



City of Newton, Massachusetts
Office of the Mayor

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Honorable City Council
Newton City Hall
1000 Commonwealth Avenue
Newton Centre, MA 02459

Councilors:

I respectfully submit a docket item to your Honorable Council requesting authorization to issue "refunding bonds" to refund all or any portion of the City's general obligation bonds outstanding as of the date of adoption of this Order.

As you may recall, the City benefitted from the issuance of several tax exempt "advanced refunding bonds" during the past decade for which we had a blanket authorization from the City Council for all bonds issued through 2011. Although tax exempt "advanced refundings" are no longer allowed under the tax law changes in January 2018, "refundings" are allowed when a bond issuance reaches its call date, provided interest rates make it financially attractive to do so.

This "blanket refunding order" will give the administration the authority to refund any, and all, bonds that have been issued up to this point in time, when and if it is financially prudent to do so. The specific language for the Council Order should be as follows:

"That in order to reduce interest costs, the Treasurer, with the approval of the Mayor, is authorized to issue refunding bonds, at one time or from time to time, pursuant to G.L. c.44, §21A, or pursuant to any other enabling authority, to refund all or any portion of the City's general obligation bonds outstanding as of the date of adoption of this Order, and that the proceeds of any refunding bonds issued pursuant to this vote shall be used to pay the principal, redemption premium and interest on the bonds of the City to be refunded, and costs of issuance of the refunding bonds; and that the Mayor and the Treasurer are each authorized to execute such documents as may be necessary or desirable to carry out this transaction, including one or more refunding trust agreements with a bank or trust company."

Thank you for your consideration of this matter.

Sincerely,

Ruthanne Fuller
Mayor