

FINAL OFFICIAL STATEMENT DATED OCTOBER 24, 2019

TOWN OF RANDOLPH, MASSACHUSETTS

\$3,011,072 GENERAL OBLIGATION BOND ANTICIPATION NOTES

Dated
November 1, 2019

Due
July 8, 2020

<u>Number</u>	<u>Award</u>	<u>Coupon Rate</u>	<u>Yield</u>	<u>CUSIP</u>
1	\$ 3,011,072	2.00%	1.30%	752635 P48

Piper Jaffray & Co.

Purchaser

The provisions of the accompanying PRELIMINARY OFFICIAL STATEMENT AND NOTICE OF SALE DATED OCTOBER 16, 2019 supplemented and modified hereby, are incorporated in and made part of this Final Official Statement.

Hilltop Securities Inc.

Financial Advisor

PRELIMINARY OFFICIAL STATEMENT AND NOTICE OF SALE DATED OCTOBER 16, 2019

In the opinion of Locke Lord LLP, Bond Counsel, based upon an analysis of existing law and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Notes will not be included in computing the alternative minimum taxable income of individuals. Under existing law, interest on the Notes is exempt from Massachusetts personal income taxes, and the Notes are exempt from Massachusetts personal property taxes. The Notes will be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes. See "Tax Exemption" herein.

TOWN OF RANDOLPH, MASSACHUSETTS \$3,011,072 GENERAL OBLIGATION BOND ANTICIPATION NOTES

The Town of Randolph, Massachusetts (the "Town"), will receive telephone and electronic bids at Hilltop Securities Inc. (617-619-4400) in the case of telephone bids and via PARITY in the case of electronic bids until 11:00 a.m. Eastern Time, Thursday, October 24, 2019 for the purchase of the following described General Obligation Bond Anticipation Notes (the "Notes").

\$3,011,072 General Obligation Bond Anticipation Notes (new money). The Notes will be dated November 1, 2019 and will be payable July 8, 2020. Interest will be computed on a 30-day-month/360-day-year basis (247/360). The Notes will not be subject to redemption prior to their stated maturity date.

Bids may be submitted electronically via PARITY pursuant to this Notice of Sale until 11:00 a.m. Eastern Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about PARITY, potential bidders may contact Hilltop Securities Inc. (617) 619-4400 or PARITY at (212) 404-8102.

The Notes will be issued by means of a book-entry system, evidencing ownership of the Notes in principal amounts of \$1,000, or integral multiples thereof, with the exception of one principal amount of \$1,072, with transfers of ownership effected on the records of The Depository Trust Company (DTC) and its participants pursuant to rules and procedures adopted by DTC (see "Book-Entry Transfer System"), unless the issuance of a fully registered note certificate is requested by a successful bidder and the issuance of such certificate is approved by the Town. Principal and interest will be payable upon maturity in federal reserve funds at U.S. Bank National Association, Boston, Massachusetts.

Bids for the Notes must be submitted for all but not less than all of the Notes at a single rate of interest in a multiple of one-hundredth (1/100) of one percent (1%). No bid of less than par and accrued interest to the date of delivery will be considered and **no coupon greater than 3.25% will be accepted. Any bid for less than the full amount of the Notes must include the \$1,072 denomination shown above in the bidder's most competitive bid. A premium of at least \$4.05 must be included for each \$1,000 bid.** The right is reserved to reject any and all bids not complying with this Notice of Sale and, so far as permitted by law, to waive any irregularity with respect to any bid. The Notes will be awarded on the basis of lowest net interest cost to the Town after deduction of premium, if any. Such cost will be determined by computing the total amount of interest payable on the Notes, at the rate or rates stated, from November 1, 2019 until the maturity of the Notes and deducting therefrom the sum, if any, by which the amount bid for the Notes exceeds the aggregate principal amount of the Notes. In the event that two or more bidders submit the same lowest net interest cost for the Notes, the Town Treasurer shall determine the successful bidder(s), by lot, from among all such bidders.

An electronic bid made in accordance with this Notice of Sale shall be deemed an offer to purchase the Notes in accordance with the terms provided in this Notice of Sale and shall be binding upon the bidder as if made by a signed and sealed written bid delivered to the Town.

Any bidder who submits a winning bid by telephone in accordance with this Notice of Sale shall be required to provide written confirmation of the terms of the bid by faxing or emailing a completed, signed bid form to Hilltop Securities Inc., by not later than 12:00 Noon, Eastern Time, on the date of sale.

The award of the Notes to a successful bidder will not be effective until the bid has been approved by the Treasurer and the Town Manager.

A successful bidder for the Notes may request that the Notes be issued in the form of one fully registered physical certificate, rather than in book-entry form through the facilities of DTC. The successful bidder seeking the issuance of the Notes in this manner shall bear any and all costs of any re-registration or transfer of Notes from time to time. Any bidder seeking to have

the Notes issued in the form of a fully registered physical certificate or certificates, rather than in book-entry form, shall indicate this preference to the Town at the time of the submission of the winning bid. The Town reserves the right to decline any request to issue the Notes in non-book entry form if it should determine, in its sole discretion, that issuing the Notes in this manner is not in its best interests.

It shall be the condition of the successful bidder's obligation to accept delivery of and pay for the Notes that, contemporaneously with or before accepting the Notes and paying therefor, it shall be furnished, without cost, with (a) the approving opinion of the firm of Locke Lord LLP, Boston, Massachusetts, Bond Counsel to the Town, with respect to the Notes, (b) a certificate in form satisfactory to said firm, dated as of the date of delivery of the Notes and receipt of payment therefor, to the effect that there is no litigation pending, or to the knowledge of the signer or signers thereof, threatened affecting the validity of the Notes or the power of the Town to levy and collect taxes to pay them, (c) a certificate of the Town's Treasurer to the effect that, to the best of her knowledge and belief, both the Preliminary Official Statement as of its date and as of the date of sale and the Final Official Statement as of its date and as of the date of delivery of the Notes, do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, and (d) a significant events disclosure certificate in the form described in the Official Statement.

Payment of the principal of and interest on the Notes is not limited to a particular fund or source of revenue nor is any lien or pledge for such payment created with respect to any such fund or source.

Establishment of Issue Price

The following applies to each successful bidder with respect to the portion of the Notes awarded to such successful bidder.

The successful bidder shall assist the Town in establishing the issue price of the Notes and shall execute and deliver to the Town on the Closing Date an "issue price" or similar certificate, substantially in the applicable form set forth in Exhibit 1 to this Notice of Sale, setting forth the reasonably expected initial offering price to the public or the actual sale price of the Notes, together with the supporting pricing wires or equivalent communications, or, if applicable, the amount bid, with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the Town and Bond Counsel. All actions to be taken by the Town under this Notice of Sale to establish the issue price of the Notes may be taken on behalf of the Town by Hilltop Securities Inc. ("Financial Advisor") and any notice or report to be provided to the Town may be provided to the Financial Advisor.

Competitive Sale Requirements. If the competitive sale requirements ("competitive sale requirements") set forth in Treasury Regulation § 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Notes) have been satisfied, the Town will furnish to the successful bidder on the Closing Date a certificate of the Financial Advisor, which will certify each of the following conditions to be true:

1. the Town has disseminated this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
2. all bidders had an equal opportunity to bid;
3. the Town received bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
4. the Town awarded the sale of the Notes to the bidder who submitted a firm offer to purchase the Notes at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Notes, as specified in the bid. Unless a bidder notifies the Town prior to submitting its bid to the Financial Advisor by facsimile (617) 619-4411 or telephone (617) 619-4400, or in its bid submitted via Parity, that it will not be an "underwriter" (as defined below) of the Notes, by submitting its bid, each bidder shall be deemed to confirm that it has an established industry reputation for underwriting new issuances of municipal bonds. Unless the bidder has notified the Town that it will not be an "underwriter" (as defined below) of the Notes, in submitting a bid, each bidder is deemed to acknowledge that it is an "underwriter" that intends to reoffer the Notes to the public.

In the event that the competitive sale requirements are not satisfied, the Town shall so advise the successful bidder.

Failure to Meet the Competitive Sale Requirements – Option A – The Successful Bidder Intends to Reoffer the Notes to the Public and the 10% Test to Apply. If the competitive sale requirements are not satisfied and the successful bidder intends

to reoffer the Notes to the public, the Successful Bidder may, at its option use the first price at which 10% of the Notes (the "10% test") is sold to the public as the issue price of the Notes. The successful bidder shall advise the Financial Advisor if the 10% test is satisfied as of the date and time of the award of the Notes. The Town will not require bidders to comply with the "hold-the-offering-price rule" set forth in the applicable Treasury Regulations and therefore does not intend to use the initial offering price to the public as of the Sale Date as the issue price of the Notes if the competitive sale requirements are not met and this option is chosen.

If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to Notes or all of the Notes are sold to the public, the successful bidder agrees to promptly report to the Financial Advisor the prices at which the unsold Notes have been sold to the public, which reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied for the Notes or until all the Notes have been sold. The successful bidder shall be obligated to report each sale of Notes to the Financial Advisor until notified in writing by the Town or the Financial Advisor that it no longer needs to do so.

By submitting a bid and if the competitive sale requirements are not met, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Notes allotted to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the Notes or all of the Notes have been sold to the public, if and for so long as directed by the successful bidder and as set forth in the related pricing wires and (ii) any agreement among underwriters relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such third-party distribution agreement to report the prices at which it sells to the public the unsold Notes allotted to it until it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the Notes or that all of the Notes have been sold to the public if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Notes to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

1. "public" means any person other than an underwriter or a related party,
2. "underwriter" means (A) any person, including the Successful Bidder, that agrees pursuant to a written contract with the Town (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the public), and
3. a purchaser of any of the Notes is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

Failure to Meet the Competitive Sale Requirements — Option B — The Successful Bidder Intends to Reoffer the Notes to the Public and Agrees to Hold the Price of Maturities of Notes for Which the 10% Test in Option A Is Not Met as of the Sale Date. The successful bidder may, at its option, notify the Financial Advisor in writing, which may be by email (the "Hold the Price Notice"), not later than 4:00 p.m. on the Sale Date, that it has not sold 10% of the Notes listed in the Hold the Price Notice (the "Unsold Maturities") and that the successful bidder will not offer the Unsold Maturities to any person at a price that is higher than the initial offering price to the public during the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date or (ii) the date on which the successful bidder has sold at least 10% of the applicable Unsold Maturity to the public at a price that is no higher than the initial offering price to the public. If the successful bidder delivers a Hold the Price Notice to the Financial Advisor, the successful bidder must provide to the Town on or before the Closing Date, in addition to the certification described in Option A above, evidence that each underwriter of the Notes, including underwriters in an underwriting syndicate or

selling group, has agreed in writing to hold the price of the Unsold Maturities in the manner described in the preceding sentence.

Failure to Meet the Competitive Sale Requirements and/or the Successful Bidder Does Not Intend to Reoffer the Notes to the Public – Option C. If the successful bidder has purchased the Notes for its own account and will not distribute or resell the Notes to the public, then, whether or not the competitive sale requirements were met, the issue price certificate will recite such facts and identify the price or prices at which the purchase of the Notes was made.

The purchaser(s) of the Notes will be furnished the opinion of Locke Lord LLP, Boston, Massachusetts approving the legality of the Notes. The opinion will also indicate that the Notes and the enforceability thereof may be subject to bankruptcy and other laws affecting creditor's rights and that their enforceability may be subject to the exercise of judicial discretion in appropriate cases. The Notes will be valid and binding general obligations of the Town of Randolph, Massachusetts and unless paid from the bond proceeds in anticipation of which they are issued or from other sources, are payable as to both principal and interest from taxes which may be levied upon all the property within the territorial limits of the Town and taxable by it, subject to the limit imposed by Chapter 59, Section 21C of the General Laws.

It is anticipated that CUSIP identification numbers will be printed on the Notes. The Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

In order to assist bidders in complying with the requirements of paragraph (b)(5)(i)(C) of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will undertake to provide notices of certain significant events. A description of this undertaking is set forth in the Preliminary Official Statement.

THE NOTES WILL BE DESIGNATED AS “QUALIFIED TAX-EXEMPT OBLIGATIONS” FOR PURPOSES OF SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

Additional information concerning the Town and the Notes is contained in the Preliminary Official Statement dated October 16, 2019 to which prospective bidders are directed. The Preliminary Official Statement is provided for informational purposes and is not a part of this Notice of Sale. The Preliminary Official Statement has been deemed final by the Town except for the omission of the reoffering prices, interest rates, and other terms of the Notes depending on such matters, and the identity of the underwriters, but is subject to change without notice and to completion or amendment in a Final Official Statement. Copies of the Preliminary Official Statement may be obtained from Hilltop Securities Inc., 54 Canal Street, Boston, Massachusetts, 02114 telephone (617-619-4400). Within seven (7) business days following the award of the Notes and receipt of necessary information from the successful bidder(s), five (5) copies of the Final Official Statement will be made available to the successful bidder(s). Upon request, additional copies will be provided at the expense of the requester.

The Notes, in definitive form, will be delivered to DTC or the office of its custodial agent, or to the registered owner if a fully registered certificate or certificates is requested by a winning bidder and approved by the Town, on or about November 1, 2019 for credit to the Town in federal reserve funds.

TOWN OF RANDOLPH, MASSACHUSETTS
/s/ Jean Richard, Treasurer

October 16, 2019

[Issue Price Certificate for Use If the Competitive Sale Requirements Are Met]

Town of Randolph, Massachusetts
\$3,011,072 General Obligation Bond Anticipation Notes dated November 1, 2019

ISSUE PRICE CERTIFICATE AND RECEIPT

The undersigned, on behalf of _____ (the "Successful Bidder"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Notes") of the Town of Randolph, Massachusetts (the "Issuer").

1. Reasonably Expected Initial Offering Prices.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Notes to the Public by the Successful Bidder are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Notes used by the Successful Bidder in formulating its bid to purchase the Notes. Attached as Schedule B is a true and correct copy of the bid provided by the Successful Bidder to purchase the Notes.

(b) The Successful Bidder was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Successful Bidder constituted a firm offer to purchase the Notes.

2. Defined Terms.

(a) *Maturity* means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Notes. The Sale Date of the Notes is October 24, 2019.

(d) *Underwriter* means (i) any person, including the Successful Bidder, that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the Public).

3. Receipt. The Successful Bidder hereby acknowledges receipt of the Notes and further acknowledges receipt of all certificates, opinions, and other documents required to be delivered to the Successful Bidder, before or simultaneously with the Notes, which certificates, opinions, and other documents are satisfactory to the Successful Bidder.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Successful Bidders interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by Locke Lord LLP in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Notes.

Dated: _____, 2019

[NAME OF SUCCESSFUL BIDDER]

By: _____
 Name:
 Title:

SCHEDULE A
EXPECTED OFFERING PRICES
(To Be Attached)

SCHEDULE B
COPY OF SUCCESSFUL BIDDER'S BID
(To Be Attached)

**[Issue Price Certificate for Use If the Competitive Sale Requirements Are
Not Met and the 10% Test to Apply]
Town of Randolph, Massachusetts
\$3,011,072 General Obligation Bond Anticipation Notes dated November 1, 2019**

ISSUE PRICE CERTIFICATE AND RECEIPT

The undersigned, on behalf of _____, (the “[Successful Bidder][Representative]”), on behalf of itself [and [NAMES OF OTHER UNDERWRITERS]] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Notes”) of the Town of Randolph, Massachusetts (the “Issuer”).

1. Sale of the Notes. As of the date of this certificate, [except as set forth in the following paragraph,] for each Maturity of the Notes, the first price at which at least 10% of such Maturity of the Notes was sold to the Public is the respective price listed in Schedule A.

[Only use the next paragraph if the 10% test has not been met or all of the Notes have not been sold for one or more Maturities of Notes as of the Closing Date.]

For each Maturity of the Notes as to which no price is listed in Schedule A, as set forth in the Notice of Sale for the Notes, until at least 10% of each such Maturity of the Notes is sold to the Public (the “10% test”) or all of the Notes are sold to the Public, the [Successful Bidder][Representative] agrees to promptly report to the Issuer’s financial advisor, Hilltop Securities Inc. (the “Financial Advisor”) the prices at which the unsold Notes of each Maturity have been sold to the Public, which reporting obligation shall continue after the date hereof until the 10% test has been satisfied for each Maturity of the Notes or until all the Notes of a Maturity have been sold. The [Successful Bidder][Representative] shall continue to report each sale of Notes to the Financial Advisor until notified by email or in writing by the Issuer or the Financial Advisor that it no longer needs to do so.

2. Defined Terms.

(a) *Maturity* means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Underwriter* means (i) any person, including the [Successful Bidder][Representative], that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the Public).

3. Receipt. The [Successful Bidder][Representative] hereby acknowledges receipt of the Notes and further acknowledges receipt of all certificates, opinions, and other documents required to be delivered to the [Successful Bidder][Representative], before or simultaneously with the Notes, which certificates, opinions, and other documents are satisfactory to the [Successful Bidder][Representative].

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the [Successful Bidder][Representative]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by Locke Lord LLP in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Notes.

Dated: _____, 2019

[SUCCESSFUL BIDDER][REPRESENTATIVE]

By: _____
Name:
Title:

**SALE PRICES
(To be Attached)**

[Issue Price Certificate for Use If the Competitive Sale Requirements Are Not Met and the Hold the Price Rule Is Used]

Town of Randolph, Massachusetts
\$3,011,072 General Obligation Bond Anticipation Notes dated November 1, 2019

ISSUE PRICE CERTIFICATE AND RECEIPT

The undersigned, on behalf of _____ (the (“[Successful Bidder][Representative]”), on behalf of itself [and [NAMES OF OTHER UNDERWRITERS]]hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Notes”) of the Town of Randolph, Massachusetts (the “Issuer”).

