

# CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139  
Tel. 876-6800

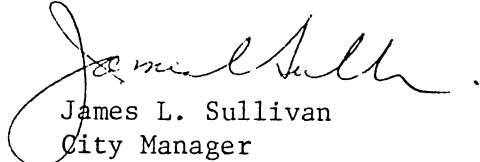
EXECUTIVE DEPARTMENT  
JAMES L. SULLIVAN  
City Manager

January 23, 1978

To the Honorable, the City Council:

In accordance with City Council Order No. 3 of  
January 9, 1978, relative to the issuance of bonds  
for the new High School, I am resubmitting herewith  
material submitted to your Honorable Body on  
December 19, 1977, Agenda Item No. 2, for your  
consideration.

Very truly yours,

  
James L. Sullivan  
City Manager

JLS/b

December 19, 1977

To the Honorable, the City Council:

As you will recall, in June of 1976 we were forced, against our will, to borrow \$20,600,000 in anticipation of bonding in order to protect the City's 65% State reimbursement for the high school renovation project. Originally, we had planned to use bond anticipation notes sparingly and to seek permanent financing in the spring of 1977 when the construction phase of the project was to begin.

In November of 1976 Karen Carmean, et al, brought suit against the City to stop the high school project, effectively preventing us from floating the bond issue. This suit was not finally dismissed until late spring of 1977, forcing us to resort to temporary financing for a second year. This delay brought us under the provision of Commonwealth law which provides that a temporary loan, if in excess of one year, shall be:

"...paid in part from revenue funds of the city, town or district at the time such a loan is converted into a serial loan, such payment being at least equal to the minimum annual payment which would have been required if such a temporary loan had been converted to a serial loan prior to its re-funding under this section and the authorized amount of the serial loan shall be reduced by the amount of payment."

(Ch44,s17A)

Further, Chapter 44, Section 17 states that:

"...the time within which such securities shall become due and payable shall not be extended by reason of the making of such temporary loan beyond the time fixed in the vote authorizing the issue."

In practical terms this means that the City must appropriate \$1,085,000 from its cash reserve in the current fiscal year as a "down payment" and that, further, we must reduce the term of bonding from 20 to 18 years. In consequence, through no fault of the City government, the taxpayers of the City must bear an increased burden. Because the circumstances were completely beyond the City's control, I feel that the City should appeal to the legislature for relief in

# City of Cambridge

MASSACHUSETTS

Agenda #2 Issuance of bonds for the new High School.

In City Council January 23 1978

*Note of City Council - Approving Filing of Negotiation*

	YEA	NAY	ABSENT	PRESENT
Mr. Crane				✓
Mr. Danehy				✓
Mr. Duehay	✓			
Mr. Frisoli				✓
Ms. Graham	✓			
Ms. Preusser	✓			
Mr. Sullivan	✓			
Mr. Vellucci	✓			
Mr. Wylie	✓			

6 0 0 3

the form of a special act allowing Cambridge to issue the high school bonds for the full 20 years (as originally intended) and, further, to exempt Cambridge from the obligation to make a cash "down payment", because it was forced into a second year of temporary financing.

A home rule petition is currently under preparation by our bond counsel for submission to City Council at this meeting.

Passage of this proposed petition is strongly recommended.

Very truly yours,

James L. Sullivan  
City Manager

JLS/mbf



# City of Cambridge

IN CITY COUNCIL

DECEMBER 19, 1977

BE IT ORDERED:

That the City Manager is hereby authorized to file a petition with the General Court for the enactment of legislation in substantially the following form:

BE IT ENACTED, ETC., AS FOLLOWS:

SECTION 1. Notwithstanding the provisions of Section 17A of Chapter 44 of the General Laws to the contrary, the City of Cambridge is authorized to issue bonds in the principal amount of twenty million six hundred thousand dollars, under Chapter 645 of the Acts of 1948 as amended and in order of the City Council passed May nineteenth, nineteen hundred and seventy five, to refund a like amount of bond anticipation notes payable June twenty-ninth, nineteen hundred and seventy eight which were originally issued in June, nineteen hundred and seventy six. The bonds shall be payable within twenty years from their dates and the first annual payment of principal of the loan shall be made not later than one year from the date of the bonds.

