

***Town of Weymouth  
Massachusetts***

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# **Press Release**

For Immediate Release – August 19, 2020

## **Weymouth Retains Strong Credit Rating; Receives Lowest-Ever Interest Rate, Saving Weymouth Taxpayers Millions**

*\$50,100,000 Bonds Net 1.768%; \$8,000,000 Notes Net 0.313%*

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Weymouth, MA – The text of the press release will go here.

On Thursday, August 13, 2020, the Town of Weymouth received competitive bids from bond and note underwriters. The first was for a \$50,100,000, 25-year general obligation bond issue for continued financing of previously issued bonds to fund field improvements, the New Tufts Library, and the New Chapman Middle School. The second was an \$8,000,000 360-day bond anticipation note (BAN) issue to fund the Abigail Adams conversion, the permanent modular classrooms, the Ralph Talbot School boiler replacement, and road improvements.

Wells Fargo Bank, National Association was the winning bidder on the Bonds with an average interest rate of 1.768%. Jefferies, LLC was the winning bidder on the Notes with a net interest cost of 0.313%. The Town received a total of 6 bids on the Bonds and 6 bids on the Notes. Weymouth will receive Bond and Note proceeds of over \$5.5 million, which will be used to offset borrowing costs for various town projects.

Prior to the sale, S&P Global Ratings, a municipal bond credit rating agency, assigned a rating of 'AA' to the Bonds and assigned 'SP-1+' to the Notes, the highest short-term rating attainable. The rating agency cited Weymouth's strong budgetary performance, strong budgetary flexibility and very strong liquidity as positive credit factors.

"Our strong fiscal management has paid dividends again. These results mean substantial savings from forecasted debt service expense, including the forecasted cost of the Chapman debt exclusion vote," **said Mayor Robert Hedlund**. "I want to thank our finance team: Chief of Staff Ted Langill, CFO James Malary and Treasurer/Collector Bob Conlon for their efforts in achieving this great result."

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

When comparing the actual rates to the Town's budgeted estimates, this result means a \$4.7 million budget savings over the life of the \$10.6 million Library borrowing. The savings on the \$38.7 million in initial Chapman project borrowing will be a direct savings to taxpayers, who approved a debt exclusion to help fund the New Chapman Project. The debt exclusion cost estimate was based on a 3% rate. The actual rate of 1.78% results in a savings to Weymouth homeowners of nearly \$300,000 the first year and \$7.3 million over the life of the bond. For the average single family home, with a home value of \$400,380, it equates to a \$310 savings over the life of the bond.

"I'm glad to be working with a successful Administration while continuing their effort to generate great results for the Town," **said Weymouth CFO James Malary**.

The \$38.7 million in borrowing equals 40% of the total amount to be borrowed via the debt exclusion for the New Chapman Middle School Project. Another \$10 million will be borrowed within the town's tax levy and will not be an additional cost to tax payers.

"From day one we have had a strategy of building a strong financial foundation from which to address the many needs of the Town, from a new middle school and public library, to new fields and roads, replacing school boilers and making town buildings safer and healthier. We continue to do so with minimal impact to the town's operating budget, allowing us to significantly increase funding over the last 5 years to our core services, such as education, public safety and social services," **said Chief of Staff Ted Langill**.

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