1. Sale of the Notes. As of the date of this certificate, [except as set forth in following paragraph,] for each Maturity of the Notes, the first price at which at least 10% of such Maturity of the Notes was sold to the Public is the respective price listed in Schedule A.

[Only use the next paragraph if the 10% test has not been met as of the Sale Date.]

For each Maturity of the Notes as to which no price is listed in Schedule A (the “Unsold Maturities”), as set forth in the Notice of Sale for the Notes, the [Successful Bidder][Representative] and any other Underwriter did not [and will not] reoffer the Unsold Maturities to any person at a price that is higher than the initial offering price to the Public until the earlier of (i) _____, 2019 or (ii) the date on which the [Successful Bidder][Representative] or any other Underwriter sold at least 10% of each Unsold Maturity at a price that is no higher than the initial offering price to the Public.

2. Defined Terms.

(a) Maturity means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) Underwriter means (i) any person, including the [Successful Bidder][Representative], that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the Public).

3. Receipt. The [Successful Bidder][Representative] hereby acknowledges receipt of the Notes and further acknowledges receipt of all certificates, opinions and other documents required to be delivered to the [Successful Bidder][Representative], before or simultaneously with the delivery of the Notes, which certificates, opinions and other documents are satisfactory to the [Successful Bidder][Representative].

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the [Successful Bidder’s][Representative’s] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by Locke Lord LLP in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Notes.

Dated: _____, 2019

[SUCCESSFUL BIDDER][REPRESENTATIVE]

By: _____
Name:
Title:

SCHEDULE A
SALE PRICES
(To be Attached)

**PRELIMINARY OFFICIAL STATEMENT
TOWN OF RANDOLPH, MASSACHUSETTS
\$3,011,072 GENERAL OBLIGATION BOND ANTICIPATION NOTES**

This Preliminary Official Statement is provided for the purpose of presenting certain information relating to the Town of Randolph, Massachusetts (the "Town") in connection with the sale of \$3,011,072 principal amount of its General Obligation Bond Anticipation Notes (the "Notes"). The information contained herein has been furnished by the Town except information attributed to another source.

Description of the Notes

The Notes will be dated November 1, 2019 and will be payable by U.S. Bank National Association, Boston, Massachusetts, or its successor, as Paying Agent, on July 8, 2020. The Notes are not subject to redemption prior to their stated maturity date. The Notes will bear interest payable at maturity, calculated on a 30 day-month/360 day-year basis (247/360), at the rate determined upon their sale in accordance with the Notice of Sale dated October 16, 2019. The Notes will be issued by means of a book-entry system evidencing ownership of the Notes in principal amounts of \$1,000, or integral multiples thereof, with the exception of one principal amount of \$1,072, with transfers of ownership effected on the records of The Depository Trust Company (DTC) and its participants pursuant to the rules and procedures adopted by DTC, unless the delivery of a fully registered note certificate is requested by a winning bidder and the issuance of such certificate is approved by the Town. See "Book-Entry Transfer System" herein.

Authorization of the Notes and Use of Proceeds

The following table sets forth the purposes, principal amounts, amounts authorized, statutory references, and dates of approval for the current offering of Notes.

This Issue	Purpose	Amount Originally Authorized	Date of Authorization	BANS Outstanding (1)	Law Cite	Loan Order
\$ 330,114	Young Elementary School Window and Door Replacement	\$ 2,602,045	3/26/2018	\$ 50,085	Ch. 70B	2018-001
671,351	Donovan Elementary School Window, Door and Boiler Replacement	5,258,935	3/26/2018	134,001	Ch. 70B	2018-001
123,000	Three Police Vehicles	123,000	6/10/2019	-	Ch. 44, s. 7(1)	2019-027
1,399,607	Ladder Truck Replacement	1,500,000	6/10/2019	-	Ch. 44, s. 7(1)	2019-027
62,000	Firefighting Turnout Gear Replacement	62,000	6/10/2019	-	Ch. 44, s. 7(1)	2019-027
50,000	F250 4WD with Plow	50,000	6/10/2019	-	Ch. 44, s. 7(1)	2019-027
140,000	Trackless Sidewalk Snowblower	140,000	6/10/2019	-	Ch. 44, s. 7(1)	2019-027
35,000	Library Security Upgrade	35,000	6/10/2019	-	Ch. 44, s. 7	2019-027
200,000	RPS Technology	200,000	6/10/2019	-	Ch. 44, s. 7	2019-027
\$ 3,011,072	Total			\$ 184,086		

(1) Payable June 12, 2020.

Tax Exemption

In the opinion of Locke Lord LLP, Bond Counsel to the Town ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is of the further opinion that interest on the Notes will not be included in computing the alternative minimum taxable income of Noteholders who are individuals. The Notes will be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition of, or the accrual or receipt of interest on the Notes.

The Code imposes various requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. Failure to comply with these requirements may result in interest on the Notes being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Notes. The Town has covenanted to comply with such requirements to ensure that interest on the Notes will not be included in federal gross income. The opinion of Bond Counsel assumes compliance with these requirements.

Bond Counsel is also of the opinion that, under existing law, interest on the Notes is exempt from Massachusetts personal income taxes, and the Notes are exempt from Massachusetts personal property taxes. Bond Counsel has not opined as to other Massachusetts tax consequences arising with respect to the Notes. Prospective Noteholders should be aware, however, that the Notes are included in the measure of Massachusetts estate and inheritance taxes, and the Notes and the interest thereon are included in the measure of certain Massachusetts corporate excise and franchise taxes. Bond Counsel expresses no opinion as to the taxability of the Notes or the income therefrom or any other tax consequences arising with respect to the Notes under the laws of any state other than Massachusetts.

To the extent the issue price of any maturity of the Notes is less than the amount to be paid at maturity of such Notes (excluding amounts stated to be interest and payable at least annually over the term of such Notes), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Notes which is excluded from gross income for federal income tax purposes and is exempt from Massachusetts personal income taxes. For this purpose, the issue price of a particular maturity of the Notes is either the reasonably expected initial offering price to the public or the first price at which a substantial amount of such maturity of the Notes is sold to the public, as applicable. The original issue discount with respect to any maturity of the Notes accrues daily over the term to maturity of such Notes on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Notes to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Notes. Noteholders should consult their own tax advisors with respect to the tax consequences of ownership of Notes with original issue discount, including the treatment of purchasers who do not purchase such Notes in the original offering to the public at the reasonably expected initial offering price or, if applicable, the first price at which a substantial amount of such Notes is sold to the public.

Notes purchased, whether at original issuance or otherwise, for an amount greater than the stated principal amount to be paid at maturity of such Notes, or, in some cases, at the earlier redemption date of such Notes ("Premium Notes"), will be treated as having amortizable note premium for federal income tax purposes and Massachusetts personal income tax purposes. No deduction is allowable for the amortizable note premium in the case of obligations, such as the Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, a Noteholder's basis in a Premium Note will be reduced by the amount of amortizable note premium properly allocable to such Noteholder. Holders of Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable note premium in their particular circumstances.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is exempt from Massachusetts personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Notes may otherwise affect the federal or state tax liability of a Noteholder. Among other possible consequences of ownership or disposition of, or the accrual or receipt of interest on, the Notes, the Code requires recipients of certain social security and certain railroad retirement benefits to take into account receipts or accruals of interest on the Notes in determining the portion of such benefits that are included in gross income. The nature and extent of all such other tax consequences will depend upon the particular tax status of the Noteholder or the Noteholder's other items of income, deduction, or exclusion. Bond Counsel expresses no opinion regarding any such other tax consequences, and Noteholders should consult with their own tax advisors with respect to such consequences.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the Massachusetts legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Notes will not have an adverse effect on the tax status of interest on the Notes or the market value or marketability of the Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, H.R. 1, signed into law on December 22, 2017, reduces the corporate tax rate, modifies individual tax rates, eliminates many deductions, and raises the income threshold above which the individual alternative minimum tax is invoked, among other things. These changes may increase, reduce or otherwise change the financial benefits of owning state and local government bonds or notes. Additionally, Noteholders should be aware that future legislative actions (including federal

income tax reform) may retroactively change the treatment of all or a portion of the interest on the Notes for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Notes may be affected and the ability of Noteholders to sell their Notes in the secondary market may be reduced. The Notes are not subject to special mandatory redemption, and the interest rate on the Notes is not subject to adjustment, in the event of any such change in the tax treatment of interest on the Notes.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

Book-Entry Transfer System

This section shall apply to Notes issued in book-entry form through the facilities of The Depository Trust Company, New York, NY ("DTC").

DTC will act as securities depository for the Notes. The Notes will be issued in fully-registered form registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Note certificate will be issued for each interest rate, each in the aggregate principal amount bearing such interest rate, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a rating of AA+ from S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at.

Purchases of securities deposited with DTC must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each security deposited with DTC ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the securities deposited with DTC are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the securities deposited with DTC, except in the event that use of the book-entry system for such securities is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the securities deposited with it; DTC's records reflect only the identity of the Direct Participants to whose accounts such securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting

rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Town or the Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Town or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, physical certificates will be printed and delivered to Beneficial Owners.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

Security and Remedies

Full Faith and Credit. General obligation bonds and notes of a Massachusetts city or town constitute a pledge of its full faith and credit. Payment is not limited to a particular fund or revenue source. Except for "qualified bonds" as described below (see "*Serial Bonds and Notes*" under "TYPES OF OBLIGATIONS") and setoffs of state distributions as described below (see "*State Distributions*" below), no provision is made by the Massachusetts statutes for priorities among bonds and notes and other general obligations, although the use of certain moneys may be restricted.

Tax Levy. The Massachusetts statutes direct the municipal assessors to include annually in the tax levy for the next fiscal year "all debt and interest charges matured and maturing during the next fiscal year and not otherwise provided for [and] all amounts necessary to satisfy final judgments". Specific provision is also made for including in the next tax levy payments of rebate amounts not otherwise provided for and payment of notes in anticipation of federal or state aid, if the aid is no longer forthcoming.

The total amount of a tax levy is limited by statute. However, the voters in each municipality may vote to exclude from the limitation any amounts required to pay debt service on indebtedness incurred before November 4, 1980. Local voters may also vote to exempt specific subsequent bond issues from the limitation. (See "*Tax Limitations*" Under "PROPERTY TAXATION" below.) In addition, obligations incurred before November 4, 1980 may be constitutionally entitled to payment from taxes in excess of the statutory limit.

No Lien. Except for taxes on the increased value of certain property in designated development districts which may be pledged for the payment of debt service on bonds issued to finance economic development projects within such districts, no provision is made for a lien on any portion of the tax levy or any other moneys to secure particular bonds or notes or bonds and notes generally (or judgments on bonds or notes) in priority to other claims. Provision is made, however, for borrowing to pay judgments, subject to the General Debt Limit. (See "DEBT LIMITS" below.) Subject to the approval of the State Director of Accounts for judgments above \$10,000, judgments may also be paid from available funds without appropriation and included in the next tax levy unless other provision is made.

Court Proceedings. Massachusetts cities and towns are subject to suit on their general obligation bonds and notes and courts of competent jurisdiction have power in appropriate proceedings to order payment of a judgment on the bonds or notes from lawfully available funds or, if necessary, to order the city or town to take lawful action to obtain the required money, including the raising of it in the next annual tax levy, within the limits prescribed by law. (See "*Tax Limitations*" under "PROPERTY TAXATION" below.) In exercising their discretion as to whether to enter such an order, the courts could take into account all relevant factors including the current operating needs of the city or town and the availability and adequacy of other remedies. The Massachusetts Supreme Judicial Court has stated in the past that a judgment against a municipality can be enforced by the taking and sale of the property of any inhabitant. However, there has been no judicial determination as to whether this remedy is constitutional under current due process and equal protection standards.

Restricted Funds. Massachusetts statutes also provide that certain water, gas and electric, community antenna television system, telecommunications, sewer, parking meter and passenger ferry fee, community preservation and affordable housing

receipts may be used only for water, gas and electric, community antenna television system, telecommunications, sewer, parking, mitigation of ferry service impacts, community preservation and affordable housing and related purposes, respectively; accordingly, moneys derived from these sources may be unavailable to pay general obligation bonds and notes issued for other purposes. A city or town that accepts certain other statutory provisions may establish an enterprise fund for a utility, health care, solid waste, recreational or transportation facility and for police or fire services; under those provisions any surplus in the fund is restricted to use for capital expenditures or reduction of user charges. In addition, subject to certain limits, a city or town may annually authorize the establishment of one or more revolving funds in connection with use of certain revenues for programs that produce those revenues; interest earned on a revolving fund is treated as general fund revenue. A city or town may also establish an energy revolving loan fund to provide loans to owners of privately held property in the city or town for certain energy conservation and renewable energy projects and may borrow to establish such fund. The loan repayments and interest earned on the investment of amounts in the fund shall be credited to the fund. Also, the annual allowance for depreciation of a gas and electric plant or a community antenna television and telecommunications system is restricted to use for plant or system renewals and improvements, for nuclear decommissioning costs, and costs of contractual commitments, or, with the approval of the State Department of Telecommunications and Energy, to pay debt incurred for plant or system reconstruction or renewals. Revenue bonds and notes issued in anticipation of them may be secured by a prior lien on specific revenues. Receipts from industrial users in connection with industrial revenue financings are also not available for general municipal purposes.

State Distributions. State grants and distributions may in some circumstances be unavailable to pay general obligation bonds and notes of a city or town in that the State Treasurer is empowered to deduct from such grants and distributions the amount of any debt service paid on “qualified bonds” (See “*Serial Bonds and Notes*” under “TYPES OF OBLIGATIONS” below) and any other sums due and payable by the city or town to the Commonwealth or certain other public entities, including any unpaid assessments for costs of any public transportation authority (such as the Massachusetts Bay Transportation Authority or a regional transit authority) of which it is a member, for costs of the Massachusetts Water Resources Authority if the city or town is within the territory served by the Authority, or for charges necessary to meet obligations under the Commonwealth’s Clean Water and Drinking Water Revolving Loan Programs, including such charges imposed by another local governmental unit that provides wastewater collection or treatment services or drinking water services to the city or town.

If a city or town is (or is likely to be) unable to pay principal or interest on its bonds or notes when due, it is required to notify the State Commissioner of Revenue. The Commissioner shall in turn, after verifying the inability, certify the inability to the State Treasurer. The State Treasurer shall pay the due or overdue amount to the paying agent for the bonds or notes, in trust, within three days after the certification or one business day prior to the due date (whichever is later). This payment is limited, however, to the estimated amount otherwise distributable by the Commonwealth to the city or town during the remainder of the fiscal year (after the deductions mentioned in the foregoing paragraph). If for any reason any portion of the certified sum has not been paid at the end of the fiscal year, the State Treasurer shall pay it as soon as practicable in the next fiscal year to the extent of the estimated distributions for that fiscal year. The sums so paid shall be charged (with interest and administrative costs) against the distributions to the city or town.

The foregoing does not constitute a pledge of the faith and credit of the Commonwealth. The Commonwealth has not agreed to maintain existing levels of state distributions, and the direction to use estimated distributions to pay debt service may be subject to repeal by future legislation. Moreover, adoption of the annual appropriation act has sometimes been delayed beyond the beginning of the fiscal year and estimated distributions which are subject to appropriation may be unavailable to pay local debt service until they are appropriated.

Bankruptcy. Enforcement of a claim for payment of principal or interest on general obligation bonds or notes would be subject to the applicable provisions of federal bankruptcy laws and to the provisions of other statutes, if any, hereafter enacted by the Congress or the State legislature extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. Massachusetts municipalities are not generally authorized by the Massachusetts General Laws to file a petition for bankruptcy under federal bankruptcy laws. In cases involving significant financial difficulties faced by a single city, town or regional school district, however, the Commonwealth has enacted special legislation to permit the appointment of a fiscal overseer, finance control board or, in the most extreme cases, a state receiver. In a limited number of these situations, such special legislation has also authorized the filing of federal bankruptcy proceedings, with the prior approval of the Commonwealth. In each case where such authority was granted, it expired at the termination of the Commonwealth’s oversight of the financially distressed city, town or regional school district. To date, no such filings have been approved or made.

Bank Eligibility

The Notes will be designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

Opinion of Bond Counsel

The purchaser will be furnished the legal opinion of the firm of Locke Lord LLP, Bond Counsel to the Town. The opinion will be dated and given on and will speak only as of the date of original delivery of the Notes to the successful bidder(s).

Other than as to matters expressly set forth herein as the opinion of Bond Counsel, Bond Counsel is not passing upon and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that they have independently verified the same.

Financial Advisory Services of Hilltop Securities Inc.

Hilltop Securities Inc., Boston, Massachusetts, serves as financial advisor to the Town.

Disclosure of Significant Events

In order to assist underwriters in complying with the requirements of paragraph (b)(5)(i)(C) of Rule 15c2-12 promulgated by the Securities and Exchange Commission (as amended, the "Rule") applicable to municipal securities having a stated maturity of 18 months or less, the Town will covenant for the benefit of the owners of the Notes to file with the Municipal Securities Rulemaking Board (the "MSRB"), notices of the occurrence of any of the following events with respect to the Notes within ten business days of such occurrence: (a) principal and interest payment delinquencies; (b) non-payment related defaults, if material; (c) unscheduled draws on debt service reserves reflecting financial difficulties; (d) unscheduled draws on credit enhancements reflecting financial difficulties; (e) substitution of credit or liquidity providers, or their failure to perform; (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (g) modifications to rights of owners of the Notes, if material; (h) bond calls, if material, and tender offers; (i) defeasances; (j) release, substitution or sale of property securing the repayment of the Notes, if material; (k) ratings changes on the Notes; (l) bankruptcy, insolvency, receivership or similar event of the Town; (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (n) appointment of a successor or additional trustee or the change of name of a trustee, if material; (o) incurrence of a financial obligation of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect Owners of the Notes, if material; and (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

The covenant will be included in a Significant Events Disclosure Certificate to be executed by the signers of the Notes and incorporated by reference in the Notes. The sole remedy available to the owners of the Notes for the failure of the Town to comply with any provision of the certificate shall be an action for specific performance of the Town's obligations under the certificate and not for money damages; no other person shall have any right to enforce any provision of the certificate.