SECTION 2. This act shall take effect upon its passage.

In City Council January 23, 1978  
 Adopted by a yea and nay vote:  
 Yeas 6; Nays 0; Absent 0; Present 3.  
 Attest: Paul E. Healy, City Clerk

A true copy,

ATTEST:

A handwritten signature in cursive script, appearing to read "Paul E. Healy".



# The Commonwealth of Massachusetts

IN THE YEAR ONE THOUSAND NINE HUNDRED AND SEVENTY.

## AN ACT

PERMITTING THE CITY OF CAMBRIDGE TO ISSUE BONDS IN THE  
PRINCIPAL AMOUNT OF TWENTY MILLION SIX HUNDRED THOUSAND  
DOLLARS TO BE PAYABLE WITHIN TWENTY YEARS.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

SECTION 1. Notwithstanding the provisions of Section 17A of Chapter 44 of the General Laws to the contrary, the City of Cambridge is authorized to issue bonds in the principal amount of twenty million six hundred thousand dollars, under Chapter 645 of the Acts of 1948 as amended and in order of the City Council passed May nineteenth, nineteen hundred and seventy five, to refund a like amount of bond anticipation notes payable June twenty-ninth, nineteen hundred and seventy eight which were originally issued in June, nineteen hundred and seventy six. The bonds shall be payable within twenty years from their dates and the first annual payment of principal of the loan shall be made not later than one year from the date of the bonds.

SECTION 2. This act shall take effect upon its passage.

To the Honorable Senate and House of Representatives of The Commonwealth of Massachusetts  
in General Court assembled.

The undersigned, citizens of Cambridge ..... respectfully  
petition for the passage of the accompanying bill or resolve, and/or for legislation permitting the City  
of Cambridge to issue bonds in the principal amount of Twenty Million Six Hundred  
Thousand Dollars to be payable within twenty years.

Petitioners are requested to sign names and addresses legibly.

Walter H. 1 Dorch, City Councilor  
Alvin A. Lytle, City Council  
Saunders Graham  
Mary Ann Brennan  
Alfred Vellucci  
James Sullivan  
Hattie J. Sullivan

26 Lowell Street, Cambridge, Mass.  
103 Fresh Pond Parkway Cambridge  
189 Western Ave. Camb.  
22 Wendell St. C. C. Grant  
42 Porter St Cambridge  
City Manager, Cambridge  
28 Park Ave. Cambridge



CITY OF CAMBRIDGE  
INTEROFFICE CORRESPONDENCE

To Russell B. Higley, City Solicitor

Date January 25, 1978

From Paul E. Healy, City Clerk.

Reference

Subject Home Rule Legislation Relative to the High School Bond.

Attached you will find the Home Rule Legislation signed by a majority of the City Council and the City Manager.

Would you please forward this legislation to the Legislature for action.

cc. James L. Sullivan  
City Manager

# City of Cambridge

MASSACHUSETTS

Agenda #2 Issuance of bonds for the new High School.

In City Council January 23 1978

*Vote of City Council - Approval Filing of Negotiation*

	YEA	NAY	ABSENT	PRESENT
Mr. Crane				✓
Mr. Danehy				✓
Mr. Duehay	✓			
Mr. Frisoli				✓
Ms. Graham	✓			
Ms. Preusser	✓			
Mr. Sullivan	✓			
Mr. Vellucci	✓			
Mr. Wylie	✓			

*6 0 0 3*

December 19, 1977

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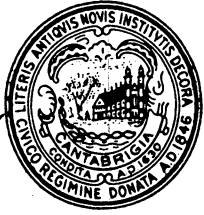
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City Manager

JLS/mbf



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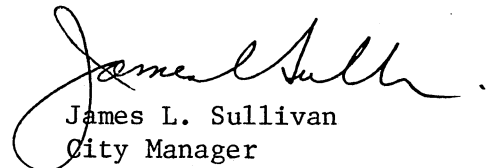
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JLS/b

F-19

Re: issuance of bonds for the new High School

1/23/78

Order

Advised

6-0-0-3

CTF  
A

In City Council,

January 23, 1978

CTF FOR  
R. S. ...  
R. ...

LONG FOOT FO  
CITY FOR FOR  
Wed 1/25/78 at 3 PM  
MEM