

A photograph of a wooden bridge with a stone abutment and a statue on top, set against a background of trees. The bridge is made of light-colored wood and has a curved railing. The stone abutment is made of large, dark grey stones. A statue of a person is perched on the top of the abutment. The background shows a line of trees with green and yellow leaves, suggesting an autumn setting. The overall scene is peaceful and scenic.

Hilltop Securities Presentation

Concord, Massachusetts

September 7, 2023

Hilltop Securities Presentation

- The Finance Committee invites Hilltop Securities, the Town's financial advisor, to share their perspective on Concord's bond status early in the annual budget cycle.
- Hilltop's perspective and Concord's bond status are used by the Finance Committee as we develop budget guidelines and are incorporated into the Finance Committee's annual report.
- This year Hilltop Securities shared their perspective at the September 7, 2023 Finance Committee meeting.

Town of Concord, Massachusetts Debt Status Review



A Presentation to the Concord Finance Committee

September 7, 2023

Peter Frazier, Managing Director

Bond Ratings

- Opinion on the creditworthiness of the issuer
- Used by market participants to determine prices of securities (interest rates)
- Paid for by the issuer, for the protection of the investor

Major Credit Factors

- Economy & Tax Base (30%)
- Management (20%)
- Finances (30%)
- Debt and Contingent Liabilities (20%)

Major Credit Factors

- Debt & Long Term Obligations
 - Amount (actual & prospective)
 - Sources of Revenue
 - Exempt from Proposition 2 ½
 - Enterprise (Water, Sewer, CMLP, Rec.) Supported
 - Tax supported within the Levy Limit – Unused Levy Capacity (\$5 million - FY2023)
 - Amortization
 - Offsetting Aid Payments/Subsidy
 - Unfunded Pension & OPEB Liabilities

Factors that could lead to a downgrade

- Decline in available reserves and liquidity
- Material increase in leverage beyond current expectations
- Lack of voter support for debt exclusions or general overrides to the tax levy limit