Except as provided below, the Town believes that, in the past five years, it has complied, in all material respects, with its previous undertakings to provide annual reports or notices of significant events in accordance with the Rule.

The Town became obligated to file annual reports with the nationally recognized municipal securities information repositories ("NRMSIRs") in an offering that took place in 2007. Due to an administrative oversight, certain rating change information was not filed timely with Electronic Municipal Market Access ("EMMA"), a service of the MSRB that was designated as the sole NRMSIR effective July 1, 2009. The Town's underlying rating was upgraded from AA- to AA on May 1, 2014 and a material event notice was filed on May 16, 2014. A notice of late filing was posted on October 28, 2015 with respect to various insurer rating changes. The Town has implemented procedures to ensure timely filing of all future rating information.

TOWN OF RANDOLPH, MASSACHUSETTS

General

Randolph, originally settled in 1710 was incorporated as a town in 1793 and is located in Norfolk County. Randolph is situated in the Greater Boston Area approximately 15 miles from Boston and 40 miles from Providence, Rhode Island. State Route 128 and Interstate Route 495 divide the region into inner and outer zones, which contribute to direct access to the airport, and intermodal facilities of Boston and Providence, R.I. Principal highways are Interstate Route 93 and State Route 128, which share the same roadway; State Routes 24 and 28, and State Route 139. The Town is primarily a residential community with an industrial base and occupies a land area of approximately 10.07 square miles. According to the 2010 U. S. Census, the Town has a population of 32,112.

Governing Bodies and Officers

The Town voted on April 7, 2009 to change from a Representative Town Meeting-Board of Selectmen form of government to a Council-Manager form of government. The legislative branch is the town council consisting of nine councilors. Five of these members, known as councilors-at-large, are nominated and elected by and from the voters-at-large. Four members, known as district councilors, are nominated and elected by and from the voters of each district. The councilors are elected to serve two-year terms of office. The manager is appointed by the town council. Local school affairs are administered by a school committee of seven persons, elected for staggered three-year terms on an at-large basis. Local taxes are assessed by a board of three assessors, elected for staggered three-year terms. For purposes of classifying the Town in the instances in which the laws of the Commonwealth designate between towns and cities, the Town is considered to have a city form of government.

Principal Executive Officers

The following is a list of the principal executive officers in the Town.

<u>Title</u>	<u>Name</u>	<u>Manner of Selection</u>	<u>Term</u>	<u>Expiration of Term</u>
Town Council:				
Council President At-Large	Jason R. Adams	Elected	2 Years	12/30/2019
District 1	Kenrick W. Clifton	Elected	2 Years	12/30/2019
At-Large	Ryan Egan	Elected	2 Years	12/30/2019
At-Large	William Alexopoulos	Elected	2 Years	12/30/2019
At-Large	James F. Burgess, Jr.	Elected	2 Years	12/30/2019
At-Large	Natacha Clerger	Elected	2 Years	12/30/2019
District 3 – Vice President	Katrina Huff-Larmond	Elected	2 Years	12/30/2019
District 2	Arthur G. Goldstein	Elected	2 Years	12/30/2019
District 4	Cristos Alexopoulos	Elected	2 Years	12/30/2019
Acting Town Manager	Brian Howard	Appointed	3 Years	6/30/2022
Town Accountant/Director of Finance	Janine Smith	Appointed	3 years	6/30/2022
Treasurer/Collector	Jean Richard	Appointed	1 Year	6/30/2020
Superintendent of Schools	Thea Stovell	Appointed	5 Years	6/30/2022
Acting Town Clerk/Registrar	Cheryl Sass	Appointed	1 Year	6/30/2020
Principal Assessor	Robert Cole	Appointed	1 Year	6/30/2020
Director of Public Works	Keith Nastasia	Appointed	3 Years	6/30/2021
Town Counsel	Christine Griffin	Appointed	3 Years	6/30/2021

Principal Municipal Facilities

The following is a list of the Town's principal facilities, date built or remodeled and the most recent assessed valuation.

<u>Facility</u>	<u>Date Built (Remodeled)</u>	<u>Assessed Valuation</u>
Randolph High School	1952 (1971) (2015)	\$ 33,113,100
North Middle School	1962 (1999) (2015)	34,128,600
John F. Kennedy School	1965 (2015)	8,768,500
Martin E. Young School	1967	5,498,000
Lyons School	1958	5,201,100
Donovan School	1962	5,908,200
Devine School (1)	1932 (1954)	4,375,900
Tower Hill School (2)	1938 (1960)	2,656,800
Skating Rink	1972	2,975,900
Watershed-Norway Avenue	--	2,908,900
Watershed-Lincoln Avenue	--	2,816,150
Town Hall/Police Station	1995/2017	4,826,400
Turner Library	1967/2016	3,162,400
Senior Center (3)	1940 (1989)	2,897,100
Fire Station-Central	1956	1,320,200
Fire Station-North	2017	2,868,200
Intergenerational Community Center	2017	7,095,900

(1) The Devine School property is currently for sale.

(2) The Tower Hill School facility is leased out to the Commonwealth as a State Police training facility.

Municipal Services

The Town provides general governmental services for the territory within its boundaries, including police and fire protection, public education in grades kindergarten through twelve, water, sewer, streets, a library, parks and recreation. The principal services provided by Norfolk County are space for courts, a jail and house of correction, a hospital, and registries of deeds and probate.

Commuter rail service to the Back Bay Station and South Station, Boston, is available on the Providence Line from Stoughton Station, Canton Junction Station, and Route 128 Station. The Massachusetts Bay Transportation Authority's (MBTA) Red Line is accessible in Braintree and Quincy. Randolph is a member of the MBTA which provides fixed route bus service to Quincy Adams and Ashmont Stations. The MBTA also provides The Ride, a paratransit service for the elderly and disabled. The Brockton Area Transit Authority provides service to Ashmont Station in Boston.

The Blue Hills Regional Vocational School District provides secondary and post-graduate vocational and technical education. Randolph is also a member of the Randolph-Holbrook Joint Water Works, which maintains and operates five public water supply sources.

Water and Sewer Rates and Services

Water and sewer operations are offset by estimated receipts from rates and fees charged for services provided by the departments. The Town uses enterprise funds to account for its water and sewer enterprise activities. All revenues and expenditures are accounted for in the fund and any fund balance remains within the fund. Water services are provided to 99.9 percent of the Town. During fiscal year 2016 the Town converted analog water meters to digital ones, which helps capture the consumption data. Also, in fiscal year 2016 the Town completed the migration to a quarterly billing system. Water rates for residential and commercial property are \$4.40 for 1-2,500 cu. ft. and \$5.59 for 2,501-9,999 cu. ft. Operating expenses of the water department are fully supported by user charges.

Approximately 99.9% of the Town is sewered. The residential and commercial sewer rate is \$7.29 per 100 cu ft for 1-2,500 cu ft usage and \$12.52 per 100 cu ft for 2,501-9,999 usage. Both residential and commercial sewer charges are billed on a quarterly basis. Operating expenses of the sewer department are fully supported by user charges.

Education

Public School Enrollments

	Actual				
	2015-16	2016-17	2017-18	2018-19	2019-20
Elementary	1,509	1,534	1,513	1,462	1,404
Middle School	677	610	602	628	634
High School	694	679	708	679	665
Special Education	3	5	-	13	90
Totals	<u>2,883</u>	<u>2,828</u>	<u>2,823</u>	<u>2,782</u>	<u>2,793</u>

Source: School Department as of October 1 each year.

Public School Student – Teacher Ratios

Elementary - 10.5: 1 Middle - 8.9: 1 High - 8.4 : 1

Total Number of Teachers & Teachers' Aides	399
Total Number of Administrative Staff	33
Total	432

Other Data

The following tables set forth population trends, age characteristics, housing characteristics, income levels and employment figures for the Town, Norfolk County, and the Commonwealth.

Population

Year	Randolph		Norfolk County		Massachusetts	
	Number	% Change	Number	% Change	Number	% Change
2016 estimate	33,610	4.7%	697,181	3.9%	6,811,779	4.0%
2010	32,112	3.7	670,850	3.2	6,547,629	3.1
2000	30,963	2.9	650,308	5.6	6,349,097	5.5
1990	30,093	6.6	616,087	1.6	6,016,425	4.9
1980	28,218		606,587		5,737,037	

Source: U.S. Department of Commerce for actuals and estimates,
Massachusetts Institute for Social & Economic Research for projections.

Median Age

Age	Randolph		Norfolk County		Massachusetts	
	Number	Percent	Number	Percent	Number	Percent
Under 5 Years	1,623	4.9 %	37,401	5.4 %	365,841	5.5 %
5 Years to 19 Years	5,772	17.3	130,899	19.0	1,241,719	18.5
20 Years to 64 Years	20,876	62.5	413,852	60.2	4,112,608	61.3
65 Years and Over	5,138	15.4	105,569	15.4	985,418	14.7
Total	<u>33,409</u>	<u>100.0</u>	<u>687,721</u>	<u>100.0</u>	<u>6,705,586</u>	<u>100.0</u>
Median Age	42.0		41.0		39.0	
Median Age (2000)	38.3		38.1		36.5	

Median Value Owner-Occupied Housing Units

Units	Randolph		Norfolk County		Massachusetts	
	Number	Percent	Number	Percent	Number	Percent
Les than \$100,000	321	3.8 %	4,538	2.5 %	68,999	4.4 %
100,000 - 199,999	939	11.2	7,870	4.4	221,180	14.0
200,000 - 299,999	4,397	52.6	32,471	18.2	384,150	24.3
300,000 - 499,999	2,422	29.0	74,602	41.8	563,047	35.6
500,000 - 999,999	280	3.3	46,082	25.8	285,504	18.0
1,000,000 or more	-	-	12,929	7.2	60,787	3.8
Total	8,359	100.0	178,492	100.0	1,583,667	100.0
Median Value	\$ 266,900		\$ 399,500		\$ 333,100	

Source: U.S. Department of Commerce

Age of Housing Units

Year Built	Randolph		Norfolk County		Massachusetts	
	Number	Percent	Number	Percent	Number	Percent
2000 or later	959	7.5%	24,627	9.0%	240,035	8.5%
1980 to 1999	2,584	20.2	49,671	18.2	514,947	18.2
1940 to 1979	7,265	56.8	123,618	45.4	1,111,194	39.3
1939 or Earlier	1,990	15.5	74,481	27.3	961,644	34.0
Total	12,798	100.0%	272,397	100.0%	2,827,820	100.0%

Source: U.S. Department of Commerce

Per Capita Income

Year	Randolph		Norfolk County		Massachusetts	
	Amount	% Change	Amount	% Change	Amount	% Change
2016 5-year estimates	\$29,955	27.9%	\$47,306	45.6%	\$38,069	46.7%
1999	23,413	36.4	32,484	54.0	25,952	50.7
1989	17,163	122.0	21,091	138.9	17,224	131.0
1979	7,732	-	8,828	-	7,457	-

Source: U.S. Department of Commerce

Household Income

Income for Household	Randolph		Norfolk County		Massachusetts	
	Households	Percent	Households	Percent	Households	Percent
Less than \$10,000	811	6.6 %	11,161	4.3 %	153,029	6.0 %
10,000 - 24,999	1,509	12.3	25,091	9.6	337,371	13.2
25,000 - 49,999	2,291	18.7	37,137	14.3	451,168	17.6
50,000 - 74,999	2,408	19.6	36,471	14.1	396,468	15.5
75,000 - 99,999	1,770	14.4	32,250	12.4	318,777	12.5
100,000 - 149,999	2,129	17.3	50,014	19.2	439,085	17.2
150,000 or more	1,363	11.1	67,937	26.1	462,991	18.1
Total	12,281	100.0 %	260,061	100.0 %	2,558,889	100.1 %
Median Income	\$ 65,316		\$ 90,226		\$ 70,954	

Source: U.S. Department of Commerce

Labor Force, Employment and Unemployment Rate

According to the Massachusetts Department of Employment and Training, in August 2019, the Town had a total labor force of 19,123 of whom 18,465 were employed and 658 or 3.4% were unemployed as compared with an unemployment rate of 2.8% for the Commonwealth.

The following table sets forth the Town's average labor force and unemployment rates for calendar years 2014 through 2018 as compared with the unemployment rates for the Commonwealth and for the county as a whole for the same period.

Calendar Year	Town of Randolph			Unemployment Rate	
	Labor Force	Number Employed	Unemployment Rate	Massachusetts	United States
2018	18,710	17,994	3.8%	3.3%	3.9%
2017	17,746	16,973	4.4	3.7	4.4
2016	17,523	16,767	4.3	3.9	4.9
2015	17,490	16,456	5.9	4.9	5.3
2014	17,453	16,239	7.0	5.8	6.2

Source: Massachusetts Department of Employment and Training. Data based on place of residence, not place of employment.

Due to reclassification the U.S. Department of Labor now uses the North American Industry Classification System (NAICS) as the basis for the assignment and tabulation of economic data by industry.

Industry	Calendar Year Average				
	2014	2015	2016	2017	2018
Construction and Natural Resources	344	398	399	395	441
Manufacturing	884	813	771	815	1,121
Trade, Transportation & Utilities	2,565	2,609	2,523	2,419	2,305
Financial Activities	239	249	265	260	198
Professional and Business Services	517	579	661	1,200	1,188
Education and Health Services	2,007	2,047	2,233	2,412	2,470
Leisure and Hospitality	1,097	1,013	1,177	1,230	1,190
Information and Other Services	494	438	473	468	475
Total Employment	<u>8,703</u>	<u>8,903</u>	<u>9,235</u>	<u>9,367</u>	<u>9,567</u>
Number of Establishments	<u>778</u>	<u>820</u>	<u>873</u>	<u>885</u>	<u>902</u>
Total Wage (000)	<u>\$ 404,160</u>	<u>\$ 423,164</u>	<u>\$ 447,522</u>	<u>\$ 459,435</u>	<u>\$ 499,215</u>
Average Weekly Wages	<u>\$ 893</u>	<u>\$ 914</u>	<u>\$ 932</u>	<u>\$ 943</u>	<u>\$ 1,003</u>

Source: Massachusetts Department of Education and Training. Data based upon place of employment, not place of residence.

Principal Employers

The Town is the largest employer with approximately 850 employees. The other principal employers are set forth below.

<u>Name of Employer</u>	<u>Nature of Business</u>	<u>Approximate No. of Employees</u>
Boston Higashi School	Education and Residence	250-499
Avalon Blue Hills	Apartments	100-249
Brewster Home Fashions	Distribution	100-249
Cedar Hill Health Care Center	Health Care	100-249
Emerson Swan Inc.	Industrial/HVAC	100-249
FedEx Ship Center	Shipping	100-249
Flexcon Industries	Manufacturing	100-249
Flying Locksmiths	Locksmith	100-249
Lombardo's	Function Facility	100-249
May Center for Early Childhood	Childcare/Education	100-249
May Institute, Inc.	Childcare/Education	100-249
Shaw's Supermarket	Supermarket	100-249
Showcase Cinema De Lux	Movie Theater	100-249

Source: Executive Office of Labor and Workforce Development.

Building Permits

Below is a list of the building permits issued and their estimated values for the following calendar years.

<u>Calendar Year</u>	<u>Residential</u>		<u>Commercial</u>	
	<u>No</u>	<u>Value</u>	<u>No</u>	<u>Value</u>
2019 (1)	857	\$ 23,792,351	40	\$ 6,651,962
2018	1,073	19,940,582	67	7,138,588
2017	832	17,341,116	58	30,566,344
2016	867	43,929,196	88	28,459,669
2015	1,007	16,226,056	68	18,448,806

(1) Issued through October 7, 2019.

PROPERTY TAXATION

The principal revenue source of the Town is the tax on real and personal property. The amount to be levied in each year is the amount appropriated or required by law to be raised for municipal expenditures less estimated receipts from other sources and less appropriations voted from funds on hand. The total amount levied is subject to certain limits prescribed by law; for a description of those limits, see "Tax Limitations" below.

The estimated receipts for a fiscal year from sources other than the property tax may not exceed the actual receipts during the preceding fiscal year from the same sources unless approved by the State Commissioner of Revenue. Excepting special funds the use of which is otherwise provided for by law, the deduction for appropriations voted from funds on hand for a fiscal year cannot exceed the "free cash" as of the beginning of the prior fiscal year as certified by the State Director of Accounts plus up to nine months' collections and receipts on account of earlier years' taxes after that date. Subject to certain adjustments, free cash is surplus revenue less uncollected overdue property taxes from earlier years.

Although an allowance is made in the tax levy for abatements (see "Abatements and Overlay," below), no reserve is generally provided for uncollectible real property taxes. Since some of the levy is inevitably not collected, this creates a cash deficiency which may or may not be offset by other items (see "Taxation to Meet Deficits," below).

