

City of Newton



City of Newton, Massachusetts
Community Preservation Committee

David B. Cohen
Mayor

TO: Honorable Board of Aldermen
FROM: Jeffrey Sacks, Chair *JS*
DATE: 28 October 2003
RE: **Kessler Woods - Expenses and Debt Issuance Costs**

On October 16, the Community Preservation Committee voted to recommend two funding requests:

1. Expenses resulting from the purchase of Kessler Woods in the amount of \$18,500
2. Debt issuance costs in the amount of \$35,000

The first item of \$18,500, includes \$10,000 for outside counsel, \$6,000 for title insurance, and \$2,500 for recording fees, title rundowns, and other miscellaneous expenses related to the land purchase. (See the attached letter from City Solicitor Dan Funk, dated August 25).

The second item includes costs associated with both the issuance of a short-term note and a ten-year bond and includes fees for the financial advisor, legal work, rating agency fee, printing fees, and the paying agent fee. According to Ed Spellman, the issue costs for the note would be approximately \$6,300 and the costs for the bond would be approximately \$25,500 (totaling \$31,800). The request of \$35,000 includes a small contingency to account for the possibility of slight adjustments in the cost estimates.

Please find two draft Board Orders enclosed and feel welcome to contact me or Jennifer Goldson at 617-796-1131 if you have any further questions.

cc: Community Preservation Committee
Ed Spellman, Treasurer/Collector
Dan Funk, City Solicitor
Mike Kruse, Director of Planning & Development
Jennifer Goldson, Community Preservation Planner

LAW DEPARTMENT



CITY OF NEWTON, MASSACHUSETTS

CITY HALL

1000 COMMONWEALTH AVENUE

NEWTON CENTRE, MA 02459

TELEPHONE (617) 796-1240

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CITY SOLICITOR
DANIEL M. FUNK

ASSOCIATE CITY SOLICITORS
QUIDA C.M. YOUNG GAYLE A. SMALLEY

ASSISTANT CITY SOLICITORS

MICHAEL D. BASEMAN
RICHARD G. CHMIELNSKI
CATHERINE A. LESTER SALGHERT
DONNALYN B. LYNCH KAHN
EILEEN M. MCGETTIGAN
CATHERINE L. FARRELL

August 25, 2003

Honorable David B. Cohen
1000 Commonwealth Avenue
Newton Centre, Massachusetts 02459

Re: Kessler Woods real estate transaction

Dear Mayor Cohen:

Following the successful bid outcome with Boston Edison, this office is continuing the legal work for the purchase transaction for a portion of Kessler Woods.

Preparation for the closing involves drafting and negotiation of real estate documents, including conservation restrictions, easements as well as review of title for the property. Although the Law Department is performing the lion's share of the work, some of the legal work is rather specialized, and the City will benefit from the assistance of expert outside counsel. Finalizing the transaction and recording the documents will also require significant recording fees for the Registry of Deeds, and may involve other out-of-pocket expenses for copies of plans, title rundowns and so on. In addition, this office advises that the City acquire title insurance for the property.

Accordingly, I hereby request that you seek authorization to expend \$18,500 from the Community Preservation Fund, with a budget as described below. Any unspent funds would, of course, be returned to the Community Preservation Fund at the end of the project.

Legal fees:	\$10,000
Recording and misc. fees:	\$2,500
Title Insurance:	<u>\$6,000</u>
TOTAL	\$18,500

Very truly yours,

Daniel M. Funk
City Solicitor

- DRAFT BOARD ORDER -

CITY OF NEWTON

IN BOARD OF ALDERMEN

16 October 2003

ORDERED:

That in accordance with the recommendations of the Community Preservation Committee, through its Chairman, Jeffrey Sacks; the Board of Aldermen Ad Hoc Community Preservation Committee, through its Chairman, Alderman Amy Sangiolo; and the Finance Committee through its Chairman, Alderman Paul Coletti: the sum of Thirty-Five Thousand Dollars (\$35,000) is hereby appropriated and transferred from the Community Preservation Unreserved Fund, to be expended under the direction and control of the Treasurer/Collector with the approval of the Director of Planning & Development for purposes of funding debt issuance costs for the property known as Kessler Woods.

