

City Council Meeting and Workshop November 17, 2014 Agenda

5:30 P.M. Workshop

- A. 261 Main Street Land Acquisition Reine Mynahan (20 minutes)
- B. Expenditure Cap and Appropriations Amendment Jill Eastman (20 minutes)
- C. Mechanics Savings TIF (Tax Increment Financing) Roland Miller (40 minutes)

After each workshop item is presented, the public will be given an opportunity to comment.

7:00 P.M. City Council Meeting

Roll call votes will begin with Councilor Young

Pledge of Allegiance

I. Consent Items – All items listed with an asterisk (*) are considered as routine and will be approved in one motion. There will be no separate discussion of these items unless a Councilor or citizen so requests. If requested, the item will be removed from the consent agenda and considered in the order it appears on the agenda.

II. Minutes

November 3, 2014 Regular Council Meeting

III. Reports

Mayor's Report

City Councilors' Reports

City Manager Report

Finance Director, Jill Eastman - October 2014 Monthly Finance Report

IV. Communications, Presentations and Recognitions

- Update on South Main Street water main project
- **V. Open Session** Members of the public are invited to speak to the Council about any issue directly related to City business which is *not on this agenda*. Time limit for open sessions, by ordinance, is 45 minutes.

VI. Unfinished Business

Auburn City Council Meeting & Workshop

November 17, 2014

VII. New Business

Order 95-11172014

Authorizing the City Manager to execute documents that provide a Credit Enhancement Agreement (CEA) to Mechanics Savings Bank for their new development project.

VIII. Executive Session – Discussion regarding a personnel matter, pursuant to 1 M.R.S.A. 405(6)(A) with possible action to follow.

IX. Open Session - Members of the public are invited to speak to the Council about any issue directly related to City business which is *not on this agenda*.

X. Adjournment

Executive Session: On occasion, the City Council discusses matters which are required or allowed by State law to be considered in executive session. Executive sessions are not open to the public. The matters that are discussed in executive session are required to be kept confidential until they become a matter of public discussion. In order to go into executive session, a Councilor must make a motion in public. The motion must be recorded, and 3/5 of the members of the Council must vote to go into executive session. An executive session is not required to be scheduled in advance as an agenda item, although when it is known at the time that the agenda is finalized, it will be listed on the agenda. The only topics which may be discussed in executive session are those that fall within one of the categories set forth in Title 1 M.R.S.A. Section 405(6). Those applicable to municipal government are:

- A. Discussion of personnel issues
- B. Discussion or consideration by a school board of suspension of expulsion
- C. Discussion or consideration of the condition, acquisition or the use of real or personal property permanently attached to real property or interests therein or disposition of publicly held property or economic development only if premature disclosures of the information would prejudice the competitive or bargaining position of the body or agency
- D. Labor contracts
- E. Contemplated litigation
- F. Discussions of information contained in records made, maintained or received by a body or agency when access by the general public to those records is prohibited by statute;
- G. Discussion or approval of the content of examinations administered by a body or agency for licensing, permitting or employment purposes; consultation between a body or agency and any entity that provides examination services to that body or agency regarding the content of an examination; and review of examinations with the person examined; and
- H. Consultations between municipal officers and a code enforcement officer representing the municipality pursuant to Title 30-A, section 4452, subsection 1, paragraph in the prosecution of an enforcement matter pending in District Court when the consultation relates to that pending enforcement matter.

City Council Information Sheet

City of Auburn

Council Workshop or Meeting Date: 11-17-2014

Order 94-11032014

Author: Reine Mynahan, Community Development Director

Subject: Acquisition of Main Street Parcel

Information: At the request of the City, the subdivision plan for Academy Street Townhouses included separation of a small portion of land on Main Street. The intent was to donate the parcel to the City for future development. The transfer of title occurred in March 2013.

Funding for development of the townhouses came from the U. S. Department of Housing and Urban Development, with Maine Department of Economic and Community Development as the grantee, the City of Auburn as a sub-grantee, and CEI Housing Inc. as a partner. Both the developer and City staff had understood that the gift was an appropriate one; however, when the transaction was reviewed by the Department of Economic and Community Development, they indicated that the lot remained subject to the Neighborhood Stabilization Program regulations. To exempt it from the restrictions imposed by that grant, the City would have to pay for the purchase or the land has to be returned to the project. At this time, all of the legal work for this development is complete and the developer is not interested in taking back the title since there would be another expense involved.

The Department of Economic and Community Development has agreed to a sale price of \$10,000. This number was established by Chad Sylvester, Commercial Sales and Leasing Broker in a Market Analysis and Broker Opinion of Value of the new parcel. The acquisition will be paid from bond funds earmarked for acquisition/demolition.

Advantages: Provides an opportunity for the City to encourage development along Main Street that meets the new Form Based Code standards.

Disadvantages: None

City Budgetary Impacts: None

Staff Recommended Action: Authorize payment for the parcel.

Previous Meetings and History: Was postponed at the 11/3/2014 meeting for a future workshop.

Attachments: Market Analysis and Broker Opinion of Value, Deed, and map

City Manager or Assistant City Manager signature:

_ Date: _____

Market Analysis And Broker Opinion of Value

For:

261 Main Street Auburn, Maine 04210

By:

Chad Sylvester

Commercial Sales and Leasing, Associate Broker



Fontaine Family- The Real Estate Leader
336 Center St
Auburn, Maine 04210
207-784-3800
www.brendafontaine.com

Unofficial Property Record Card

Page 1 of 1

Unofficial Property Record Card - Auburn, ME

General Property Data

Parcel ID 231-004

Account Number 231004000

Prior Parcel ID --

Property Owner AUBURN CITY OF

Property Location 261 MAIN ST

Property Use SINGLEFAMILY

Mailing Address 60 COURT ST

Most Recent Sale Date 3/8/2013

Legal Reference 8632-345

City AUBURN

Grantor CEI HOUSING INC,

Mailing State ME

Zip 04210

Sale Price 0

ParcelZoning

Land Area 0.220 acres

Current Property Assessment

Xtra Features

Card 1 Value Building Value 0

Value 5,100

Land Value 55,000

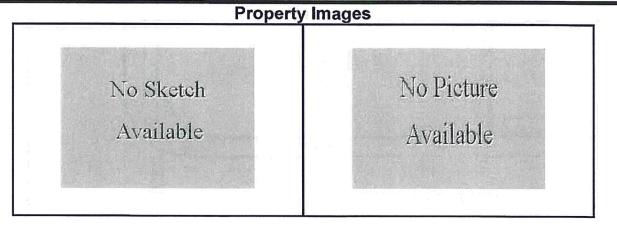
Total Value 60,100

Building Description Building Style N/A Foundation Type N/A Flooring Type N/A # of Living Units N/A Frame Type N/A Basement Floor N/A Year Built N/A Roof Structure N/A Heating Type N/A **Building Grade N/A** Roof Cover N/A Heating Fuel N/A **Building Condition N/A** Siding N/A Air Conditioning 0% Finished Area (SF) N/A Interior Walls N/A # of Bsmt Garages 0 Number Rooms 0 # of Bedrooms 0 # of Full Baths 0 # of 3/4 Baths 0 # of 1/2 Baths 0 # of Other Fixtures 0

Legal Description

Narrative Description of Property

This property contains 0.220 acres of land mainly classified as SINGLEFAMILY with a(n) N/A style building, built about N/A, having N/A exterior and N/A roof cover, with N/A unit(s), 0 room(s), 0 bedroom(s), 0 bath(s), 0 half bath(s).



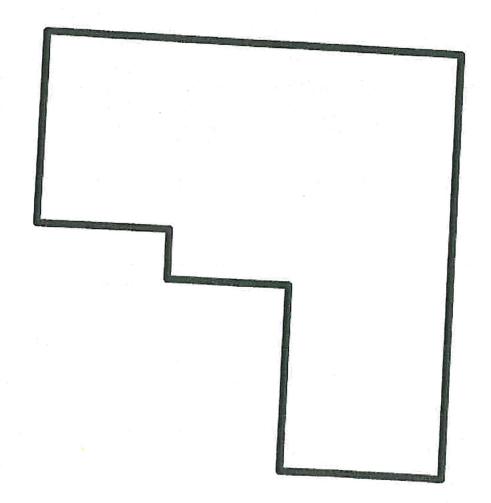
Disclaimer: This information is believed to be correct but is subject to change and is not warranteed.

http://auburnme.patriotproperties.com/RecordCard.asp

2/10/2014



Page 1 of 1





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Wednesday, April 24, 2013 Page 2 of 23 Print Page 2 of 8

Land - AGENT SYNOPSIS



MLS#: 1034298

LOT 0 HOTEL ROAD, Auburn, ME 04210

List Price:

\$ 15,000 \$ 15,000

Original Price: Assoc. Fee /Mo:

10/28/11 List Date:

Directions: FROM MINOT AVE TO LEFT ON HOTEL RD, LOOK FOR SIGN,

General/Land Information

Lot Size (Acr)+/-: 1.370 Surveyed: Yes

Road Frontage+/-: 402

Zoning: INDUSTRAIL

WtrFrt: No Amt Wtr Frt+/-: Water Body:

Water Body Type:

WtrFrt Shared+/-:

Remarks

Amazing location for any business. This lot offers great exposure & is only minutes to turnpike. Build your business today.

WtrFrt Owned+/-:

Property Features - NOTE: Check Detail Reports for complete list of Features.