Tax Levy Computation

The following table illustrates the manner in which the tax levy was determined for the following fiscal years:

	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015
Gross Amount to be Raised:					
Appropriations	\$ 112,733,271	\$ 103,778,366	\$ 98,695,398	\$ 98,181,040	\$ 99,398,623
Other Local Expenditures	73,652	645,685	1,315,526	1,326,134	834,210
State and County Charges	8,040,261	6,764,417	5,183,103	5,039,159	4,718,895
Allowance for Abatements	170,065	272,248	243,659	580,567	576,158
Total Gross Amount to be Raised	\$ 121,017,249	\$ 111,460,716	\$ 105,437,686	\$ 105,126,900	\$ 105,527,886
Offsets:					
Estimated Receipts from State	\$ 25,035,839	\$ 23,417,580	\$ 22,328,398	\$ 21,715,121	\$ 21,235,647
Estimated Receipts – Local	29,246,009	22,955,748	22,895,770	21,371,424	21,201,109
Appropriated Free Cash	2,592,986	2,011,000	-	-	1,615,500
Other Available Funds	1,752,023	2,858,170	1,974,950	4,630,965	6,220,275
Free cash and other revenue used to reduce the tax rate:	-	-	-	1,039,000	551,113
Total Offsets	\$ 58,626,857	\$ 51,242,498	\$ 47,199,118	\$ 48,756,510	\$ 50,823,644
Gross Tax Levy	\$ 62,390,392	\$ 60,218,218	\$ 58,238,568	\$ 56,370,390	\$ 54,704,242
Assessed Valuation	\$ 3,742,481,150	\$ 3,408,615,050	\$ 3,202,281,625	\$ 2,889,883,245	\$ 2,704,238,645
Tax Rate per \$1,000 (residential)	\$ 14.98	\$ 15.88	\$ 16.18	\$ 17.39	\$ 18.10
Tax Rate per \$1,000 (all others)	\$ 29.01	\$ 30.39	\$ 31.83	\$ 33.16	\$ 33.18

Source: Town Accountant.

Valuations and Tax Levies

Property is classified for the purpose of taxation according to its use. The legislature has in substance created three classes of taxable property: (1) residential real property, (2) open space land, and (3) all other (commercial, industrial and personal property). Within limits, cities and towns are given the option of determining the share of the annual levy to be borne by each of the three categories. The share required to be borne by residential real property is at least 50 per cent of its share of the total taxable valuation; the effective rate for open space must be at least 75 per cent of the effective rate for residential real property; and the share of commercial, industrial and personal property must not exceed 175 percent of their share of the total valuation. A city or town may also exempt up to 20 percent of the valuation of residential real property (where used as the taxpayer's principal residence) and up to 10 percent of the valuation of commercial real property (where occupied by certain small businesses). Property may not be classified in a city or town until the State Commissioner of Revenue certifies that all property in the city or town has been assessed at its fair cash value. Such certification must take place every five years, or pursuant to a revised schedule as may be issued by the Commissioner of Revenue.

Related statutes provide that certain forest land, agricultural or horticultural land (assessed at the value it has for these purposes) and recreational land (assessed on the basis of its use at a maximum of 25 percent of its fair cash value) are all to be taxed at the rate applicable to commercial property. Land classified as forest land is valued for this purpose at five percent of fair cash value but not less than ten dollars per acre.

In order to determine appropriate relative values for the purposes of certain distributions to and assessments upon cities and towns, the Commissioner of Revenue biennially makes a redetermination of the fair cash value of the taxable property in each municipality. This is known as the "equalized value". See "DEBT LIMITS" below.

Assessed Valuations

Valuation of real and personal property in the Town is established by the Board of Assessors. The following table sets forth the trend in the Town's assessed valuations and equalized valuations for the following fiscal years:

Fiscal Year	Assessed Valuations(1)			Equalized Valuation(2)	Assessed Valuation As a Percent of Equalized Valuation
	Real Estate Valuation	Personal Property Valuation	Total Assessed Valuation		
2019	\$ 3,655,959,460	\$ 86,521,690	\$ 3,742,481,150	\$ 3,647,034,600	102.6 %
2018	3,326,800,960	81,814,090	3,408,615,050	3,154,751,600	108.0
2017	3,123,823,375	78,458,250	3,202,281,625	3,154,751,600	101.5
2016	2,815,278,575	74,604,670	2,889,883,245	2,778,259,700	104.0
2015	2,632,408,475	71,830,170	2,704,238,645	2,778,259,700	97.3

(1) Source: Board of Assessors.

(2) Source: Massachusetts Department of Revenue - Equalized valuations are established as of January 1 of even-numbered years for the next two years.

Classification of Property

As illustrated below, Randolph's tax base reflects its character as a primarily residential community with a mix of commercial and industrial uses:

Property Type	2017		2018		2019	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Residential	\$ 2,791,696,836	87.2 %	\$ 2,988,945,100	87.7 %	\$ 3,291,445,915	87.9 %
Commercial	237,285,039	7.4	242,010,460	7.1	260,045,045	6.9
Personal	78,458,250	2.5	81,814,090	2.4	104,468,500	2.8
Industrial	94,841,500	3.0	95,845,400	2.8	86,521,690	2.3
Total	\$ 3,202,281,625	100.0 %	\$ 3,408,615,050	100.0 %	\$ 3,742,481,150	100.0 %

Source: Board of Assessors.

Largest Taxpayers

The following is a list of the Town's ten largest taxpayers based on assessed valuations for fiscal 2019:

Name	Nature of Business	Fiscal 2019 Assessed Valuation	Fiscal 2019 Tax Levy	% of Net Tax Levy
Bre Piper Rosemont Square	Residential Housing Rentals	\$81,877,500	\$1,252,674	2.01 %
Avalon Blue Hills	Residential Housing Rentals	47,287,700	722,507	1.16
Woodview Apartments	Residential Housing Rentals	38,916,100	594,473	0.96
Atlantic Columbus Realty	Commercial Space Rental	22,504,300	665,906	1.07
GM Highland House	Residential Housing Rentals	18,983,000	289,139	0.46
NAI Entertainment Holdings	Movie Theater	15,188,400	449,428	0.72
Hickey Carol A Trustee	Commercial Space Rental	9,588,500	283,034	0.45
CLF Bobs Randolph	Clothing and Footwear Retail	9,484,900	280,660	0.45
Frito Lay	Snack Food Distributor	8,525,200	252,262	0.41
Jablonski Barbara F Trustee	Residential Housing Rentals	6,549,900	178,685	0.29
TOTAL		\$ 258,905,500	\$ 4,968,768	7.99 %

Source: Board of Assessors.

Abatements and Overlay

The Town is authorized by law to increase each tax levy by an amount approved by the State Commissioner of Revenue as an "overlay" to provide for tax abatements. If abatements are granted in excess of the applicable overlay, the excess is required to be added to the next tax levy.

Abatements are granted where exempt real or personal property has been assessed or where taxable real or personal property has been overvalued or disproportionately valued. The assessors may also abate uncollectible personal property taxes. They may abate real and personal property taxes on broad grounds (including inability to pay) with the approval of the State Commissioner of Revenue, but uncollected real property taxes are ordinarily not written off until they become municipal "tax titles" by purchase at the public sale or by taking, at which time the tax is written off in full by reserving the amount of the tax and charging surplus.

The following table sets forth the amount of overlay reserves, total exemptions and abatements granted and overlay excess for the last five fiscal years:

Fiscal Year	Net Tax Levy (1)	Overlay Dollar Amount	Percent of Net Levy	Exemptions and Abatements Granted Through June 30, 2019	Excess (Deficit)
2019	\$ 62,220,327	\$ 170,065	0.27 %	\$ 66,804	\$ 103,261
2018	59,945,970	272,248	0.45	182,082	90,166
2017	57,994,909	243,660	0.42	246,730	(3,070)
2016	55,789,823	580,567	1.04	328,994	251,573
2015	54,128,084	576,158	1.06	600,803	(24,645)

Source: Board of Assessors.

(1) Total tax levy less overlay.

Tax Collections

The taxes for each fiscal year generally are due in two installments on November 1 (subject to deferral if tax bills are sent out late) and unless the city or town accepts a statute providing for quarterly tax payments. Under that statute, preliminary tax payments are due installment dates with payment of the actual tax bill (after credit is given for the preliminary payments) in installments on February 1 and if actual tax bills are mailed by December 31. Interest accrues on delinquent taxes at the rate of 14 percent per annum. The Town bills for taxes on a quarterly basis.

The following table shows the total tax levy, the net tax levy and the amount collected for the last five fiscal years:

Fiscal Year	Total Tax Levy	Overlay	Net Tax Levy (1)	% of Net Collected At June 30 (2)(3)
2019	\$ 62,390,392	\$ 170,065	\$ 62,220,327	98.4 %
2018	60,218,218	272,248	59,945,970	97.4
2017	58,238,569	243,660	57,994,909	98.4
2016	56,370,390	580,567	55,789,823	99.8
2015	54,704,242	576,158	54,128,084	100.0

Source: Board of Assessors as to levies; Town Treasurer as to collections.

(1) Total tax levy less overlay.

(2) Actual collections less refunds, but excluding proceeds of tax titles and possessions attributable to that year's levy.

(3) Collections for current fiscal year are comparable to prior fiscal years.

Tax Titles and Possessions

Real property (land and buildings) is subject to a lien for the taxes assessed upon it, subject to any paramount federal lien and subject to bankruptcy and insolvency laws. (In addition, real property is subject to a lien for certain unpaid municipal charges or fees.) If the property has been transferred, an unenforced lien expires on the fourth December 31 after the end of the fiscal year to which the tax relates. If the property has not been transferred by the fourth December 31, an unenforced lien expires upon a later transfer of the property. Provision is made, however, for continuation of the lien where it could not be enforced because of a legal impediment.

The persons against whom real or personal property taxes are assessed are personally liable for the tax (subject to bankruptcy and insolvency laws). In the case of real property, this personal liability is effectively extinguished by sale or taking of the property.

Massachusetts law permits a municipality either to sell by public sale (at which the municipality may become the purchaser) or to take real property for nonpayment of taxes. In either case the property owner can redeem the property by paying the unpaid taxes, with interest and other charges, but if the right of redemption is not exercised within six months (which may be extended an additional year in the case of certain installment payments), it can be foreclosed by petition to the Land Court. Upon foreclosure, a tax title purchased or taken by the municipality becomes a "tax possession" and may be held and disposed of in the same manner as other land held for municipal purposes.

Taxes Outstanding

The following table sets forth the amount of overdue property taxes, tax titles and possessions outstanding at the end of the last five fiscal years.

	For Fiscal Year				
	2019	2018	2017	2016	2015
Aggregate (1)	\$719,020	\$828,888	\$540,583	\$1,861,304	\$693,755
For Current Year (1)	719,020	828,888	540,583	1,781,777	693,755
Tax Titles	4,266,643	4,080,073	3,870,988	3,305,473	3,939,828
Tax Possessions.....	556,333	1,267,481	719,147	362,277	81,435

Source: Town Treasurer.

(1) Excludes tax titles, tax possessions and abated taxes. Includes taxes in litigation, if any.

Sale of Tax Receivables

Cities and towns are authorized to sell delinquent property tax receivables by public sale or auction, either individually or in bulk. The Town does not expect to utilize this option at the present time.

Taxation to Meet Deficits

As noted elsewhere (see "Abatements and Overlay," above) overlay deficits, i.e., tax abatements in excess of the overlay included in the tax levy to cover abatements, are required to be added to the next tax levy. It is generally understood that revenue deficits; i.e., those resulting from non-property tax revenues being less than anticipated, are also required to be added to the tax levy (at least to the extent not covered by surplus revenue).

Amounts lawfully expended since the prior tax levy and not included therein are also required to be included in the annual tax levy. The circumstances under which this can arise are limited since municipal departments are generally prohibited from incurring liabilities in excess of appropriations except for major disasters, mandated items, contracts in aid of housing and renewal projects and other long-term contracts. In addition, utilities must be paid at established rates; and certain established salaries, e.g., civil service, must legally be paid for work actually performed, whether or not covered by appropriations.

Cities and towns are authorized to appropriate sums, and thus to levy taxes, to cover deficits arising from other causes, such as "free cash" deficits arising from a failure to collect taxes. This is not generally understood, however, and it has not been the practice to levy taxes to cover free cash deficits. Except to the extent that such deficits have been reduced or eliminated by subsequent collections of uncollected taxes (including sales of tax titles and tax possessions), lapsed appropriations, non-property tax revenues in excess of estimates, other miscellaneous items or funding loans authorized by special act, they remain in existence.

Tax Limitations

Chapter 59, Section 21C of the General Laws, also known as Proposition 2½, imposes two separate limits on the annual tax levy of a city or town.

The primary limitation is that the tax levy cannot exceed 2½ percent of the full and fair cash value. If a city or town exceeds the primary limitation, it must reduce its tax levy by at least 15 percent annually until it is in compliance, provided that the reduction can be reduced in any year to not less than 7½ percent by majority vote of the voters, or to less than 7½ percent by two-thirds vote of the voters.

For cities and towns at or below the primary limit, a secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding fiscal year as determined by the State Commissioner of Revenue by more than 2½ percent, subject to exceptions for property added to the tax rolls or property which has had an increase, other than as part of a general revaluation, in its assessed valuation over the prior year's valuation.

This "growth" limit on the tax levy may be exceeded in any year by a majority vote of the voters, but an increase in the secondary or growth limit under this procedure does not permit a tax levy in excess of the primary limitation, since the two limitations apply independently. In addition, if the voters vote to approve taxes in excess of the "growth" limit for the purpose of funding a stabilization fund, such increased amount may only be taken into account for purposes of calculating the maximum levy limit in each subsequent year if the board of selectmen of a town or the city council of a city votes by a two-thirds vote to appropriate such increased amount in such subsequent year to the stabilization fund.

The applicable tax limits may also be reduced in any year by a majority vote of the voters.

The State Commissioner of Revenue may adjust any tax limit "to counterbalance the effects of extraordinary, non-recurring events which occurred during the base year".

The statute further provides that the voters may exclude from the taxes subject to the tax limits and from the calculation of the maximum tax levy (a) the amount required to pay debt service on bonds and notes issued before November 4, 1980, if the exclusion is approved by a majority vote of the voters, and (b) the amount required to pay debt service on any specific subsequent issue for which similar approval is obtained. Even with voter approval, the holders of the obligations for which unlimited taxes may be assessed do not have a statutory priority or security interest in the portion of the tax levy attributable to such obligations. It should be noted that Massachusetts General Laws Chapter 44, Section 20 requires that the taxes excluded from the levy limit to pay debt service on any such bonds and notes be calculated based on the true interest cost of the issue. Accordingly, the Department of Revenue limits the amount of taxes which may be levied in each year to pay debt service on

any such bonds and notes to the amount of such debt service, less a pro rata portion of any original issue premium received by the city or town that was not applied to pay costs of issuance.

Voters may also exclude from the Proposition 2½ limits the amount required to pay specified capital outlay expenditures or for the city or town's apportioned share for certain capital outlay expenditures by a regional governmental unit. In addition, the city council of a city, with the approval of the mayor if required, or the board of selectmen or the town council of a town may vote to exclude from the Proposition 2½ limits taxes raised in lieu of sewer or water charges to pay debt service on bonds or notes issued by the municipality (or by an independent authority, commission or district) for water or sewer purposes, provided that the municipality's sewer or water charges are reduced accordingly.

In addition, Proposition 2½ limits the annual increase in the total assessments on cities and towns by any county, district, authority, the Commonwealth or any other governmental entity (except regional school districts, the MWRA and certain districts for which special legislation provides otherwise) to the sum of (a) 2½ percent of the prior year's assessments and (b) "any increases in costs, charges or fees for services customarily provided locally or for services subscribed to at local option". Regional water districts, regional sewerage districts and regional veterans districts may exceed these limitations under statutory procedures requiring a two-thirds vote of the district's governing body and either approval of the local appropriating authorities (by two-thirds vote in districts with more than two members or by majority vote in two-member districts) or approval of the registered voters in a local election (in the case of two-member districts). Under Proposition 2½ any State law to take effect on or after January 1, 1981 imposing a direct service or cost obligation on a city or town will become effective only if accepted or voluntarily funded by the city or town or if State funding is provided. Similarly, State rules or regulations imposing additional costs on a city or town or laws granting or increasing local tax exemptions are to take effect only if adequate State appropriations are provided. These statutory provisions do not apply to costs resulting from judicial decisions.

Unused Levy Capacity (1)

	Fiscal Year				
	2019	2018	2017	2016	2015
Primary Levy Limit (2)	\$ 93,562,029	\$ 85,215,376	\$ 80,057,041	\$ 72,247,081	\$ 67,605,966
Prior Fiscal Year Levy Limit	60,184,676	58,155,593	56,203,658	54,446,731	52,649,077
2.5% Levy Growth	1,504,617	1,453,890	1,405,091	1,361,168	1,316,227
New Growth (3)	754,506	575,193	546,544	395,759	475,175
Overrides	-	-	-	-	-
Growth Levy Limit	62,443,799	60,184,676	58,155,293	56,203,658	54,440,479
Debt Exclusions	(49,173)	71,500	104,632	185,859	282,082
Capital Expenditure Exclusions	-	-	-	-	-
Other Adjustments	-	-	-	-	-
Tax Levy Limit	62,394,626	60,256,176	58,259,925	56,389,517	54,722,561
Tax Levy	62,390,392	60,218,218	58,238,569	56,370,390	54,704,242
Unused Levy Capacity (4)	4,234	37,958	21,356	19,127	18,319
Unused Primary Levy Capacity (5)	\$ 31,118,230	\$ 25,030,700	\$ 21,901,748	\$ 16,043,423	\$ 13,165,487

(1) Source: Massachusetts Department of Revenue.

(2) 2.5% of assessed valuation.

(3) Allowed increase for new valuations (or required reduction) - certified by the Department of Revenue.

(4) Tax Levy Limit less Tax Levy.