FROM: Community Preservation Unreserved (21-3321)	\$35,000
TO: Kessler Woods (21A114A3)	\$35,000

- DRAFT BOARD ORDER -

CITY OF NEWTON

IN BOARD OF ALDERMEN

16 October 2003

ORDERED:

That in accordance with the recommendations of the Community Preservation Committee, through its Chairman, Jeffrey Sacks; the Board of Aldermen Ad Hoc Community Preservation Committee, through its Chairman, Alderman Amy Sangiolo; and the Finance Committee through its Chairman, Alderman Paul Coletti: the sum of Eighteen Thousand Five Hundred Dollars (\$18,500) is hereby appropriated and transferred from the Community Preservation Unreserved Fund, to be expended under the direction and control of the City Solicitor with the approval of the Director of Planning & Development for purposes of funding legal expenses for the property known as Kessler Woods.

FROM: Community Preservation Unreserved (21-3321)	\$18,500
TO: Kessler Woods (21A114A3)	\$18,500

City of Newton



City of Newton, Massachusetts
Community Preservation Committee

David B. Cohen
Mayor

TO: Honorable Board of Aldermen
FROM: Jeffrey Sacks, Chair, Community Preservation Committee *JS*
DATE: 28 January 2004
RE: **Kessler Woods Bond Payment**

In accordance with Board Order #227-03, which anticipates that the \$5,000,000 bond issued for purchase of the property on Vine Street known as Kessler Woods will be repaid from Community Preservation Funds, the Community Preservation Committee voted on 28 January 2004 to recommend appropriating \$65,375 from the Community Preservation Funds for the first payment (please refer to the attached draft Board Order, drafted by David Wilkinson, Comptroller).

Enclosed, please also find a memo from David Wilkinson that further explains the need and timing of this recommended appropriation and includes the Debt Service Schedule, listing the amount of CPA funds that must be appropriated each year.



CITY OF NEWTON, MASSACHUSETTS

CITY HALL

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COMPTROLLER
DAVID C. WILKINSON

January 9, ~~2003~~ 2004 probably intended

TO: Community Preservation Committee

FROM: David Wilkinson, Comptroller

SUBJECT: Kessler Woods Land Acquisition

On June 2, 2003 the Board of Aldermen, at the recommendation of the Community Preservation Committee, voted to appropriate the sum of \$5,000,000 for purposes of acquiring the Kessler Woods property and to authorize the issuance of an equal amount of general obligation bonds of the City for purposes of financing the land acquisition.

According to board order #227-03, "*While any bonds or notes issued pursuant to this order will constitute general obligations of the City as required by law, and a pledge of the City's full faith and credit, it is, nevertheless, the expectation of the City that any such bonds or notes, issued pursuant to this order shall be repaid from Community Preservation Funds raised by the City in each year.*"

On the basis of this authorization, the City Treasurer sold \$5,000,000 in general obligation bonds on December 16, 2003, and took delivery of the loan proceeds on December 30, 2003. A copy of the debt service schedule, listing the amount of CPA funds that must be appropriated each fiscal year for purposes of meeting interest and principal payments on the \$5,000,000 in bonds is on the reverse side of this communication. A copy of the official statement that was used in connection with this bond sale is being distributed to you under separate cover and may also be found on the City's web site under the Treasurer's Office web page.

The first interest payment on the \$5,000,000 in bonds, \$65,375, comes due on June 15, 2004 and needs to be appropriated by the CPA Committee and Board of Aldermen as soon as possible. Future year debt service obligations will be included in the annual CPA fund budget. I've included a draft board order for this purpose with this communication.