Rolling/Sloping, Well Landscaped

Driveway:

No Driveway No Parking

Parking:

Location:

Business District, Industrial Park, Intown

No Restrictions Restrictions:

Rec. Water:

View:

Roads:

Public, Paved Major Road Access Transportation:

Electric:

Other Electric

Public

Gas:

No Gas Waste Water Disp.: Private

Water:

Tax/Deed/Community Information

Book/Page/Deed:

7498/251/All

Map/Block/Lot: 107/28

Full Tax Amount/Yr: \$ 244 / (11-12)

School District:

Off Market Information

DOM: 117 Sold Price: \$ 16,400

Expiration Date: 10/30/12 Sold Terms: Cash

Pending Date:02/22/12

Sold Date: 04/12/12

Sell Office: Fontaine Family-The Real Estate Leader

Sell Agent: Clayton Larochelle

Sold Terms Other: Not Applicable Sell Office#: 2592 Sell Office Phone: 207-784-3800

Sell Agent ID#: 005860

Appraiser: No Appraisal

Appraiser ID#: 888888

Office:

List Agt Cell:

CoList Agt Ph:

CoList Agt Cell:

Concessions: 0

Listing Contact Information

List Office: List Agent:

Clayton Larochelle 005860

\$1,250 /

Fontaine Family-The Real Estate Leader, 2592

List Agt Email: clay@fontaineteam.com

CoList Agent: CoList Email:

SAF/BAF/TBF: Virtual Tour:

Show Intr: Call Listing Office, Sign On Property

Internal Rmks/ For showings call Angie 784-3800 EXT 307 OR 576-4416, Sq ft, is based on town records.

/ \$1,250 /

Contingency:

Printed: 02/10/14

207-784-3800

207-576-6524

List Agent Ph: 207-784-3800 Ext,:301

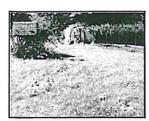


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Land - AGENT SYNOPSIS



MLS#: 1069645 Status: Sold

Eagle View Drive, Auburn, ME 04210

List Price: \$ 16,500

Original Price: \$ 16,500

09/19/12 List Date:

Neigh'd/Assoc:

Assoc. Fee /Mo:

Directions: Rte 136 Riverside Drive to Vickery Rd, lot is on the corner of Vickery Rd and Eagle View Drive

General/Land Information

Surveyed: Yes

Lot Size (Acr)+/-: 0.260

Road Frontage+/-: 192 Seasonal: No

Zoning: Urban Resident

WtrFrt: No Amt Wtr Frt+/-: Water Body:

WtrFrt Owned+/-:

Water Body Type: WtrFrt Shared+/-:

Remarks

Lovely buildable lot with a scenic view, priced to sell in a quiet neighborhood, situated on the outskirts of Auburn in a rural setting, yet close to town and

the turnpike, owner financing available

Property Features - NOTE: Check Detail Reports for complete list of Features.

Open Driveway: No Driveway

Parking:

No Parking

Rural

Location:

Restrictions:

Rec. Water:

View:

Roads: Paved, Public

Transportation:

Electric: No Electric

No Gas Waste Water Disp.: Public

Water:

Well Needed On Site

6363/27/AII

Tax/Deed/Community Information

Map/Block/Lot: 184/017/001

Full Tax Amount/Yr: \$ 613 / (11-12)

Book/Page/Deed: School District:

DOM: 7

Off Market Information Expiration Date: 03/31/13

Pending Date:09/26/12

Sold Price: \$ 15,000

Sold Terms: Cash Sold Terms Other: Not Applicable

Sold Date: 10/10/12

Sell Office: Maine Source Realty

Sell Office#: 1879 Sell Office Phone: 207-333-6001

Sell Agent: Mark Turner Appraiser: No Appraisal Sell Agent ID#: 007391 Appraiser ID#: 888888

Office:

List Agt Cell:

CoList Agt Ph:

CoList Agt Cell:

Listing Contact Information

List Office: ERA Worden Realty, 1063 Cameron Hartley 015237

List Agent: List Agt Email: chartley@eraworden.com

CoList Agent: CoList Email:

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SAF/BAF/TBF: Virtual Tour:

Show Intr: Call Listing Broker, Show Without Notice, Sign On Property

Internal Rmks/ Owner financing available Information Printed by: Chad Sylvester 008488

Printed: 02/10/14

207-784-0159 List Agent Ph: 207-784-0159 Ext.:320

207-577-1310

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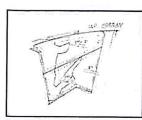


http://mreis.mlxchange.com/5.10.05.34821/Search/PrintPreviewDlg.asp

2/10/2014

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Land - AGENT SYNOPSIS



MLS#: 1013966 Status: Sold

23 Portland Way, Auburn, ME 04210

\$ 19,900

List Price: Original Price:

\$ 26,900 05/11/11

Neigh'd/Assoc: Royal River Estates

List Date:

Assoc. Fee /Mo:

Directions: Rt. 4/100 towards New Gloucester from Aubum, right onto Poland Springs Rd/Rt, 122, take left onto

Old Portand Rd, take left on Portland Way. Lot is 2nd on on the right.

General/Land Information

Lot Size (Acr)+/-: 1,130

Road Frontage+/-: 250

Surveyed: Yes Seasonal: No Zoning: Rural HSLT

WtrFrt: No Amt Wtr Frt+/-: Water Body:

WtrFrt Owned+/-:

Water Body Type:

WtrFrt Shared+/-:

Remarks

Home or Mobile Home lot on the Portland side of Aubum in a rurual area near turnpike. Building pkgs. available. Being lot #2 on plan of Royal River Estates. Septic design in attachments.

Property Features - NOTE: Check Detail Reports for complete list of Features.

Level, Open No Driveway

Driveway: Parking:

Location:

Interior Lot, Near Country Club, Neighborhood, Rural, Subdivision

Restrictions:

Rec. Water: Nearby, Public

Fields, Woods

Roads: Transportation:

Dead End, Gravel/Dirt Road, Public Major Road Access, Near Airport

Electric:

No Electric No Gas

Gas:

Waste Water Disp.: None, Septic Needed On Site, Septic Design Available Water:

None, Well Needed On Site

Tax/Deed/Community Information

Off Market Information

Book/Page/Deed: **School District:**

Full Tax Amount/Yr: \$ 599 / (10-11)

DOM: 783

7686/203/Partial

Sold Price: \$ 15,500

Expiration Date: 09/29/13 Sold Terms: Cash

Sold Date: 09/13/13

Sold Terms Other: Not Applicable

Sell Office: Fontaine Family-The Real Estate Leader

Map/Block/Lot: 79/70/2

Sell Office#: 2592 Sell Office Phone: 207-784-3800

Sell Agent: Pat Long-Cressey Appraiser: No Appraisal

Sell Agent ID#: 006124 Appraiser ID#: 888888

Pending Date:06/29/13

Listing Contact Information

List Office: List Agent: Renee Roy 006494

List Agt Email: reneeroy@masiello.com

Better Homes & Gardens Real Estate/The Masiello Group, 1066

207-782-8311 List Agent Ph: 207-795-9655 List Agt Cell: 207-212-3134

CoList Agent: CoList Email:

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CoList Agt Ph: CoList Agt Cell:

SAF/BAF/TBF: Virtual Tour:

Show Intr: Email Listing Broker, Show Without Notice, Sign On Property

Internal Rmks/

Information Printed by: Chad Sylvester 008488

Printed: 02/10/14

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Land - AGENT SYNOPSIS

Status: Sold



MLS#: 1031528

0 Dolores Street, Auburn, ME 04210 **List Price:**

> Original Price: \$ 29,900

09/30/11 List Date:

\$ 22,500

Neigh'd/Assoc:

Assoc. Fee /Mo:

Directions: Rte 136 Riverside Drive to Vickery Rd, Lot is on the corner of Vickery and Dolores Street

General/Land Information

Lot Size (Acr)+/-: 0.290 Surveyed: Yes

Road Frontage+/-: 227

Zoning: Urban Resident

WtrFrt: No Amt Wtr Frt+/-: Water Body:

Water Body Type: WtrFrt Owned+/-:

WtrFrt Shared+/-:

Remarks

Seasonal: No

Beautiful corner lot on the outskirts of town in New Auburn. Quite neighborhood close to all Auburn has to offer and the tumpike but far away from city living. Build package available with a cape or ranch style home, Broker owned, seller may hold note

Property Features - NOTE: Check Detail Reports for complete list of Features.

Site:

Corner Lot, Open

Driveway:

No Driveway

Parking:

Rural

Location: Restrictions:

Rec. Water:

Roads: Paved, Public

Transportation:

Electric: No Electric Gas: No Gas

Waste Water Disp.: Public

Water:

Well Needed On Site Tax/Deed/Community Information

Book/Page/Deed: 4847/301/AII

Map/Block/Lot: 184/020/001

Full Tax Amount/Yr: \$ 758 / (2011)

School District:

Off Market Information Expiration Date: 12/01/12

Pending Date:09/08/12

Sold Price: \$ 18,000

DOM: 344

Sold Terms: Cash

Sold Terms Other: Not Applicable

Sold Date: 09/26/12 Sell Office: Belanger Realty, Inc.

Sell Office#: 1196 Sell Office Phone: 207-998-4516

Sell Agent: Terry Pomerleau Appraiser: No Appraisal

Sell Agent ID#: 000035 Appraiser ID#: 888888

Office:

Listing Contact Information

List Office: The Maine Real Estate Network, 2144 List Agent:

Stephen Miller 010501 List Agt Email: smillerrealtor@gmail.com CoList Agent: William Daley 007519

CoList Email: wmdaley@maine.rr.com SAF/BAF/TBF: 4.00% 1 4,00%

Virtual Tour:

Show Intr: Call Listing Broker, Show Without Notice, Sign On Property

Contingency:

Internal Rmks/ Broker owned,... Seller may hold note

Information Printed by: Chad Sylvester 008488

Printed: 02/10/14

207-689-9800

List Agent Ph: 207-689-9830

List Agt Cell: 207-212-8634

CoList Agt Ph: 207-282-5000

CoList Agt Cell: 207-522-3500

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Bk 8621 Ps325 \$4285 03-11-2013 & 11:48a

NO MAINE R.E. RANSFER TAX PAIL

RELEASE DEED

CEI HOUSING, INC., a nonprofit corporation duly organized and existing under the laws of the State of Maine, with an office located at 36 Water Street in Wiscasset, Maine, 04578, for valuable consideration, releases to the CITY OF AUBURN, a body corporate and politic located in the County of Androscoggin and State of Maine, and having an office at Auburn Hall, 60 Court Street, Auburn, Maine, 04210, a certain lot or parcel of land situated in AUBURN, County of ANDROSCOGGIN, State of MAINE, bounded and described as follows:

That certain lot or parcel of land at the intersection of the northerly line of Academy Street with the westerly line of Main Street depicted as "AREA TO BE CONVEYED TO THE CITY OF AUBURN 139 SF" on two plans prepared by Jones Associates, Inc., Michael A. Hartman, PLS #2433, one entitled, Division Plan, CEI Housing, Inc., 261 Main Street, Auburn, Maine dated January 13, 2012 and recorded on April 3, 2012 in the Androscoggin County Registry of Deeds in Plan Book 49, Page 93, and the other entitled, Lot 1 Subdivision Plan, CEI Housing, Inc., 261 Main Street, Auburn, Maine, dated January 13, 2012 and recorded on April 3, 2012 in said registry in Plan Book 49, Page 94.