(5) Primary Levy Limit less Growth Levy Limit.

Pledged Taxes

Taxes on certain property in designated development districts may be pledged for the payment of costs of economic development projects within such districts and may therefore be unavailable for other municipal purposes. (See "Tax Increment Financing for Development Districts" below).

Initiative Petitions

Various proposals have been made in recent years for legislative amendments to the Massachusetts Constitution to impose limits on state and local taxes. To be adopted, such amendments must be approved by two successive legislatures and then by the voters at a state election.

Community Preservation Act

The Massachusetts Community Preservation Act (the "CPA") permits cities and towns that accept its provisions to levy a surcharge on its real property tax levy, dedicate revenue (other than state or federal funds), and to receive state matching funds for (i) the acquisition, creation, preservation, rehabilitation and restoration of land for recreational use, open space, and affordable housing and (ii) the acquisition, preservation, rehabilitation and restoration of historic resources. The provisions of the CPA must be accepted by the voters of the city or town at an election after such provisions have first been accepted by either a vote of the legislative body of the city or town or an initiative petition signed by 5% of its registered voters.

A city or town may approve a surcharge of up to 3% (but not less than 1% under certain circumstances) and may make an additional commitment of funds by dedicating revenue other than state or federal funds, provided that the total funds collected do not exceed 3% of the real property tax levy, less any exemptions adopted (such as an exemption for low-income individuals and families and for low and moderate-income senior citizens, an exemption for \$100,000 of the value of each taxable parcel of residential real property or \$100,000 of the value of each taxable parcel of class three, commercial property, and class four, industrial property as defined in Chapter 59, Section 2A of the General Laws, and an exemption for commercial and industrial properties in cities and towns with classified tax rates). In the event that the municipality shall no longer dedicate all or part of the additional funds to community preservation, the surcharge on the real property tax levy of not less than 1% shall remain in effect, provided that any such change must be approved pursuant to the same process as acceptance of the CPA. The surcharge is not counted in the total taxes assessed for the purpose of determining the permitted levy amount under Proposition 2½ (see "Tax Limitations" under "PROPERTY TAXATION" above). A city or town may revoke its acceptance of the provisions of the CPA at any time after 5 years from the date of such acceptance and may change the amount of the surcharge or the exemptions to the surcharge at any time, including reducing the surcharge to 1% and committing additional municipal funds as outlined above, provided that any such revocation or change must be approved pursuant to the same process as acceptance of the CPA.

Any city or town that accepts the provisions of the CPA will receive annual state matching grants to supplement amounts raised by its surcharge and dedication of revenue. The state matching funds are raised from certain recording and filing fees of the registers of deeds. Those amounts are deposited into a state trust fund and are distributed to cities and towns that have accepted the provisions of the CPA, which distributions are not subject to annual appropriation by the state legislature. The amount distributed to each city and town is based on a statutory formula and the total state distribution made to any city or town may not exceed 100% of the amount raised locally by the surcharge on the real property tax levy.

The amounts raised by the surcharge on taxes, the dedication of revenue and received in state matching funds are required to be deposited in a dedicated community preservation fund. Each city or town that accepts the provisions of the CPA is required to establish a community preservation committee to study the community preservation needs of the community and to make recommendations to the legislative body of the city or town regarding the community preservation projects that should be funded from the community preservation fund. Upon the recommendations of the committee, the legislative body of the city or town may appropriate amounts from the fund for permitted community preservation purposes or may reserve amounts for spending in future fiscal years, provided that at least 10% of the total annual revenues to the fund must be spent or set aside for open space purposes, 10% for historic resource purposes and 10% for affordable housing purposes.

The CPA authorizes cities and towns that accept its provisions to issue bonds and notes in anticipation of the receipt of surcharge and dedicated revenues to finance community preservation projects approved under the provisions of the CPA. Bonds and notes issued under the CPA are general obligations of the city or town and are payable from amounts on deposit in the community preservation fund. In the event that a city or town revokes its acceptance of the provisions of the CPA, the surcharge shall remain in effect until all contractual obligations incurred by the city or town prior to such revocation, including the payment of bonds or notes issued under the CPA, have been fully discharged.

The voters of the Town elected to implement the CPA, with a 2% surcharge on all real estate tax bills beginning in fiscal year 2006. The surcharge is not counted in the total taxes assessed for the purpose of determining the permitted levy amount under Proposition 2½. The balance of the Town's CPA funds at June 30, 2019 was \$2,622,479.

TOWN FINANCES

The Budget and Appropriation Process

Within one hundred seventy days after the annual organization of the Town government (normally on the first day of the calendar year), the Town Manager submits to the Town Council the annual budget in the form of a statement of the amounts recommended for the proposed expenditures of the Town for the next fiscal year. The annual budget is classified and designated so as to show separately with respect to each officer, department or undertaking for which an appropriation is recommended.

The Town Council may by majority vote to make appropriations for the purpose recommended and may reduce or reject any amount recommended but, except on recommendation of the Manager, may not increase any amount in or the total of the annual budget, nor add thereto any amount for the purpose not included therein (except by two-thirds vote for certain purposes deemed necessary by the Council no earlier than seven days after the Council has taken a formal vote requesting the inclusion of said addition).

If the Council fails to take action with respect to any amount recommended in the annual budget, either by approving, reducing, or rejecting the same, within forty five days after the receipt of the budget, such amount without any action of the Council becomes a part of the appropriations for the year and is available for the purpose specified.

If, upon the expiration of one hundred seventy days after the annual organization of the Town government, the Manager has not submitted the annual budget, the Town Council is authorized to prepare said budget.

The school budget is limited to the total amount appropriated by the Town Council but the school committee retains full power to allocate the funds appropriated. State legislation known as the Education Reform Act of 1993, as amended, imposes certain minimum expenditure requirements on municipalities with respect to funding for education. The requirements are determined on the basis of formulas affected by various measures of wealth and income, enrollments, prior levels of local spending and state aid, and other factors.

State and county assessments, abatements in excess of overlays, principal and interest not otherwise provided for, and final judgments are included in the tax levy whether or not included in the budget. Revenues are not required to be set forth in the budget but estimated non-tax revenues are taken into account by the assessors in fixing the tax levy.

Operating Budget Trends

	<u>Fiscal 2020</u>	<u>Fiscal 2019</u>	<u>Fiscal 2018</u>	<u>Fiscal 2017</u>	<u>Fiscal 2016</u>
General Government	\$3,064,639	\$3,000,146	\$2,899,409	\$3,054,050	\$3,020,493
Public Safety	15,216,462	14,472,497	13,928,467	13,345,012	12,975,580
Education	47,951,890	46,342,276	45,428,630	44,021,751	42,397,469
Department of Public Works	1,778,105	1,750,467	1,751,019	1,743,893	1,763,676
Health and Sanitation	3,395,075	2,720,210	2,690,910	2,497,604	2,472,483
Library, Parks & Recreation	2,392,844 (1)	1,057,728	1,052,047	1,015,135	1,032,190
Human Services	541,015	582,294	601,101	638,915	636,242
Debt & Interest	5,472,730	4,064,396	3,293,362	3,160,023	2,572,300
Employee Benefits & Insurance	12,094,265	12,020,723	12,109,680	11,705,000	11,665,000
Norfolk County Costs	6,242,598	5,670,468	5,188,401	4,750,895	4,319,218
Enterprise - Water & Sewer	13,339,160	12,562,447	12,278,053	12,587,638	12,121,134
Total	<u>\$111,488,783</u>	<u>\$104,243,652</u>	<u>\$101,221,079</u>	<u>\$98,519,916</u>	<u>\$94,975,785</u>

(1) Large increase due to Community Center operation shifting from a revolving fund to budget for the first time in fiscal 2020.

Education Reform

State legislation known as the Education Reform Act of 1993, as amended, imposes certain minimum expenditure requirements on municipalities with respect to funding for education and related programs, and may affect the level of state aid to be received for education. The requirements are determined on the basis of formulas affected by various measures of wealth and income, enrollments, prior levels of local spending and state aid, and other factors. Since its inception, the Town has funded its school operations above the level mandated by the Act.

Revenues

Property Taxes: Property taxes are the major source of revenue for the Town. The total amount levied is subject to certain limits prescribed by law; for a description of those limits see "PROPERTY TAXATION – Tax Limitations," above.

State and Federal Aid

In addition to grants for specified capital purposes (some of which are payable over the life of the bonds issued for the projects), the Commonwealth provides financial assistance to cities and towns for current purposes. Payments to cities and towns are derived primarily from a percentage of the State's personal income, sales and use, and corporate excise tax receipts, together with the net receipts from the State Lottery. A municipality's state aid entitlement is based on a number of different formulas, of which the "schools" and "lottery" formulas are the most important. Both of the major formulas tend to provide more state aid to poorer communities. The formulas for determining a municipality's state aid entitlement are subject to amendment by the state legislature and, while a formula might indicate that a particular amount of state aid is owed, the amount of state aid actually paid is limited to the amount appropriated by the state legislature. The state annually estimates state aid, but the actual state aid payments may vary from the estimate.

In the fall of 1986, both the State Legislature (by statute, repealed as of July 1, 1999) and the voters (by initiative petition) placed limits on the growth of state tax revenues. Although somewhat different in detail, each measure essentially limited the annual growth in state tax revenues to an average rate of growth in wages and salaries in the Commonwealth over the three previous calendar years. If not amended, the remaining law could restrict the amount of state revenues available for state aid to local communities.

The following table reflects state aid receipts for each of the following fiscal years.

	For Fiscal Year				
	2019	2018	2017	2016	2015
Education Aid	\$ 18,729,678	\$ 17,193,089	\$ 16,236,840	\$ 15,587,390	\$ 15,250,099
General Government	5,836,202	5,568,387	6,341,744	5,280,813	5,138,630
Net Total Assessments	(8,126,324)	(7,016,982)	(6,617,687)	(5,039,159)	(4,713,049)
Net State Aid	<u>\$ 16,439,556</u>	<u>\$ 15,744,494</u>	<u>\$ 15,960,897</u>	<u>\$ 15,829,044</u>	<u>\$ 15,675,680</u>

The following reflects federal receipts in each of the following fiscal years:

	For Fiscal Year				
	2019	2018	2017	2016	2015
Total Federal Aid.....	\$2,786,265	\$2,328,547	\$3,485,897	\$2,806,161	\$2,868,882

State School Building Assistance Program: Under its school building assistance program, the Commonwealth of Massachusetts provides grants to cities, towns and regional school districts for school construction projects. Until July 26, 2004, the State Board of Education was responsible for approving grants for school projects and otherwise administering the program. Grant amounts ranged from 40% to 90% of approved project costs. Municipalities generally issued bonds to finance the entire project cost, and the Commonwealth disbursed the grants in equal annual installments over the term of the related bonds.

Pursuant to legislation which became effective on July 26, 2004, the state legislature created the Massachusetts School Building Authority (the "Authority") to finance and administer the school building assistance program. The Authority has assumed all powers and obligations of the Board of Education with respect to the program. In addition to certain other amounts, the legislation dedicates a portion of Commonwealth sales tax receipts to the Authority to finance the program.

Projects previously approved for grants by the State Board of Education are entitled to receive grant payments from the Authority based on the approved project cost and reimbursement rate applicable under the prior law. The Authority has paid and is expected to continue to pay the remaining amounts of the grants for such projects either in annual installments to reimburse debt service on bonds issued by the municipalities to finance such projects, or as lump sum payments to contribute to the defeasance of such bonds.

Projects on the priority waiting list as of July 1, 2004 are also entitled to receive grant payments from the Authority based on the eligible project costs and reimbursement rates applicable under the prior law. With limited exceptions, the Authority is required to fund the grants for such projects in the order in which they appear on the waiting list. Grants for any such projects that have been completed or substantially completed have been paid and are expected to continue to be paid by the Authority in lump sum payments, thereby eliminating the need for the Authority to reimburse interest expenses that would otherwise be incurred by the municipalities to permanently finance the Authority's share of such project costs. Interest on debt issued by municipalities prior to July 1, 2004 to finance such project costs, and interest on temporary debt until receipt of the grant, is included in the approved costs of such projects. Grants for any such projects that have not yet commenced or that are underway have been and are expected to continue to be paid by the Authority as project costs are incurred by the municipality pursuant to a project funding agreement between the Authority and the municipality, eliminating the need for the municipality to borrow even on a temporary basis to finance the Authority's share of the project costs in most cases.

The range of reimbursement rates for new project grant applications submitted to the Authority on or after July 1, 2007 has been reduced to between 40% and 80% of approved project costs. The Authority promulgated new regulations with respect to the application and approval process for projects submitted after July 1, 2007. The Authority expects to pay grants for such projects as project costs are incurred pursuant to project funding agreements between the Authority and the municipalities. None of the interest expense incurred on debt issued by municipalities to finance their portion of the costs of new projects will be included in the approved project costs eligible for reimbursement.

Other Taxes

Three additional sources of revenue for local governments are the room occupancy excise tax, local meals excise tax and the aviation fuel tax. All taxes take effect only where accepted by individual municipalities. Under the room occupancy excise tax, local governments may tax the provision of hotel, motel, lodging house and bed and breakfast rooms at a rate not to exceed six percent of the cost of renting such rooms. The tax is paid by the operator of each establishment to the State Commissioner of Revenue, who in turn pays the tax back to the municipality in which the rooms are located. The Town has imposed the room occupancy tax at a rate of 6%. The distribution for fiscal year 2017 was \$140,860, the amount for fiscal year 2018 was \$234,506, and the amount for fiscal year 2019 was \$278,495.

The local meals excise tax, effective for sales of restaurant meals on or after October 1, 2009, is a three-fourths percent tax on the gross receipts of a vendor from the sale of restaurant meals. The tax is paid by the vendor to the State Commissioner of Revenue, who in turn pays the tax to the municipality in which the meal was sold. The Town collected \$470,678 in local meals excise tax in fiscal 2017, \$458,504 in fiscal 2018, and \$472,929 in fiscal 2019.

The aviation fuel tax is a five percent tax (with a minimum of five cents per gallon) on the sale or use of jet fuel to or by jet aircraft. The tax is paid by the seller/user of the fuel to the Commissioner of revenue, who in turn, rebates the tax back to the municipality in which the fuel being taxed was transferred to an aircraft. The Town has not voted to accept the aviation fuel tax.

Motor Vehicle Excise

An excise is imposed on the registration of motor vehicles (subject to exemptions) at the rate of \$25 per \$1,000 of valuation. The excise is collected by and for the benefit of the municipality in which the motor vehicle is customarily kept. Valuations are determined by a statutory formula based on manufacturers' list price and year of manufacture. Bills not paid when due bear interest at 12 percent per annum. Provision is also made, after notice to the owner, for suspension of the owner's operating license or registration by the registrar of motorvehicles.

The Town collects the motor vehicle excise tax from bills prepared by the Massachusetts Registry of Motor Vehicles. The following table reflects motor vehicle excise receipts for each of the following fiscal years.

	For Fiscal Year				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Motor Vehicle Excise.....	\$4,081,663	\$3,984,396	\$3,849,151	\$3,685,886	\$3,378,260

Annual Audits

The Town is audited annually by the firm of Melanson Heath, Certified Public Accountants, of Boston, Massachusetts.

The attached report speaks only as of its date, and only the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in that appendix.

Financial Statements

Set forth on the following pages are Governmental Funds Balance Sheets for the fiscal year ending June 30, 2018, June 30, 2017 and June 30, 2016 and Statements of Revenues and Expenditures (Governmental Funds) for fiscal years 2018 through 2014. Said statements have been extracted from audited financial statements.

**TOWN OF RANDOLPH, MASSACHUSETTS
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2018**

ASSETS	General	New Community Center	Building Capital Project	Nonmajor Governmental Funds	Total Governmental Funds
Cash and short-term investments	\$ 9,042,706	\$ 177,970	\$ 401,232	\$ 7,925,502	17,547,410
Investments	5,645,321	-	-	-	5,645,321
Property taxes	5,384,253	-	-	-	5,384,253
Excises	1,145,030	-	-	-	1,145,030
Departmental and other	411,489	-	-	735,409	1,146,898
Intergovernmental	50,314	-	-	1,033,682	1,083,996
TOTAL ASSETS	\$ 21,679,113	\$ 177,970	\$ 401,232	\$ 9,694,593	\$ 31,952,908
 LIABILITIES					
Liabilities:					
Warrants payable	\$ 1,092,594	\$ -	\$ -	\$ 339,095	\$ 1,431,689
Accrued liabilities	5,327,006	-	-	-	5,327,006
Tax Refunds Payable	55,759	-	-	-	55,759
Notes payable	-	12,542,967	13,521,469	4,979,553	31,043,989
Other liabilities	1,226,568	-	-	1,779	1,228,347
TOTAL LIABILITIES	7,701,927	12,542,967	13,521,469	5,320,427	39,086,790
 DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	6,720,014	-	-	735,410	7,455,424
 FUND BALANCES					
Restricted	-	-	-	6,479,986	6,479,986
Committed	-	-	-	2,475,280	2,475,280
Assigned	453,463	-	-	-	453,463
Unassigned	6,803,709	(12,364,997)	(13,120,237)	(5,316,510)	(23,998,035)
TOTAL FUND BALANCES	7,257,172	(12,364,997)	(13,120,237)	3,638,756	(14,589,306)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 21,679,113	\$ 177,970	\$ 401,232	\$ 9,694,593	\$ 31,952,908

SOURCE: Extracted from audited financial statements of the Town.

