

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the filing of a registration statement.

New Issue

Moody’s Investors Service, Inc.: _____
(See “Rating”)

NOTICE OF SALE AND PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 19, 2017

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 Bonds is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986 (the “Code”). Interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Under existing law, interest on the Bonds is exempt from Massachusetts personal income taxes, and the Bonds are exempt from Massachusetts personal property taxes. **The Bonds are not “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 Bonds. (See “Tax Exemption” herein.)

\$21,000,000*
TOWN OF LONGMEADOW
Massachusetts
GENERAL OBLIGATION REFUNDING BONDS

Dated: Date of Delivery

Due: June 1, 2020 – 2041

MATURITIES

<u>Year</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Price/Yield</u>	<u>Year</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Price/Yield</u>
2020	\$,000	%	%	2031	\$,000	%	%
2021	,000			2032	,000		
2022	,000			2033	,000		
2023	,000			2034	,000		
2024	,000			2035	,000		
2025	,000			2036	,000		
2026	,000			2037	,000		
2027	,000			2038	,000		
2028	,000			2039	,000		
2029	,000			2040	,000		
2030	,000			2041	,000		

* Preliminary, subject to change.

Principal of the Bonds will be payable on June 1 of the years in which the Bonds mature. Interest from the date of the Bonds will be payable on December 1, 2017, and semi-annually thereafter on each June 1 and December 1. The Bonds will be subject to redemption prior to their stated dates of maturity as described herein.

The Bonds are issuable only in fully registered form without coupons, and, when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. (See “Book-Entry Transfer System” herein.)

The legality of the Bonds will be approved by Locke Lord LLP, Boston, Massachusetts, Bond Counsel to the Town. UniBank Fiscal Advisory Services, Inc., Whitinsville, Massachusetts, serves as financial advisor to the Town. It is expected that the Bonds, in definitive form, will be delivered to DTC, or the offices of its custodial agent, on or after October 12, 2017, against payment in Federal Reserve funds.

Electronic Bids Received
11:30 a.m. (Eastern Daylight Savings Time)
Thursday, September 28, 2017



UniBank Fiscal Advisory Services, Inc.

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The information set forth herein has been obtained from the Town and from other sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. Any statements made in this Preliminary Official Statement involving matters of opinion, whether or not expressly stated, are intended merely as opinion and not as representations of fact. The information and expressions of opinion in this Preliminary Official Statement are subject to change without notice. Neither the delivery of this Preliminary Official Statement nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no material change in the affairs of the Town since the date of this Preliminary Official Statement.

ISSUE SUMMARY STATEMENT

Issuer: Town of Longmeadow, Massachusetts

Date of Sale: Thursday, September 28, 2017, until 11:30 a.m. (Eastern Daylight Savings Time)

Method of Sale: Electronic Bids via Parity

Location of Sale: UniBank Fiscal Advisory Services, Inc., 49 Church Street, Whitinsville, MA

Issue: \$21,000,000* General Obligation Refunding Bonds, Book-Entry Only (See “Book-Entry Transfer System”, herein.)

Purpose: To advance refund callable bonds of the outstanding General Obligation Municipal Purpose Loan of 2010 Bonds (See “Authorization and Use of Proceeds” herein.)

Minimum Bid: No bid of less than par amount of the Bonds and accrued interest, if any, will be considered.

Dated Date of Bonds: Date of delivery

Maturity Date of Bonds: Serially on June 1, 2020 through 2041, as detailed herein.

Interest Payable: June 1 and December 1, commencing December 1, 2017.

Redemption: The Bonds are subject to redemption prior to their stated dates of maturity as described herein.

Credit Rating: Moody’s Investors Service, Inc. has assigned a rating of ____ to the Bonds.

Security: The Bonds are valid general obligations of the Town of Longmeadow, Massachusetts and the principal of and interest on the Bonds are payable from ad valorem taxes which may be levied upon all property within the territorial limits of the Town and taxable by it, subject to the limitations imposed by Chapter 59, Section 21C of the General Laws (Proposition 2½) on that portion of the Bonds the Town has not voted to exclude from such limits (\$20,400,000*), and without limit as to rate or amount, except as provided under Chapter 44, Section 20 of the General Laws, on that portion of the Bonds the Town has voted to exclude from the limitations of Chapter 59, Section 21C of the General Laws (\$600,000*).

Tax Exemption: Refer to “Tax Exemption” and Appendix C – “Proposed Form of Legal Opinion” herein.

Continuing Disclosure: Refer to “Continuing Disclosure” and Appendix D – “Proposed Form of Continuing Disclosure Certificate” herein.

Bank Qualification: **The Bonds will not be designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.**

Paying and Escrow Agent: U.S. Bank National Association, Boston, Massachusetts

Verification Agent: Barthe & Wahrman, Bloomington, Minnesota

Legal Opinion: Locke Lord LLP, Boston, Massachusetts

Delivery and Payment: It is expected that the Bonds will be delivered to DTC, or to the offices of its custodial agent, against payment to the account of the Town in Federal Reserve funds on or about October 12, 2017.

Issue Contacts: Cheryl M. Cudnik, Treasurer, Town of Longmeadow,
Telephone (413) 567-1066
Clark H. Rowell, Vice President, UniBank Fiscal Advisory Services, Inc.,
Telephone (508) 849-4224
Richard A. Manley, Jr., Esq., Locke Lord LLP, Boston,
Telephone (617) 239-0384

Additional Information: Refer to the Preliminary Official Statement herein dated September 19, 2017.

** Preliminary, subject to change.*

NOTICE OF SALE

**TOWN OF LONGMEADOW
Massachusetts**

**\$21,000,000*
GENERAL OBLIGATION REFUNDING BONDS**

The Town of Longmeadow, Massachusetts, will receive electronic proposals until 11:30 a.m. (Eastern Daylight Savings Time), on

Thursday, September 28, 2017

at UniBank Fiscal Advisory Services, Inc., Whitinsville, Massachusetts, for the purchase of the following described Bonds:

\$21,000,000* GENERAL OBLIGATION REFUNDING BONDS payable June 1 of the years and in the amounts as follows:

<u>Due June 1</u>	<u>Principal Amount*</u>	<u>Due June 1</u>	<u>Principal Amount*</u>
2020	\$,000	2031	\$,000
2021	,000	2032	,000
2022	,000	2033	,000
2023	,000	2034	,000
2024	,000	2035	,000
2025	,000	2036	,000
2026	,000	2037	,000
2027	,000	2038	,000
2028	,000	2039	,000
2029	,000	2040	,000
2030	,000	2041	,000

** Preliminary, subject to change.*

Details of the Bonds

The Bonds will be dated their date of delivery. Interest from the date of the Bonds will be payable on December 1, 2017, and semi-annually thereafter on each June 1 and December 1. Principal of and interest on the Bonds will be paid as described below.

The Bonds will be issued by means of a book-entry system with no physical distribution of the Bonds made to the public. One certificate for each maturity of the Bonds will be issued to The Depository Trust Company, New York, New York (DTC), and immobilized in their custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder, as a condition to delivery of the Bonds, shall be required to deposit the Bonds with DTC, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. Neither the Town nor the Paying Agent will be responsible or liable for

maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Bank Qualification

The Bonds will not be designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Redemption of the Bonds

The Bonds maturing in the years 2020 through 2026, inclusive, are not subject to redemption prior to their stated dates of maturity. The Bonds maturing on and after June 1, 2027, are subject to redemption prior to their stated dates of maturity, at the option of the Town, on and after June 1, 2026, either in whole or in part at any time, and if in part, by lot within a maturity, at par plus accrued interest to the date set for redemption.

Term Bonds

For Bonds maturing on and after June 1, 2027, bidders may specify that all of the principal amount of such Bonds having two or more consecutive maturities, may in lieu of having separate maturity dates, be combined to comprise one or more Term Bonds, and shall be subject to mandatory redemption or mature at par as described above, in each of the years and in the principal amounts specified in the foregoing maturity schedule. Each mandatory redemption shall be allocated to the payment of the Term Bond having the earliest subsequent maturity date.

Term Bonds, if any, shall be subject to mandatory redemption on June 1 in the earliest year prior to the stated maturity of such Term Bond (the particular Bonds of such maturity to be redeemed to be selected by lot), as indicated in the foregoing maturity schedule at the principal amount thereof plus accrued interest to the redemption date, without premium.

Form of Bid and Basis of Award

Electronic proposals will be submitted through *i-Deal*[®]. If any provisions in this Notice of Sale conflict with information provided by *i-Deal*[®], this Notice of Sale shall control. Further information about *i-Deal*[®], including any fees charged, may be obtained from *i-Deal*[®] at (212) 849-5000. The Town assumes no responsibility or liability for bids submitted through *i-Deal*[®]. An electronic bid made in accordance with this Notice of Sale shall be deemed an irrevocable offer to purchase the Bonds 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.

Bidders shall state the rate or rates of interest per annum which the Bonds are to bear in a multiple of 1/8th or 1/20th of 1% but shall not state (a) more than one interest rate for any Bonds having a like maturity, and (b) any interest rate for any maturity which is less than the interest rate for any prior maturity.

No bid of less than the par amount of the Bonds and accrued interest, if any, will be considered.

A good faith deposit is not required.

As between proposals which comply with this Notice of Sale, the award will be to the bidder who offers to purchase all the Bonds at the lowest net effective interest rate to the Town. Such interest rate shall be determined on a true interest cost (TIC) basis, which shall mean that rate which, as of October 12, 2017, discounts semi-annually all future payments on account of principal and interest to the price bid, not including interest accrued to the date of delivery, if any, which accrued interest shall be paid by the successful bidder. The award of the Bonds to the winning bidder will not be effective until the bid has been approved by the Board of Selectmen and Treasurer of the Town.

Par Amount Subject to Change

Within the limits set forth herein, the Town reserves the right to adjust the aggregate principal amount of the Bonds, and to adjust the principal amount of individual maturities of the Bonds. The purpose of such adjustments, if any, will be to limit the amount of bond proceeds, including premium, to the amount needed to effect the refunding of the Refunded Bonds and to pay the costs of issuance and to do so without an over-issuance of Bonds.

Immediately following the opening of the bids, the Town, acting through its financial advisor, will contact the apparent successful bidder by telephone to obtain the initial reoffering prices of each maturity of the Bonds, the premium to be paid on account of bond insurance, if any, and other information relevant to the sale of the Bonds. The apparent successful bidder shall then immediately deliver to the Town written confirmation by facsimile transmission as to such reoffering prices and bond insurance premium, if any. Upon being supplied with such initial reoffering prices and bond insurance premiums, if any, the Town will determine the need to adjust the principal amount of the Bonds or otherwise re-allocate the principal maturities of the Bonds. The Town expects to advise the successful bidder as soon as possible, but no later than 3:00 p.m., Eastern Daylight Savings Time, on the date of the sale of the amount, if any, of any changes in either the aggregate principal amount (which changes will be allocated among several maturities of the Bonds in a manner to be specified by the Town) or individual maturities (assuming no changes in the aggregate principal amount of the Bonds).

Any adjustment in either the aggregate principal amount or the individual maturities of the Bonds will be in an amount of \$5,000 or an integral multiple thereof and will be made only as necessary to effect the refunding in accordance with the Town's objectives and to comply with the amortization requirements imposed by state law. Those objectives pertain to issuing a final par amount of the Bonds that will be sufficient to refund the bonds to be refunded and to pay all related the costs of issuance, given the price bid by the successful bidder, and to avoid an over issuance of the Bonds. Bidders should be advised that bidding with a large premium could result in a reduction in the par amount of the Bonds.

The dollar amount bid by the successful bidder will be adjusted to reflect any adjustment in the aggregate principal amount of the Bonds to be issued. The adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount/premium, if any, but will not change the per-bond underwriter's discount as calculated from the bid and reoffering prices required to be delivered to the Town as stated herein. The successful bidder may not withdraw its bid or change the interest rates bid or initial reoffering prices as a result of any changes made to the principal amounts within these limits.

Bond Insurance

The Town has not contracted for the issuance of any policy of municipal bond insurance for the Bonds. If the Bonds qualify for issuance of any such policy or commitment therefor, any purchase of such insurance or commitment shall be at the sole option and expense of the bidder. Proposals shall not be conditioned upon the issuance of any such policy or commitment. Any failure of the Bonds to be so insured or of any such policy or commitment to be issued shall not in any way relieve the purchaser of the contractual obligations arising from the acceptance of a proposal for the purchase of the Bonds. Should the successful bidder purchase municipal bond insurance, all expenses associated with such policy or commitment will be borne by the bidder, except for the fee paid to Moody's Investors Service, Inc. for the rating of the Bonds. Any such fee paid to Moody's Investors Service, Inc. would be borne by the Town.