This conveyance is subject to all matters shown on said plans and all existing improvements and utilities located upon and within said parcel of land.

This is a conveyance to an abutter, the City of Auburn being the apparent owner of said abutting streets.

Being a part of the premises conveyed by deed from Kenneth P. Chicoine and Sharon Wise, as co-personal representatives of the Estate of Rene J. Chicoine, Sr., to CEI Housing, Inc. dated June 15, 2011 and recorded in said registry in Book 8177, Page 45.

IN WITNESS WHEREOF, the Grantor has caused this instrument to be executed by its duly authorized officer on this 8th day of March, 2013.

CEI Housing, Inc.

Witness

John W. Egan
Director of Housing Development

DK 0021 PG320 #4285

STATE OF MAINE
ANDROSCOGGIN COUNTY

March 8, 2013

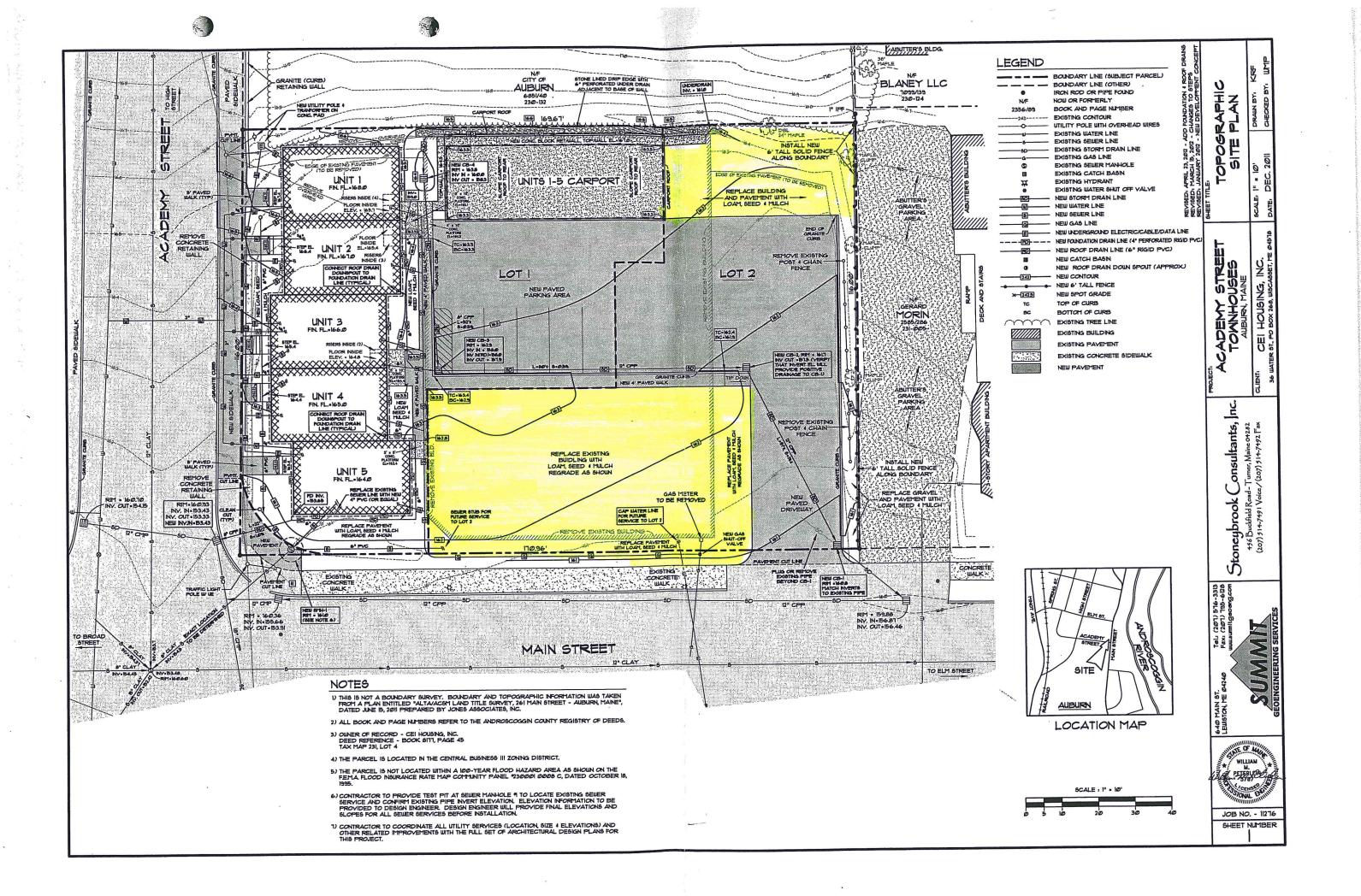
Then personally appeared the above-named John W. Egan and acknowledged the foregoing instrument to be his free act and deed in said capacity and the free act and deed of CEI Housing, Inc.

Before me,

Ronald L. Bissonnette, Attorney at Law

dft/F:\Darlene\CLIENTS\Coastal Enterprises, Inc\261 Main Street Auburn\Subdivision\Release Deed Intersection Parcel to City of Auburn.doc

ANDROSCOGGIN COUNTY TINA M CHOUINARD REGISTER OF DEEDS



Tizz E. H. Crowley, Ward One Robert Hayes, Ward Two Mary Lafontaine, Ward Three Adam Lee, Ward Four



Leroy Walker, Ward Five Belinda Gerry, At Large David Young, At Large

IN CITY COUNCIL

ORDER 94-11032014

ORDERED, that the City Council agree to a \$10,000 payment for land acquisition of 261 Main Street.



City Council Information Sheet

City of Auburn

Council Workshop or Meeting Date: 11/17/14

Ordinance

Author: Jill Eastman, Finance Director

Subject: Budget expenditure cap ordinance change

Information: Staff is recommending a change in the budget expenditure cap ordinance Sec 2-485 a. to a tax commitment cap.

Advantages: With a tax commitment cap the City can take advantage of new revenue sources to fund expenditures without raising the tax commitment. The current ordinance does not take any new revenues into consideration, therefore it does not give the City any incentive to find new revenue to help fund the budget.

Disadvantages: Public perception links taxes to expenses only, so the Council and staff will have to work cooperatively to share that the tax commitment (difference between expenses and revenues) is what drives taxes.

City Budgetary Impacts:

Staff Recommended Action: Recommend passage of ordinance change

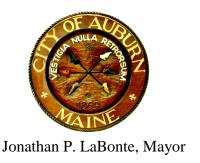
Previous Meetings and History: This was briefly discussed during the FY15 budget process.

Attachments:

Draft ordinance amendment

City Manager or Assistant City Manager signature:

Tizz E. H. Crowley, Ward One Robert Hayes, Ward Two Mary Lafontaine, Ward Three Adam Lee, Ward Four



Leroy Walker, Ward Five Belinda Gerry, At Large David Young, At Large

IN CITY COUNCIL

RESOLVE ORDINANCE XX-0422201411032014

Sec. 2-485. Council action on budget increase.



(a)

Budget expenditure tax commitment cap. Beginning with the fiscal year 2008-2016 budget, the city council will not approve any increase in the budget tax commitment, City and School combined, which exceeds the consumer price index (urban) as compiled for the 12-month period ending as of December 31 prior the start of the succeeding fiscal year.

(b)

Exception. When deemed necessary by the city council, this provision may be waived by a majority vote of the city council.

(Ord. of 5-21-2007)

City Council Information Sheet

City of Auburn

Council Workshop or Meeting Date: 11/17/14 Author: Jill Eastman, Finance Director

Order

Subject: Amendment to Appropriation Resolve

Information: Staff is recommending additional language added to the appropriation resolve, adding tax due dates and interest rate on delinquent taxes.

Advantages: When the budget is passed the due dates and interest rate on delinquent taxes will be set. This saves us having a separate agenda item and gives the Assessing department and tax department the ability to begin working on the commitment and tax bills to get them ready to mail by mid July.

Disadvantages: n/a	
City Budgetary Impacts:	
Staff Recommended Action: Recommend passage of ordinance amendment.	
Previous Meetings and History:	

Attachments: Draft ordinance

City Manager or Assistant City Manager signature:

Tizz E. H. Crowley, Ward One Robert Hayes, Ward Two Mary Lafontaine, Ward Three Adam Lee, Ward Four



Leroy Walker, Ward Five Belinda Gerry, At Large David Young, At Large

IN CITY COUNCIL

RESOLVE ORDINANCE xx-11032014xxxx2014

- Sec. 8.6. Appropriation and revenue resolve.
 - [A.]

Prior to the beginning of the fiscal year the city council shall adopt an annual appropriation resolve making appropriations by department, fund, service, strategy, or other organizational unit and authorizing an allocation for each program or activity. Also included in the appropriation resolve will be the tax due dates and the interest rate on delinquent taxes.

[B.]

Before any new revenues may be collected to fund the budget, including taxes and changes in existing fees, the city council shall authorize such revenues by an annual revenue resolve.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUBURN, that the City Council proposes that the municipal revenue sharing be reinstated to what it should be according to the law, before any expansion of any unnecessary State programs; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUBURN, that the City Council hereby expresses its strong opposition to the State not meeting it's legal obligation to the municipality; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUBURN, that the City Council proposes that the State of Maine recalibrate the Revenue Sharing Program to account for the increased costs associated with being a Service Center Community;

BE IT FURTHER RESOLVED, that the City Clerk is directed to provide copies of this RESOLVE to the members of the Legislature representing the City of Auburn, members of the Appropriations and Taxation Committees, the Governor, the Speaker of the House, the President of the Senate and the Legislative leadership.

