

City of Cambridge

MASSACHUSETTS

Agenda #8 Order increasing the authorization In City Council January 31, 1977 1977
 for temporary borrowing by \$15,000,000 to a
 total of \$45,000,000.

	YEA	NAY	ABSENT	PRESENT
Mrs. Ackermann	✓			
Mr. Clem			✓	
Mr. Clinton	✓			
Mr. Danehy				✓
Mr. Duehay	✓			
Mrs. Graham	✓			
Mr. Russell			✓	
Mr. Sullivan	✓			
Mayor Vellucci	✓			

6 0 2 1

Order Adopted - 6-0-2-1



City of Cambridge

IN CITY COUNCIL

January 31, 1977

ORDERED:

That the loan order adopted June 7, 1976, authorizing the borrowing of \$30,000,000 in anticipation of revenue for the current financial year is amended by increasing the amount of the authorized borrowing by \$15,000,000, so that the loan order will read as follows:

ORDERED:

That the City Treasurer be and hereby is authorized, with the approval of the City Manager, to borrow from time to time during the fiscal year beginning July 1, 1976, through June 30, 1977, a sum or sums in the aggregate not exceeding Forty-five Million Dollars (\$45,000,000) for the purpose of meeting the current expenses of the City of Cambridge on temporary loans in anticipation of the revenue of said financial year and to give for such loans notes of the City payable not later than one year from their respective dates, and to renew or replace the same or any portion thereof at or after their maturity by the issuance of new notes due not later than one year from the date of the original issue. Said notes shall be signed by the City Treasurer and countersigned by the City Manager and the City Auditor and shall be authenticated and certified by the City Treasurer.

In City Council January 31, 1977
Adopted by a yea and nay vote:
Yeas 6; Nays 0; Absent 2; Present 1.
Attest: Paul E. Healy, City Clerk

A true copy,

ATTEST:

A handwritten signature in cursive script that reads "Paul E. Healy".



CITY OF CAMBRIDGE
INTEROFFICE CORRESPONDENCE

To James L. Sullivan, City Manager *E. A. Lehan* **Date** 1/27/77
From Edward A. Lehan, Finance Director **Reference**
Subject Additional Borrowing Authorization

On June 7, 1976 the City Council authorized borrowings in anticipation of revenue of \$30,000,000 for fiscal year 1976-77. As indicated by the attached table, we have exhausted our borrowing authority. Since no significant tax revenue can be anticipated before March at the earliest, I recommend an increase in borrowing authority of fifteen million dollars.

This year, Cambridge is experiencing a revenue and expenditure pattern substantially different from the prior year, causing us to borrow much more heavily than in the previous year. Some of the major contributing factors appear to be:

- The City started the current year with \$1 690 725 less in cash than the year before
- The one-time pension payment was up \$820 625 over last fiscal year
- Payrolls, the City's most regular expenditure, are up 6% this year over last
- Blue Cross/Blue Shield payments are up substantially
- Due to problems with State reimbursements, Hospital revenues are \$1 367 815.53 behind early estimates (as of 01/20/77)

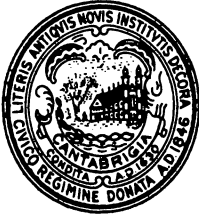
Of the above listed problems, all but the looming Hospital revenue shortfall are basically cash-flow problems (since the expenditures were accurately budgeted but must all be financed by property taxes which are collected only twice yearly.) The Hospital has instituted a new computerized accounts receivable system which is expected to improve collections in the latter half of this fiscal year.

REVENUE ANTICIPATION NOTES FOR FISCAL YEAR 1976-77

NO.	AMOUNT	FROM	TO	INTEREST RATE	INTEREST
1	6 000 000	7/28/76	11/02/76	3.08	49,724.62
2	8 000 000	8/20/76	11/08/76	3.12	55,390.01
3	4 000 000	9/16/76	11/10/76	2.86	17,502.22
4	8 000 000	11/22/76	5/10/77	2.89	108,535.18
5	4 000 000	1/14/77	5/11/77	2.80	36,400.00

TOTAL BORROWED 30,000,000.00

INTEREST PAID 267,552.03



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
Tel. 876-6800

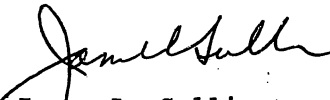
EXECUTIVE DEPARTMENT
JAMES L. SULLIVAN
City Manager

January 31, 1977

To the Honorable, the City Council:

Attached herewith is an order increasing the authorization for temporary borrowing to \$45 million, along with a memorandum from the Assistant City Manager for Fiscal Affairs explaining the need for such authorization.

Very truly yours,


James L. Sullivan
City Manager

JLS/mbf
Enc. 3

Order increasing the authorization for temporary borrowing by \$15,000,000 to a total of \$45,000,000.

In City Council,

Jan. 31, 1977

1/31/77

Order

Adopted

6-0-2-1