Establishment of Issue Price

The successful bidder shall assist the Town in establishing the issue price of the Bonds and shall execute and deliver to the Town on the Closing Date an "issue price" or similar certificate, in the applicable form set forth in Exhibit 1 to this Notice of Sale, setting forth the reasonably expected initial offering prices to the public or the sales price of the Bonds 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 Bonds

may be taken on behalf of the Town by UniBank Fiscal Advisory Services, Inc. (the “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 Bonds) 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 Bonds to the bidder who submitted a firm offer to purchase the Bonds 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 Bonds, as specified in the bid. Unless a bidder notifies the Town prior to submitting its bid by facsimile or email to the Financial Advisor (508-234-1938 or clark.rowell@unibank.com) or in its bid submitted via Parity, that it will not be an “underwriter” (as defined below) of the Bonds, 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 Bonds, in submitting a bid, each bidder is deemed to acknowledge that it is an “underwriter” that intends to reoffer the Bonds 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 Bonds to the Public. If the competitive sale requirements are not satisfied and the successful bidder intends to reoffer the Bonds to the public, the Town will use the first price at which 10% of a maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis, of the Bonds. The successful bidder shall advise the Financial Advisor if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. 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 of any maturity of the Bonds as the issue price of that maturity, if the competitive sale requirements are not met.

If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Bonds or all of the Bonds are sold to the public, the successful bidder agrees to promptly report to the Financial Advisor the prices at which the unsold Bonds of each maturity 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 each maturity of the Bonds or until all the Bonds of a maturity have been sold. The successful bidder shall be obligated to report each sale of Bonds 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 retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds 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 retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity 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 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold Bonds of each maturity 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 Bonds of that maturity or all Bonds of that maturity 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 Bonds 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:

“public” means any person other than an underwriter or a related party,

“underwriter” means (A) any person 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 Bonds 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 Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public), and

“related party” – a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 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 Bonds to the Public and Agrees to Hold the Price of Maturities of Bonds 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 maturities of the Bonds 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 Issuer on or before the Closing Date, in addition to the certification described in Option A above, evidence that each underwriter of the Bonds, 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 – Option C – The Successful Bidder Does Not Intend to Reoffer the Bonds to the Public. If the competitive sale requirements are not met and the successful bidder does not intend to reoffer the Bonds to the public, the Town shall treat the Bonds as sold in a private placement and shall treat the amount bid as the issue price.

Legal Opinion

The legality of the Bonds will be approved by Locke Lord LLP, Boston, Massachusetts, whose opinion will be furnished to the purchaser without charge. The scope of engagement of Bond Counsel does not extend to passing upon or assuming responsibility for the accuracy or adequacy of any statements made in the Official Statement other than matters expressly set forth as their opinion, and they make no representation that they have independently verified the same.

Documents to be Delivered at Closing

It shall be a condition to the obligation of the successful bidder to accept delivery of and pay for the Bonds that the bidder shall be furnished, without cost, with (a) the approving opinion of the firm of Locke Lord LLP, Boston, Massachusetts, substantially in the form of Appendix C of the Preliminary Official Statement dated September 19, 2017, included herein, (b) a certificate in form satisfactory to said firm dated as of October 12, 2017, the delivery date of the Bonds and receipt of payment therefor, to the effect that there is no litigation pending or, to the knowledge of the signers thereof, threatened affecting the validity of the Bonds or the power of the Town to levy and collect taxes to pay them, (c) a certificate of the Town Treasurer to the effect that, to the best of her knowledge and belief, the Preliminary Official Statement did not, as of its date and the date of sale, and the Final Official Statement referred to below, did not as of its date and does not as of the date of delivery of the Bonds, contain any untrue statement of a material fact or 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 Continuing Disclosure Certificate substantially in the form of Appendix D of the Preliminary Official Statement dated September 19, 2017, included herein.

CUSIP Identification Numbers

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond, nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the Town; provided, however that the Town assumes no responsibility for any CUSIP Service Bureau or other charge that may be imposed for the assignment of such numbers.

Continuing Disclosure

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

Delivery

The Bonds, in definitive form, will be delivered to the purchaser at DTC, or the offices of its custodial agent, on or about October 12, 2017, against payment in Federal Reserve funds.

Additional Information and Copies of the Official Statement

Additional information concerning the Town and the Bonds is contained in the Preliminary Official Statement dated September 19, 2017, to which prospective bidders are directed. The Preliminary Official Statement is provided for informational purposes only and is not a part of this Notice of Sale. Such Preliminary Official Statement is deemed final by the Town as of its date for purposes of SEC Rule 15c2-12(b)(1).

Copies of the Preliminary Official Statement for the Bonds may be obtained from Clark H. Rowell, Vice President, UniBank Fiscal Advisory Services, Inc., 49 Church Street, Whitinsville, Massachusetts 01588, telephone (508) 849-4224.

Within seven (7) business days following the award of the Bonds in accordance herewith, twenty-five (25) copies of a Final Official Statement will be furnished to the successful bidder. Additional copies may be obtained at the purchaser's expense.

The right is reserved to reject any or all bids and to reject any bid not complying with this Notice of Sale and, so far as permitted by law, to waive any irregularity with respect to any proposal.

**TOWN OF LONGMEADOW
Massachusetts**

/s/ Cheryl M. Cudnik
Treasurer

Dated: September 19, 2017

EXHIBIT TO THE NOTICE OF SALE

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

\$21,000,000ⁱ

TOWN OF LONGMEADOW, MASSACHUSETTS GENERAL OBLIGATION REFUNDING BONDS Dated October 12, 2017

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF SUCCESSFUL BIDDER] (the “Successful Bidder”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”) of the Town of Longmeadow, Massachusetts (the “Issuer”).

Reasonably Expected Initial Offering Prices.

As of the Sale Date, the reasonably expected initial offering prices of the Bonds 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 Bonds used by the Successful Bidder in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Successful Bidder to purchase the Bonds.

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

The bid submitted by the Successful Bidder constituted a firm offer to purchase the Bonds.

Defined Terms.

“Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

“Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Successful Bidder or a related party to an Successful Bidder. 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.

“Sale Date” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is September 28, 2017.

“Underwriter” means (i) any person, including the Successful Bidder, that agrees pursuant to a written contract with the Issuer (or with the lead Successful Bidder to form an underwriting syndicate) to participate in the initial sale of the Bonds 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 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Successful Bidder’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

ⁱ Preliminary, subject to change as described in Notice of Sale.

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 Bonds, and by Locke Lord LLP in connection with rendering its opinion that the interest on the Bonds 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 Bonds.

Dated: September __, 2017

[SUCCESSFUL BIDDER]

By: _____

Name:

Title:

MODEL ISSUE PRICE DOCUMENTATION REPORT

Schedule A – Expected Reoffering 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 Hold the Price Rule Is Not Imposed**

\$21,000,000ⁱⁱ

**TOWN OF LONGMEADOW, MASSACHUSETTS
GENERAL OBLIGATION REFUNDING BONDS**

Dated October 12, 2017

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of _____ (the (“Successful Bidder”)[, 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 “Bonds”).

Sale of the Bonds.

As of the date of this certificate, [except as set forth in paragraph 2 below,] for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds 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 Bonds have not been sold for one or more Maturities of Bonds as of the Closing Date.]

For each Maturity of the Bonds as to which no price is listed in Schedule A, as set forth in the Notice of Sale for the Bonds, until the 10% test has been satisfied as to each Maturity of the Bonds or all of the Bonds are sold to the Public, the Successful Bidder agrees to promptly report to the Town of Longmeadow’s financial advisor, UniBank Fiscal Advisory Services, Inc. (the “Financial Advisor”) the prices at which the unsold Bonds 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 Bonds or until all the Bonds of a Maturity have been sold. The Successful Bidder shall continue to report each sale of Bonds to the Financial Advisor until notified by email or in writing by the State or the Financial Advisor that it no longer needs to do so.

Defined Terms.

“Issuer” means the Town of Longmeadow.

“Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

“Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Successful Bidder or a related party to an Successful Bidder. 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.

“Underwriter” means (i) any person, including the Successful Bidder, that agrees pursuant to a written contract with the Issuer (or with the lead Successful Bidder to form an underwriting syndicate) to participate in the initial sale of the Bonds 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 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Successful Bidder’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code

ⁱⁱ Preliminary, subject to change as described in Notice of Sale.

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 Bonds, and by Locke Lord LLP in connection with rendering its opinion that the interest on the Bonds 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 Bonds.

Dated: _____

[SUCCESSFUL BIDDER]

By: _____

Name:

Title:

Schedule A – Sale Prices (to be attached)

OFFICIAL STATEMENT

**TOWN OF LONGMEADOW
MASSACHUSETTS**

**\$21,000,000*
GENERAL OBLIGATION REFUNDING BONDS**

INTRODUCTION

This Official Statement is provided for the purpose of presenting certain information relating to the Town of Longmeadow, Massachusetts (the "Town") in connection with the sale of \$21,000,000* General Obligation Refunding Bonds, dated their date of delivery (October 12, 2017) (the "Bonds") of the Town.

The Bonds are being offered for sale at public bidding and a Notice of Sale dated September 19, 2017, has been furnished to prospective bidders. Reference is hereby made to the Notice of Sale for the terms and conditions of bidding.

The Bonds will be general obligations of the Town for which its full faith and credit are pledged. They are not guaranteed by The Commonwealth of Massachusetts (the "Commonwealth") or any other entity. The security for the Bonds is more fully described under the caption "Security and Remedies" herein. See also the caption "Opinion of Bond Counsel".

Questions regarding information contained in this Official Statement or other matters should be directed to the following: Cheryl M. Cudnik, Treasurer, Town of Longmeadow, Massachusetts (413) 567-1066; Clark H. Rowell, Vice President, UniBank Fiscal Advisory Services, Inc., (508) 849-4224; or Richard A. Manley, Jr., Esq., Locke Lord LLP, (617) 239-0384.

The information contained herein has been obtained from the sources indicated or from the Town.

* Preliminary, subject to change.

PART I

THE BONDS

DESCRIPTION OF THE BONDS

The Bonds will be dated their date of delivery and will mature on June 1 of the years and in the principal amounts as follows:

<u>Due June 1</u>	<u>Principal Amount*</u>	<u>Due June 1</u>	<u>Principal Amount*</u>
2020	\$,000	2031	\$,000
2021	,000	2032	,000
2022	,000	2033	,000
2023	,000	2034	,000
2024	,000	2035	,000
2025	,000	2036	,000
2026	,000	2037	,000
2027	,000	2038	,000
2028	,000	2039	,000
2029	,000	2040	,000
2030	,000	2041	,000

** Preliminary, subject to change.*

The Bonds will bear interest at the rate or rates per annum specified by the successful bidder.

Principal and semi-annual interest will be paid by U.S. Bank National Association, Boston, Massachusetts, or its successor acting as paying agent (the "Paying Agent") for the Town. Interest from the date of the Bonds will be payable on December 1, 2017, and semi-annually thereafter on each June 1 and December 1 until maturity. So long as The Depository Trust Company, New York, New York ("DTC") or its nominee, Cede & Co., is the Bondowner, such payments of principal of and interest on the Bonds will be made directly to such Bondowner. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants and Indirect Participants, as more fully described herein.

The Bonds are issuable only in fully registered form without coupons, and, when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for DTC. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interests in Bonds purchased. So long as Cede & Co. is the Bondowner, as nominee of DTC, references herein to the Bondowners or registered owner shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds.

RECORD DATE

The record date for each payment of interest on the Bonds (the "Record Date") is the fifteenth day of the month preceding the interest payment date, provided that, if such date is not a business day, the Record Date shall be the next succeeding business day. Under certain circumstances, the Paying Agent may establish a special record date. The special record date may not be more than twenty (20) days before the date set for payment. The Paying Agent will mail notice of a special record date to the bondholders at least ten (10) days before the special record date.

BOOK-ENTRY TRANSFER SYSTEM

The Depository Trust Company, New York, New York (“DTC”) will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities 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 certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, 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 issues, 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 an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of securities deposited with DTC must be made by or through Direct Participants, which will receive a credit for such securities on DTC's records. The ownership interest of each actual purchaser of each security deposited with (“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 securities held by 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 securities held by DTC, except in the event that use of the book-entry system for such securities is discontinued.

To facilitate subsequent transfers, all securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as requested by an authorized representative of DTC. The deposit of securities 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 held by 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.

