

Dear Mr. Wood, Mr. King, Ms. Romasco and Fellow School Committee Members,

I have been looking at the bond documents and I have a few questions regarding the restructuring of this debt. I requested information at both the Financial Subcommittee and the School Committee meetings (which I did not receive) pertaining to the terms of the bond, specifically if there were any penalties or prohibition from the district restructuring the debt again in the future.

I have been trying to find the answer to this question on my own by reviewing the refunding documents that has now lead to other questions and requests for clarification. While the refinancing of such this debt may ultimately benefit the towns, it is my duty to make sure that I clearly understand this transaction, especially since the School Committee must vote to approve these terms and Ms. Romasco must sign off on the transaction in the name of the school committee.

Given the history of our district having once been in State receivership for poor fiscal condition, I believe it is of the highest importance that we as a School Committee learn from our past mistakes and perform our due diligence on any transaction that shall bear our approval to ensure that any questions we have are fully vetted and clearly answered prior to a vote. I believe anything less than the School Committee performing such due diligence is irresponsible at best and disastrous at worse. Receiving these terms more than one day prior to asking the School Committee Chair to sign off on them would have given the Finance Subcommittee and the School, Committee members plenty of time to ask questions and get facts for those of us who may not be so financially savvy. Expecting someone to vote and sign on terms prior to having them explained is the equivalent of saying you must first vote on it to see what's inside.

While I am not advocating anyone be required to give a comprehensive financial lesson, I would say that a primer for this bond restructuring would be beneficial. In particular, if you could provide an answer to the following questions it would go far to ensuring the School Committee is best aware of what they have voting on (not too mention it will provide greater transparency and understanding to the general public).

Thank you.

1. Why does the paperwork state the bonds were sold on Oct 1<sup>st</sup> if we haven't had terms explained by Mr. King as requested by Neal Darcy and agreed upon during both the Finance subcommittee meeting and the following School Committee Meeting dated September 23, 2015 and included in the meeting minutes.
2. Are the funds being refinanced the entire remaining portion of the original debt?
3. What is the rate and yield of the current bonds being redeemed?
4. The savings stated in the paperwork are consistently notated as "net present value savings", please explain what that means.
5. What is a "redemption premium"?
6. Have we explored competitive bids with the parties handling this transaction to ensure the lowest possible premiums?
7. First Southwest Co. LLC appears to be our financial advisors, is that correct?

8. How long have they been our advisors and who awarded them the position?
9. Are we borrowing funds in excess of what is being redeemed?
10. Are we using any district funds in this transaction and if so where are they coming from?
11. There are several premiums and amounts (fees) listed that we are to pay. Please explain what they are in layman's terms. (\$112,200.05 aggregate issuing premium, \$99,913.00 premium payable to Roosevelt and Cross, offering premium \$101,849.25 Exhibit C, redemption premium charged to district in the amount of \$38,460.91, Cost of issuance \$57,900.00, purchaser discount \$12,287.02.
12. What is the refunding escrow agreement?
13. Is there an early payoff penalty or a redemption premium for the new bond if we seek to restructure the debt again at a future point?
14. What is the payment on the interest of the refunded bonds?
15. Lastly, could this transaction affect any future capital financing the district may take in the near future?