

## **Update on Rand Whitney Bonding**

Our financial advisor from Webster Bank has recommended that the Town of Montville issue Bond Anticipated Notes with maturity of 9 months. The interest rate should be about 3%. After the 9 months, the hope is that the market will have stabilized. At that time, the town will issue bonds with a term of 15 years. Currently, the interest rate on bonds that are selling is between 4 ½ to 5 ½ %. We expect that by the time we have to issue bonds the rate will have gone down.

Webster bank will recommend whether we will do a negotiated or competitive sale of the notes. With a competitive sale, we would send out notice of sale and receive bids. We would then choose the best one. With a negotiated bid, we would choose an underwriter (bank). The underwriter would negotiate for the best price.

The sale date is scheduled for November 13<sup>th</sup> with a closing date of November 20<sup>th</sup>

October 21, 2008