Redemption notices for the Bonds shall be sent to DTC. If less than all of a maturity is being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent to vote with respect to securities held by DTC unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC

mails an Omnibus Proxy to an issuer of securities 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 such securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on securities held by DTC 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 issuer of such securities or its 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 issuer of such securities or its 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 issuer of such securities or its 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 Bonds at any time by giving reasonable notice to the Town or its 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 transfers through DTC (or a successor securities depository). In that event, physical certificates will be printed and delivered to DTC.

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.

DTC PRACTICES

The Town can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

AUTHORIZATION AND USE OF PROCEEDS

The Bonds are authorized pursuant to Massachusetts General Laws, Chapter 44, Section 21A, a vote of the Select Board taken on September 18, 2017, and a vote of the Select Board expected to be taken on October 2, 2017, (the "Refunding Bonds") in order to advance refund and redeem on February 15, 2019, \$20,955,000 outstanding principal amount of the Town's \$29,262,940 General Obligation Municipal Purpose Loan of 2010 Bonds, dated December 15, 2010, and maturing in the years 2020 through 2040, inclusive (the "Refunded Bonds"), at the par amount being redeemed and to pay interest accrued to the date of redemption and to pay the related costs of issuance.

The Refunded Bonds include the following:

<u>Principal</u>	<u>Maturity</u>	<u>Coupon</u>	<u>CUSIP</u>
\$ 1,290,000	February 15, 2020	3.125%	543077QH7
1,110,000	February 15, 2021	3.300	543077QJ3
1,155,000	February 15, 2022	3.500	543077QK0
1,195,000	February 15, 2023	3.700	543077QL8
735,000	February 15, 2024	3.875	543077QM6
760,000	February 15, 2025	4.000	543077QN4
790,000	February 15, 2026	4.100	543077QP9
820,000	February 15, 2027	4.200	543077QQ7
845,000	February 15, 2028	4.250	543077QR5
880,000	February 15, 2029	4.300	543077QS3
910,000	February 15, 2030	4.375	543077QT1
940,000	February 15, 2031	4.500	543077QU8
945,000	February 15, 2032	4.600	543077QV6
980,000	February 15, 2033	4.625	543077QW4
1,000,000	February 15, 2034	4.750	543077QX2
1,000,000	February 15, 2035	4.750	543077QY0
1,000,000	February 15, 2036	4.750	543077QZ7
2,000,000	February 15, 2038*	4.750	543077RA1
<u>2,600,000</u>	August 15, 2040*	5.000	543077RB9
<u>\$20,955,000</u>			

* Term maturities.

Of the Refunded Bonds, \$20,375,000 funded the construction of a new school in the Town. **The Town previously voted to exclude the debt service on the school portion of the Refunded Bonds from the limitations of Proposition 2½; and, thus, the allocable portion of the Bonds will also be excluded from the limitations of Proposition 2½.**

The balance of the Refunded Bonds, \$580,000, were issued to construct water and sewer service improvements in the Town. Debt service on this portion of the Bonds is intended to be paid, in the first instance, from water and sewer service revenues.

PLAN OF REFUNDING

Upon delivery of the Bonds, the Town will enter into an Escrow Agreement with U.S. Bank National Association as Escrow Agent (the “Agent”), to provide for the advance refunding of the Refunded Bonds. Upon receipt of the proceeds of the Bonds, the Agent will deposit into an escrow fund (the “Escrow Fund”) established by the Escrow Agreement the amount which will be invested in direct obligations of the United States of America (“Government Obligations”) maturing in amounts sufficient, with the use of investment earnings and without reinvestment, to pay, when due, interest on, and upon redemption or maturity, the outstanding principal of the Refunded Bonds. The Escrow Fund, including the interest earnings on the obligations therein, is pledged solely for the benefit of the holders of the Refunded Bonds and is not available to pay the Bonds offered herein.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Prior to the delivery of the Bonds, Barthe & Wahrman, independent accountants, will deliver a report on the mathematical accuracy of certain computations, contained in schedules provided to them by the Financial Advisor, relating to (a) the adequacy of the maturing principal amounts of the Certificates of Deposit held by the escrow agent, but not including the interest to be earned thereon, to pay all the principal, redemption premium, where applicable, and interest on the Refunded Bonds when due, and (b) the computations of yields relied upon by the Bond Counsel to support its opinion that interest on the Bonds is not included in gross income for Federal income tax purposes.

SOURCES AND USES OF FUNDS

The following table summarizes the estimated sources and uses of funds.

<u>Sources of Funds</u>	
Par amount of the 2017 Refunding Bonds	\$.00
Original Bond premium (discount)	.00
Transfers from Prior Issue Debt Service Funds	.00
Additional Source of Funds	<u>.00</u>
Total Sources of Funds	<u><u>\$.00</u></u>
<u>Uses of Funds</u>	
Deposit to the Refunding Escrow	\$.00
Underwriter's discount	.00
Cost of Issuance	.00
Deposit to the Debt Service Fund	<u>.00</u>
Total Uses of Funds	<u><u>\$.00</u></u>

OPTIONAL REDEMPTION

Bonds maturing in the years 2020 through 2026, inclusive, are not subject to redemption prior to their stated dates of maturity. Bonds maturing on and after June 1, 2027, are subject to redemption prior to maturity, at the option of the Town, on and after June 1, 2026, either in whole or in part at any time, and if in part, by lot within a maturity, at par plus accrued interest to the date set for redemption.

MANDATORY REDEMPTION

If the successful bidder designates principal amounts of the Bonds to be combined into Term Bonds which may be done only for principal amounts in consecutive years and only for the years after 2026, such Term Bonds will be subject to mandatory redemption on June 1 in the earliest year prior to the stated maturity of each such Term Bond (the particular Bonds of such maturity to be redeemed to be selected by lot) as indicated on the cover page of the Preliminary Official Statement at the principal amount thereof plus accrued interest to the redemption date.

NOTICE OF REDEMPTION

So long as DTC is the registered owner of the Bonds, notice of any redemption of Bonds, prior to their maturities, specifying the Bonds (or portions thereof) to be redeemed shall be mailed, or sent in such other manner acceptable to DTC, to DTC not more than 60 days nor less than 30 days prior to the redemption date. Any failure on the part of DTC to notify the DTC Participants of the redemption or failure on the part of the DTC Participants or of a nominee of a Beneficial Owner (having received notice from a DTC Participant or otherwise) to notify the Beneficial Owner shall not affect the validity of the redemption. If moneys for the redemption are held by the Paying Agent on the redemption date and if notice of the redemption shall have been duly mailed, then from and after the redemption date interest on the Bonds (or portions thereof) called for redemption shall cease to accrue.

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. To the extent not paid from other sources, the Bonds are payable from ad valorem taxes which may be levied upon all property within the Town and taxable by it subject to the limitations imposed by Chapter 59, Section 21C of the General Laws (Proposition 2½) on that portion of the Bonds the Town has not voted to exclude from such limits, and without limit as to rate or amount, except as provided under Chapter 44, Section 20 of the General Laws, with respect to that portion of the Bonds the Town has voted to exclude from the limitations of Chapter 59, Section 21C, of the

General Laws. Payment is not limited to a particular fund or revenue source. Except for "qualified bonds" (see "Serial Bonds and Notes" herein) and setoffs of state distributions (see "State Distributions" herein), 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" herein). In addition, obligations incurred before November 4, 1980 may be constitutionally entitled to payment from taxes in excess of the statutory limit.

The Town has voted to exclude the debt service on \$40,557,554 of currently outstanding bonds, including \$20,375,000 of the Refunded Bonds, from the limitations of Proposition 2½, as described under "Tax Limitations" herein.

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 funds of the Town 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" herein). 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" herein). 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 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 a 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” herein) 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 (the “MBTA”) or a regional transit authority of which it is a member or for costs of the Massachusetts Water Resources Authority (the “MWRA”) if the city or town is within the territory served by the Authority, for any debt service due on obligations issued to the Massachusetts School Building Authority, or for charges necessary to meet obligations under the Commonwealth’s Clean Water or Drinking Water Revolving Loan Programs, including such charges imposed by another local governmental unit that provides wastewater collection or treatment services or drinking water treatment 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, 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.

OPINION OF BOND COUNSEL

A copy of the legal opinion of the firm of Locke Lord LLP, of Boston, Massachusetts, (see Appendix C) will be furnished to the successful bidder. The opinion will be dated and given on and will speak only as of the date of original delivery of the Bonds.

The scope of engagement of Bond Counsel does not extend to passing upon or assuming responsibility for the accuracy or adequacy of any statements made in this Official Statement other than matters expressly set forth as their opinion and they make no representation that they have independently verified the same.

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 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”). Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. The Bonds are not “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 Bonds.

The Code imposes various requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. Failure to comply with these requirements may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The Town has covenanted to comply with such requirements to ensure that interest on the Bonds 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 Bonds is exempt from Massachusetts personal income taxes, and the Bonds are exempt from Massachusetts personal property taxes. Bond Counsel has not opined as to other Massachusetts tax consequences arising with respect to the Bonds. Prospective Bondholders should be aware, however, that the Bonds are included in the measure of Massachusetts estate and inheritance taxes, and the Bonds 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 Bonds or the income therefrom or any other tax consequences arising with respect to the Bonds under the laws of any state other than Massachusetts. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix C hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), 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 Bonds 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 Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds 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 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Bondholders should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount greater than the stated principal amount to be paid at maturity of such Bonds, or, in some cases, at the earlier redemption date of such Bonds (“Premium Bonds”), will be treated as having amortizable bond premium for federal income tax purposes and Massachusetts personal income tax purposes. No deduction is allowable for the amortizable bond premium in the case of obligations, such as the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, a Bondholder’s basis in a Premium Bond will be reduced by the amount of amortizable bond premium properly allocable to such Bondholder. Holders of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond 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 Bonds may adversely affect the value of, or the tax status of interest on, the Bonds.

Prospective Bondholders should be aware that from time to time legislation is or may be proposed, which, if enacted into law, could result in interest on the Bonds being subject directly or indirectly to federal income taxation, or otherwise prevent Bondholders from realizing the full benefit provided under current federal tax law of the exclusion of interest on the Bonds from gross income. To date, no such legislation has been enacted into law. However, it is not possible to predict whether any such legislation will be enacted into law. Further, no assurance can be given that any pending or future legislation, including amendments to the Code, if enacted into law, or any proposed legislation, including amendments to the Code, or any future judicial, regulatory or administrative interpretation or development with respect to existing law, will not adversely affect the market value and marketability of, or the tax status of interest on, the Bonds. Prospective Bondholders are urged to consult their own tax advisors with respect to any such legislation, interpretation or development.

Although Bond Counsel is of the opinion that interest on the Bonds 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 Bonds may otherwise affect the federal or state tax liability of a Bondholder. Among other possible consequences of ownership or disposition of, or the accrual or receipt of interest on, the Bonds, the Code requires recipients of certain social security and certain railroad retirement benefits to take into account receipts or accruals of interest on the Bonds 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 Bondholder or the Bondholder's other items of income, deduction or exclusion. Bond Counsel expresses no opinion regarding any such other tax consequences, and Bondholders should consult with their own tax advisors with respect to such consequences.

RATING

Moody's Investors Service, Inc. has assigned a rating of ____ to the Bonds. Such rating reflects only the view of the rating agency and will be subject to revision or withdrawal, which could affect the market price of the Bonds.

CONTINUING DISCLOSURE

In order to assist the successful bidder in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (the "Rule"), the Town will covenant for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the Town by not later than 270 days after the end of each fiscal year (the "Annual Report"), and to provide notices of the occurrence of certain significant events. The covenants will be contained in a Continuing Disclosure Certificate, the proposed form of which is provided in Appendix D. The Certificate will be executed by the signers of the Bonds, and incorporated by reference in the Bonds. The Town is the only "obligated person" with respect to the Bonds within the meaning of the Rule.

Except as stated hereafter, the Town believes that in the past five years it has complied, in all material respects, with its previous undertakings to provide financial information and notices of significant events in accordance with the Rule. In past fiscal years, the audited financial statements for the Town had not been completed in time to allow the document to be included in the Town's annual filing. Prior to 2014, the Town would submit the audit to EMMA as part of its next subsequent bond or note issue or continuing disclosure filing, rather than when the audits became publicly available. Instead, annual filings included the unaudited balance sheets for the fiscal year for which the filing was being made. Thus, this practice resulted in the filing of the Town's audits for fiscal years ended June 30, 2012 and 2013, after they were publicly available. However, both were filed as part of the following annual filing. A Notice of Failure to File Financial Information has been filed with EMMA acknowledging that these audits had been filed after they were publicly available. In addition, the audit for fiscal year ended June 30, 2015, was inadvertently not filed. The audit has now been filed, and a Notice of Failure to File Financial Information has been filed with EMMA.