Bond Ratings

Moody's

Standard & Poor's

Aaa

AAA

Aa1

AA+

Aa2

AA

Aa3

AA-

A1

A+

A2

A

A3

A-

Baa1

BBB+

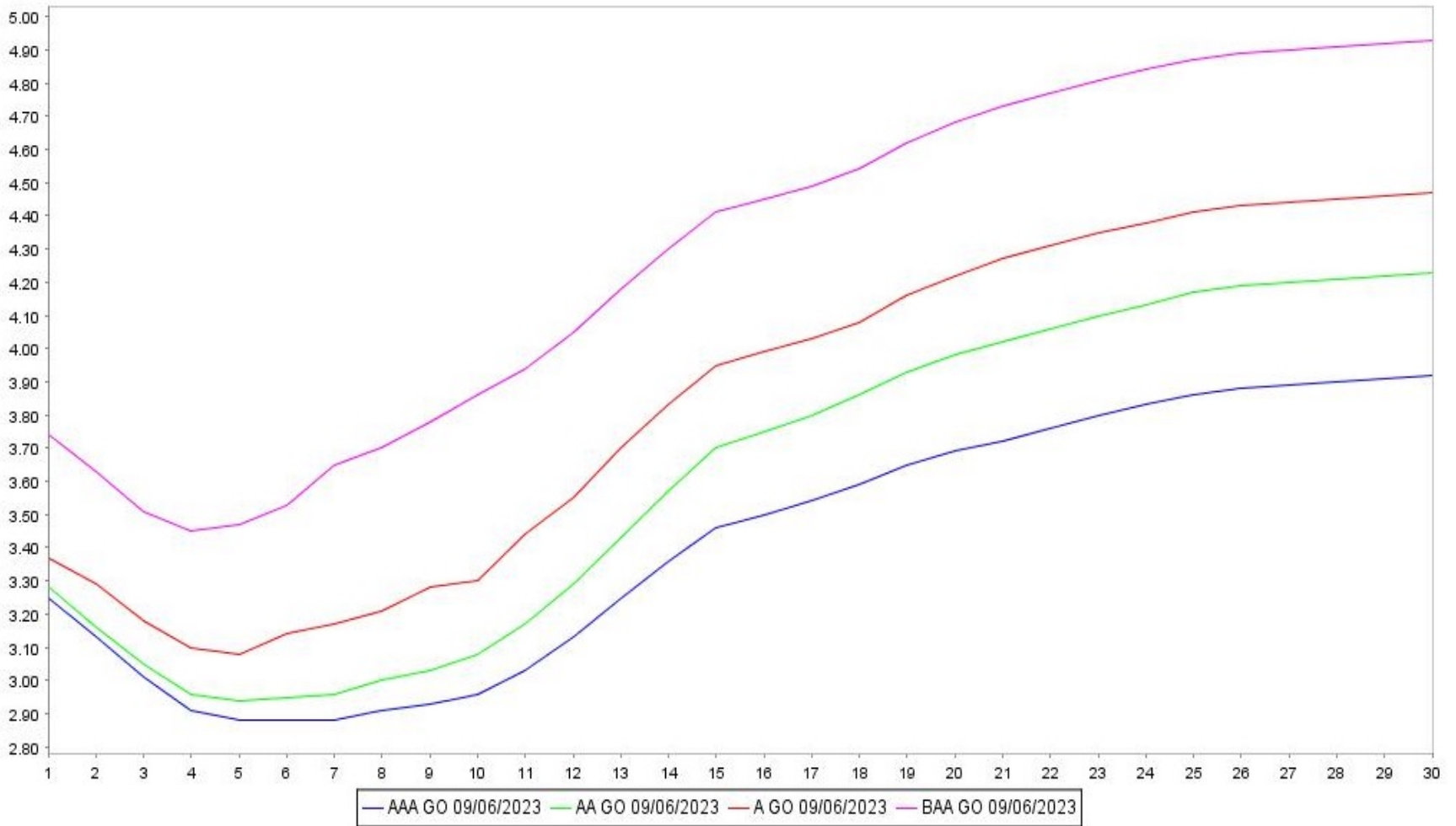
Baa2

BBB

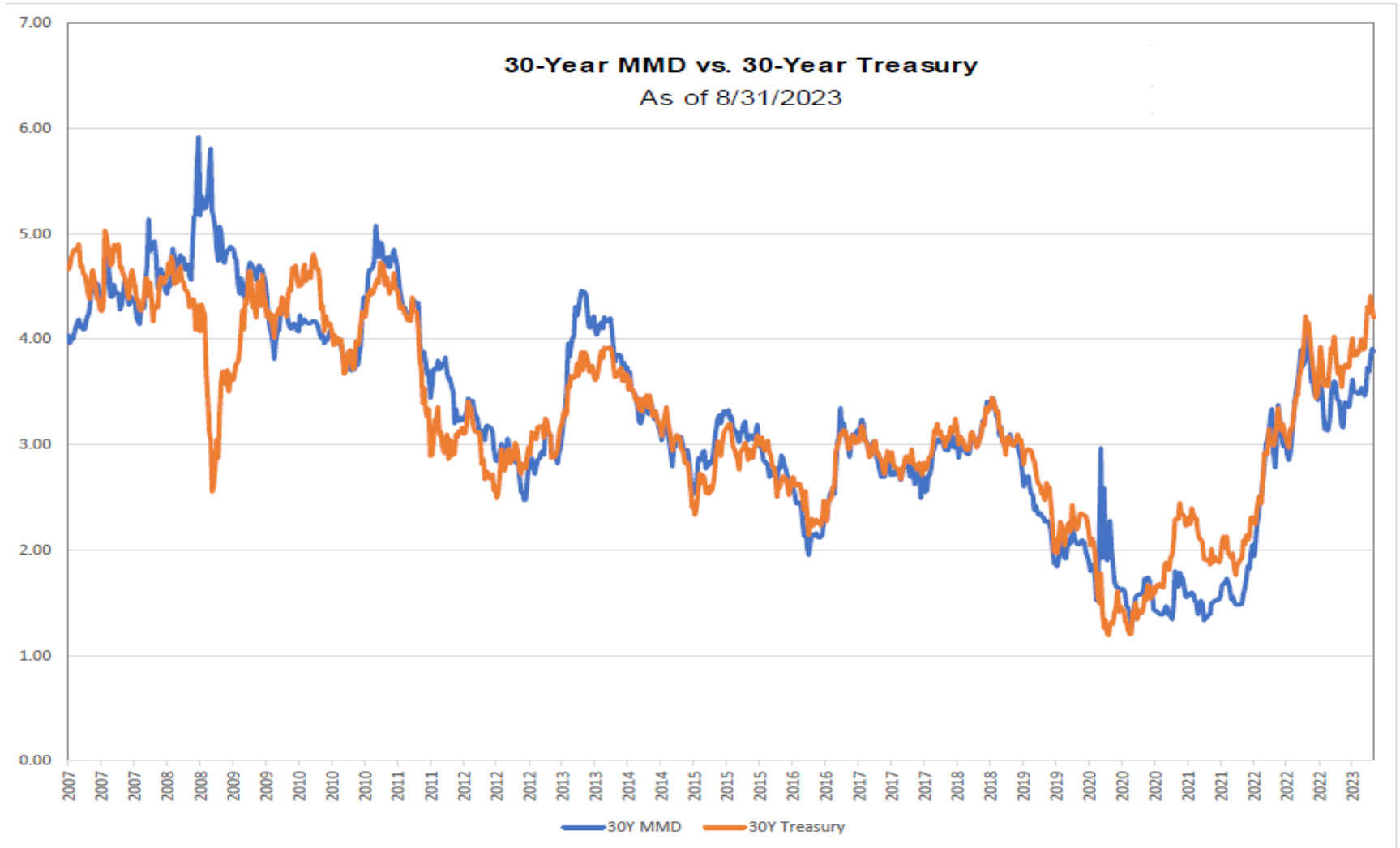
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BBB-

