

MEMO

Date: July 25, 2022

To: Matthew Strugis, Town Manager

From: John Quartararo, Finance Director

Re: Ratify award of school construction bond anticipation note to Piper Sandler

CC: Debra Lane, Town Clerk; Christopher Record, School Superintendent and Marcia Weeks, School Business Manager

On August 1, 2022, a \$950,000 bond anticipation note will close for the school construction project. This note was approved by two separate bonds orders: one for \$300,000 approved 4/12/2021 and the second for \$650,000 approved 3/14/2022. At my direction, Joe Cuetara, our Financial Advisor, issued the request for proposals and included the local banks that we invited for placing deposits. None of the local banks bid and we did receive two bids from the capital markets.

The low bid is Piper Sandler, coupon rate 4.00%, premium \$11,039, net interest cost \$2.838%.

The second bid is from Oppenheimer, coupon rate 3.50%, premium \$3,648, net interest cost 3.116%.

An email was sent to council members on Friday, July 22 to explain the situation that we faced. The situation is that I made an error in setting the closing date before rather than after the regularly scheduled August Council meeting, and asked that the closing go as planned. If we fail to close on August 1, as planned, and sought to extend the closing until after the August 8 Council meeting, we could face a negative impact on our next bond sales. I therefore requested that the Council ratify the award to Piper Sandler at the August 8, 2022 Council meeting. Council members who responded we supportive of the solution.

To that end, I proposed the following Council order:

The Council ratifies the award of the 2022 bond anticipation note for the school construction project to the low bidder Piper Sandler with a coupon rate 4.00%, premium \$11,039, net interest cost \$2.838% and net proceeds of \$261,039.00.