PART II

TOWN OF LONGMEADOW, MASSACHUSETTS

The Town of Longmeadow is located in Hampden County approximately 90 miles west of Boston and borders the City of Springfield to the north. The Town is also bordered by the Town of East Longmeadow to the east, the Town of Agawam to the west, and the Town of Enfield, Connecticut, to the south. The principal highways serving the area are Interstate Route 91 and State Route 5. The Town also enjoys close proximity to the Massachusetts Turnpike, to Amtrak service in Springfield, and to Bradley Airport, approximately half way between Hartford, Connecticut, and Springfield, Massachusetts. It also enjoys close proximity to the employment and economic opportunities that exist between Hartford and Springfield.

The Town was originally settled in 1636 as part of a large parcel of land at the confluence of the Agawam and Connecticut rivers purchased from the Agawam Indians. The site of the future City of Springfield was chosen as an ideal location to establish a trading post and a Puritan “plantation”. A portion of the land purchased was meadowlands known as “Masacksic” by the Native Americans, or “long meddowe”.

When the settlers of Springfield established the compact for their economic enterprise, the “long meddowe” to the south of the settlement was set aside as a common pasture land, to be used equally by all residents. In 1644, residences were developed on the “long meddowe”, and there was progressively more interest amongst the inhabitants to split from Springfield. Finally, after the disastrous floods of 1695, the Springfield Town Meeting in 1703 allowed the residents to “build upon the hill eastward” around the present-day Town Green. The Town received its autonomy from Springfield in 1713.

CONSTITUTIONAL STATUS AND FORM OF GOVERNMENT

Massachusetts cities and towns are subject to the plenary legislative power of the Commonwealth. As stated by the Supreme Judicial Court:

A town is not an independent sovereignty. It is merely a subordinate agency of the State government. It is a creature of the Commonwealth, from which are derived all its powers and those of its voters and officers.

Cities and towns provide general governmental services at the local level. Municipalities were traditionally authorized to exercise only those powers granted by the State legislature, but Massachusetts adopted a Home Rule Amendment to its Constitution in 1966, under which a city or town may exercise by ordinance or by-law any power which the State legislature could confer upon it, provided that the ordinance or by-law is consistent with the laws enacted by the State legislature. Certain powers are excluded from home rule and may still be exercised only when authorized by State law; these powers include the power to levy taxes, the power to borrow money, and the power to enact private or civil law governing civil relationships except as an incident to the exercise of an independent municipal power. Under the Home Rule Amendment the State legislature may enact general laws relating to a class of two or more municipalities but (except in limited circumstances) may enact a special law relating to a particular city or town only on request of the city or town or on recommendation of the governor and passage by a two-thirds vote of both houses of the legislature.

An amendment to the State Constitution provides that any law imposing additional costs on two or more cities or towns by regulating aspects of municipal employment will not be effective within a city or town until the city council or town meeting accepts the law. Local acceptance will not be required if the legislature has either passed the law by a two-thirds vote or provided that the additional costs would be assumed by the State.

Cities and towns may change their form of government by adopting home rule charters or amending existing charters. A town of less than 12,000 population may not change to a city form of government and a town of less than 6,000 inhabitants may not change from the open town meeting form of government to a limited or representative town meeting form.

Cities are generally governed by a city council and an elected mayor who has the power to veto council actions; the council may override a mayoral veto by a two-thirds vote of the councilors. Some cities are governed by a city council and an appointed city manager who has no power to veto council actions; some municipalities, although still called “towns,” have adopted a similar city form of government with a town council and town manager or administrator. Provision is often made for a referendum on council actions, and for initiation of measures, upon petition of a sufficient number of voters.

Most towns are governed by open town meetings in which any voter may participate. Others have an elected representative town meeting, often with public officers serving as ex officio members of the town meeting. Provision is usually made for a referendum on actions of the representative town meeting upon petition of a sufficient number of voters. Administrative affairs are generally managed by a board of three or more selectmen, sometimes with the assistance of a town manager or executive secretary.

School affairs of cities and towns are administered by an elected school committee, except in those towns whose educational functions are carried out entirely through a regional school district.

GOVERNING BODIES AND OFFICERS

Local legislative decisions are made by an open town meeting consisting of all registered voters in the Town. Subject to the legislative decisions made by Town Meeting, the affairs of the Town are generally administered by a board of five selectmen elected for staggered three-year terms on an at-large basis and assisted by a Town Manager.

Local taxes are assessed by a board of three assessors appointed for staggered three-year terms. Local school affairs are administered by a school committee of seven persons elected for staggered three-year terms.

The following are the principal executive officers:

<u>Office</u>	<u>Name</u>	<u>Manner of Selection and Term</u>	<u>Term Expires</u>
Select Board	Thomas Lachiusa, Chair	Elected / 3 years	2018
	Mark P. Gold, Vice Chair	Elected / 3 years	2019
	William Low, Clerk	Elected / 3 years	2019
	Richard Foster	Elected / 3 years	2018
	Maria Angelides	Elected / 3 years	2020
Town Manager	Stephen J. Crane	Appointed / 3 years	2019
Finance Director	Paul J. Pasterczyk	Appointed / indefinite	at will
Town Collector / Treasurer	Cheryl M. Cudnik	Appointed / indefinite	at will
Town Accountant	Jason DuCharme	Appointed / indefinite	at will
Town Clerk	Katherine Ingram	Appointed / indefinite	at will
Town Counsel	Michael Schneider	Appointed / 1 year	2018

SERVICES

The Town provides general governmental services for the territory within its boundaries, including police and fire protection, sewer and water services, streets, parks and recreation. The Town provides education in grades Kindergarten through 12. The Town receives its water supply from the Springfield Water and Sewer Commission by contractual agreement, and it participates in the City of Springfield’s regional wastewater treatment and disposal facility. The Town also contracts for solid waste disposal at the City’s waste-to-energy facility.

AUTHORIZATION OF GENERAL OBLIGATION BONDS AND NOTES

Serial bonds and notes are authorized by a two-thirds vote of the town meeting. Refunding bonds and notes are authorized by the selectmen. 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 the serial bonds or notes. Temporary debt in anticipation of the revenue of the fiscal year in which the debt is incurred or in anticipation of authorized federal and state aid generally may be incurred by the Treasurer with the approval of the Selectmen.

DEBT LIMITS

General Debt Limit. The General Debt Limit of a city or town consists of a Normal Debt Limit and a Double Debt Limit. The Normal Debt Limit is 5 percent of the valuation of taxable property as last equalized by the State Department of Revenue. A city or 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 State Municipal Finance Oversight Board composed of the State Treasurer, the State Auditor, the Attorney General 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, water bonds, bonds for electric, gas, and telecommunications systems, solid waste disposal facility bonds and economic development bonds supported by tax increment financings; and subject to special debt limits, including 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 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" herein). 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 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 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 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.

The Town has no outstanding state qualified bonds.

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. They must generally 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 to general obligation bonds and notes, 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. The Town does have an electric department.

DEBT (1)

The following shows the direct debt to be outstanding as of October 12, 2017, including the Refunded Bonds, but not including the Refunding Bonds:

General Obligation Bonds:		
Within General Debt Limit (2)		
Sewers and Drains (3)	\$ 3,614,580	
Total Within the General Debt Limit		\$ 3,614,580
Outside General Debt Limit:		
Water (3)	\$ 1,967,000	
School	40,235,000	
Other	<u>2,554</u>	
Total Outside the General Debt Limit		<u>42,204,554</u>
Total General Obligation Bonds		45,819,134 (4)
Temporary Loans in Anticipation of:		
Revenue	\$ 0	
Bonds	3,573,105	
Grants	<u>0</u>	
Total Temporary Loans		<u>3,573,105</u>
Total Direct Debt		<u>\$49,392,239</u>

(1) *Principal amount only. Excludes lease and installment purchase obligations, overlapping debt, unfunded pension liability, other post-employment benefits liability, and the Refunding Bonds. Includes the Refunded Bonds.*

(2) *At the present time the normal General Debt Limit is \$103,872,915 and the Double General Debt Limit is \$207,745,830.*

(3) *Debt service is expected to be paid from water and sewer service revenues.*

(4) **The Town has voted to exempt \$40,557,554 of currently outstanding bonds from the limitations of Proposition 2½.**

AUTHORIZED UNISSUED DEBT AND PROSPECTIVE FINANCING

The Town has \$25,395,380 of authorized unissued debt. Of this amount:

\$21,205,000 is for the design and construction of a new Department of Public Works facility. The Town currently has outstanding \$2,600,000 bond anticipation notes to fund the preparation of design and bid documents. The Town expects to permanently finance the project during calendar 2018. **Debt service for this purpose has been excluded from the limits of Proposition 2½.**

\$2,500,000 is for the construction of public infrastructure improvements in the Dwight Road Improvement District. The Town expects to borrow against this authorization during calendar 2018.

\$973,105 is for various projects around the Town, currently outstanding as bond anticipation notes. The Town intends to make annual paydowns and reissue notes until the amount is fully amortized.

\$717,275 is for water system improvements (\$187,275) and for the purchase of a new fire truck (\$530,000). The Town expects to include these amounts in its next bond anticipation note renewal and to make annual paydowns and reissue notes until the amount is fully amortized.

The Town may consider the construction of a new Senior Center within the next five years. It is expected that the debt service for such will be excluded from the limitations of Proposition 2½.

FIVE YEARS OUTSTANDING DEBT (1)

	As of June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Long-Term Indebtedness:					
Within the General Debt Limit					
Sewers & Drains	\$ 3,811,529	\$ 4,301,703	\$ 4,753,054	\$ 4,337,658	\$ 4,766,589
Schools	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Within the General Debt Limit	<u>\$ 3,811,529</u>	<u>4,301,703</u>	<u>4,753,054</u>	<u>4,337,658</u>	<u>4,766,589</u>
Outside the General Debt Limit:					
Schools	\$40,235,000	\$42,190,000	\$44,085,000	\$45,925,000	\$47,825,000
Other Outside General	3,831	5,108	6,385	7,686	8,987
Water	<u>1,967,000</u>	<u>2,464,875</u>	<u>2,953,950</u>	<u>2,583,625</u>	<u>2,961,500</u>
Total Outside the General Debt Limit	<u>\$42,205,831</u>	<u>\$18,029,983</u>	<u>\$19,020,335</u>	<u>\$40,796,286</u>	<u>\$50,795,487</u>
Total Long-Term Indebtedness	<u>\$46,017,350</u>	<u>\$48,961,686</u>	<u>\$51,798,389</u>	<u>\$52,853,969</u>	<u>\$55,562,076</u>
Short Term Indebtedness					
Revenue Anticipation Notes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Grant Anticipation Notes	0	0	0	0	0
Bond Anticipation Notes	<u>\$ 3,573,105</u>	<u>1,313,500</u>	<u>3,184,500</u>	<u>2,488,700</u>	<u>697,800</u>
Total Short-Term Indebtedness	<u>\$ 3,573,105</u>	<u>\$ 1,313,500</u>	<u>\$ 3,184,900</u>	<u>\$ 2,488,700</u>	<u>\$ 697,800</u>
Total Outstanding Indebtedness	<u>\$49,590,455</u>	<u>\$50,275,186</u>	<u>\$54,973,289</u>	<u>\$55,369,669</u>	<u>\$56,287,876</u>

(1) Principal amount only. Excludes the Bonds, lease and installment purchase obligations, overlapping debt, unfunded pension liability, and other post-employment benefits liability.

BONDED DEBT VS. POPULATION, VALUATIONS AND INCOME

	As of June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Amount (000 omitted) (1)	\$46,017	\$48,962	\$51,798	\$52,881	\$55,590
Per Capita (2)	2,911	\$3,080	\$3,258	\$3,328	\$3,498
Percent of Assessed Valuation (3)	2.20%	2.49%	2.65%	2.71%	2.73%
Percent of Equalized Valuation (4)	2.22%	2.40%	2.54%	2.43%	2.55%
Per Capita as a percent of Personal Income Per Capita (2)	5.41%	5.72%	6.06%	6.18%	6.50%

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

(2) Source: U.S. Department of Commerce, Bureau of the Census - Latest applicable actuals or estimates.