**TOWN OF RANDOLPH, MASSACHUSETTS
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2017**

ASSETS	General	New Community Center	Building Capital Project	Nonmajor Governmental Funds	Total Governmental Funds
Cash and short-term investments	\$ 10,078,377	\$ 2,512,492	\$ 857,822	\$ 9,878,452	23,327,143
Investments	5,360,294	-	-	-	5,360,294
Property taxes	4,910,600	-	-	-	4,910,600
Excises	1,104,830	-	-	-	1,104,830
Departmental and other	467,952	-	-	459,702	927,654
Intergovernmental	64,145	-	-	548,259	612,404
TOTAL ASSETS	<u>\$ 21,986,198</u>	<u>\$ 2,512,492</u>	<u>\$ 857,822</u>	<u>\$ 10,886,413</u>	<u>\$ 36,242,925</u>
 LIABILITIES					
Liabilities:					
Warrants payable	\$ 1,981,440	\$ 29,733	\$ 13,573	\$ 241,734	\$ 2,266,480
Accrued liabilities	3,787,346	797,744	-	-	4,585,090
Notes payable	-	11,336,436	13,768,000	5,394,149	30,498,585
Other liabilities	1,068,727	-	-	1,778	1,070,505
TOTAL LIABILITIES	6,837,513	12,163,913	13,781,573	5,637,661	38,420,660
 DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	6,296,613	-	-	459,700	6,756,313
 FUND BALANCES					
Restricted	-	-	-	6,658,529	6,658,529
Committed	-	-	-	1,975,159	1,975,159
Assigned	933,680	-	-	-	933,680
Unassigned	7,918,392	(9,651,421)	(12,923,751)	(3,844,636)	(18,501,416)
TOTAL FUND BALANCES	<u>8,852,072</u>	<u>(9,651,421)</u>	<u>(12,923,751)</u>	<u>4,789,052</u>	<u>(8,934,048)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 21,986,198</u>	<u>\$ 2,512,492</u>	<u>\$ 857,822</u>	<u>\$ 10,886,413</u>	<u>\$ 36,242,925</u>

SOURCE: Extracted from audited financial statements of the Town.

**TOWN OF RANDOLPH, MASSACHUSETTS
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2016**

ASSETS	General	Building Capital Project	Nonmajor Governmental Funds	Total Governmental Funds
Cash and short-term investments	\$ 8,867,307	\$ 3,186,736	\$ 5,349,148	\$ 17,403,191
Investments	3,823,095	-	-	3,823,095
Property taxes	4,968,008	-	-	4,968,008
Excises	1,044,529	-	-	1,044,529
Departmental and other	393,406	-	431,685	825,091
Intergovernmental	-	-	1,863,301	1,863,301
TOTAL ASSETS	<u>\$ 19,096,345</u>	<u>\$ 3,186,736</u>	<u>\$ 7,644,134</u>	<u>\$ 29,927,215</u>
 LIABILITIES				
Liabilities:				
Warrants payable	\$ 1,313,674	\$ 332,416	\$ 446,907	\$ 2,092,997
Accrued liabilities	3,507,230	-	-	3,507,230
Tax refunds payable	195,618	-	-	195,618
Notes payable	-	8,050,000	1,881,135	9,931,135
Other liabilities	648,802	-	1,778	650,580
TOTAL LIABILITIES	<u>5,665,324</u>	<u>8,382,416</u>	<u>2,329,820</u>	<u>16,377,560</u>
 DEFERRED INFLOWS OF RESOURCES	 6,259,238	 -	 431,684	 6,690,922
 FUND BALANCES				
Restricted	-	-	8,498,891	8,498,891
Committed	-	-	196,018	196,018
Assigned	942,413	-	-	942,413
Unassigned	6,229,370	(5,195,680)	(3,812,279)	(2,778,589)
TOTAL FUND BALANCES	<u>7,171,783</u>	<u>(5,195,680)</u>	<u>4,882,630</u>	<u>6,858,733</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	 <u>\$ 19,096,345</u>	 <u>\$ 3,186,736</u>	 <u>\$ 7,644,134</u>	 <u>\$ 29,927,215</u>

SOURCE: Extracted from audited financial statements of the Town.

**TOWN OF RANDOLPH, MASSACHUSETTS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018**

Revenues:	General	New Community Center	Building Capital Project	Nonmajor Governmental Funds	Total Governmental Funds
Property taxes	\$ 59,797,172	\$ -	\$ -	\$ 796,002	\$ 60,593,174
Excises	4,677,415	-	-	-	4,677,415
Penalties, interest, and other taxes	484,207	-	-	-	484,207
Charges for services	2,501,680	-	-	4,255,274	6,756,954
Intergovernmental	28,121,309	-	-	5,851,792	33,973,101
Licenses and permits	1,041,030	-	-	-	1,041,030
Fines and forfeitures	131,855	-	-	37	131,892
Investment income	68,976	-	-	-	68,976
Miscellaneous	917,829	-	40,000	573,297	1,531,126
Total Revenues	<u>97,741,473</u>	<u>-</u>	<u>40,000</u>	<u>11,476,402</u>	<u>109,257,875</u>
Expenditures:					
Current:					
General government	3,041,975	-	-	470,593	3,512,568
Public safety	14,074,026	-	249,401	967,217	15,290,644
Education	49,902,388	-	-	5,819,691	55,722,079
Public works	4,250,703	-	-	2,322,784	6,573,487
Health and human services	788,809	-	-	231,352	1,020,161
Culture and recreation	1,121,491	2,713,576	(12,915)	1,636,480	5,458,632
Employee benefits	16,398,627	-	-	-	16,398,627
Debt service					
Principal	3,207,211	-	-	315,000	3,522,211
Interest	-	-	-	47,742	47,742
Intergovernmental	7,016,982	-	-	-	7,016,982
Total Expenditures	<u>99,802,212</u>	<u>2,713,576</u>	<u>236,486</u>	<u>11,810,859</u>	<u>114,563,133</u>
Excess (deficiency) of revenues over expenditures	(2,060,739)	(2,713,576)	(196,486)	(334,457)	(5,305,258)
Other Financing Sources (Uses):					
Transfers in	2,028,052	-	-	1,296,947	3,324,999
Transfers out	(1,562,213)	-	-	(2,112,786)	(3,674,999)
Total Other Financing Sources	<u>465,839</u>	<u>-</u>	<u>-</u>	<u>(815,839)</u>	<u>(350,000)</u>
Change in fund balance	(1,594,900)	(2,713,576)	(196,486)	(1,150,296)	(5,655,258)
Fund Balance, at Beginning of Year	8,852,072	(9,651,421)	(12,923,751)	4,789,052	(8,934,048)
Fund Balance, at End of Year	<u>\$ 7,257,172</u>	<u>\$ (12,364,997)</u>	<u>\$ (13,120,237)</u>	<u>\$ 3,638,756</u>	<u>\$ (14,589,306)</u>

SOURCE: Extracted from audited financial statements of the Town.

**TOWN OF RANDOLPH, MASSACHUSETTS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017**

Revenues:	General	New Community Center	Building Capital Project	Nonmajor Governmental Funds	Total Governmental Funds
Property taxes	\$ 57,881,108	\$ -	\$ -	\$ 825,268	\$ 58,706,376
Excises	4,526,628	-	-	-	4,526,628
Penalties, interest, and other taxes	501,964	-	-	-	501,964
Charges for services	2,354,506	-	-	4,795,579	7,150,085
Intergovernmental	30,523,205	-	-	9,424,493	39,947,698
Licenses and permits	1,280,001	-	-	-	1,280,001
Fines and forfeitures	114,617	-	-	-	114,617
Investment income	152,457	-	-	-	152,457
Miscellaneous	949,337	-	350,000	63,029	1,362,366
Total Revenues	<u>98,283,823</u>	<u>-</u>	<u>350,000</u>	<u>15,108,369</u>	<u>113,742,192</u>
Expenditures:					
Current:					
General government	2,880,338	-	-	639,536	3,519,874
Public safety	13,544,010	-	6,887,258	1,029,113	21,460,381
Education	50,723,341	-	-	9,303,009	60,026,350
Public works	4,051,833	-	-	1,582,609	5,634,442
Health and human services	775,365	-	-	230,931	1,006,296
Culture and recreation	1,015,135	9,002,705	1,190,813	970,554	12,179,207
Employee benefits	15,449,456	-	-	-	15,449,456
Debt service	3,246,948	-	-	369,347	3,616,295
Intergovernmental	6,167,108	-	-	125,563	6,292,671
Total Expenditures	<u>97,853,534</u>	<u>9,002,705</u>	<u>8,078,071</u>	<u>14,250,662</u>	<u>129,184,972</u>
Excess (deficiency) of revenues over expenditures	430,289	(9,002,705)	(7,728,071)	857,707	(15,442,780)
Other Financing Sources (Uses):					
Transfers in	1,600,000	-	-	-	1,600,000
Transfers out	(350,000)	-	-	(1,600,000)	(1,950,000)
Total Other Financing Sources	<u>1,250,000</u>	<u>-</u>	<u>-</u>	<u>(1,600,000)</u>	<u>(350,000)</u>
Change in fund balance	1,680,289	(9,002,705)	(7,728,071)	(742,293)	(15,792,780)
Fund Balance, at Beginning of Year	7,171,783	(648,716)	(5,195,680)	5,531,345	6,858,732
Fund Balance, at End of Year	<u>\$ 8,852,072</u>	<u>\$ (9,651,421)</u>	<u>\$ (12,923,751)</u>	<u>\$ 4,789,052</u>	<u>\$ (8,934,048)</u>

SOURCE: Extracted from audited financial statements of the Town.

**TOWN OF RANDOLPH, MASSACHUSETTS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2016**

Revenues:	<u>General</u>	<u>Building Capital Project</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Property taxes	\$ 57,304,679	\$ -	\$ 737,404	\$ 58,042,083
Excises	4,285,419	-	-	4,285,419
Penalties, interest, and other taxes	676,855	-	-	676,855
Charges for services	2,612,286	-	4,441,733	7,054,019
Intergovernmental	21,620,013	-	7,915,989	29,536,002
Licenses and permits	751,557	-	-	751,557
Fines and forfeitures	147,904	-	-	147,904
Investment income	188,882	-	-	188,882
Miscellaneous	792,796	200	195,377	988,373
Total Revenues	<u>88,380,391</u>	<u>200</u>	<u>13,290,503</u>	<u>101,671,094</u>
Expenditures:				
Current:				
General government	2,452,166	-	1,271,200	3,723,366
Public safety	12,821,588	3,401,902	805,596	17,029,086
Education	41,615,337	-	7,517,887	49,133,224
Public works	3,929,854	-	3,512,078	7,441,932
Health and human services	892,721	-	197,934	1,090,655
Culture and recreation	1,029,033	1,610,330	898,748	3,538,111
Employee benefits	11,558,941	-	-	11,558,941
Debt service	2,523,459	-	375,773	2,899,232
Intergovernmental	5,110,587	-	645,752	5,756,339
Total Expenditures	<u>81,933,686</u>	<u>5,012,232</u>	<u>15,224,968</u>	<u>102,170,886</u>
Excess (deficiency) of revenues over expenditures	6,446,705	(5,012,032)	(1,934,465)	(499,792)
Other Financing Sources (Uses):				
Proceeds of bonds	-	-	4,425,000	4,425,000
Transfers in	1,300,000	-	302,283	1,602,283
Transfers out	(3,370,000)	-	(1,629,608)	(4,999,608)
Total Other Financing Sources	<u>(2,070,000)</u>	<u>-</u>	<u>3,097,675</u>	<u>1,027,675</u>
Change in fund balance	4,376,705	(5,012,032)	1,163,210	527,883
Fund Equity, at Beginning of Year, as restated	<u>2,795,078</u>	<u>(183,648)</u>	<u>3,719,420</u>	<u>6,330,850</u>
Fund Equity, at End of Year	<u>\$ 7,171,783</u>	<u>\$ (5,195,680)</u>	<u>\$ 4,882,630</u>	<u>\$ 6,858,733</u>

SOURCE: Extracted from audited financial statements of the Town.

**TOWN OF RANDOLPH, MASSACHUSETTS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015**

	General	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Property taxes	\$ 53,048,544	\$ 693,685	\$ 53,742,229
Excises	3,948,880	-	3,948,880
Penalties, interest, and other taxes	603,775	-	603,775
Charges for services	2,373,723	972,413	3,346,136
Intergovernmental	21,256,098	8,230,496	29,486,594
Licenses and permits	648,461	-	648,461
Fines and forfeitures	140,656	288,688	429,344
Investment income	55,213	-	55,213
Miscellaneous	661,867	830,423	1,492,290
Total Revenues	82,737,217	11,015,705	93,752,922
Expenditures:			
Current:			
General government	2,741,907	953,534	3,695,441
Public safety	12,619,116	2,945,846	15,564,962
Education	41,560,531	6,403,909	47,964,440
Public works	5,939,879	2,001,217	7,941,096
Health and human services	859,600	169,499	1,029,099
Culture and recreation	911,798	1,065,129	1,976,927
Employee benefits	11,787,458	-	11,787,458
Debt service	2,604,203	-	2,604,203
Intergovernmental	4,894,751	-	4,894,751
Total Expenditures	83,919,243	13,539,134	97,458,377
Excess (deficiency) of revenues over expenditures	(1,182,026)	(2,523,429)	(3,705,455)
Other Financing Sources (Uses):			
Proceeds of refunding debt	7,210,133	-	7,210,133
Payment to refunding escrow agent	(7,210,133)	-	(7,210,133)
Transfers in	2,565,874	459,790	3,025,664
Transfers out	(3,270,959)	(1,682,760)	(4,953,719)
Total Other Financing Sources	(705,085)	(1,222,970)	(1,928,055)
Change in fund balance	(1,887,111)	(3,746,399)	(5,633,510)
Fund Equity, at Beginning of Year	4,682,189	7,282,171	11,964,360
Fund Equity, at End of Year	\$ 2,795,078	\$ 3,535,772	\$ 6,330,850

SOURCE: Extracted from audited financial statements of the Town.

**TOWN OF RANDOLPH, MASSACHUSETTS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2014**

Revenues:	General	Memorial Field	Nonmajor Governmental Funds	Total Governmental Funds
Property taxes	\$ 53,600,187	\$ -	\$ 635,138	\$ 54,235,325
Excises	3,967,657	-	-	3,967,657
Penalties, interest, and other taxes	691,761	-	-	691,761
Charges for services	3,039,595	-	2,366,466	5,406,061
Intergovernmental	30,970,919	-	6,975,632	37,946,551
Fines and forfeitures	-	-	240,424	240,424
Investment income	45,863	-	-	45,863
Miscellaneous	846,563	-	1,164,028	2,010,591
Total Revenues	<u>93,162,545</u>	<u>-</u>	<u>11,381,688</u>	<u>104,544,233</u>
Expenditures:				
Current:				
General government	2,561,208	-	897,281	3,458,489
Public safety	11,780,849	-	1,010,674	12,791,523
Education	51,030,429	13,925	6,607,430	57,651,784
Public works	4,383,100	-	1,802,711	6,185,811
Health and human services	839,025	-	224,960	1,063,985
Culture and recreation	870,175	-	1,009,517	1,879,692
Employee benefits	12,768,937	-	-	12,768,937
Debt service	2,607,451	-	-	2,607,451
Intergovernmental	4,754,544	-	-	4,754,544
Total Expenditures	<u>91,595,718</u>	<u>13,925</u>	<u>11,552,573</u>	<u>103,162,216</u>
Excess (deficiency) of revenues over expenditures	1,566,827	(13,925)	(170,885)	1,382,017
Other Financing Sources (Uses):				
Proceeds of bonds	-	2,675,000	3,375,000	6,050,000
Transfers in	2,187,475	-	14,671	2,202,146
Transfers out	(1,614,000)	-	(1,021,161)	(2,635,161)
Total Other Financing Sources	<u>573,475</u>	<u>2,675,000</u>	<u>2,368,510</u>	<u>5,616,985</u>
Excess (deficiency) of revenues over expenditures	2,140,302	2,661,075	2,197,625	6,999,002
Fund Balance, at Beginning of Year	<u>2,541,887</u>	<u>(2,823,960)</u>	<u>5,247,431</u>	<u>4,965,358</u>
Fund Balance, at End of Year	<u>\$ 4,682,189</u>	<u>\$ (162,885)</u>	<u>\$ 7,445,056</u>	<u>\$ 11,964,360</u>

SOURCE: Extracted from audited financial statements of the Town.

Unassigned General Fund Balances and Free Cash

Under Section 5B of Chapter 40 of the Massachusetts General Laws, the Town may for the purpose of creating a stabilization fund, appropriate in any year an amount not exceeding ten percent of the amount raised in the preceding year by taxation of real estate and tangible personal property or such larger amount as may be approved by the Municipal Finance Oversight Board. The aggregate amount in the fund at any time shall not exceed ten percent of the equalized valuation of the Town and any interest shall be added to and become a part of the fund. The stabilization fund may be appropriated by the Town Council by a two-thirds vote for any lawful purpose.

The following table reflects the unassigned fund balance and stabilization fund balances for the following fiscal years.

	For Fiscal Year Ending June 30				
	<u>2019</u> (2)	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Unassigned General Fund Balance ...	\$7,435,720	\$6,803,709	\$7,918,392	\$6,229,370	\$2,541,241
Stabilization Fund Balance	6,012,000	5,645,321	5,241,362	3,759,332	3,621,305
Water Capital Stabilization Fund (1)....	6,315,917	4,509,598	517,267	509,037	501,402

(1) During fiscal year 2015 the Town voted to create the Water Capital Stabilization Fund under MGL 44 Sec 5B.

(2) Projected.