CC: Jennifer Goldson, Community Preservation Planner
Board of Aldermen

City of Newton, Massachusetts
\$5,000,000 General Obligation Bonds
Land Acquisition Dated: December 15, 2003
Ch.44 s.7(3), Authorized June 4, 2003

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/30/2003	-	-	-	-	-
06/15/2004	-	-	65,375.00 ✓	65,375.00	-
06/30/2004	-	-	-	-	65,375.00
12/15/2004	500,000.00	2.000%	65,375.00	565,375.00	-
06/15/2005	-	-	60,375.00	60,375.00	-
06/30/2005	-	-	-	-	625,750.00
12/15/2005	600,000.00	2.000%	60,375.00	560,375.00	-
06/15/2006	-	-	55,375.00	55,375.00	-
06/30/2006	-	-	-	-	615,750.00
12/15/2006	500,000.00	2.000%	55,375.00	555,375.00	-
06/15/2007	-	-	50,375.00	50,375.00	-
06/30/2007	-	-	-	-	605,750.00
12/15/2007	500,000.00	2.500%	50,375.00	550,375.00	-
06/15/2008	-	-	44,125.00	44,125.00	-
06/30/2008	-	-	-	-	594,500.00
12/15/2008	600,000.00	2.500%	44,125.00	644,125.00	-
06/15/2009	-	-	37,875.00	37,875.00	-
06/30/2009	-	-	-	-	582,000.00
12/15/2009	500,000.00	2.500%	37,875.00	537,875.00	-
06/15/2010	-	-	31,625.00	31,625.00	-
06/30/2010	-	-	-	-	569,500.00
12/15/2010	500,000.00	3.000%	31,625.00	531,625.00	-
06/15/2011	-	-	24,125.00	24,125.00	-
06/30/2011	-	-	-	-	555,750.00
12/15/2011	500,000.00	3.000%	24,125.00	524,125.00	-
06/15/2012	-	-	18,625.00	18,625.00	-
06/30/2012	-	-	-	-	540,750.00
12/15/2012	500,000.00	3.250%	18,625.00	516,625.00	-
06/15/2013	-	-	8,500.00	8,500.00	-
06/30/2013	-	-	-	-	526,125.00
12/15/2013	500,000.00	3.400%	8,500.00	508,500.00	-
06/15/2014	-	-	-	-	-
06/30/2014	-	-	-	-	508,500.00
Total	\$5,000,000.00		\$788,750.00	\$5,788,750.00	

Yield Statistics

Accrued Interest from 12/15/2003 to 12/30/2003.....	5,447.92
Bond Year Dollars.....	\$27,500.00
Average Life.....	5.500 Years
Average Coupon.....	2.8881818%
Net Interest Cost (NIC).....	2.8244000%
True Interest Cost (TIC).....	2.8051851%
Bond Yield for Arbitrage Purposes.....	2.7393547%
All Inclusive Cost (AIC).....	2.8066878%
IRS Form 803B	
Net Interest Cost.....	2.7563669%
Weighted Average Maturity.....	5.443 Years

December 15 2003 Land Acq | SINGLE PURPOSE | 12/16/2003 | 11:16 AM

REVISED {1}
-DRAFT BOARD ORDER-

CITY OF NEWTON

IN BOARD OF ALDERMEN

ORDERED:

That in accordance with the recommendations of the Community Preservation Committee, through its Chairman, Jeffrey Sacks; the Board of Aldermen Committee on Community Preservation, through its Chairman, Alderman Stephen M. Linsky; and the Finance Committee through its Chairman, Alderman Paul Coletti: the sum of Sixty-five thousand, three hundred and seventy five dollars (\$65,375) is hereby appropriated and transferred from the Community Preservation Fund Open Space Reserve, to be expended under the direction and control of the City Treasurer for purposes of funding the June 15, 2004 interest payment on \$5,000,000 in general obligation bonds issued in connection with the acquisition of the Kessler Woods land.

FROM:	Community Preservation Fund	
	Open Space Reserve	
	(21-5790A)	\$65,375
TO:	Debt Service	
	Kessler Woods Land Acquisition - Interest	
	(21A107A-582CP01)	\$65,375

{1} Revised: January 26, 2004

(Recommended financing source changed from Undesignated Fund Balance to Open Space Reserve)