(3) Source: 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)

The following table presents debt service payable by the Town as of October 12, 2017:

Fiscal Year	Outstanding 10/12/17 (2)		Total Debt Service	Cumulative % Principal Retired
	Principal	Interest		
2018	\$ 2,815,000	\$ 926,264	\$ 3,741,264	6.1%
2019	2,987,205	1,663,833	4,651,038	12.7
2020	3,016,264	1,561,377	4,577,641	19.2
2021	2,774,128	1,469,838	4,243,966	25.3
2022	2,823,353	1,382,933	4,206,286	31.5
2023	2,092,663	1,291,248	3,383,911	36.0
2024	2,127,060	1,211,036	3,338,096	40.7
2025	2,206,546	1,140,344	3,346,890	45.5
2026	2,171,123	1,064,642	3,235,765	50.2
2027	2,255,792	987,333	3,243,125	55.1
2028	2,095,000	907,035	3,002,035	59.7
2029	2,130,000	824,248	2,954,248	64.4
2030	2,160,000	736,408	2,896,408	69.1
2031	2,190,000	646,595	2,836,595	73.9
2032	2,195,000	554,295	2,749,295	78.7
2033	2,180,000	460,825	2,640,825	83.4
2034	1,000,000	367,500	1,367,500	85.6
2035	1,000,000	320,000	1,320,000	87.8
2036	1,000,000	272,500	1,272,500	90.0
2037	1,000,000	225,000	1,225,000	92.1
2038	1,000,000	177,500	1,177,500	94.3
2039	1,000,000	130,000	1,130,000	96.5
2040	1,000,000	80,000	1,080,000	98.7
2041	<u>600,000</u>	<u>15,000</u>	<u>615,000</u>	<u>100.0%</u>
Total	<u>\$45,819,134</u>	<u>\$18,415,754</u>	<u>\$64,234,888</u>	

(1) Excludes short-term debt, lease and installment purchase obligations, overlapping debt, unfunded pension liability, other post-employment benefits liability and the Refunding Bonds. Includes the Refunded Bonds.

(2) Principal totaling \$40,557,554 of outstanding bonds and the associated interest expense has been excluded from the limitations of Proposition 2½.

REVENUE ANTICIPATION NOTE BORROWING

The Town has not issued revenue anticipation notes in any of the last ten fiscal years.

CONTRACTS

Municipal contracts are generally limited to currently available appropriations. A city or town has authority to enter into contracts for the exercise of any of its corporate powers for any period of time deemed to serve its best interests, but generally only when funds are available for the first fiscal year; obligations for succeeding fiscal years generally will be expressly subject to availability and appropriation of funds. Municipalities have specific authority in relatively few cases to enter 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 may be 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.

Municipal contracts relating to solid waste disposal facilities may contain provisions requiring the delivery of minimum amounts of waste and payments based thereon and requiring payments in certain circumstances without regard to the operational status of the facilities.

Municipal electric departments have statutory power to enter into long-term contracts for joint ownership and operation of generating and transmission facilities and for the purchase or sale of capacity, including contracts requiring payments without regard to the operational status of the facilities.

Pursuant to the Home Rule Amendment to the Massachusetts Constitution, cities and towns may also be empowered to make other contracts and leases.

The Town currently is under contract with Waste Management for the collection and transfer of solid waste from the Town. The contract term began July 1, 2015, and expires at the end of fiscal 2020. The Town has budgeted \$607,700 for such service in fiscal 2018.

The Town previously contracted with Covanta for the disposal of solid waste at the City of Springfield’s waste-to-energy facility. The contract expired June 30, 2017 and was not been renewed. The Town has contracted with United Material Management as of July 1, 2017, for such solid waste disposal service. The Town has budgeted \$280,000 in fiscal 2018 for such service.

The Town receives water supply and wastewater disposal services from the Springfield Water and Sewer Commission. The term of such service expires June 30, 2019. The Town has budgeted \$600,000 (sewer) and \$1,120,000 (water), respectively, in fiscal 2018 for such services.

The Town also contracts with Northern Tree Service for tree care in the Town. The last contract plus two annual renewals has expired and a new contract has begun for fiscal 2018. The new contract allows for two annual renewal options. The Town has budgeted \$125,000 for such service in fiscal 2018.

Finally, the Town receives regular and special education school busing from the Lower Pioneer Valley Education Collaborative. The Town’s School Committee enters into annual contracts for this service. The Town has budgeted \$899,340 for service for fiscal 2018.

OVERLAPPING DEBT (1)

The following table indicates the portion of overlapping debt relating to the Town:

	<u>Outstanding</u>	<u>Authorized Unissued</u>	<u>Estimated Share of Longmeadow</u>	<u>Assessment for Operations and Debt Service Fiscal Year 2018</u>
Pioneer Valley Regional Transit Authority (2)	\$ 0	\$ 0	\$ 0	\$58,448

(1) Principal amount only. Excludes temporary loans in anticipation of revenue. Omits debt of the Commonwealth.

(2) Source: Pioneer Valley Transit Authority. It has been state practice in recent years to provide a portion of the net cost of service of the regional transportation agencies, including debt service on their bonds. In addition to the other sources of funds provided by Massachusetts General Laws Chapter 161B from which the regional transit authorities may obtain monies for the payment of the principal of and interest on their obligations, such payment will be further secured by the Commonwealth, which is required to pay to the regional transit authorities amounts duly certified by the administrator of the authority as necessary to pay any principal or interest due or about to come due for such purpose. The remainder of the net cost of service is assessed upon the member cities and towns in proportion to the amount of the net cost incurred on routes within each city or town. The aggregate amount of such assessments is generally not permitted to increase by more than 2.5 percent per year. (See “Tax Limitations” under “TAX LEVIES” herein.)

RETIREMENT PLAN

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.

The Town participates in the Hampden County Regional Board of Retirement (the "Board"); the Board has approved a retirement funding schedule which reduces the unfunded actuarial liability to zero as of 2036.

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.

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 Town has no such non-contributory system.

The following table presents the annual contributions of the Town to the Board for the most recent fiscal years and the amount budgeted for fiscal 2018:

<u>Fiscal Year</u>	<u>Amount</u>
2018 (budgeted)	\$3,356,221
2017 (unaudited)	3,154,641
2016	3,101,334
2015	2,746,505
2014	2,349,155
2013	2,217,922

As of January 1, 2016, the estimated total actuarial liability of the Board was \$656,842,104. The assets of the Board were \$312,189,255, leaving an estimated unfunded actuarial liability of \$344,652,849, based on a discount rate of 7.875 percent. Source: The Segal Company, 2016, also available at the following link:

<http://www.mass.gov/perac/index.htm>

There is no separate valuation of the liability of the Town. The Town of Longmeadow's payment to the Board in fiscal year 2018 is 12.47 percent of the total payments to be made to the Board in fiscal 2018. Based on the relative share of the Town's cost to the total plan cost for 2018, the approximate unfunded liability of the Town is \$42,961,633. As a participant in the Board, the Town is paying an assessment sufficient to fully fund the liability by the end of fiscal 2036. Based on that share, the Town's assessment in 2036, the fiscal year during which the liability is projected to be fully funded, would be \$8,711,868.

The foregoing data do 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.

OTHER POST-EMPLOYMENT BENEFITS

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 Governmental Accounting Standards Board ("GASB") Statement Nos. 43 and 45 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 such benefits, 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 cost of the health care benefits they provide to employees and retirees may establish a trust fund for the purpose of paying claims. Cities and towns with general legal authority may establish a trust fund for the purpose of pre-funding other post-employment benefits liability in the same manner as traditional pension benefits.

The pay-as-you-go cost to the Town for such benefits in recent years and the amount budgeted for fiscal 2018 are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2018 (budgeted)	\$1,174,700
2017 (unaudited)	1,131,750
2016	1,006,029
2015	968,400
2014	1,019,226
2013	1,109,260

The Governmental Accounting Standards Board (“GASB”) Statement Nos. 43 and 45, require public sector entities to report the future costs of 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 cost of the health care benefits they provide to employees and retirees may establish a trust fund for the purpose of paying claims. In addition, cities and towns may establish a trust fund for the purpose of pre-funding other post-employment benefits liability in the same manner as traditional pension benefits.

The Town has voted to accept M.G.L. Chapter 32B, Section 18 which adoption requires eligible retirees and their eligible dependents to enroll in Medicare Parts A and B and transfer to a Medicare extension plan (Senior Plan) offered through the Town.

The Town has performed an actuarial valuation of its non-pension, post-employment benefit liability as of June 30, 2015. The actuarial accrued liability is \$31,120,739 which results in an annual required contribution of \$3,340,463, based on an assumed 4.00 percent rate of investment return. The Town has established an OPEB Trust, and the balance in the Trust as of June 30, 2017 is \$1,538,534. The Town has appropriated \$350,000 into the Trust for fiscal 2018.

Projections of benefits are based on the plan as understood by the Town and the plan members, and include the types of benefits provided at the time of each valuation and the historical pattern of sharing the benefit costs between the Town and plan members to that point in time. As such, any changes in benefits offered, cost sharing and the like, will have an impact upon the total amount of the Town’s actuarial liability for OPEB costs.

PROPERTY TAXATION

Tax Rate and Valuation – General. 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 per cent of their share of the total valuation. A city or town may also exempt up to 20 per cent 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 three years.

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” herein.

The following shows the assessed and equalized valuations for the most recent fiscal years:

	Fiscal Year				
	<u>2017</u>	<u>2016</u>	<u>2015 (1)</u>	<u>2014</u>	<u>2013</u>
Real Property (2)	\$2,049,908,900	\$1,927,108,300	\$1,920,223,300	\$1,916,760,400	\$2,000,885,300
Personal Property (2)	<u>39,715,147</u>	<u>38,222,365</u>	<u>37,444,638</u>	<u>34,860,992</u>	<u>34,832,061</u>
Total	<u>\$2,089,624,047</u>	<u>\$1,965,330,665</u>	<u>\$1,957,667,938</u>	<u>\$1,951,621,392</u>	<u>\$2,035,717,361</u>
Equalized Value (3)	\$2,077,458,300	\$2,039,169,100	\$2,039,169,100	\$2,179,751,100	\$2,179,751,100
Percent of Total Assessed to Equalized Valuation	100.6%	96.4%	96.0%	89.5%	93.4%

(1) Revaluation year.

(2) As of January 1, 2016, 2015, 2014, 2013 and 2012, respectively.

(3) Based on the equalized valuation in effect for each year as determined biennially by the State Department of Revenue as of January 1 of even numbered years effective for the next two fiscal years.

CLASSIFICATION OF PROPERTY

The following table shows the breakdown of the total assessed valuation for fiscal years 2017, 2016 and 2015 by classification:

<u>Class</u>	<u>Fiscal 2017 Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>Fiscal 2016 Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>Fiscal 2015 Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Residential	\$1,980,565,900	94.8%	\$1,860,169,200	94.6%	\$1,852,296,300	94.6%
Commercial	65,685,500	3.1	63,298,400	3.2	64,286,300	3.3
Industrial	3,657,500	0.2	3,640,700	0.2	3,640,700	0.2
Personal	<u>39,715,147</u>	<u>1.9</u>	<u>38,222,365</u>	<u>1.9</u>	<u>37,444,638</u>	<u>1.9</u>
Total	<u>\$2,089,624,047</u>	<u>100.0%</u>	<u>\$1,965,330,665</u>	<u>100.0%</u>	<u>\$1,957,667,938</u>	<u>100.0%</u>

TAX RATES

The following table shows the actual tax rates per \$1,000 of assessed valuation for the most recent fiscal years:

	<u>2017</u>	<u>2016</u>	<u>2015 (1)</u>	<u>2014</u>	<u>2013</u>
Actual Tax Rate	\$23.58	\$24.33	\$23.62 / \$26.13	\$23.15	\$21.54

(1) In fiscal 2015, the Town split its tax rate into residential and non-residential rates.

LARGEST TAXPAYERS (1)

The following is a list of the ten largest taxpayers for fiscal 2017. All these taxpayers are current on payment of real estate and personal property taxes to the Town.