Free Cash

Under Massachusetts law, an amount known as “free cash” is certified as of the beginning of each fiscal year by the State Bureau of Accounts and this, together with certain subsequent tax receipts, is used as the basis for subsequent appropriations from available funds, which are not required to be included in the annual tax levy. Subject to certain adjustments, free cash is surplus revenue less uncollected and overdue property taxes from prior years. Free cash as of the beginning of the fiscal year, together with collections of prior years’ taxes through March 31, is available under current law for appropriation to reduce the following fiscal years’ tax levy.

The following table reflects the Free Cash balance for the following fiscal years.

	For Fiscal Year Beginning July 1				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Free Cash (1).....	\$1,121,831	\$492,390 (2)	\$3,422,879	\$1,675,314	\$739,327

(1) Source: Massachusetts Department of Revenue - Subject to certain adjustments, free cash is surplus revenue less uncollected and overdue property taxes from prior years.

(2) The FY2017 Free Cash balance was inflated by one-time reconciling items from prior years. The reduction in the Free Cash balance at July 1, 2018 was largely due to smaller revenue surplus and lower departmental turn-backs and to Massachusetts School Building Authority reimbursements that were delayed and not booked as expected in FY2018.

Tax Increment Financing for Development Districts

Under recent legislation, cities and towns are authorized to establish development districts to encourage increased residential, industrial and commercial activity. All or a portion of the taxes on growth in assessed value in such districts may be pledged and used solely to finance economic development projects pursuant to the city or town’s development program for the district. This includes pledging such “tax increments” for the payment of bonds issued to finance such projects. As a result of any such pledge, tax increments raised from new growth properties in development districts are not available for the other municipal purposes. Tax increments are taken into account in determining the total taxes assessed for the purpose of calculating the maximum permitted tax levy under Proposition 2 ½ (see “Tax Limitations” under “PROPERTY TAXATION” above).

The Town has no such districts.

Investment of Town Funds

Investments of funds of cities and town, except for trust funds, are generally restricted by Massachusetts General Laws Chapter 44, section 55. That statute permits investments of available revenue funds and bond and note proceeds in term deposits and certificates of deposits of banks and trust companies, in obligations issued or unconditionally guaranteed by the federal government or an agency thereof with a maturity of not more than one year, in repurchase agreements with a maturity of not more than 90 days secured by federal or federal agency securities, in participation units in the Massachusetts Municipal Depository Trust ("MMDT"), or in shares in SEC-registered money market funds with the highest possible rating from at least one nationally recognized rating organization.

MMDT is an investment pool created by the Commonwealth. The State Treasurer is the sole trustee, and the funds are managed under contract by an investment firm under the supervision of the State Treasurer's office. According to the State Treasurer the MMDT's investment policy is designed to maintain an average weighted maturity of 90 days or less and is limited to high-quality, readily marketable fixed income instruments, including U.S. Government obligations and highly-rated corporate securities with maturities of one year or less.

MMDT funds, unless otherwise provided by the donor, may be invested in accordance with section 54 of Chapter 44, which permits a broader range of investments than section 55, including any bonds or notes that are legal investments for savings banks in the Commonwealth. The restrictions imposed by sections 54 and 55 do not apply to city and town retirement systems.

Pension funds are under the jurisdiction of the Town of Randolph Employee's Retirement System. Details regarding the retirement system are discussed in Appendix A. See also "Retirement Systems" below.

INDEBTEDNESS

Authorization of General Obligation Bonds and Notes

Serial bonds and notes are authorized by vote of two-thirds of all members of the Town Council. Provision is made for a referendum on the borrowing authorization if there is a timely filing of a petition bearing the requisite number of signatures. Refunding bonds and notes are authorized by the Town Council. Borrowings for some purposes require State administrative approval.

When serial bonds or notes have been authorized, bond anticipation notes may be issued by the officers authorized to issue serial bonds or notes. Revenue anticipation notes and temporary notes in anticipation of authorized federal and state aid generally may be issued by the Treasurer with the approval of the Town Manager.

Debt Limits

General Debt Limit. The General Debt Limit of the Town consists of a Normal Debt Limit and a Double Debt Limit. The Normal Debt Limit of the Town is 5 percent of the valuation of taxable property as last equalized by the State Department of Revenue. The Town can authorize debt up to this amount without State approval. It can authorize debt up to twice this amount (the Double Debt Limit) with the approval of the Municipal Finance Oversight Board consisting of the Attorney General, the State Treasurer, the State Auditor, and the Director of Accounts.

There are many categories of general obligation debt which are exempt from and do not count against the General Debt Limit. Among others, these exempt categories include revenue anticipation notes and grant anticipation notes; emergency loans; loans exempted by special laws; certain school bonds, sewer bonds, bonds for water, gas, electric and telecommunication systems, solid waste disposal facility bonds and economic development bonds supported by tax increment financing; and subject to special debt limits, bonds for housing, urban renewal and economic development (subject to various debt limits). Revenue bonds are not subject to these debt limits. The General Debt Limit and the special debt limit for water bonds apply at the time the debt is authorized. The other special debt limits generally apply at the time the debt is incurred.

Revenue Anticipation Notes. The amount borrowed in each fiscal year by the issue of revenue anticipation notes is limited to the tax levy of the prior fiscal year, together with the net receipts in the prior fiscal year from the motor vehicle excise and certain payments made by the Commonwealth in lieu of taxes. The fiscal year ends on June 30. Notes may mature in the following fiscal year, and notes may be refunded into the following fiscal year, to the extent of the uncollected, unabated current tax levy and certain other items, including revenue deficits, overlay deficits, final judgments and lawful unappropriated expenditures, which are to be added to the next tax levy, but excluding deficits arising from a failure to collect taxes of earlier years. (See "Taxation to Meet Deficits" under "PROPERTY TAXATION" above.) In any event, the period from an original borrowing to its final maturity cannot exceed one year.

Types of Obligations

General Obligations. Massachusetts cities and towns are authorized to issue general obligation indebtedness of these types:

Serial Bonds and Notes. These are generally required to be payable in annual principal amounts beginning no later than the end of the next fiscal year commencing after the date of issue and ending within the terms permitted by law. A level debt service schedule, or a schedule that provides for a more rapid amortization of principal than level debt service, is permitted. The principal amounts of certain economic development bonds supported by tax increment financing may be payable in equal, diminishing or increasing amounts beginning within 5 years after the date of issue. The maximum terms of serial bonds and notes vary from one year to 40 years, depending on the purpose of the issue. The maximum terms permitted are set forth in the statutes. In addition, for many projects, the maximum term may be determined in accordance with useful life guidelines promulgated by the State Department of Revenue ("DOR"). Serial bonds and notes may be issued for the purposes set forth in the statutes. In addition, serial bonds and notes may be issued for any other public work improvement or asset not specifically listed in the Statutes that has a useful life of at least 5 years. Bonds or notes may be made callable and redeemed prior to their maturity, and a redemption premium may be paid. Refunding bonds or notes may be issued subject to the maximum applicable term measured from the date of the original bonds or notes and must produce present value savings over the debt service of the refunded bonds. Generally, the first required annual payment of principal of the refunding bonds cannot be later than the first principal payment of any of the bonds or notes being refunded thereby, however, principal payments made before the first principal payment of any of the bonds or notes being refunded thereby may be in any amount.

Serial bonds may be issued as "qualified bonds" with the approval of the state Municipal Finance Oversight Board composed of the State Treasurer, the State Auditor, the Attorney General and the Director of Accounts, subject to such conditions and limitations (including restrictions on future indebtedness) as may be required by the Board. Qualified bonds may mature not less than 10 nor more than 30 years from their dates and are not subject to the amortization requirements described above. The State Treasurer is required to pay the debt service on qualified bonds and thereafter to withhold the amount of the debt

service paid by the State from state aid or other state payments; administrative costs and any loss of interest income to the State are to be assessed upon the city or town.

Tax Credit Bonds or Notes. Subject to certain provisions and conditions, the officers authorized to issue bonds or notes may designate any duly authorized issue of bonds or notes as “tax credit bonds” to the extent such bonds and notes are otherwise permitted to be issued with federal tax credits or other similar subsidies for all or a portion of the borrowing costs. Tax credit bonds may be made payable without regard to the annual installments required by any other law, and a sinking fund may be established for the payment of such bonds. Any investment that is part of such a sinking fund may mature not later than the date fixed for payment or redemption of the applicable bonds.

Bond Anticipation Notes. These generally must mature within two years of their original dates of issuance but may be refunded from time to time for a period not to exceed ten years from their original dates of issuance, provided that for each year that the notes are refunded beyond the second year they must be paid in part from revenue funds in an amount at least equal to the minimum annual payment that would have been required if the bonds had been issued at the end of the second year. For certain school projects, however, notes may be refunded from time to time for a period not to exceed seven years without having to pay any portion of the principal of the notes from revenue funds. The maximum term of bonds issued to refund bond anticipation notes is measured (except for certain school projects) from the date of the original issue of the notes.

Revenue Anticipation Notes. These are issued to meet current expenses in anticipation of taxes and other revenues. They must mature within one year but, if payable in less than one year, may be refunded from time to time up to one year from the original date of issue.

Grant Anticipation Notes. These are issued for temporary financing in anticipation of federal grants and state and county reimbursements. Generally, they must mature within two years but may be refunded from time to time as long as the municipality remains entitled to the grant or reimbursement.

Revenue Bonds. Cities and towns may issue revenue bonds for solid waste disposal facilities, for projects financed under the Commonwealth’s Water Pollution Abatement or Drinking Water Revolving Loan Programs and for certain economic development projects supported by tax increment financing. In addition, cities and towns having electric departments may issue electric revenue bonds, and notes in anticipation of such bonds, subject to the approval of the State Department of Telecommunications and Energy. This article is not intended to summarize laws relating to revenue bonds or to notes issued in anticipation of them. Industrial revenue bonds are also outside the scope of this article.

**Direct Debt Summary (1)
As of June 30, 2019**

Long-Term Indebtedness		
Within the General Debt Limit:		
Sewers & Drains (2)	\$ 550,000	
General	32,364,621	
Schools	1,546,000	
MCWT (2)(4)	134,480	
Total Within the General Debt Limit		\$ 34,595,101
Outside the General Debt Limit:		
Schools (3)	2,587,832	
General	1,181,043	
MCWT (2)(4)	10,592,599	
Water (2)	9,324,000	
Total Outside the General Debt Limit		23,685,473
Total Long-term Indebtedness		58,280,574
Short-Term Indebtedness		
Bond Anticipation Notes Outstanding (5)	1,305,387	
This Issue New Money Bond Anticipation Notes (6)	3,011,072	
Total Short-Term Indebtedness after This Issue		4,316,459
Total Outstanding Indebtedness after This Issue		\$ 62,597,033

(1) Excludes lease and installment purchase obligations, overlapping debt, unfunded pension liability and unfunded other post-employment benefits liability.
(2) Self-supporting.
(3) \$730,000 is exempt from the limits of Proposition 2 ½.
(4) Does not reflect subsidy received from the Massachusetts Clean Water Trust. \$20,000 is exempt from the limits of Proposition 2 ½.
(5) Payable July 8, 2020.
(6) This issue, payable July 8, 2020.

Key Debt Ratios

The following table sets forth the percentage of debt to assessed and equalized valuations and per capita debt ratios as of the end of the last five fiscal years. The table considers the principal amount of general obligation bonds of the Town of Randolph only. The table does not deduct anticipated state grant payments applicable to the principal amount of outstanding bonds or debt that may be supported in whole, or in part, by non-tax revenues.

	June 30,				
	2019	2018	2017	2016	2015
Amount (1)	\$ 58,280,574	\$ 30,277,001	\$ 34,606,137	\$ 40,010,315	\$ 38,742,249
Per Capita (2)	\$ 1,815	\$ 943	\$ 1,030	\$ 1,190	\$ 1,150
Percent of Assessed Valuation (3)	1.56%	0.89%	1.08%	1.38%	1.43%
Percent of Equalized Valuation (4)	1.60%	0.96%	1.10%	1.44%	1.39%
Per Capita Debt as a % of Per Capita Income (2)	6.06%	3.15%	3.54%	4.09%	3.95%

- (1) Excludes temporary loans, lease purchase obligations, overlapping debt and unfunded pension liability and post-employment benefits liability.
(2) Source: U.S. Department of Commerce, Bureau of the Census - Latest applicable actuals or estimates.
(3) Source: Town Board of Assessors - Assessed valuation as of the prior January 1.
(4) Source: Massachusetts Department of Revenue. (Equalized valuation in effect for that fiscal year.)

Annual Debt Service (1) As of June 30, 2019

Fiscal Year	Outstanding		Less	Net	Cumulative %
	Principal	Interest	MCWT Subsidies	Debt Service	Principal Retired
2020	\$5,613,526	\$2,046,198	(\$1,838)	\$7,657,886	9.6 %
2021	4,680,393	1,872,130	(1,708)	6,550,815	17.7
2022	4,567,343	1,703,832	(1,536)	6,269,638	25.5
2023	4,499,919	1,537,956	(1,338)	6,036,537	33.2
2024	4,357,861	1,375,882	(909)	5,732,834	40.7
2025	3,866,987	1,217,087	0	5,084,073	47.3
2026	3,505,682	1,076,366	0	4,582,048	53.3
2027	2,959,762	943,987	0	3,903,749	58.4
2028	2,939,241	832,479	0	3,771,720	63.5
2029	2,559,891	725,649	0	3,285,539	67.9
2030	2,529,112	623,448	0	3,152,561	72.2
2031	2,382,246	521,681	0	2,903,927	76.3
2032	2,042,851	428,555	0	2,471,406	79.8
2033	2,046,253	354,324	0	2,400,577	83.3
2034	1,756,790	297,829	0	2,054,619	86.3
2035	1,754,626	243,435	0	1,998,061	89.3
2036	1,608,089	187,372	0	1,795,460	92.1
2037	1,540,000	133,438	0	1,673,438	94.7
2038	1,535,000	80,588	0	1,615,588	97.4
2039	1,535,000	26,863	0	1,561,863	100.0
Total	<u>\$58,280,574</u>	<u>\$16,229,093</u>	<u>(\$7,329)</u>	<u>\$74,502,338</u>	

- (1) Excludes short term debt, lease and installment purchase obligations, overlapping debt and unfunded pension liability and post-employment benefits liability.

Authorized Unissued Debt and Prospective Financing

Currently, the Town has approximately \$40,670,631 authorized but unissued debt consisting of Tri-Town Water Treatment Plant (\$24,344,950), Randolph-Holbrook Joint Water Board Treatment Plant (\$1,500,000), school construction and remodeling (\$12,052,815), water main improvements (\$1,200,000), departmental equipment (\$819,000) and various other projects.

Overlapping Debt

In addition to direct debt, the Town is indirectly liable for a portion of the debt and other expenses incurred by various overlapping governmental authorities and agencies.

Counties. County expenses including debt service on county bonds are assessed upon the cities and towns within the county in proportion to their taxable valuation as last equalized by the State Commissioner of Revenue. (The expenses of Suffolk County are borne by the City of Boston alone.) Legislation was enacted in 1997 abolishing the county governments of Franklin and Middlesex counties as of July 1, 1997, with their assets, functions, debts and other obligations being assumed by the Commonwealth. The abolishment of the Middlesex county government was in part in response to default by the county in the payment of general obligation notes of the county. The legislation also abolished the county governments of Hampden and Worcester counties as of July 1, 1998. Legislation enacted in 1998 abolishes the county governments of Hampshire, Essex and Berkshire counties as of January 1, 1999, July 1, 1999 and July 1, 2000, respectively. The legislation also requires the state secretary for administration and finance to establish a plan to recover the Commonwealth's expenditures for the liabilities and other debts assumed and paid by the Commonwealth on behalf of an abolished county. Unless these provisions are changed by further legislation, the state treasurer shall assess upon each city and town within the jurisdiction of an abolished county an amount not to exceed or equal to the county tax paid by each such city and town for the fiscal year immediately prior to the abolishment of the county until such expenditures by the Commonwealth are recovered. It is possible that similar legislation will be sought to provide for the abolishment of county government in all the remaining counties. The Town is a member of Norfolk County. As of June 30, 2019, the County had \$13,175,000 of outstanding debt of which Randolph's percentage share was 2.47% The Town was assessed \$146,419 for its share of operations and debt service in fiscal year 2019.

Regional School Districts. Towns may organize regional school districts to carry out general or specialized educational functions. Pursuant to special laws a number of cities may also participate in regional school districts, primarily for vocational education. The operating expenses and debt service of regional school districts are apportioned among the member municipalities in accordance with the agreements establishing the districts subject to the provisions of the Education Reform Act of 1993. The Town is a member of the Blue Hills Regional Vocational School District. The District has \$37,000,000 of outstanding debt and \$18.6 million authorized-unissued debt as of June 30, 2018. The Town was assessed \$4,619,161 for its share of operations and debt service in fiscal year 2020. The other member towns are Avon, Braintree, Canton, Dedham, Holbrook, Milton, Norwood and Westwood.

Massachusetts Bay Transportation Authority. The MBTA was created in 1964 to finance and operate mass transportation facilities within the greater Boston metropolitan area. Under its enabling act, the MBTA is authorized to issue bonds for capital purposes, other than refunding bonds, and for certain specified purposes to an outstanding amount, which does not exceed the aggregate principal amount of \$3,556,300,000. In addition, pursuant to certain of the Commonwealth's transportation bond bills, the MBTA is authorized to issue additional bonds for particular capital projects. The MBTA also is authorized to issue bonds of the purpose of refunding bonds. Under the MBTA's enabling act, debt service as well as operating expenses of the MBTA, are to be financed by a dedicated revenues stream consisting of the amounts assessed on the cities and towns of the MBTA and a dedicated portion of the statewide sales tax. The amount assessed to each city and town is based on its weighted percentage of the total population of the authority as provided in the enabling act. The aggregate amount of such assessments is generally not permitted to increase by more than 2.5 percent per year. (See "Tax Limitation" under PROPERTY TAX" below.) The Town is a member of the MBTA and was assessed \$763,295 in fiscal year 2020.