Yield Curves By Rating



Interest Rate Trends



Recent Concord Bond Results

<u>Year</u>	<u>Principal</u>	<u>Term</u>	<u>Ave Rate</u>
• 2023	\$58,250,000	30 Years	3.88%
• 2022	\$18,405,000	20 Years	3.28%
• 2021	\$7,680,000	10 Years	0.69%
• 2020	\$4,925,000	10 Years	0.83%
• 2019	\$5,170,000	10 Years	1.26%
• 2019	\$5,625,000	10 Years	1.43%
• 2018	\$6,035,000	10 Years	2.16%

Long Term Debt Service-6/30/2023

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL P+I
06/30/2024	10,575,442.73	3,432,973.10	14,008,415.83
06/30/2025	9,502,791.42	4,035,634.65	13,538,426.07
06/30/2026	8,675,743.98	3,641,908.67	12,317,652.65
06/30/2027	7,420,993.72	3,280,078.65	10,701,072.37
06/30/2028	5,978,151.00	2,970,000.00	8,948,151.00
06/30/2029	4,603,174.00	2,690,400.00	7,293,574.00
06/30/2030	3,723,196.00	2,462,650.00	6,185,846.00
06/30/2031	3,588,217.00	2,278,900.00	5,867,117.00
06/30/2032	3,068,240.00	2,101,900.00	5,170,140.00
06/30/2033	2,698,262.00	1,950,900.00	4,649,162.00
06/30/2034	1,963,285.00	1,818,400.00	3,781,685.00
06/30/2035	2,028,307.00	1,722,650.00	3,750,957.00
06/30/2036	2,093,330.00	1,623,650.00	3,716,980.00
06/30/2037	2,148,352.00	1,535,400.00	3,683,752.00
06/30/2038	2,208,375.00	1,451,400.00	3,659,775.00
06/30/2039	2,263,398.00	1,365,000.00	3,628,398.00
06/30/2040	2,328,420.00	1,276,400.00	3,604,820.00
06/30/2041	2,360,169.00	1,185,200.00	3,545,369.00
06/30/2042	2,430,192.00	1,091,400.00	3,521,592.00
06/30/2043	1,860,215.00	994,800.00	2,855,015.00
06/30/2044	1,915,000.00	921,000.00	2,836,000.00
06/30/2045	1,995,000.00	844,400.00	2,839,400.00
06/30/2046	2,075,000.00	764,600.00	2,839,600.00
06/30/2047	2,155,000.00	681,600.00	2,836,600.00
06/30/2048	2,245,000.00	595,400.00	2,840,400.00
06/30/2049	2,335,000.00	505,600.00	2,840,600.00
06/30/2050	2,425,000.00	412,200.00	2,837,200.00
06/30/2051	2,525,000.00	315,200.00	2,840,200.00
06/30/2052	2,625,000.00	214,200.00	2,839,200.00
06/30/2053	2,730,000.00	109,200.00	2,839,200.00
Total	\$104,543,254.85	\$48,273,045.07	\$152,816,299.92

Outstanding Bond Anticipation Note

- Assabet River Bluff Preservation
- \$175,000
- Dated June 29, 2023
- Due June 27, 2024
- Net Interest Cost – 5.3744%

Authorized But Unissued Debt

art.	Date of Author.	Amount Originally Authorized	Authorized Unissued	Purpose
28	4/5/2016	16,500,000	11,500,000	Water System Improvements (Enterprise)
26	4/24/2017	3,000,000	3,000,000	Smart Grid Improvements
17	4/24/2017	1,200,000	1,200,000	Concord-Carlisle Regional School District Landfill Remediation (EXEMPT)
24	4/24/2017	1,000,000	850,000	Telecommunications Services
13	6/13/2021	350,000	105,000	Fire Department SCBA Equipment
1, Q1	1/20/2022 & 2/3/2022	102,816,000	40,816,000	Middle School Construction EXEMPT
10	5/1/2022	52,750	52,750	Municipal Building Improvement
10	5/1/2022	581,250	381,250	Roof Replacement
25	5/1/2022	500,000	500,000	Assabet River Bluff Preservation
	Total		\$ 58,405,001	

Today's Note Sale Results

- Town of Pembroke, MA \$9,700,500 General Obligation Bond Anticipation Notes (SP-1+). BNYMellon Capital Markets was the winning bidder with a 3.7562% NIC. One year maturity.
- Town of Wakefield, MA \$1,991,000 General Obligation, **Taxable** Bond Anticipation Notes, **Series A**. Piper Sandler & Co. was the winning bidder with a 5.9512% NIC. One year maturity.
- Town of Wakefield, MA \$1,156,000 General Obligation Bond Anticipation Notes, **Series B**. Piper Sandler & Co. was the winning bidder with a 4.3555% NIC. Five month maturity.

Questions?