<u>Name</u>	<u>Nature of Business</u>	<u>Total Assessed Valuations for Fiscal 2017</u>	<u>Amount of Tax</u>	<u>Percent of Total Levy</u>
Glenmeadow	Congregate Care	\$22,371,500	\$ 532,772	1.10%
Western Mass Electric	Public Utility	14,711,833	346,906	0.83
GPT Longmeadow LLC	Shopping Center	14,279,900	340,087	0.78
Longmeadow Park LLC	Professional Office	7,748,100	184,527	0.42
Interfaith Homes of Longmeadow	Elderly Housing	8,448,800	201,191	0.42
Baystate Gas Company	Public Utility	8,978,340	211,709	0.41
Tennessee Gas Pipeline	Public Utility	6,569,500	154,909	0.36
Longmeadow Mall Lmt. Prtnshp.	Shopping Center	6,364,500	151,576	0.35
Twin Hills Country Club	Golf Course	4,224,500	100,610	0.31
Genesis House Inc	Elderly Housing	<u>5,190,400</u>	<u>123,590</u>	<u>0.26</u>
Total		<u>\$98,887,373</u>	<u>\$2,347,877</u>	<u>5.22%</u>

TAX LEVIES

Levy-General. The principal tax of Massachusetts cities and towns 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" herein. As to the inclusion of debt service and final judgments, see "Security and Remedies" herein.

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" herein) 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" herein).

Taxation to Meet Deficits. As noted elsewhere (see "Abatements and Overlay" herein) 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 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 calculations 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.

The Town has voted to exclude the debt service on \$40,557,554 of currently outstanding bonds, including \$20,375,000 of the Refunded Bonds, from the limitations of Proposition 2½.

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 of 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.

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.

Initiative Petitions. Various other 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.

CALCULATION OF TAX LEVIES AND LEVY LIMITS

The following table shows the calculation of the tax levies for the most recent fiscal years:

	For Fiscal Year (000’s omitted)				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Gross Amount to be Raised:					
Appropriations	\$66,577	\$64,607	\$64,883	\$61,997	\$61,886
Other Local Expenditures	625	664	675	787	633
State & County Charges	246	210	203	178	207
Overlay Reserve	<u>149</u>	<u>160</u>	<u>188</u>	<u>134</u>	<u>153</u>
Total Gross Amount to be Raised	<u>\$67,597</u>	<u>\$65,941</u>	<u>\$65,950</u>	<u>\$63,096</u>	<u>\$62,878</u>
Less Estimated Receipts & Other Revenue:					
Estimated Receipts from State	6,410	6,224	\$ 6,063	\$ 5,887	\$ 5,811
Estimated Receipts – Local	10,454	10,007	10,943	10,119	9,224
Available Funds Appropriated:					
Free Cash	894	616	1,941	741	2,789
Other Available Funds	558	969	488	599	910
Free Cash & Other Revenue					
Used to Reduce the Tax Rate	<u>9</u>	<u>10</u>	<u>10</u>	<u>569</u>	<u>295</u>
Total Estimated Receipts & Revenue	<u>18,324</u>	<u>17,825</u>	<u>19,446</u>	<u>17,916</u>	<u>19,029</u>
Net Amount To Be Raised (Tax Levy)	<u>\$49,273</u>	<u>\$47,816</u>	<u>\$46,505</u>	<u>\$45,180</u>	<u>\$43,849</u>

The following shows the calculation of levy limits for the most recent fiscal years:

	For Fiscal Year (000's omitted)				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Primary Levy Limit (1)	\$52,241	\$49,133	\$48,942	\$48,791	\$50,893
Prior Fiscal Year Levy Limit	44,199	42,899	41,524	40,369	39,339
2.5% Levy Growth	1,105	1,072	1,038	1,009	983
New Growth (2)	180	228	336	147	130
Overrides	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Growth Levy Limit	45,484	44,199	42,899	41,524	40,453
Debt Exclusions	3,795	3,660	3,625	3,669	3,482
Other Adjustments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(83)</u>
Tax Levy Limit	49,279	47,859	46,524	45,194	43,853
Tax Levy	49,273	47,816	46,505	<u>45,180</u>	<u>43,849</u>
Unused Levy Capacity (3)	\$ 6	\$ 43	\$ 19	\$ 14	\$ 4
Unused Primary Levy Capacity (4)	<u>\$ 6,756</u>	<u>\$ 4,934</u>	<u>\$ 6,043</u>	<u>\$ 7,266</u>	<u>\$10,440</u>

(1) 2.5% of assessed valuation.

(2) Allowed increase for new valuations certified by the Department of Revenue.

(3) Tax Levy Limit less the Tax Levy.

(4) Primary Levy Limit less Growth Levy Limit.

TAX COLLECTIONS AND ABATEMENTS

Payment Dates. The taxes for each fiscal year are due in four installments on August 1, November 1, February 1 (subject to deferral if tax bills are sent out late) and May 1. The Town has never deferred the payment date of its February tax bill.

Lien. 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.

Personal Liability. 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 as described in "Taking and Sale" herein.

The following shows the total tax levy, the reserve for abatements, the net levy and the amounts collected during each fiscal year and as of a more recent date for the most recent fiscal years:

	For Fiscal Year				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Tax Levy	\$49,273,335	\$47,816,495	\$46,504,600	\$45,180,035	\$43,849,352
Overlay Reserve for Abatements	<u>149,077</u>	<u>160,098</u>	<u>188,467</u>	<u>133,929</u>	<u>152,632</u>
Net Tax Levy (1)	<u>\$49,124,258</u>	<u>\$47,656,397</u>	<u>\$46,316,132</u>	<u>\$45,046,106</u>	<u>\$43,696,720</u>
Amount Collected During					
Fiscal Year Payable (2)	\$49,095,623	\$47,505,236	\$45,991,252	\$44,592,631	\$43,287,922
Percent of Net Tax Levy	99.9%	99.7%	99.3%	99.0%	99.0%
Amount Collected					
Through 08/31/17 (2)	\$49,132,841	\$47,751,779	\$46,068,016	\$44,901,272	\$43,507,448
Percent of Net Tax Levy	100.0%	100.2%	99.5%	99.5%	99.8%

(1) Net after deduction of overlay reserve for abatements.

(2) Actual collections of levy less refunds and amounts refundable but not including proceeds of tax titles and tax possessions attributed to such levy but not including abatements or other credits.

As of August 31, 2017, the Town has collected \$12,221,340 of its fiscal 2018 tax levy, based on estimated tax bills due August 1, 2017.

Abatements and Overlay. A city or town is authorized 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 shows the abatements granted during the most recent fiscal years as well as through a more recent date for the most recent fiscal years:

	For Fiscal Year				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Levy	\$49,273,335	\$47,816,495	\$46,504,600	\$45,180,035	\$43,849,352
Overlay Reserve for Abatements	149,077	160,098	188,467	133,929	152,632
Percent of Tax Levy	0.3%	0.3%	0.4%	0.3%	0.3%
Abatements Granted:					
During Fiscal Year of Levy	\$136,439	\$89,673	\$126,187	\$88,257	\$91,606
Through 08/31/17	\$138,616	\$90,344	\$132,333	\$89,611	\$119,076

Taking and Sale. 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.

Sales of Tax Receivables. Cities and town are authorized to sell delinquent property tax receivables by public sale or auction either individually or in bulk.

TOWN FINANCES

The annual appropriations of the Town are ordinarily made at the annual meeting which takes place in May. Appropriations may also be voted at special meetings. The Town has a Town Manager and a Finance Committee which submit reports and recommendations on proposed expenditures at town meetings.

Under certain circumstances and subject to certain limits and requirements, the city council of a city, upon the recommendation of the mayor, may transfer amounts appropriated for the use of one department (except for a municipal light department or a school department) to another appropriation for the same department or for the use of any other department. In a town, town meeting may at any time vote to transfer any amount previously appropriated to any other authorized use by law, and, under certain circumstances and subject to certain limits and requirements, the selectmen of a town, with the concurrence of the finance committee, may transfer amounts appropriated for the use of any department to any other appropriation for the same department or to any other department.

Water and sewer department expenditures are included in the budgets adopted by town meetings but electric and gas department funds may be appropriated by the municipal light boards. Under certain legislation any city or town which accepts the legislation may provide that the appropriation for the operating costs of any department may be offset, in whole or in part, by estimated receipts from fees charged for services provided by the department. It is assumed that this general provision does not alter the pre-existing power of an electric or gas department to appropriate its own receipts.

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. (See "Property Taxation" herein.)

BUDGET COMPARISON

The following table sets forth the final budgets for fiscal years 2014 through 2018:

<u>Fiscal Year</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Government	\$ 1,522,774	\$ 1,489,589	\$ 1,514,055	\$ 1,482,049	\$ 1,386,376
Public Safety	5,107,478	4,828,955	4,704,431	4,742,962	4,608,779
Planning / Community Devl.	184,707	184,992	184,985	186,585	183,313
Education	33,669,978	33,153,629	32,086,384	31,367,616	30,690,396
Public Works	3,460,842	3,445,417	3,560,893	3,528,825	3,344,250
Water, Sewer, Recycling	5,639,197	5,327,965	5,102,262	5,239,632	5,073,966
Community Services	1,639,825	1,567,106	1,554,716	1,574,514	1,545,050
Debt Service	4,086,211	3,987,607	3,955,862	3,788,324	3,953,869
Employee Benefits / Insurance	<u>8,936,700</u>	<u>8,359,331</u>	<u>7,761,800</u>	<u>7,272,300</u>	<u>6,991,500</u>
Total	<u>\$64,247,712</u>	<u>\$62,344,591</u>	<u>\$60,425,388</u>	<u>\$59,182,806</u>	<u>\$57,777,499</u>

STATE 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 of Massachusetts provides financial assistance to cities and towns for current purposes. Payment of local aid to cities and towns is 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. Payments of state aid to cities and towns are based upon numerous separate 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 for the next fiscal year but the actual State aid payments may vary from the estimates.

The following table presents the actual receipts in each of the most recent fiscal years and the amount budgeted to be received in fiscal 2018.

<u>Fiscal Year</u>	<u>Total From State</u>
2018 (budgeted)	\$6,189,953
2017 (unaudited)	6,032,605
2016	5,842,251
2015	5,702,044
2014	5,584,583
2013	5,442,967

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 50% 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. Approved project costs included the interest expense incurred on debt issued by a municipality to finance the school project. In recent years, demand for school building assistance grants far exceeded available funds.

Pursuant to legislation which became effective on July 26, 2004, the Commonwealth 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 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 be paid 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, shall be included in the approved costs of such projects.

The maximum reimbursement rate for new project grant applications submitted to the Authority on or after July 1, 2007, is 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.

The Town completed the construction of a new High School in 2016 and received funding assistance from the Authority toward project costs. The Town does not currently have any on-going school construction activities.

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 manufacturer's 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 motor vehicles.

The following table presents the actual receipts in each of the most recent fiscal years and the amount budgeted to be received in fiscal 2018:

<u>Fiscal Year</u>	<u>Receipts (1)</u>
2018 (budgeted)	\$2,440,000
2017 (unaudited)	2,518,029
2016	2,444,495
2015	2,348,235
2014	2,365,827
2013	2,082,659

(1) Net after refunds. Includes receipts for prior years.

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 owner 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 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 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 to the municipality in which the fuel being taxed was transferred into an aircraft.

Of the three local option taxes, the Town has only implemented the meals excise tax, voted at its October 23, 2012, Special Town Meeting. The following table shows the actual receipts in each of the most recent fiscal years and the amount budgeted to be received in fiscal 2018:

<u>Fiscal Year</u>	<u>Receipts</u>
2018 (budgeted)	\$130,000
2017 (unaudited)	128,356
2016	134,028
2015	134,117
2014	122,930
2013	32,410

COMMUNITY PRESERVATION ACT

The Massachusetts Community Preservation Act (the "CPA" or the "Community Preservation Act") 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” herein). 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 Town voted to accept this legislation to be in effect in fiscal 2007. The Town implemented a one percent surcharge, with the first \$100,000 of residential valuation exempt from such surcharge. As of June 30, 2017, the Town has \$1,668,615 in its Community Preservation Fund, of which \$1,095,050 has been appropriated for use in fiscal 2018.

TAX INCREMENT FINANCING FOR DEVELOPMENT DISTRICTS

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 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 2½.

At the 2017 Annual Town Meeting, the Town voted to establish a development district known as the Dwight Road Improvement District, located on the east side of the Town extending to the East Longmeadow border. The Town has authorizing the borrowing of \$2,500,000 to fund public infrastructure improvements including road, sidewalk, and traffic and pedestrian signal improvements. The intent is to promote redevelopment activities in this portion of the Town.

INVESTMENTS

Investments of funds of cities and towns, except for trust funds, are generally restricted by Massachusetts General Laws Chapter 44, s.55. That statute permits investments of available revenue funds and bond and note proceeds in term deposits and certificates of deposit 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 of 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 Trust’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.

Trust 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.

UNASSIGNED GENERAL FUND BALANCE AND 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. The Town Accountant may certify as available for appropriation an adjusted free cash figure by adding back those uncollected and overdue property taxes which are subsequently collected between July 1 and the following March 31 of any year.

