

PRESS RELEASE

FOR IMMEDIATE RELEASE:

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\$24M BORROWING FOR MIDDLE SCHOOL SET AT 3.024% INTEREST RATE

BEVERLY – The City of Beverly recently issued \$23,875,000 in municipal bonds to finance the construction of its new Middle School located at 502 Cabot Street. The construction is well under way with the building scheduled to open for the 2018/2019 school year. This bond offering represents the second of three scheduled offerings for the New Middle School project.

Bryant Ayles, City Finance Director/Treasurer, received competitive bids from bond underwriters on Wednesday, October 11, 2017 for a \$23,875,000, 30-year bond issue. Janney Montgomery Scott LLC was the winning bidder on the Bonds with an average interest rate of 3.024%. The City received a total of 8 bids on the Bonds.

Prior to the sale, S&P Global Ratings, a municipal bond credit rating agency, assigned a rating of ‘AA’ to the Bonds. The rating agency cited the City’s very strong economy, strong management with good financial policies and practices, strong budgetary performance, very strong budgetary flexibility, and very strong liquidity as positive credit factors.

The bids for the Bonds were accepted at the offices of the City’s financial advisor, FirstSouthwest, a Division of Hilltop Securities Inc., at 54 Canal Street in Boston, Massachusetts.

Mayor Cahill stated “The favorable credit rating and aggressive bids are a big win for Beverly taxpayers. The combination of the two allows the city to structure the debt more aggressively than originally planned saving taxpayers significant money in future interest payments. Standard and Poors bond rating confirms the importance of the city’s sound budgeting practices, and highlights strong financial and reserve policies.”

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