



# THE CITY OF AUGUSTA

WILLIAM R. STOKES, MAYOR

WILLIAM R. BRIDGEO, CITY MANAGER

CITY COUNCIL

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TO:            Mayor and City Council  
FROM:        City Manager Bill Bridgeo  
RE:            Administrative Report  
DATE:        March 24, 2014

Meetings:

There will be a City Council Informational Meeting on Thursday, March 27, 2014 beginning at 6:30pm in Council Chambers. The agenda is enclosed.

Other Items:

All who read this report are invited to the Hartford Fire Station this Tuesday at 11:30 for a traditional commissioning ceremony and blessing our new fire truck. Refreshments will follow the ceremony. Also, everyone is invited to a 164<sup>th</sup> birthday commemoration of the Augusta Police Department at 2:00 pm on Thursday at the PD. Sgt. Chris Behr has done great work in locating and securing departmental memorabilia and historical documents which will be on display at the open house.

We have a request from the Maine chapter of the National Alliance for the Mentally Ill (NAMI) to sponsor a CDBG grant to support a workforce training program they want to do. I agreed to provide an initial letter of intent to determine if the State would be interested in funding this project and they have so indicated. A formal application is the next step and requires Council approval (and is on the agenda for Thursday evening). Like applications we have sponsored for the Bread of Life Ministries, this requires no matching City funds, a minimum of City staff work, and does not detract from any funding that the City might wish to apply for for our own purposes.

Enclosed with this package is information related to a possible refunding of the City's outstanding pension obligation bond. It has been prepared by Ralph St. Pierre with assistance from Richard Ranagan, our bond financing advisor. I'm distributing it in advance of this Thursday's informational meeting discussion on the proposed Lithgow Library project. Ralph has prepared an explanatory memorandum to accompany Ranagan's spreadsheets (enclosed). He will have some supplementary material at the meeting (he and I spent both Saturday and Sunday finalizing the FY 2015 budget document and we've been engaged today in analyzing and preparing these bond refinancing materials but he still has some more work to do to assist you in understanding the policy options available with this).

One of the most important components of this bond refinancing discussion is when to put the question to the voters. There are credible reasons for going in June and credible reasons for waiting until November. Clearly, a November vote will have a larger turnout and offer

substantially more time for the issue to be presented to and understood by the public. On the other hand, there does appear to be some financial advantage to a June vote because the current bond payment schedule has a large (\$1.6 million) October 2015 installment of principle and interest due. If a refinancing was to take place before October, it would have an favorable impact on the General Government and School budgets, freeing up funds to help offset projected operating cost increases in next year's budget. It looks like that amount would be about \$56,000 in the General Government and \$128,000 in the School Department budget. That assumes the library project would be going forward and there would be a need for one time funding for relocating library operations for a year. The Library project budget also suggests a cost escalator of about 4% a year so waiting until November does involve that consideration. Please keep in mind that these are preliminary numbers and we will have better detail for Thursday's discussion.

C: Department and Bureau Directors  
Augusta Legislative Delegation