Subject: Bond Issue
From: Richard Ranaghan <rranaghan@gorhamsavingsbank.com>
Date: 6/24/2013 1:47 PM
To: "Don Willard (don.willard@raymondmaine.org)" <don.willard@raymondmaine.org>, Nancy Yates <nancy.yates@raymondmaine.org>

Don/Nancy

It was a pleasure meeting with both of you last week to discuss the process of issuing the bonds for the road reconstruction project.

As requested, this memorandum lays out the options the Town has to issue the debt and have funds available to pay for the project's costs.

WAIT UNTIL NEXT YEAR WHEN THE PROJECT WILL IS SLATED TO BE DONE

We can wait until next spring and issue the bonds and we will get whatever interest rate the market bids at that time. Rates have been at all time lows and recently have bumped up as a result of recent FED actions. Rates could go back down, but the information I read suggests that we may have seen the bottom and look for rates to rise.

ISSUE NOW AND BANK THE PROCEEDS UNTIL THE SPRING

We know what the market is now, rates are still attractive, but up somewhat from the all time lows. The Bonds would close about mid to late September and the Town would invest the proceeds until needed next building season.

We can structure the issue so there is no interest due until FY15; therefore, no impact to the upcoming FY14 budget.

It is my recommendation that we begin the process now, and take what the market offers us now-the "bird in the hand" approach, and have funds available for the project next spring/summer.

Let me know if you anything further at this time.

Thanks again,

Dick

Richard J. Ranaghan,Senior Vice President
Public Finance
Gorham Savings Bank
63 Marginal Way
Portland, ME 04101

Tel 207-222-1488
Cell 207-632-2893

This message is intended for the use of the addressee and may contain information that is privileged and confidential. If you are not the intended recipient of this message, be notified that any dissemination or use of this message is strictly prohibited. If you have received this message in error, please delete all copies of the message and its attachments and notify the sender immediately. Thank you.

Attachments:

winmail.dat 8.0 KB