City Council Agenda Information Sheet

City of Auburn

Council Meeting Date:

11-17-2014

Order 95-11172014

Author: Roland G. Miller

Subject: Mechanics Savings Bank Credit Enhancement Agreement (CEA)

Information: After a long and comprehensive review of options Mechanics Savings Bank has decided to consolidate their banking operations on their existing site in Auburn. A number of obstacles had to be overcome in order to arrive at this decision. The site needed to be enlarged and this was accomplished by purchasing property from Pan Am rail. Another issue was the nature of the materials that have to be removed from site. Long ago the site was used as a coal storage yard. This means that the excavated material has to be disposed of in an appropriate licensed disposal facility. Finally the public infrastructure surrounding the project site needs to be rebuilt. Both construction of public infrastructure and site preparation are eligible cost under the TIF statute. It is estimated that these elements will cost \$207,441. The bank proposes to fund these improvements and requests the City of Auburn to allow the recovery of these costs, over time, through the tax increment financing program.

The project will be accomplished in two phases: 1) construction of a new retail banking center, and 2) renovation of their existing building into a full operation center. It is estimated at the completion of the project that a new assessed value of \$3,545,900 will result. The current assessed value is \$1,334,600. The city's general fund will continue to receive tax revenue from the current value (at the current mill rate \$27,960). The tax increment value is estimated to be \$2,211,300, and our current tax rate of .02094, yielding \$46,305 per year. 40% of that is \$18,522. If the mill rate remains the same it will take 11.2 years for them to recover \$207,441.

Pro's & Con's: General fund continues to receive tax revenue from the base line value, the downtown TIF district receives \$27,783 and the public infrastructure is financed by some one else.

Financial: Eliminates the need for the public to finance improvements.

Action Requested at this Meeting: Approval of the proposed CEA for Mechanics Savings Bank

Previous Meetings and History:

Attachments: Mechanics Savings Bank Existing Site Conditions and Demo Plan C10.1
Mechanics Savings Bank Alternate #1 Site Plan

City Manager or Assistant City Manager signature

Date:

^{*}Agenda items are not limited to these categories.

CREDITENHANCEMENT AGREEMENT

Between

CITY OF AUBURN, MAINE

And

Mechanics Savings Bank

Dated November 17, 2014

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CREDIT ENHANCEMENT AGREEMENT BETWEEN THE CITY OF AUBURN AND Mechanics Savings Bank

This **Credit Enhancement Agreement** dated as of November 17, 2014, between the **City of Auburn, Maine** (the "City"), a municipal body corporate and politic and a political subdivision of the State, and **Mechanics Savings Bank** (the "Developer").

WITNESSETH THAT:

Whereas, the City designated the #10 Downtown Omnibus Municipal Tax Increment Financing District (the "District") pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes by action of the Auburn City Council on July 7, 2014 (the "Vote"), and pursuant to the same Vote adopted a Development Program and Financial Plan for the District (the "Development Program"); and

Whereas, the City submitted the Development Program to Department of Economic and Community Development for the Department's review and approval of the District and a Development Program on July 23, 2014; and

Whereas, the Development Program contemplates the execution and delivery of this Agreement by the City and the Developer; and

Whereas, the execution and delivery of this agreement by the City has been authorized and approved pursuant to a resolution and vote of the City Council on November 17, 2014; and

Now therefore, in consideration of the foregoing and in consideration of the mutual promises and covenants set forth herein, the parties hereby agree as follows:

ARTICLE 1: DEFINITIONS

Section 1.1. Definitions.

The terms defined in this Article 1 shall, for all purposes of this Agreement, have the meanings herein specified, unless the context clearly requires otherwise:

"Act" means Chapter 206 of Title 30-A of the Maine Revised Statutes and regulations adopted hereunder, as amended from time to time.

"Administrative expense(s)" means the costs incurred by the City in administering the Development Program and this Agreement.

"Agreement" means this Credit Enhancement Agreement between the City and the Developer dated as of the date set forth above.

"City" means the City of Auburn, Maine.

"Department" means Department of Economic and Community Development.

"Developer" means **Mechanics Savings Bank**, their successors and assigns.

"Developer's Share" means 40% of the tax revenues derived from the new added value of the project in tax fiscal years 2016-36 or to a maximum recovery of \$207,441 whichever comes first.

"Development Program" means the #10 Downtown Omnibus Municipal Tax Increment Financing District Development Program AMD-1, which was approved by the Department on July 23, 2014.

"Development Program Fund" means the development program fund described in the Financial Plan section of the Development Program and established and maintained pursuant to Article III hereof.

"District" means the #10 Downtown Omnibus Municipal Tax Increment Financing District more particularly described in the Development Program and to be designated by the City pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, by vote at the City Council meeting.

"Effective Date" means the date hereof.

"Financial Plan" means a financial plan described in the "Financial Plan" section of the Development Program.

"Original Assessed Value" means \$1,334,600.

"Project" means the renovation of a building to be used as a banking service center, prepare the project site for a new retail bank development Program and reimburse for cost of public infrastructure.

"Property" means all real property within the project site.

"Property Taxes" means any and all valorem property taxes assessed against the Property within the District by the City or on its been behalf.

"Qualified Investments" means any and all securities, obligations or accounts in which municipalities may invest their funds pursuant to 30-A MRSA subsections, as amended from time to time.

"Regulations" means the regulations enacted by the Department pursuant to the Act. "State" means the State of Maine.

"Tax Increment Revenues" means the portion of all real property taxes assessed in any Tax Year by the City, in excess of any state, county or special district tax, upon the captured assessed value of property in the District.

"Tax Payment Date" means the date(s), as determined by the City from time to time, on which property taxes assessed by the City are due and payable without interest from owners of property located within the City.

"Tax Year" means the twelve-month period beginning July 1 and ending June 30 or any other tax year hereafter adopted by the City.

Section 1.2. Interpretation and Construction.

In this Agreement unless the context otherwise requires:

The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this Agreement, refer to this Agreement, and the term "hereafter" means after, and the term "heretofore" means before, the date of delivery of this Agreement.

Words importing a particular gender mean and include correlative words of every other gender and words importing a singular number mean and include the plural number and vice versa.

Words importing persons mean and include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public or governmental bodies, as well as any natural persons.

Any headings preceding the texts of the several Articles and Sections of this Agreement, and any table of contents or marginal notes appended to the copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

All notices to be given hereunder shall be given in writing and, unless a certain number of days is specified, within a reasonable time.

If any clause, provision or Section of this Agreement shall be ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or Section shall not affect any of the remaining provisions hereof except as expressly provided in Section 3.5.

Any term used herein and in the Act or the Regulations and not defined herein shall have the meaning ascribed to such term in the Act or the Regulations.

ARTICLE II: DEVELOPMENT PROGRAM FUND AND FUNDING REQUIREMENTS

Section 2.1. Creation of Development Program Fund.

Within thirty (30) days after the Effective Date, the City shall create and establish a segregated account in the name of the City designated as the "Mechanics Savings Bank Fund" within the#10 Downtown Omnibus Municipal Tax Increment Financing District Development Program Fund" or "Development Program Fund" pursuant to, and in accordance with the terms and conditions of, the Development Program and within the Development Program Fund will establish a segregated account for the benefit of the Developer "Mechanics Savings Bank Project Cost Account".

Section 2.2. Liens.

Except as provided in this Agreement, the City shall not create any lien or encumbrance on, or create or transfer any other interest of any nature whatsoever in, nor shall it hypothecate, the

Mechanics Savings Bank

Project Cost Account or any funds therein or revenues resulting from investment of funds therein, other than the interest of the Developer hereunder; provided, however, nothing herein shall prohibit creation of real and personal property tax liens on the Developer's property in accordance with, and, entitled to the priority provided under, State law.

Section 2.3. Deposits into Development Program Fund.

Starting with the 2015-2016 tax year and for each year thereafter until 2035-2036 or until **Mechanics Savings Bank**

has been reimbursed to a maximum amount of \$207,441, whichever comes first, shall be deposited into the Development Program Fund contemporaneously with each payment of property tax by the Developer during the term of this Agreement an amount equal to 40% of the property tax payment constituting Tax Increment Revenues from within the District for the period to which the payment relates; provided, however that such deposits to the Development Program Fund shall be due and payable solely from such property tax payments. The City shall retain any and all revenues resulting from investment of moneys on deposit in the Development Program Fund and shall be reimbursed for the City's Administrative Expense in administering the Program and this Agreement, which sum shall not exceed \$20,000 per year from the Development Program Fund out of the City's share. Contemporaneously with the deposit into the Development Program Fund, the City shall deposit into the Mechanics Savings Bank Cost Account, an amount equal to the Developer's Share, provided that the aggregate, over the term of the TIF, amount paid under this agreement shall not exceed \$207,441, the total Project Cost incurred by the Developer for the term of the Development Program within the District.

Section 2.4. Use of Monies in Development Program Fund.

Monies deposited in the Mechanics Savings Bank cost account, exclusive of investment

earnings thereon, shall be used and applied exclusively to fund the City's payment obligation described in Article III hereof. All investment earnings shall be for the benefit of the City and free of any interest of the Developer under this Agreement.

Cost paid by the developer and subject to reimbursement include:

- 1) City street improvements: new brick sidewalks, concrete walk ramps, bituminous pavement, removed and reset granite curb, water line, sewer line, letter utility lines and poles, new historic-style light poles and fixtures, and appurtenances (as shown on drawing C00.1A -- Attachment 1).
- 2) Site preparation costs: Excavation and removal of 175 yd.³ of "special waste" soil and transport to an approved disposal site; and excavation that removal of 2000 yd.³ of industrial fill soil and transport to an approved disposal site (as shown on drawing C10.1 -- Attachment 2).

The total cost of the above referenced work items is estimated to be \$207,441.

Section 2.5. Monies Held for Benefit of Developer.