The following table sets forth the unassigned general fund balance and certified free cash for the most recent fiscal years:

<u>June 30,</u>	<u>Unassigned General Fund Balance</u>	<u>Free Cash</u>
2016	\$4,379,314	\$ 980,932
2015	4,270,037	1,041,374
2014	4,195,088	1,696,857
2013	3,363,719	991,644
2012	4,848,714	1,952,691

The Town does not yet have draft audited financials for fiscal 2017. An unaudited balance sheet for fiscal 2017, as prepared by the Town Account, has been included in Appendix A. As of the end of fiscal 2017, there were no over expended appropriations and no revenue deficits.

STABILIZATION FUND

The Town has maintained a Stabilization Fund for several years. Under Massachusetts statutes, funds may be appropriated from the Fund for any municipal purpose. The following is the balance in the account at the end of the most recent fiscal years:

<u>Fiscal Year</u>	<u>Amount</u>
2017 (unaudited)	\$3,091,231 (1)
2016	2,877,748
2015	2,710,305
2014	2,176,337
2013	2,160,585

(1) Of this amount, none has been appropriated for use during fiscal 2018.

COLLECTIVE BARGAINING

City and town employees (other than managerial and confidential employees) are entitled to join unions and to bargain collectively on questions of wages, hours and other terms and conditions of employment.

The Town employs approximately 750 full and permanent part-time workers. Approximately 518 employees of the Town are represented by eleven unions.

The table below indicates the status of contracts between the Town and the various unions representing Town employees. The Town is currently in negotiations with the bargaining units for which contracts have expired; the Town expects to successfully complete those negotiations.

<u>Employee Category</u>	<u>Represented By</u>	<u>Employees</u>	<u>Expires</u>
Clerical	Longmeadow Organization of Clerical Workers	10	06/30/19
D.P.W.	American Federation of State, County & Municipal Employees, AFL-CIO Local 1364, MA State Council #93	31	06/30/19
Fire	International Association of Firefighters AFL-CIO, CLC, Local Union 1903	21	06/30/18
Police Officers	International Brotherhood of Police Officers, Chapter 370	20	06/30/19
Police Supervisors	Longmeadow Police Supervisors Association	6	06/30/19
Schools:	Longmeadow Education Association		
	Massachusetts Teachers Association:		
Teachers	Unit A	278	08/31/18
Administrators	Unit B	5	08/31/18
Secretaries and Instructional Assistant	Unit D	25	06/30/18
Educational Assistants	Unit F	77	08/31/18
Custodians	Unit H	20	06/30/18
Specialists	Unit E	25	06/30/18

PHYSICAL AND ECONOMIC CHARACTERISTICS

The Town of Longmeadow, located in Hampden County, approximately 90 miles west of Boston, is an affluent suburban town located on the southern edge of the Pioneer Valley region of Massachusetts. The Town is bordered on the north by the City of Springfield, on the east by the Town of East Longmeadow, on the west by the City of Agawam, and the south by the state of Connecticut. The Town is ideally located along Interstate 91, which provides direct access to the City of Hartford, Connecticut to the south, the City of Springfield to the immediate north, the cities of Holyoke, Chicopee and

Northampton, Massachusetts, and Brattleboro, Vermont to the farther north. This main route provides residents direct access to employers throughout the Pioneer Valley.

Bay Path College, a noted women’s school, founded in 1897 offers undergraduate and graduate degrees. Its main campus is located in the Town and is one of the Town’s largest employers. The Willie Ross School for the Deaf, Yeshiva Academy and St. Mary’s Academy are also located in the Town.

Longmeadow was once an agricultural community which experienced significant growth as Springfield’s development pushed south. Currently, the Town has a large percentage of residents working in managerial and professional fields which accounts for the Town having the highest median income in the region.

The Pioneer Valley is a diverse region that contains both the fourth largest New England metropolitan area (Springfield) and the most rural Massachusetts County (Franklin). Employers are concentrated in the south around the urban core and northward along the Interstate 91 corridor. The five communities that have the most jobs are Springfield, Holyoke, Chicopee, Northampton, Amherst and West Springfield. Both Springfield and Agawam, which border Longmeadow, are regional employment centers which offer residents various employment opportunities in numerous, diverse fields such as financial, manufacturing, commercial and service trades, to name a few. Higher education is also abundant throughout the Pioneer Valley. The main campus of Bay Path University is located within the Town. Neighboring Springfield is home to the American International College, Springfield College and Western New England University and School of Law. Additionally, the main campuses of the University of Massachusetts, Amherst College, Hampshire College, Mount Holyoke College, Smith College, Elms College and Westfield State University are located in nearby communities.

The ability for residents to access a variety of employment centers along with higher education has contributed to Longmeadow’s reputation as being the most desirable of all Springfield’s residential suburbs. Between 1915 and 1940, the Town gained over 4,000 residents and established itself as a residential community.

The Town also has very convenient access to Bradley International Airport, in Windsor Locks, Connecticut.

PRINCIPAL EMPLOYERS (1)

The following are the large employers, other than the Town itself, located in the Town:

<u>Company</u>	<u>Nature of Business</u>	<u>Approximate Number of Current Employees</u>
Jewish Geriatric Services Inc.	Social Assistance	392
Bay Path College	Educational Services	383
Glenmeadow Retirement	Nursing and Residential Care	213
Big Y	Food and Beverage Store	146
Longmeadow Country Club	Recreation Activities	35/63*
Twin Hills Country Club	Recreation Activities	40/85*
Max Burger	Restaurant	67
Willie Ross School for the Deaf	Education Services	51
Aramta’s Super Market	Food and Beverage Store	53
Bertucci’s	Restaurant	34

(1) Source: the Town.
 * Seasonal, spring, fall and summer

Employment and Payrolls

<u>Employment by Industry</u>	Calendar Year Average				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Construction & Natural Resources	101	94	83	99	79
Manufacturing	4	-0-	-0-	-0-	-0-
Trade, Transportation & Utilities	422	425	445	431	402
Financial Activities	181	170	263	260	258
Professional & Business Services	274	138	139	178	152
Education & Health Services	1,978	2,000	1,952	1,874	1,847
Leisure & Hospitality	523	544	569	522	450
Information & Other Services	112	106	75	166	202
Public Administration	-0-	-0-	-0-	-0-	-0-
Total Employment	<u>3,671</u>	<u>3,619</u>	<u>3,699</u>	<u>3,684</u>	<u>3,530</u>
Number of Establishments	373	366	346	350	349
Total Annual Wage (000)	\$152,653	\$144,204	\$143,090	\$134,507	\$123,602
Average Weekly Wage	\$800	\$766	\$744	\$702	\$673

Source: Massachusetts Executive Office of Labor & Workforce Development.

BUILDING PERMITS

The following table presents the number of building permits issued and the estimated value of the permitted construction for the past five fiscal years.

<u>Fiscal Year</u>	<u>Number</u>	<u>Estimated Value</u>
2017	615	\$14,891,126
2016	740	16,573,637
2015	652	14,715,440
2014	599	12,999,029
2013	486	18,283,356

PUBLIC SCHOOL ENROLLMENTS (1)

The following table presents the number of students attending schools in the Town as of October 1 of the years shown.

	Actual				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Grades K-4	990	939	961	953	967
Grades 5-8	939	968	895	922	889
Grades 9-12	989	971	958	959	944
	<u>2,918</u>	<u>2,878</u>	<u>2,814</u>	<u>2,834</u>	<u>2,800</u>

(1) As of October 1 of each year.

Upon the completion of the new school project currently under construction, the Town believes its need for space will be satisfied for the foreseeable future.

OTHER DATA

Employment (1)

<u>Calendar Year (2)</u>	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment Rate</u>			
			<u>Town</u>	<u>County</u>	<u>State</u>	<u>US</u>
2017 (July)	8,168	7,854	3.8%	6.2%	4.4%	4.6%
2016	8,028	7,795	2.9	5.0	3.7	4.9
2015	8,025	7,736	3.6	6.6	4.9	5.3
2014	8,000	7,667	4.2	7.8	5.8	6.2
2013	7,921	7,544	4.8	9.1	6.7	7.4

(1) Source: Massachusetts Executive Office of Labor & Workforce Development.

(2) Full year averages except for 2017 which is for the month indicated.

Population (1)

<u>Year</u>	<u>Longmeadow</u>		<u>Hampden County</u>		<u>Massachusetts</u>	
	<u>Number</u>	<u>% Change</u>	<u>Number</u>	<u>% Change</u>	<u>Number</u>	<u>% Change</u>
2015 estimate	15,898	0.7	470,690	1.6	6,794,422	3.8
2010	15,784	1.0	463,490	1.6	6,547,629	3.1
2000	15,633	1.1	456,228	0.0	6,349,097	5.5
1990	15,467	(5.1)	456,310	3.0	6,016,425	4.9
1980	16,301	0.0	443,018	0.0	5,737,037	0.0

(1) Source: U.S. Department of Commerce for actuals and estimates.

Population Density (1)

Year	Longmeadow		Hampden County		Massachusetts	
	Number	Density	Number	Density	Number	Density
2015 estimate	15,898	1,762.3	470,690	761.0	6,794,422	866.9
2010	15,784	1,749.7	463,490	749.4	6,547,629	835.4
2000	15,633	1,733.0	456,228	737.6	6,349,097	810.0
1990	15,467	1,714.6	456,310	737.7	6,016,425	767.6
1980	16,301	1,807.0	443,018	716.3	5,737,037	732.0

(1) Source: U.S. Department of Commerce for actuals and estimates.

(2) Based on 9.0 square miles.

Population Composition By Age (1)

Age	Longmeadow		Hampden County		Massachusetts	
	Number	Percent	Number	Percent	Number	Percent
Under 5 Years	724	4.6	27,484	5.9	365,841	5.5
5 Years to 19 Years	3,561	22.4	94,706	20.2	1,241,719	18.5
20 Years to 64 Years	8,469	53.3	275,949	59.0	4,112,608	61.3
65 Years and Over	<u>3,123</u>	<u>19.7</u>	<u>69,902</u>	<u>14.9</u>	<u>985,418</u>	<u>14.7</u>
Total	<u>15,877</u>	<u>100.0</u>	<u>468,041</u>	<u>100.0</u>	<u>6,705,586</u>	<u>100.0</u>
Median Age	46.3		38.6		39.3	
Median Age (2000)	42.9		36.4		36.5	

(1) Source: U.S. Department of Commerce, 2015 5-year estimates.

Per Capita Income Levels (1)

Year	Longmeadow		Hampden County		Massachusetts	
	Amount	% Change	Amount	% Change	Amount	% Change
2015 5-year estimates	\$53,809	38.2	\$26,560	35.9	\$36,895	42.2
1999	38,949	33.2	19,541	39.3	25,952	50.7
1989	29,244	138.0	14,029	108.4	17,224	131.0
1979	12,287	0.0	6,731	0.0	7,457	0.0
% Below Poverty Level (2015 5-year estimates)	4.4		17.5		11.6	

(1) Source: U.S. Department of Commerce.

Family Income Distribution (1)

Income for Families	Longmeadow		Hampden County		Massachusetts	
	Families	Percent	Families	Percent	Families	Percent
Less than \$10,000	80	1.8	7,310	6.3	58,643	3.6
10,000 - 24,999	136	3.1	14,917	12.9	131,129	8.1
25,000 - 49,999	319	7.3	24,918	21.5	258,055	15.9
50,000 - 74,999	512	11.7	20,067	17.4	249,664	15.4
75,000 - 99,999	529	12.1	15,754	13.6	223,266	13.8
100,000 - 149,999	1,028	23.5	19,304	16.7	332,072	20.5
150,000 or more	<u>1,768</u>	<u>40.4</u>	<u>13,381</u>	<u>11.6</u>	<u>368,088</u>	<u>22.7</u>
Total	<u>4,372</u>	<u>100.0</u>	<u>115,651</u>	<u>100.0</u>	<u>1,620,917</u>	<u>100.0</u>
Median Income	\$131,086		\$62,350		\$87,085	

(1) Source: U.S. Department of Commerce. 2015 5-year estimates.