Massachusetts Water Resources Authority. The Massachusetts Water Resources Authority (the "MWRA") provides wholesale drinking water services in whole or in part to 48 cities, towns and special purpose entities and provides wastewater collection and treatment services to 43 cities, towns and special purpose entities. Under its enabling legislation, as amended, the aggregate principal amount of all bonds issued by the MWRA for its corporate purposes may not exceed \$6.1 million outstanding at any time. Its obligations are secured by revenues of the MWRA. The MWRA assesses member cities, towns and special purpose entities, which continue to provide direct retail water and sewer services to users. The cities, towns and other entities collect fees from the users to pay all or part of the assessments; some municipalities levy property taxes to pay part of the amounts assessed upon them. The Town is a member of the MWRA for their wastewater collection and treatment services and was assessed \$4,663,433 in fiscal year 2020.

Other Regional Districts. Regional districts that include cities and towns, or parts thereof, may be organized under the General Laws for certain other purposes, including water pollution abatement and solid waste disposal. Regional districts have also been established under special laws for sewer and water purposes. The apportionment of operating expenses

and debt service of such districts is sometimes prescribed specifically by the laws under which they are organized; for other such districts the apportionment is determined in accordance with the agreements establishing the districts. The Town participates with the Towns of Braintree and Holbrook in a joint venture to operate a joint water works. The joint water works system is governed by the public works commissioners from each Town. The Town's share of the Tri-Town Water Board's annual cost is approximately 33%. During fiscal years 2018 and 2019 the Town paid \$650,000 and \$650,000 respectively, for the operations of the joint water works system. The Town's estimated share of the upcoming water treatment plant project is approximately \$16,000,000.

Contractual Obligations

Municipal contracts are generally limited to currently available appropriations. A city or town generally has the authority to enter into contracts for the exercise of any of its corporate powers for any period of time deemed to serve its best interest, but generally only when funds are available for the first fiscal year; obligations for succeeding fiscal years generally are expressly subject to availability and appropriation of funds. Municipalities have specific authority in relatively few cases to enter into long-term contractual obligations that are not subject to annual appropriation, including contracts for refuse disposal and sewage treatment and disposal. Municipalities may also enter into long-term contracts in aid of housing and renewal projects. There is implied authority to make other long-term contracts required to carry out authorized municipal functions, such as contracts to purchase water from private water companies. The Town is obligated under contracts and lease/purchase agreements as follows:

The Town has a five-year with a two-year option to renew solid waste disposal contract with Capitol Waste Services Inc. Capitol Waste Services agreed to collect and transport all refuse, recyclables and yard waste. For contract years two through five, compensation shall not exceed 2.5% of the annual compensation amount. For contract years six through seven, compensation shall not exceed 2.5% of the annual compensation amount in effect at the time of the adjustment. There is no projected savings from single stream recycling. The budgeted cost of this contract for fiscal 2020 is \$3,100,000.

The Town has an equipment lease/purchase agreement in the form of a taxable qualified zone academy bond with Banc of America Leasing & Capital LLC dated March 31, 2010 in the amount of \$5,370,152 for energy management services. The payment amounts of \$420,706.87 began on March 15, 2011 for 15 years.

The Town has signed an equipment lease/purchase agreement for the purchase of LED street lights in the amount of \$700,000. The payment amount is \$70,000/year starting from fiscal year 2016 for 10 Years.

The Town has an equipment lease purchase agreement for 8 school buses. The payment amount is \$115,615 per year for five years beginning in fiscal 2016.

The Town has entered into an equipment/lease agreement for two fire engines. The payment amount is \$151,220 per year starting in fiscal year 2017 for 7 years at an interest rate of 2.69%.

The Town has signed an equipment lease/purchase agreement for fitness equipment with Municipal Asset Management, Inc. in the amount of \$73,626. The payment amount is \$12,270.95/year starting from fiscal year 2018 for 6 Years.

The Town has signed an equipment lease/purchase agreement for a 2018 Ford Explorer XLT for the Department of Public Works with Ford Motor Credit. The payment amount is \$9,389 per year for four years beginning in 2018.

The Town has signed an equipment lease/purchase agreement for a 2018 Ford Explorer XLT for the Department of Fire Department with Ford Motor Credit. The payment amount is \$9,440 per year for four years beginning in 2018.

The Town has an equipment lease purchase for a library lending kiosk. The payment amount is \$15,601 per year for three years beginning in fiscal 2018.

The Town has a lease purchase agreement for fourteen automatic external defibrillators. The payment amount is \$7,169 per year for four years beginning in fiscal 2019.

RETIREMENT SYSTEMS

The Massachusetts General Laws provide for the establishment of contributory retirement systems for state employees, for teachers and for county, city and town employees other than teachers. Teachers are assigned to a separate statewide teachers' system and not to the city and town systems. For all employees other than teachers, this law is subject to acceptance in each city and town. Substantially all employees of an accepting city or town are covered. If a town has a population of less than 10,000 when it accepts the statute, its non-teacher employees participate through the county system and its share of the county cost is proportionate to the aggregate annual rate of regular compensation of its covered employees. In addition to the contributory systems, cities and towns provide non-contributory pensions to a limited number of employees, primarily persons who entered service prior to July 1, 1937 and their dependents. The Public Employee Retirement Administration Commission ("PERAC") provides oversight and guidance for and regulates all state and local retirement systems.

The obligations of a city or town, whether direct or through a county system, are contractual legal obligations and are required to be included in the annual tax levy. If a city or town, or the county system of which it is a member, has not established a retirement system funding schedule as described below, the city or town is required to provide for the payment of the portion of its current pension obligations which is not otherwise covered by employee contributions and investment income. "Excess earnings," or earnings on individual employees' retirement accounts in excess of a predetermined rate, are required to be set aside in a pension reserve fund for future, not current, pension liabilities. Cities and towns may voluntarily appropriate to their system's pension reserve fund in any given year up to five percent of the preceding year's tax levy. The aggregate amount in the fund may not exceed ten percent of the equalized valuation of the city or town.

If a city or town, or each member city and town of a county retirement system, has accepted the applicable law, it is required to annually appropriate an amount sufficient to pay not only its current pension obligations, but also a portion of its future pension liability. The portion of each such annual payment allocable to future pension obligations is required to be deposited in the pension reserve fund. The amount of the annual city or town appropriation for each such system is prescribed by a retirement system funding schedule which is periodically reviewed and approved by PERAC. Each system's retirement funding schedule is designed to reduce the unfunded actuarial pension liability of the system to zero by not later than June 30, 2030, with annual increases in the scheduled payment amounts of not more than 4.5 percent. The funding schedule must provide that payment in any year of the schedule is not less than 95 percent of the amount appropriated in the previous fiscal year. City, town and county systems which have an approved retirement funding schedule receive annual pension funding grants from the Commonwealth for the first 16 years of such funding schedule. Pursuant to recent legislation, a system (other than the state employees' retirement system and the teachers' retirement system) which conducts an actuarial valuation as of January 1, 2009, or later, may establish a revised schedule which reduces the unfunded actuarial liability to zero by not later than June 30, 2040, subject to certain conditions. If the schedule is so extended under such provisions and a later updated valuation allows for the development of a revised schedule with reduced payments, the revised schedule shall be adjusted to provide that the appropriation for each year shall not be less than that for such year under the prior schedule, thus providing for a shorter schedule rather than reduced payments.

City, town and county systems may choose to participate in the Pension Reserves Investment Trust Fund (the "PRIT Fund"), which receives additional state funds to offset future pension costs of participating state and local systems. If a local system participates in the PRIT Fund, it must transfer ownership and control of all assets of its system to the Pension Reserves Investment Management Board, which manages the investment and reinvestment of the PRIT Fund. Cities and towns with systems participating in the PRIT Fund continue to be obligated to fund their pension obligations in the manner described above. The additional state appropriations to offset future pension liabilities of state and local systems participating in the PRIT Fund are required to total at least 1.3 percent of state payroll. Such additional state appropriations are deposited in the PRIT Fund and shared by all participating systems in proportion to their interests in the assets of the PRIT Fund as of July 1 for each fiscal year.

Cost-of-living increases for each local retirement system may be granted and funded only by the local system, and only if it has established a funding schedule. Those statutory provisions are subject to acceptance by the local retirement board and approval by the local legislative body, which acceptance may not be revoked.

The Town provides pension benefits to employees by contributing to the Norfolk County Retirement System (the "System"), a cost sharing multiple-employer defined benefit pension plan administered by the Norfolk County Retirement Board. The System provides retirement benefits, cost of living adjustments, disability benefits and death benefits. Substantially all employees of the Town are members of the System except for public school teachers and certain administrators who are members of the Massachusetts Teachers Retirement System, to which the Town does not contribute. The System is a member of the Massachusetts Contributory Retirement System and is governed by Chapter 32 of the Massachusetts General Laws.

The annual contributions of the Town to the Retirement System for the following fiscal years are set forth below.

<u>Calendar Year</u>	<u>Town Contribution</u>
2020 (budgeted)	\$6,242,598
2019	5,670,468
2018	5,188,401
2017	4,750,895
2016	4,319,218
2015	3,482,368

Source: Town Accountant.

The foregoing data does not include the retirement system costs or liabilities attributable to employees of the County or the retirement system costs or liabilities of any other entity of which the Town is a constituent part.

As of January 1, 2018, the System's total estimated actuarial accrued liability was \$1,516,083,187, and its assets were \$945,554,676, leaving an estimated unfunded actuarial accrued liability of \$570,528,511. The Town's share of the liability is approximately 8.114% or \$40,272,687.

A complete copy of the Norfolk County Contributory Retirement System's valuation report is currently posted on the PERAC web site, www.mass.gov/perac.

Norfolk County Contributory Retirement System's Funding Schedule (As of January 1, 2018)

Appropriation Forecast

Fiscal Year	Employee Contribution	Employer Normal Cost with Interest	Amortization Payments with Interest	Employer Total Cost with Interest	Employer Total Cost % of Payroll	Funded Ratio %**	Unfunded Accrued Laibility
2019	\$25,567,216	\$9,863,991	\$61,363,442	\$71,227,433	24.6	62.4	\$570,528,511
2020	\$26,956,150	\$10,055,777	\$66,161,312	\$76,217,089	25.2	64.4	\$548,554,158
2021	\$28,418,314	\$10,244,850	\$71,307,435	\$81,552,285	25.8	67.2	\$522,221,414
2022	\$29,957,487	\$10,430,577	\$74,406,707	\$84,837,284	25.7	70.0	\$491,085,939
2023	\$31,577,639	\$10,612,273	\$77,618,502	\$88,230,775	25.6	73.1	\$454,664,678
2024	\$33,282,940	\$10,789,200	\$80,970,806	\$91,760,006	25.5	76.3	\$412,432,690
2025	\$35,077,774	\$10,960,561	\$84,469,845	\$95,430,406	25.3	79.7	\$363,819,721
2026	\$36,966,745	\$11,125,495	\$88,122,128	\$99,247,623	25.2	83.3	\$308,206,508
2027	\$38,954,690	\$11,283,079	\$91,960,753	\$103,243,832	25.1	87.1	\$244,920,788
2028	\$41,046,693	\$11,432,316	\$95,941,269	\$107,373,585	25.0	91.2	\$173,232,986
2029	\$43,248,093	\$11,572,137	\$81,513,594	\$93,085,731	20.7	95.4	\$92,351,568
2030	\$45,564,500	\$11,701,390	\$2,060,901	\$13,762,291	2.9	99.8	\$3,830,240
2031	\$48,001,805	\$11,818,843	\$2,143,337	\$13,962,180	2.8	99.9	\$2,026,997
2032	\$50,566,200	\$11,923,172	\$0	\$11,923,172	2.3	100.0	(\$0)
2033	\$53,264,187	\$12,012,957	\$0	\$12,012,957	2.2	100.0	(\$0)
2034	\$56,102,597	\$12,086,678	\$0	\$12,086,678	2.2	100.0	(\$0)
2035	\$59,088,603	\$12,142,707	\$0	\$12,142,707	2.1	100.0	(\$0)
2036	\$62,229,742	\$12,179,304	\$0	\$12,179,304	2.0	100.0	(\$0)
2037	\$65,533,929	\$12,194,606	\$0	\$12,194,606	1.9	100.0	(\$0)
2038	\$69,009,477	\$12,186,621	\$0	\$12,186,621	1.8	100.0	(\$0)
2039	\$72,665,119	\$12,153,224	\$0	\$12,153,224	1.7	100.0	(\$0)
2040	\$76,510,024	\$12,092,144	\$0	\$12,092,144	1.7	100.0	(\$0)
2041	\$79,952,976	\$12,636,290	\$0	\$12,636,290	1.7	100.0	(\$0)
2042	\$83,550,859	\$13,204,923	\$0	\$13,204,923	1.7	100.0	(\$0)
2043	\$87,310,648	\$13,799,145	\$0	\$13,799,145	1.7	100.0	(\$0)
2044	\$91,239,627	\$14,420,106	\$0	\$14,420,106	1.7	100.0	(\$0)
2045	\$95,345,410	\$15,069,011	\$0	\$15,069,011	1.7	100.0	(\$0)
2046	\$99,635,954	\$15,747,117	\$0	\$15,747,117	1.7	100.0	(\$0)
2047	\$104,119,572	\$16,455,737	\$0	\$16,455,737	1.7	100.0	(\$0)
2048	\$108,804,953	\$17,196,245	\$0	\$17,196,245	1.7	100.0	(\$0)
2049	\$113,701,175	\$17,970,076	\$0	\$17,970,076	1.7	100.0	(\$0)
2050	\$118,817,728	\$18,778,729	\$0	\$18,778,729	1.7	100.0	(\$0)

** Beginning of Fiscal Year

Source: Norfolk County Contributory Retirement System funding schedule approved by PERAC January 1, 2018, PERAC.

Other Post-Employment Benefits ('OPEB')

In addition to pension benefits, cities and towns may provide retired employees with health care and life insurance benefits. The portion of the cost of such benefits paid by cities or towns is generally provided on a pay-as-you-go basis. The pay-as-you-go cost to the Town for such benefits in recent years has been as follows:

<u>Fiscal Year</u>	<u>Pay-as-you-go Benefit Costs</u>
2020 (budgeted)	\$3,607,710
2019	3,519,998
2018	3,589,226
2017	3,674,627
2016	3,469,301
2015	3,319,147

The Governmental Accounting Standards Board ("GASB") promulgated its Statement Nos. 43 and 45, which require public sector entities to report the future costs of these non-pension, post-employment benefits in their financial statements. These accounting standards do not require pre-funding the payment of these costs as the liability for such costs accrues, but the basis applied by the standards for measurement of costs and liabilities for these benefits is conservative if they continue to be funded on a pay-as-you-go basis and will result in larger yearly cost and liability accruals than if such benefits were pre-funded in a trust fund in the same manner as traditional pension benefits. Cities and towns that choose to self-insure all or a portion of the costs of the health care benefits they provide to employees and retirees may establish a trust fund for the purposes of paying claims. The Town established an OPEB Trust Fund in 2013 and recently formed an informal OPEB trust committee tasked with reviewing and considering options for funding.

Using the services of an actuary, the Town has finalized its current obligation/liability for other post-employment benefits for active and retired employees following the GASB Statements Nos. 43 and 45 (including health care and life insurance). As of June 30, 2019, the total OPEB liability for benefits was approximately \$136,222,029 and the plan fiduciary net position was \$849,483, resulting in a net OPEB liability of \$135,372,546 assuming a 3.0% investment rate of return. The actuarial determined contribution (ADC) is an amount determined by the actuary pursuant to GASB Statement No. 74/75 which represents a level of funding that, if paid on an ongoing basis, is projected to cover the service cost each year and amortize any unfunded actuarial liabilities. As of July 1, 2019, the ADC was \$12,455,326.

COLLECTIVE BARGAINING

Massachusetts city and town employees (other than managerial or confidential employees) have the right to bargain collectively by representatives of their choice on questions of wages, hours and other terms and conditions of employment. The Town has approximately 850 full and part-time employees of whom approximately 82% percent belong to unions or other collective bargaining groups. The following table sets forth the collective bargaining groups.

<u>Union</u>	<u>Department</u>	<u>Members</u>	<u>Contract Expires (1)</u>
S.E.I.U. AFL/CIO Local 888	School Cafeteria Personnel	33	8/31/2021
S.E.I.U. AFL/CIO Local 285	School Secretaries	15	6/30/2020
S.E.I.U. AFL/CIO Local 888	School Maintenance	29	6/30/2021
Randolph Education Association	School Teachers	314	8/31/2020
Randolph Education Association	School Support Personnel	107	6/30/2021
Service Employees International Union	Clerical	36	6/30/2019
(International Brotherhood of Police Officers	Police	61	6/30/2019
International Association of Firefighters	Fire	54	6/30/2019
Randolph Traffic Supervisor's Association	School/Police/Traffic	14	6/30/2020
International Union of Operating Engineers	Department of Public Works	20	6/30/2020
N.E. Police Benevolent Assoc. AFL/CIO Local 34	Police Superior Officers	<u>15</u>	6/30/2019
Total:		<u>698</u>	

(1) Expired contracts are currently in negotiations.

LITIGATION

At present there are a number of suits pending in which the Town is a defendant. In the opinion of Town Counsel, none of the pending litigation is considered likely to result, either individually or in the aggregate, in final judgments, that would materially affect the financial position of the Town.

TOWN OF RANDOLPH, MASSACHUSETTS
/s/ Jean Richard, Treasurer

October 16, 2019