All monies actually paid into the Development Program Fund under the provisions hereof and the provisions of the Development Program and all investment earnings thereon shall be held by the City for the benefit of the Developer and the City as their interest may appear.

All monies actually paid into the Mechanics Savings Bank Project Cost Account under the provisions hereof and the provisions of the Development program shall be held by the City, in trust, for the benefit of the Developer.

Section 2.6. Investments.

The monies in the Development Program Fund shall be invested and reinvested in Qualified Investments as determined by the City. The City shall have discretion regarding the investments of such monies, provided such monies are invested in Qualified Investments. As and when any amounts thus invested may be needed for disbursements, the City shall cause a sufficient amount of such investments to be sold or otherwise converted into cash to the credit of the Development Program Fund. The City shall have the sole and exclusive right to designate the investments to be sold and to otherwise direct the sale or conversion to cash of investments made with monies in the Development Program Fund. The City shall not be liable on account of its investment decisions as long as such decisions are made in accordance with this section.

Section 2.7. Administrative Expenses.

Annually the City shall be reimbursed from the Development Program Fund, from interest earned on the deposited funds, its administrative costs and administering the Program and this Agreement up to the maximum sum per year of \$20,000. Such Administrative Expense shall not be paid from the Developer's Share.

ARTICLE III: PAYMENT OBLIGATIONS

Section 3.1. Developer Payments.

The Developer shall pay, when due, all amounts due pursuant to this Agreement. The City may withhold from any payment to be made by the City pursuant to this Agreement at any time any amount due from the Developer pursuant to this Agreement that is due and unpaid.

Section 3.2. Credit Enhancement Payments.

Within sixty (60) days following the date of receipt of each tax payment with respect to property within the District, the City shall pay to the Developer all amounts then on deposit in the Mechanics Savings Bank Project Cost Account, exclusive of investment earnings thereon. Such payments shall be used to satisfy debt service on indebtedness incurred to finance qualified "Project Costs" incurred by the Developer as that term is defined under Chapter 206 of Title 30-A. of the Maine Revised Statutes and as described in the Development Program or used to pay directly, or reimburse Developer for payment of, such Project Costs. Said payments shall commence with respect to tax payments made in the 2015-2016 tax year and continue for the period described in Section 2.3 hereof.

If, with respect to any tax payment date, Developer fails to pay any portion of the Property Taxes assessed by the City, because of a valuation dispute or otherwise, the Property taxes actually paid by Developer with respect to such tax payment date shall, first, be applied to taxes due on account of Original Assessed Value and, second constitute Retained Tax Increment Revenues.

The Developer (and its successors and assigns, as owners of property in the District) shall pay to the City, when due, all Property Taxes and assessments with respect to property of the Developer in the City of Auburn. If such Property Taxes and assessments are not paid when due, the City may withhold and suspend all payments under this Agreement until such Property Taxes and assessments and all interest thereon and other costs relating thereto are paid in full. In addition, if the Developer institutes any tax abatement proceedings with respect to any Property in the district, the City may withhold and suspend all payments of the Developer's Share of the Tax Increment with respect to the items of Property subject to the abatement proceedings, and shall deposit the withheld amount into a separate interest-bearing escrow account. Upon final action and completion of such abatement proceedings, the proper amount (based on the results of the abatement proceedings plus an allocable share of the interest accrued thereon) held in escrow account shall be paid to the Developer.

Section 3.3. Failure to Make Payment.

If the City should fail to, or be unable to, make any payment pursuant to this agreement, any such payments shall continue as a limited obligation of the City as provided in this Agreement. The Developer shall have the right to initiate and maintain an action to specifically enforce the City's obligation hereunder, including without limitation, the City's obligation to deposit Tax Increment Revenues to the Development Program Fund and thereafter to the Mechanics

Savings Bank Project Cost Account and its obligation to make payment to the Developer.

Section 3.4. Manner of Payments.

The payments provided for in this Article III shall be paid directly to the Developer in the manner provided hereinabove for its own use and benefit. A City of Auburn check will be acceptable.

Section 3.5. Obligations Unconditional.

Except as otherwise expressly provided in this Agreement, the obligations of the City to make the payments from the Development Program Fund described in this Agreement in accordance with the terms hereof shall be absolute and unconditional irrespective of any defense or any right of set off, recoupment or counterclaim it might otherwise have against the Developer. Except as otherwise expressly provided in this agreement, the City shall not suspend or discontinue any such payment or terminate this agreement for any cause, including without limitation, any act or circumstance that may constitute failure of consideration or frustration of purpose or any damage to our destruction of the Project or any change in the tax or other laws of the United States, the State or any political subdivision of either thereof, or any failure of the Developer to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation arising out of or connected with this Agreement. Notwithstanding the above, the City and the Developer each reserve the right to terminate this Agreement (except section 8.11 pertaining to indemnification) upon a final judgment by a court of competent jurisdiction that the Agreement or Development Program adopted in connection herewith is illegal or invalid. In such event, the termination shall be effective as of the date of such decision and neither party shall have any obligation or liability hereunder, under the Development Program or in respect of any of the transactions contemplated hereby, and shall be left in whatever positions, financial or otherwise, they may be in as of the date of termination. Such termination shall not, however, affect the Developer's obligation to defend and indemnify the City, which obligation shall survive any such termination.

Section 3.6. Limited Obligation.

The City's obligation to make payment in accordance with this Agreement shall be a limited obligation of the City payable solely from the Development Program Fund, excluding any earnings thereon, pledged therefore under this Agreement. The City's obligation hereunder shall not constitute a general debt or a general obligation or charge against or pledge of the faith and credit or taxing power of the City, the State, or any municipality or political subdivision thereof, but shall be payable solely from the Development Program Fund, excluding any earnings thereon. This Agreement shall not directly or indirectly or contingently obligate the City, the State, or any other municipality or political subdivision to levy or to pledge any form of taxation whatever therefore or to make any appropriation for payment due pursuant to this Agreement, except in the City's obligation to assess Property taxes upon the Project and the pledge of the Developer's **Mechanics Savings Bank** Project Cost Account, excluding earnings thereon, established under this Agreement.

ARTICLE IV: PLEDGE AND SECURITY INTEREST

Section 4.1. Pledge of Mechanics Savings Bank Project Cost Account.

In consideration of this Agreement and other valuable consideration and for the purpose of securing payment of the amounts provided for hereunder to the Developer by the City, according to the terms and conditions contained herein, and subject to the City's right pursuant to this agreement, the City does hereby grant a security interest in and pledge the Developer the Mechanics Savings Bank Project Cost Account and sums of money and other securities and investments therein, excluding earnings thereon.

Section 4.2. Protection of Interest.

The City shall cooperate with the Developer in causing appropriate financing statements and continuation statements setting forth the Developers interest in the Mechanics Savings Bank Project Cost Account to be duly filed and recorded in the appropriate State offices as required by and permitted under the provisions of the Uniform Commercial Code or other similar law as adopted by the State and any other applicable jurisdiction, as from time to time amended, in order to perfect and maintain the security interests created hereunder. To the extent deemed necessary by the Developer, the City will at such time and from time to time as requested by Developer establish the Mechanics Savings Bank Project Cost Account as a segregated fund under the control of an escrow agent, trustee or other fiduciary so as to perfect Developer's interest therein.

Section 4.3. Further Instruments.

The City shall, upon the reasonable request of the Developer, from time to time execute and deliver such further instruments and take such further action as may be reasonable and as may be required to carry out the provisions of this Agreement; provided, however, that no such instruments or actions shall pledge the credit of the City, materially disadvantage the City, or materially change this Agreement.

Section 4.4. No Disposition of Mechanics Savings Bank Project Cost Account.

Except as permitted hereunder, the City shall not sell, lease, pledge, assign or otherwise dispose, encumber or hypothecate any interest in the Mechanics Savings Bank Project Cost Account.

Section 4.5. Access to Books and Records.

All books, records and documents in the possession of the City relating to the District, the Development Program, the Agreement and the monies, revenues and receipts on deposit or required to be deposited into the Mechanics Savings Bank Project Cost Account shall at all reasonable times be open to inspection by the Developer, its agents and employees.

ARTICLE V: DEFAULTS AND REMEDIES

Section 5.1. Events of Default.

Each of the following events shall constitute and be referred to in this Agreement as an "Event of Default":

Any failure by the Developer to develop the Project to include a new retail banking building, a complete renovation of the exiting building into a banking operations center and building new public infrastructure, around the project site, to include sidewalks and street lights.

Any failure by the City to pay the qualified amount from the Mechanics Savings Bank Project Cost Account to the Developer when the same shall become due and payable;

Any failure by the City to make deposits of Tax Increment Revenues into the Development Program Fund as and when due;

Any failure by the City to make deposits into Mechanics Savings Bank Project Cost Account as and when due;

Any failure by a party hereto to observe and perform in all material respects any covenant, condition, agreement or provision contained herein on the part of the party to be observed or performed; and

If a decree or order of a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a conservator or receiver or liquidator of, any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings, both for the winding up or liquidation of a party's affairs shall have been entered against the party or the party shall have consented to the appointment of a conservator or receiver or liquidator and any such proceedings of or relating to the party or of or relating to all or substantially all of its property, including without limitation, the filing of a voluntary petition in bankruptcy by the party or the failure by the party to have a petition in bankruptcy dismissed within a period of 90 consecutive days following its filing or in the event and order for release has been entered under the Bankruptcy Code with respect to the party.

Section 5.2. Remedies on Default.

Whenever any Event of Default referred to in section 5.1 hereof shall have occurred and be continuing for a period of fifteen (15) days after a party's receipt from the other party of written notice of an Event of Default by the party, the other party may (a) specifically enforce the performance or observance of any obligations, agreement or covenants of the defaulting party under this Agreement and any documents, instruments and agreements contemplated hereby or to enforce any rights or remedies available hereunder or (b) suspend its performance under this Agreement for so long as the Event of Default continues or remains uncured.

Section 5.3. Remedies Cumulative.