Household Income Distribution (1)

Income for Households	Longmeadow		Hampden County		Massachusetts	
	Households	Percent	Households	Percent	Households	Percent
Less than \$10,000	184	3.2	14,375	8.1	155,390	6.1
10,000 - 24,999	454	8.0	33,985	19.2	348,350	13.7
25,000 - 49,999	575	10.1	39,369	22.3	462,242	18.1
50,000 - 74,999	699	12.3	29,688	16.8	402,960	15.8
75,000 - 99,999	601	10.6	21,099	11.9	317,568	12.5
100,000 - 149,999	1,262	22.2	23,354	13.2	429,874	16.9
150,000 or more	<u>1,900</u>	<u>33.5</u>	<u>15,030</u>	<u>8.5</u>	<u>433,337</u>	<u>17.0</u>
Total	<u>5,675</u>	<u>100.0</u>	<u>176,900</u>	<u>100.0</u>	<u>2,549,721</u>	<u>100.0</u>
Median Income	\$111,081		\$50,461		\$68,563	

(1) Source: U.S. Department of Commerce. 2015 5-year estimates.

Value Distribution Of Specified Owner-Occupied Housing Units (1)

Units	Longmeadow		Hampden County		Massachusetts	
	Number	Percent	Number	Percent	Number	Percent
Less than \$100,000	74	1.4	9,284	8.5	68,999	4.4
100,000 - 199,999	347	6.7	47,115	43.2	221,180	14.0
200,000 - 299,999	1,746	33.9	32,644	29.9	384,150	24.3
300,000 - 499,999	2,093	40.6	16,433	15.1	563,047	35.6
500,000 - 999,999	820	15.9	3,077	2.8	285,504	18.0
1,000,000 or more	<u>69</u>	<u>1.3</u>	<u>534</u>	<u>0.5</u>	<u>60,787</u>	<u>3.8</u>
Total	<u>5,149</u>	<u>100.0</u>	<u>109,087</u>	<u>100.0</u>	<u>1,583,667</u>	<u>100.0</u>
Median Value	\$334,300		\$196,400		\$333,100	

(1) Source: U.S. Department of Commerce. 2015 5-year estimates.

Age Distribution Of Housing Units (1)

Year Built	Longmeadow		Hampden County		Massachusetts	
	Number	Percent	Number	Percent	Number	Percent
2000 or later	122	2.1	11,119	5.8	240,035	8.5
1980 to 1999	713	12.0	27,253	14.2	514,947	18.2
1940 to 1979	3,582	60.4	92,512	48.2	1,111,194	39.3
1939 or Earlier	<u>1,515</u>	<u>25.5</u>	<u>61,216</u>	<u>31.9</u>	<u>961,644</u>	<u>34.0</u>
Total	<u>5,932</u>	<u>100.0</u>	<u>192,100</u>	<u>100.0</u>	<u>2,827,820</u>	<u>100.0</u>

(1) Source: U.S. Department of Commerce. 2015 5-year estimates.

Housing Unit Inventory (1)

Units in Structure	Longmeadow		Hampden County		Massachusetts	
	Number	Percent	Number	Percent	Number	Percent
1, Detached	5,428	91.5	107,333	55.9	1,474,897	52.2
1, Attached	45	0.8	7,397	3.9	148,269	5.2
2 to 4	83	1.4	40,018	20.8	596,266	21.1
5 to 9	14	0.2	12,390	6.4	166,495	5.9
10 to 19	138	2.3	7,020	3.7	121,415	4.3
20 or More	224	3.8	15,582	8.1	295,922	10.5
Mobile Home, Trailer, Other	-0-	0.0	<u>2,360</u>	<u>1.2</u>	<u>24,556</u>	<u>0.9</u>
Total	<u>5,932</u>	<u>100.0</u>	<u>192,100</u>	<u>100.0</u>	<u>2,827,820</u>	<u>100.0</u>

(1) Source: U.S. Department of Commerce. 2015 5-year estimates.

Educational Attainment (1)

Years of School Completed	Longmeadow		Hampden County		Massachusetts	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th Grade	201	1.8	19,454	6.3	220,055	4.8
9th to 12th Grade, No Diploma	271	2.5	27,659	8.9	251,050	5.4
High School Graduate	1,314	12.1	95,498	30.8	1,169,375	25.4
Some College, No Degree	1,327	12.2	58,504	18.8	745,794	16.2
Associate's Degree	621	5.7	29,216	9.4	357,133	7.7
Bachelor's Degree	3,093	28.4	48,358	15.6	1,049,150	22.8
Graduate or Professional Degree	4,075	37.4	31,678	10.2	817,953	17.7
Total	<u>10,902</u>	<u>100.0</u>	<u>310,367</u>	<u>100.0</u>	<u>4,610,510</u>	<u>100.0</u>
High School Graduate or Higher	10,430	95.7	263,254	84.8	4,139,405	89.8
Bachelor's Degree or Higher	7,168	65.7	80,036	25.8	1,867,103	40.5

(1) Source: U.S. Department of Commerce. 2015 5-year estimates.

LITIGATION

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

**TOWN OF LONGMEADOW
Massachusetts**

By: /s/ Cheryl M. Cudnik
Treasurer / Collector

Dated: September 19, 2017

APPENDIX A

The Town's unaudited General Fund balance sheet for June 30, 2017, has been included on the following page. The accounting for the Undesignated General Fund Balance has been performed in accordance with the Uniform Municipal Accounting System in Massachusetts and may vary significantly from the Unassigned Fund Balance figure presented in the audited financial statements. The unaudited Balance Sheet is not in compliance with GASB 54; in this case, the Stabilization Fund is accounted for in the Trust Funds.

The following Balance Sheets for fiscal years ending June 30, 2012 through 2016, and the Comparative Statements of Revenues and Expenditures for fiscal years ending June 30, 2012 through 2016, have been excerpted from the audited financial statements of the Town for those years.

The audited financial statements for the Town for the year ended June 30, 2016, are presented in Appendix B.

**TOWN OF LONGMEADOW, MASSACHUSETTS
GENERAL FUND BALANCE SHEET (1)
YEAR ENDED JUNE 30,**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$3,828,631	\$4,566,428	\$6,771,523	\$6,815,794	\$ 8,302,466
Investments	3,437,610	1,910,034	578,013	584,316	948,470
Receivables:	1,123,715	1,100,463			
Property Taxes	0	0	493,101	396,724	403,929
Deferred Property Taxes	0	0	64,002	54,197	43,984
Tax Liens	0	0	121,088	168,339	152,199
Excise Taxes	0	0	84,376	178,932	104,157
Departmental	0	0	45,276	50,681	17,200
Special Assessments	0	0	7,788	9,506	11,064
Due from Other Governments	0	0	89,839	54,255	9,214
Interfund Receivables	673,555	334,840	0	0	0
Prepaid Expenses	23,493	602,395	14,247	750	8,346
Total Assets	<u>\$9,087,004</u>	<u>\$8,514,160</u>	<u>\$8,269,253</u>	<u>\$8,313,494</u>	<u>\$10,001,029</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts Payable	\$ 576,780	\$ 774,664	\$ 965,455	\$ 595,905	\$ 724,773
Salaries, withholdings and benefits	745,612	662,294	347,468	344,098	286,451
Tax Refund Payable	0	0	0	42,000	225,000
Other	0	0	237,895	20,039	17,981
Deferred Revenue:					
Property Taxes	--	--	--	280,484	252,394
Other	--	--	--	486,660	337,818
Total Liabilities	<u>\$1,322,392</u>	<u>\$1,436,958</u>	<u>\$1,550,818</u>	<u>\$1,769,186</u>	<u>\$ 1,844,417</u>
Deferred Inflows of Resources	\$ 980,049	\$ 977,397	\$ 759,456	--	--
Equities and Other Credits:					
Restricted	\$ 980,453	\$ 392,915	\$ 98,999	\$ 288,623	\$ 1,729,708
Assigned	1,640,147	1,108,218	1,664,892	2,891,966	1,578,190
Unassigned (2)	<u>4,163,963</u>	<u>4,598,672</u>	<u>4,195,088</u>	<u>3,363,719</u>	<u>4,848,714</u>
Total Fund Balance	<u>\$6,784,563</u>	<u>\$6,099,805</u>	<u>\$5,958,979</u>	<u>\$6,544,308</u>	<u>\$ 8,156,612</u>
Total Liabilities and Fund Balances	<u>\$9,087,004</u>	<u>\$8,514,160</u>	<u>\$8,269,253</u>	<u>\$8,313,494</u>	<u>\$10,001,029</u>

(1) As audited by Lynch, Malloy, Marini, LLP, Certified Public Accountants and Advisors of Norwell, Massachusetts, (2016) and Thomas J. Scanlon, Certified Public Accountant, of South Deerfield, Massachusetts, (2012 through 2015).

TOWN OF LONGMEADOW
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND (1)
YEAR ENDED JUNE 30,

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenues:					
Property Taxes	\$47,901,873	\$46,311,285	\$45,044,416	\$43,678,564	\$40,924,616
State Receipts	0	0	5,766,176	5,569,487	5,483,250
Excise and Other Taxes	2,444,495	2,354,315	2,534,075	2,164,670	2,070,651
Charges for Services	1,292,023	1,529,144	0	0	0
Licenses, Permits, Fines	0	0	866,682	852,813	853,159
Penalties and Interest	154,995	139,921	136,628	128,285	115,520
Interest on Investments	74,243	100,706	70,530	195,782	345,912
Intergovernmental	<u>11,359,882</u>	<u>9,287,557</u>	<u>7,941,129</u>	<u>7,640,274</u>	<u>7,276,169</u>
Total Revenues	<u>\$63,227,511</u>	<u>\$59,722,928</u>	<u>\$62,359,636</u>	<u>\$60,229,875</u>	<u>\$57,069,277</u>
Expenditures:					
General Government	\$ 1,517,681	\$ 1,239,630	\$ 1,626,032	\$ 1,645,501	\$ 1,630,754
Public Safety	4,767,660	5,676,015	4,739,826	4,846,789	4,462,011
Public Works	4,516,621	4,301,310	5,761,362	4,235,978	3,069,915
Education	32,191,749	31,593,517	30,216,120	30,355,952	29,488,953
Health and Human Services	417,055	425,990	348,367	305,952	287,997
Culture and Recreation	1,262,241	1,100,698	1,177,554	1,208,739	1,203,282
Employee Benefits and Insurance	13,294,465	11,028,414	15,038,014	14,017,622	13,787,047
State and County Assessments	210,806	184,413	193,198	206,525	206,038
Debt Service – Principal	2,000,000	1,845,000	2,107,000	2,675,000	700,000
Debt Service – Interest	<u>1,771,458</u>	<u>1,792,835</u>	<u>1,955,559</u>	<u>1,973,296</u>	<u>1,736,734</u>
Total Expenditures	<u>\$61,949,736</u>	<u>\$59,187,822</u>	<u>\$63,163,032</u>	<u>\$61,471,354</u>	<u>\$56,572,731</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 1,277,775</u>	<u>\$ 535,106</u>	<u>\$ (803,396)</u>	<u>\$ (1,241,479)</u>	<u>\$ 496,546</u>
Other Financing Sources (Uses):					
Operating Transfers In	\$ 564,000	\$ 981,223	\$ 986,755	\$ 1,836,673	\$ 1,192,147
Proceeds/Payments of Bonds	0	0	0	(1,344,978)	0
Operating Transfers (Out)	<u>(1,157,017)</u>	<u>(1,375,499)</u>	<u>(768,688)</u>	<u>(862,520)</u>	<u>(1,695,898)</u>
Total Other Financing Sources (Uses)	<u>(593,017)</u>	<u>(394,276)</u>	<u>218,067</u>	<u>(370,825)</u>	<u>(503,751)</u>
Net Change in Fund Balance	684,758	140,830	(585,329)	(1,612,304)	(7,205)
Fund Balance, Beginning (2)	<u>\$ 6,099,805</u>	<u>\$ 5,958,979</u>	<u>\$ 6,544,308</u>	<u>\$ 8,156,612</u>	<u>\$ 8,163,817</u>
Fund Balance, Ending	<u>\$ 6,784,563</u>	<u>\$ 6,099,805</u>	<u>\$ 5,958,979</u>	<u>\$ 6,544,308</u>	<u>\$ 8,156,612</u>

(1) As audited by Lynch, Malloy, Marini, LLP, Certified Public Accountants and Advisors of Norwell, Massachusetts, (2016) and Thomas J. Scanlon, Certified Public Accountant, of South Deerfield, Massachusetts, (2012 through 2015).

APPENDIX B

There follows in this Appendix the audited financial statements of the Town of Longmeadow, Massachusetts, as of June 30, 2016, together with the auditor's report of Lynch, Malloy, Marini, LLP of Norwell, Massachusetts, Certified Public Accountant.

The attached report speaks only as of its date, and only to 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 B. Except as stated in their report, the auditors have not been engaged to verify the financial information set forth in Appendix B and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in Appendix B.