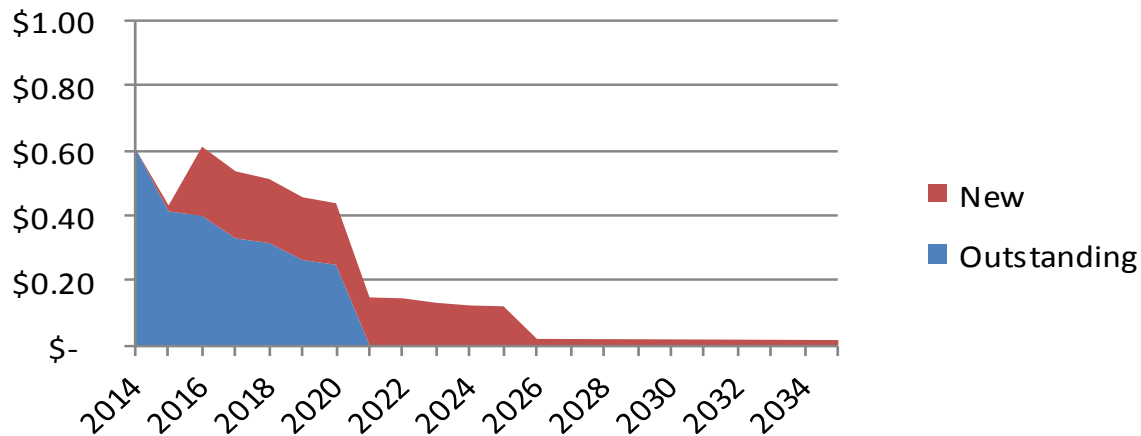
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<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Premium</u>	<u>Net Fiscal</u>	<u>Outstanding</u>	<u>Total Projected</u>	<u>Tax Rate</u>	<u>Average SFH</u>
2014								
2015	\$ -	\$ 18,457.31	\$ (1,838.94)	\$ 16,618.38	\$ 376,974.00	\$ 393,592.38	\$ 0.43	\$ 132.74
2016	\$ 161,812.00	\$ 37,540.30	\$ (3,740.21)	\$ 195,612.09	\$ 363,891.00	\$ 559,503.09	\$ 0.61	\$ 188.69
2017	\$ 159,025.00	\$ 33,495.00	\$ (3,337.17)	\$ 189,182.83	\$ 300,665.00	\$ 489,847.83	\$ 0.54	\$ 165.20
2018	\$ 154,025.00	\$ 29,519.38	\$ (2,941.07)	\$ 180,603.30	\$ 287,672.00	\$ 468,275.30	\$ 0.51	\$ 157.92
2019	\$ 154,025.00	\$ 25,668.75	\$ (2,557.43)	\$ 177,136.32	\$ 239,665.00	\$ 416,801.32	\$ 0.46	\$ 140.56
2020	\$ 154,025.00	\$ 21,818.13	\$ (2,173.78)	\$ 173,669.34	\$ 226,204.00	\$ 399,873.34	\$ 0.44	\$ 134.85
2021	\$ 118,125.00	\$ 17,967.50	\$ (1,790.14)	\$ 134,302.36		\$ 134,302.36	\$ 0.15	\$ 45.29
2022	\$ 118,125.00	\$ 15,014.38	\$ (1,495.91)	\$ 131,643.46		\$ 131,643.46	\$ 0.14	\$ 44.40
2023	\$ 108,125.00	\$ 12,061.25	\$ (1,201.69)	\$ 118,984.56		\$ 118,984.56	\$ 0.13	\$ 40.13
2024	\$ 103,125.00	\$ 9,358.13	\$ (932.37)	\$ 111,550.76		\$ 111,550.76	\$ 0.12	\$ 37.62
2025	\$ 103,125.00	\$ 6,780.00	\$ (675.50)	\$ 109,229.50		\$ 109,229.50	\$ 0.12	\$ 36.84
2026	\$ 13,500.00	\$ 4,201.88	\$ (418.64)	\$ 17,283.23		\$ 17,283.23	\$ 0.02	\$ 5.83
2027	\$ 13,500.00	\$ 3,847.50	\$ (383.33)	\$ 16,964.17		\$ 16,964.17	\$ 0.02	\$ 5.72
2028	\$ 13,500.00	\$ 3,476.25	\$ (346.35)	\$ 16,629.90		\$ 16,629.90	\$ 0.02	\$ 5.61
2029	\$ 13,500.00	\$ 3,088.13	\$ (307.68)	\$ 16,280.45		\$ 16,280.45	\$ 0.02	\$ 5.49
2030	\$ 13,500.00	\$ 2,700.00	\$ (269.01)	\$ 15,930.99		\$ 15,930.99	\$ 0.02	\$ 5.37
2031	\$ 13,500.00	\$ 2,278.13	\$ (226.97)	\$ 15,551.15		\$ 15,551.15	\$ 0.02	\$ 5.24
2032	\$ 13,500.00	\$ 1,839.38	\$ (183.26)	\$ 15,156.11		\$ 15,156.11	\$ 0.02	\$ 5.11
2033	\$ 13,500.00	\$ 1,400.63	\$ (139.55)	\$ 14,761.08		\$ 14,761.08	\$ 0.02	\$ 4.98
2034	\$ 13,500.00	\$ 945.00	\$ (94.15)	\$ 14,350.85		\$ 14,350.85	\$ 0.02	\$ 4.84
2035	\$ 13,500.00	\$ 472.50	\$ (47.08)	\$ 13,925.42		\$ 13,925.42	\$ 0.02	\$ 4.70
	\$ 1,468,537.00	\$ 251,929.49	\$ (25,100.23)	\$ 1,695,366.26				



# 16 Long

## Tax Rate Impacts Exempt Debt - 16 Long Town of Hadley, Massachusetts



# Discussion