No remedy herein conferred upon or reserved to a party is intended to be exclusive of any

other available remedy or remedies but each and every such remedy shall be cumulative and shall be in addition to the remedy given under this Agreement or now or hereafter existing at law, in equity or by statute. Delay or omission to exercise any right or power accruing upon any Event of Default, to insist upon the strict performance of any covenant or Agreement herein set forth or to exercise any right or remedy upon the occurrence of an Event of Default shall not impair any such right or power or be considered or taken as a waiver or relinquishment for the future of the rights to insist upon and to enforce, from time to time and as often as may be deemed expedient, by injunction or other appropriate legal or equitable remedy, strict compliance by the party with all of the covenants and conditions hereof, or of the rights to exercise any such right or remedy, if such Events of Default be continued or repeated.

Section 5.4. Waiver of Governmental Immunity.

To the extent allowed by law, the City hereby waives its governmental immunity (but not any tort immunity) with respect to any action or suit undertaken by Developer, its successors or assigns, arising out of, resulting from or involving any alleged default by the City hereunder or failure by the City to observe or perform any of its obligations hereunder, it being understood and agreed that such waiver is a material inducement to the Developer entering into this Agreement and continuing its pursuit of the Project. The parties agree that in the event of any dispute or disagreement hereunder the City shall continue to make payment of all amounts due hereunder in the manner and at the times specified herein until final resolution of such dispute, whether by mutual agreement or final decision of a court, arbitrator or otherwise dispute resolution mechanism. Except as expressly provided in this Agreement, the City hereby waives any right to withhold, suspend or setoff payments during the pendency of any such dispute. Provided, however, that nothing herein shall be deemed a waiver to the City's tort immunity. The City agrees that it will not in any manner challenge or contest the validity of this Agreement, the Development Plan or the proceedings for the adoption and approval of the same.

Section 5.5. Tax Laws.

The parties acknowledge that all laws of the state now in effect or hereafter enacted with respect to taxation of property shall be applicable and that the City, by entering into this Agreement, is not excusing any nonpayment of taxes by Developer. Without limiting the foregoing, the City and the Developer shall always be entitled to exercise all rights and remedies regarding assessment, collection and payment of taxes assessed on Developer's property.

ARTICLE VI: EFFECTIVE DATE, TERM AND TERMINATION

Section 6.1. Effective Date and Term.

This agreement shall remain in full force from the Effective Date and shall expire July 1, 2036, or until Mechanics Savings Bank has been reimbursed to a maximum amount of \$207,441, whichever comes first, upon the payment of all amounts due to the Developer hereunder and the performance of all obligations on the part of the City hereunder unless sooner terminated

pursuant to Section 3.5, this Section 6.1, Section 8.3 or any other applicable provision of this Agreement. Thereafter, all property within the district shall be taxable by the City to the extent provided by law.

Section 6.2. Cancellation and Expiration of Term.

At the termination or other expiration of this Agreement and following full payment of all amounts due and owing to the Developer hereunder or provision for payment thereof, the City and the Developer shall each execute and deliver such documents and take or cause to be taken such actions as may be necessary to evidence the termination of this Agreement.

ARTICLE VII: ASSIGNMENT AND PLEDGE OF DEVELOPER'S INTEREST

Section 7.1. Consent to Pledge and/or Assignment.

The City hereby acknowledges that it is the intent of the Developer to pledge and assign its right, title and interest in, to and under this Agreement as collateral for financing for the project, although no obligation is hereby imposed on the Developer to make such assignment or pledge. Recognizing this intention, the City does hereby consent and agree to the pledge and assignment of all the developers right, title and interest in, to and under this Agreement and in and to the payments to be made to Developer hereunder, to third parties as collateral or security for indebtedness, on one or more occasions during the term hereof.

Section 7.2. Pledge, Assignment or Security Interest.

Subject to the limitations set forth in Section 3.3, City agrees to execute and deliver any assignments, pledge agreements, consents or other confirmations required by the protective pledge or assignee, including without limitation recognition of the pledge or assignee as the holder of all right, title and interest herein (to the extent provided by the Act) and as the payee of amounts due and payable hereunder and any and all such other documentation as shall confirm to such pledge or assignee the position of such assignee or pledge and binding nature of this Agreement and provide to the pledge or assignee such rights and/or remedies as the Developer under this Agreement for the establishing, protection and protection of its interest herein.

Section 7.3. Assignment.

The Developer shall have the unrestricted right to transfer and assign all or any portion of its rights in, to and under this Agreement, at any time, and from time to time, as Developer may, in its sole discretion, deem appropriate, provided that the Developer is not in default of this Agreement at the time of such assignment. An assignment to a party which is not an affiliate of the Developer may be made only with the consent of the City, which consent will not unreasonably be withheld.

ARTICLE VIII: MISCELLANEOUS

Section 8.1. Successors.

In the event of the dissolution of the City or the Developer or any sale or other transfer of all or substantially all of the Project, the covenants, stipulations, promises and Agreement set forth herein, by or on behalf of or for the benefit of such party shall bind or inure to the benefit of the successors and assigns thereof from time to time and any entity, officer, board, commission, agency or instrumentality to whom or to which any power or duty of such party shall be transferred.

Section 8.2. Parties in Interest.

Except as herein otherwise specifically provided, nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the City and the Developer any right, remedy or claim under or by reason of this Agreement, it being intended that this agreement shall be for the sole and exclusive benefit of the City and the Developer.

Section 8.3. Non-Severability.

In case any one or more of the material provisions of this agreement shall, for any reason, be held to be illegal or invalid, then this Agreement (except Section 8.11 pertaining to indemnification) may, at the option of either party, be terminated as of the date on which such holding becomes final. To exercise such option, the terminating party shall send written notice of termination to the other party within sixty (60) days after the date on which such holding becomes final.

Section 8.4. No Personal Liability of Officials of the City.

No covenant, stipulation, obligation or agreement of the City contained herein shall be deemed to be a covenant, stipulation or obligation of any present or future elected or appointed official, officer, agent, servant or employee of the City in his or her individual capacity and neither any member of the City Council, the City Manager or the Assessor of the City, nor any registered voter of the City nor any official, officer, employee or agent of the City shall be liable personally with respect to this Agreement or be subject to any personal liability or accountability by reason hereof.

Section 8.5. Counterparts.

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same Agreement.

Section 8.6. Governing Law.

The laws of the State shall govern the construction and enforcement of this agreement in all

respects.

Section 8.7. Notices.

All notices, certificates, requests, requisitions or other communications by the City or the Developer pursuant to this Agreement shall be in writing and shall be sufficiently given and shall deemed given when mailed by first-class mail, postage prepaid, addressed as follows:

If to the City:

Clinton Deschene, City Manager City of Auburn 60 Court Street, Suite 243 Auburn, ME 04210

With a copy to: Roland Miller, Director of Planning & Development City of Auburn 60 Court Street, Suite 102 Auburn, ME 04210

If to the Developer:

Mechanics Savings Bank 100 Minot Avenue Auburn, ME 04210

Either of the parties may, by written notice given to the other, designate any different address to its subsequent notices, certificates, requests or other communications shall be sent hereunder.

Section 8.8. Amendments.

Neither this Agreement nor the Development Program may be amended without the express written consent of the parties hereto.

Section 8.9. Integration.

This Agreement completely and fully supersedes all other prior or contemporaneous understandings or agreements, both written and oral, between the City and the Developer relating to the specific subject matter of this Agreement and the transactions contemplated hereby.

Section 8.10. Authority of the City.

The Developer and the City waive any right to which either may have to contest, and shall not

take any action to challenge, the other's authority to enter into, perform or enforce the Agreement or to carry out the Development Program or the validity or enforceability of this Agreement, the District or the Development Program. The City and the Developer shall each utilize their respective best efforts to uphold the District, the Development Program, this Agreement and the City's authority to enter into this Agreement and the validity and enforceability of the District, the Development Program and this Agreement, including without limitation opposing, to the extent permitted by law, any litigation or proceeding challenging such authority, validity or enforceability.

Section 8.11. Indemnification.

Developer shall at its own expense defend, indemnify, and hold harmless the City, its officers, agents, and employees from and against any and all liability, claims, damages, penalties, losses, expenses, or judgments relating in any manner to the District, the Project, the Development Program or this Agreement or arising from injury or death to any person or property damage sustained by anyone in and about the District or the Project or as a result of activities or services at the Project, resulting from any negligent · act or omission of Developer, its officers, agents, servants, employees, or persons in privities with Developer, except to the extent that such injury, death, or property damage results from any negligent act or omission of the City, its officers, agents, employees or servants. Developer shall, at its own cost and expense, defend any and all suits or actions, just or unjust which may be brought against City upon any such above-mentioned matter, claim or claims, including claims of contractors, employees, laborers, material men, and suppliers. In cases in which the City is a party, the City shall have the right to participate at its own discretion and at its own expense and no such suit or action shall be settled without prior written consent of the City.

Without limiting the foregoing, the Developer agrees to reimburse any expenses incurred by the City in connection with this Agreement, the Project, the Development Program or any other instrument executed and delivered by the City in connection with this Agreement or the Development Program.

Notwithstanding any other provisions of this Agreement, this section shall survive any termination of this agreement.

The foregoing indemnification shall not apply to any action brought by the Developer to enforce this Agreement or to realize the benefit of this Agreement.

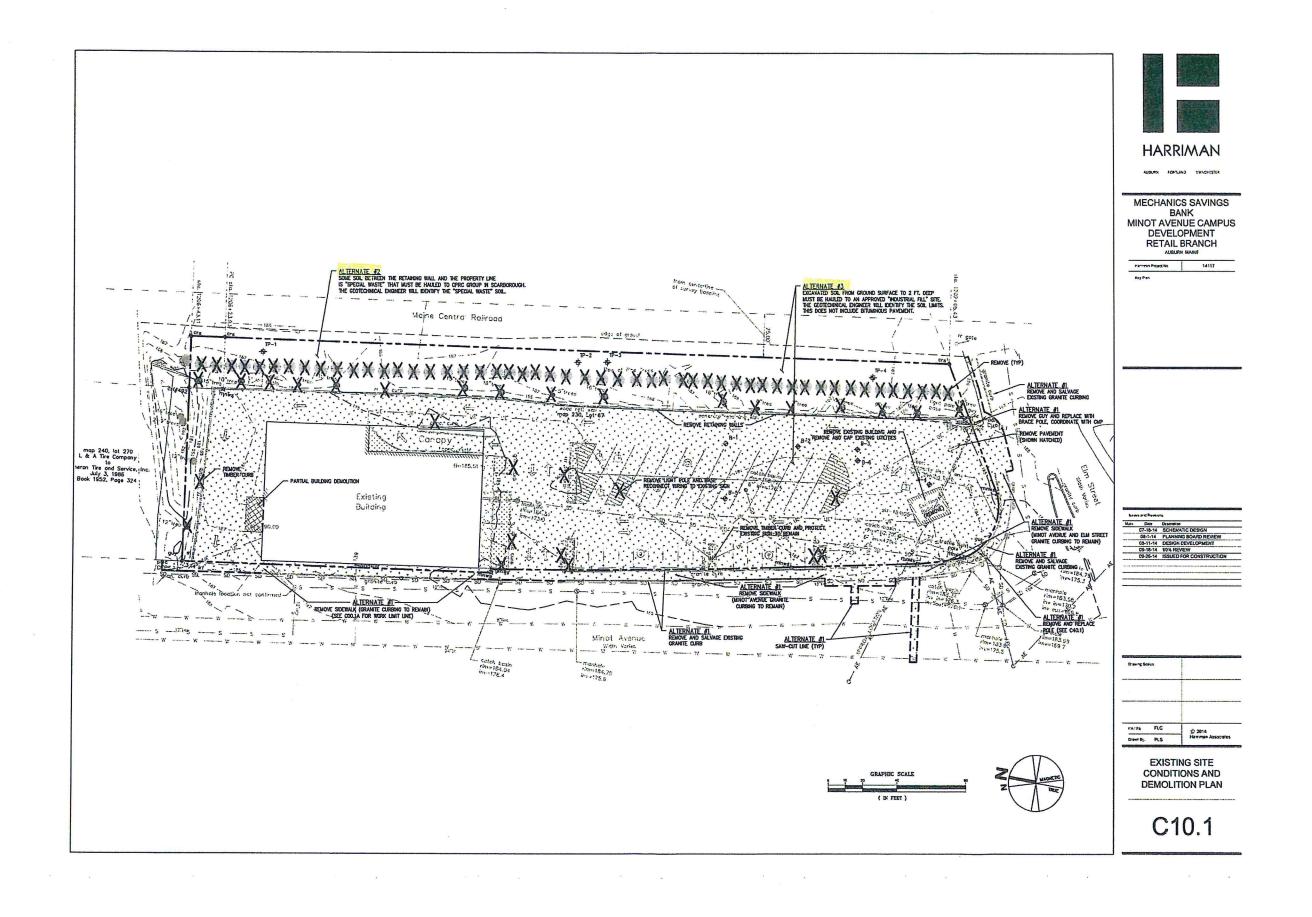
Section 8.12. Net Agreement.

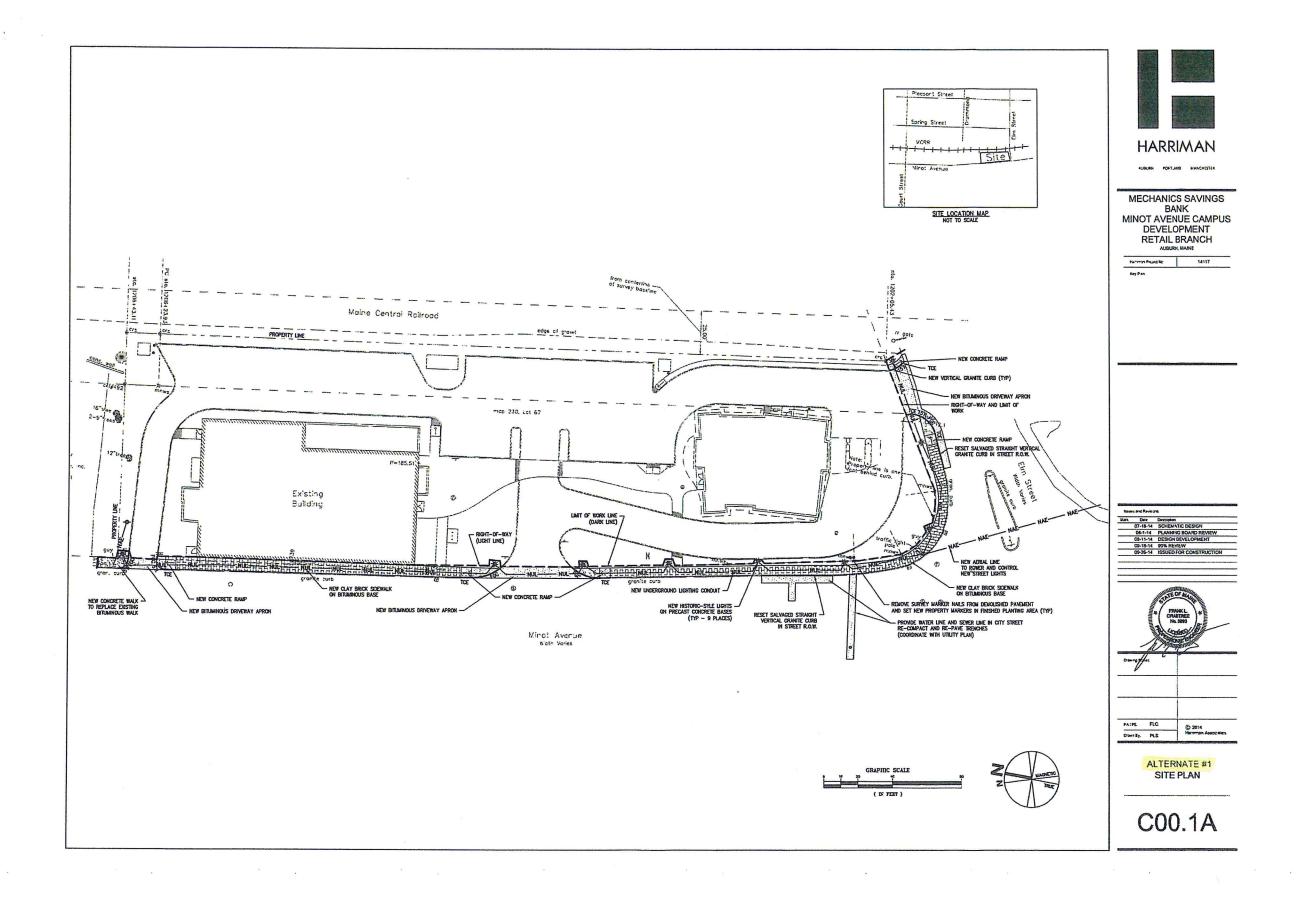
This Agreement shall be deemed and construed to be a "net agreement," and the City shall pay absolutely net during the term hereof all payments required hereunder, free of any deductions, and without abatement, deductions or setoffs; provided, it is understood that the City's payment obligations are to be satisfied solely from Retained Tax Increment Revenues actually paid in by the Developer and received by the City, and earnings thereon.

Section 8.13. Benefit of Assignees or Pledges.

The City agrees that this Agreement is executed in part to induce assignees or pledges to provide financing for the Project and accordingly all covenants and agreements on the part of the City as to the amounts payable hereunder are hereby declared to be for the benefit of any such assignee or pledge from time to time of the Developer's right, title and interest herein.

INWITNESS WHEREOF, the City of A day of, 2014.	uburn and	the Developer have executed this Agreement this
	By:	
Witness		Its City Manager
State of Maine Androscoggin County		
Before me personally appeared fact and deed.		who swore that the above was her true
		Notary Public My commission expires:
	By:	
Witness		Its President Mechanics Savings Bank
	Date:	
State of Maine Androscoggin County		
Before me personally appearedfact and deed.		who swore that the above was her true
		y Public ommission expires:





Tizz E. H. Crowley, Ward One Robert Hayes, Ward Two Mary Lafontaine, Ward Three Adam Lee, Ward Four



Leroy Walker, Ward Five Belinda Gerry, At Large David Young, At Large

Jonathan P. LaBonte, Mayor

IN CITY COUNCIL

ORDER 95-11172014

ORDERED, that the City Manager is authorized to execute documents that provide a Credit Enhancement Agreement (CEA) to Mechanics Savings Bank for their new development project. The terms of the agreement are stated in the attached documents.

IN COUNCIL REGULAR MEETING NOVEMBER 3, 2014 VOL. 34 PAGE 76

Mayor LaBonté called the meeting to order at 7:00 P.M. in the Council Chambers of Auburn Hall and led the assembly in the salute to the flag. All Councilors were present.

I. Consent Items

1. Order 91-11032014*

Appointing Wardens and Ward Clerks for the November 4, 2014 Election.

Motion was made by Councilor Hayes and seconded by Councilor LaFontaine to accept the one consent item as presented. Passage 7-0.

II. Minutes

- October 16, 2014 Special Council Meeting
- October 20, 2014 Regular Council Meeting

Motion was made by Councilor LaFontaine and seconded by Councilor Walker to accept the minutes of October 16, 2014 and October 20, 2014 as presented. Passage 7-0.

III. Reports

Mayor's Report – October 24, 2014 has been declared by the Mayor as Food Day in City of Auburn, he asked the Community and Council to join him in offering our thoughts and prayers to Larry Pelletier who suffered an unfortunate accident this week, he agreed to relay a message from Dan Herrick thanking the Police Department for their follow up on the towing incident he talked about during the last Council meeting, and lastly, he reminded residents that November 4th was election day and encouraged everyone to vote.

City Manager's Report – ATRC organization update, Norway Savings Bank Arena quarterly report, past practice on City holidays (when Christmas falls on a Thursday). This is his last official meeting.

City Committee Reports – Councilor Crowley on Water District (cleaning the in-take valve, a fuel spill near the route 4 causeway, the South Main Street project), Sewer District (rate increase, and a sewer tip), Recreation Advisory Board meeting, Ward 1 report (Pink Ribbon Teas and Talks, Neighborhood Meeting in New Auburn, Citizens Advisory Committee, dates/events to watch for, Election Day) a copy of these reports are on file. Councilor Gerry, Auburn Housing Authority, Citizen Advisory Committee, Lewiston-Auburn Transit Committee (LATC). A written report is on file, Councilor Lee on the Citizens Advisory Committee, Lewiston Auburn Economic Growth Council (LAEGC) meeting on Friday, Councilor Walker on the South Main Street project.

- IV. Communications, Presentations and Recognitions None
- V. Open Session No one from the public spoke.
- VI. Unfinished Business
- 2. Ordinance 09-10202014

IN COUNCIL REGULAR MEETING NOVEMBER 3, 2014 VOL. 34 PAGE 77

Adopting the General Assistance Appendices B and C (food and rent) as required by State Statute. Public hearing and second and final reading.

Motion was made by Councilor LaFontaine and seconded by Councilor Walker to adopt the General Assistance Appendices B and C (food and rent) as required by State Statute.

Public hearing – no one from the public spoke. Passage 7-0. A roll call vote was taken.

VII. New Business

3. Order 92-11032014

Authorizing the demolition of a dangerous building located at 33 South Goff Street. Public Hearing.

Motion was made by Councilor LaFontaine and seconded by Councilor Walker authorizing the demolition of a dangerous building located at 33 South Goff Street.

Public hearing – no one from the public spoke. Passage 7-0. A roll call vote was taken.

4. Order 93-11032014

Authorizing the City Manager to execute a deed for the sale of a portion of 143 Hampshire Street and 325 Turner Street.

Motion was made by Councilor LaFontaine and seconded by Councilor Crowley to postpone this item to a future workshop.

Passage 5-1-1 (Councilor Hayes opposed and Councilor Young abstained).

5. Order 94-11032014

Authorizing the payment of \$10,000 for land acquisition of 261 Main Street.

Motion was made by Councilor LaFontaine and seconded by Councilor Walker to postpone this item to a future workshop.

Passage 6-1 (Councilor Hayes opposed).

6. Resolve 11-11032014

Supporting the addition of extra members to the Lewiston-Auburn Bike-Ped Committee.

Motion was made by Councilor LaFontaine and seconded by Councilor Lee to support the addition of extra members to the Lewiston-Auburn Bike-Ped Committee.

Public comment – no one from the public spoke. Passage 6-0-1 (Councilor Walker abstained).

VIII. Executive Session

• Discussion regarding an Economic Development matter, pursuant to 1 M.R.S.A. Section 405(6)(C).

IN COUNCIL REGULAR MEETING NOVEMBER 3, 2014 VOL. 34 PAGE 78

Motion was made by Councilor LaFontaine and seconded by Councilor Lee to enter into executive session to discuss an economic development matter, pursuant to 1 M.R.S.A. Section 405(6)(C). Passage 5-2 (Councilors Crowley and Gerry opposed). Time 8:00 PM.

Council was declared out of executive session at 8:24 PM.

• Discussion regarding an personnel matter, pursuant to 1 M.R.S.A. Section 405(6)(A).

Motion was made by Councilor Lee and seconded by Councilor Young to enter into executive session to discuss a personnel matter, pursuant to 1 M.R.S.A. Section 405(6)(A). Passage 5-0 (Councilors LaFontaine and Crowley were out of the room for this vote). Time 8:24 PM.

Council was declared out of executive session at 8:41 PM.

IX. Open Session - Members of the public are invited to speak to the Council about any issue directly related to City business which is not on this agenda.

Andy Titus 17 Lamplighter Circle, regarding executive sessions, agenda items, and the County Budget Committee vacancy.

X. Adjournment – Motion was made by Councilor LaFontaine and seconded by Councilor Crowley to adjourn. With no objections from Council, the meeting adjourned at 8:46 PM.

A True Copy.

ATTEST <u>Jusan Clements Dallame</u> Susan Clements-Dallaire, City Clerk



"Maine's City of Opportunity"

Financial Services

TO: Clinton Deschene, City Manager

FROM: Jill Eastman, Finance Director

REF: October 2014 Financial Report

DATE: November 12, 2014

The following is a discussion regarding the significant variances found in the City's October financial report. Please note that although the monthly financial report contains amounts reported by the School Department, this discussion is limited to the City's financial results and does not attempt to explain any variances for the School Department.

The City has completed its fourth month of the current fiscal year. As a guideline for tracking purposes, revenues and expenditures should amount to approximately 33.3% of the annual budget. However, not all costs and revenues are distributed evenly throughout the year; individual line items can vary based upon cyclical activity.

Revenues

Revenues collected through October 31st, including the school department were \$30,196,535, or 39.68%, of the budget. The municipal revenues including property taxes were \$24,644,120, or 45.63% of the budget which is less than the same period last year by 0.56%. The accounts listed below are noteworthy.

- A. September 15th the first installment for real estate taxes were due. The current year tax revenue is at 50.29% as compared to 49.33% last year.
- B. Excise tax for the month of October is at 39.05%. This is a \$42,824 increase from FY 14. Our excise revenues for FY15 are 5.72% above projections as of October 30, 2014.
- C. State Revenue Sharing for the month of October is 24.54% or \$404,770. This is 9.39% decrease from this October to last October.

D. Business and Non-Business Licenses and Permits are at 38.01% of budget due to various licenses and permits coming in higher than anticipated.

Expenditures

City expenditures through October 2014 were \$16,343,253 or 43.16%, of the budget. This is 2.29% more than the same period last year. Noteworthy variances are:

A. Debt service is higher than last year due to the timing of payments.

Investments

This section contains an investment schedule as of October 31st. Currently the City's funds are earning an average interest rate of .19%.

Respectfully submitted,

Jee M Cartman

Jill M. Eastman
Finance Director

CITY OF AUBURN, MAINE BALANCE SHEET - CITY GENERAL FUND, WC AND UNEMPLOYMENT FUND AS of October 2014, September 2014, and June 2013

ASSETS	UNAUDITED October 30 2014	JNAUDITED eptember 30 2014	Increase (Decrease)	AUDITED JUNE 30 2014
CASH RECEIVABLES ACCOUNTS RECEIVABLES TAXES RECEIVABLE-CURRENT DELINQUENT TAXES	\$ 15,684,489 2,565,770 19,920,522 626,497	\$ 16,088,659 736,441 21,741,279 645,386	\$ (404,170) - 1,829,329 (1,820,757) (18,889)	\$ 5,319,835 1,447,551 140,913 533,344
TAX LIENS NET DUE TO/FROM OTHER FUNDS	 950,685 160,782	1,004,580 4,077,001	(53,895) (3,916,219)	1,390,006 8,116,581
TOTAL ASSETS	\$ 39,908,745	\$ 44,293,346	\$ (4,384,600)	\$ 16,948,230
LIABILITIES & FUND BALANCES				
ACCOUNTS PAYABLE PAYROLL LIABILITIES ACCRUED PAYROLL STATE FEES PAYABLE ESCROWED AMOUNTS DEFERRED REVENUE	\$ (275,964) (376,531) (2,875) (27,975) (51,651) (21,185,238)	\$ (173,763) (82,022) (895,756) (47,722) (50,651) (23,078,626)	\$ (102,200) (294,508) 892,881 19,747 (1,000) 1,893,388	\$ (568,395) - (2,480,654) - (43,526) (1,792,296)
TOTAL LIABILITIES	\$ (21,920,233)	\$ (24,328,541)	\$ 2,408,308	\$ (4,884,871)
FUND BALANCE - UNASSIGNED FUND BALANCE - RESTRICTED FOR WORKERS COMP & UNEMPLOYMENT	\$ (16,897,559) 776,017	\$ (18,873,853) 776,017	\$ 1,976,293	\$ (9,895,359)
FUND BALANCE - RESTRICTED	(1,866,970)	(1,866,970)	-	(2,168,000)
TOTAL FUND BALANCE	\$ (17,988,512)	\$ (19,964,805)	\$ 1,976,293	\$ (12,063,359)
TOTAL LIABILITIES AND FUND BALANCE	\$ (39,908,745)	\$ (44,293,346)	\$ 4,384,601	\$ (16,948,230)

CITY OF AUBURN, MAINE REVENUES - GENERAL FUND COMPARATIVE THROUGH October 31, 2014 VS October 31, 2013

		Inkoudr	1 001	.ODEI 31, 2014 V	S October 51,	2013	•				
		FY 2015		ACTUAL REVENUES	% OF		FY 2014		ACTUAL REVENUES	% OF	
REVENUE SOURCE		BUDGET	TH	RU OCT 2014	BUDGET		BUDGET	TH	RU OCT 2013	BUDGET	VARIANCE
TAXES PROPERTY TAX REVENUE-	\$	43,055,996	\$	21,652,342	50.29%	\$	42,844,641	\$	21,135,241	49.33%	\$ 517,101
PRIOR YEAR REVENUE	Ф \$	43,055,996	Ф \$	474,393	30.29%	э \$	42,044,041	Φ	397,057		\$ 77,336
HOMESTEAD EXEMPTION REIMBURSEMENT	\$	495,000	\$	383,752	77.53%	\$	482,575	\$	371,573		\$ 77,330 \$ 12,179
ALLOWANCE FOR ABATEMENT	\$	-	\$	-	11.5576	\$	402,573	\$	371,373	77.0076	\$ 12,179 \$ -
ALLOWANCE FOR UNCOLLECTIBLE TAXES	\$	_	\$	_		\$	_	\$	_		φ \$ -
EXCISE	\$	3,185,000	\$	1,243,860	39.05%	\$	3,068,500	\$	1,201,036	39.14%	\$ 42,824
PENALTIES & INTEREST	\$	145,000	\$	34,507	23.80%	\$	140,000	\$	28,379	20.27%	. , -
TOTAL TAXES	\$	46,880,996	\$	23,788,854	50.74%	\$	46,535,716	\$	23,133,286	49.71%	
	•	, ,	•			•	,,.	•	,,		•,
LICENSES AND PERMITS											
BUSINESS	\$	48,300	\$	18,235	37.75%	\$	47,300	\$	16,175	34.20%	\$ 2,060
NON-BUSINESS	\$	339,300	\$	129,110	38.05%	\$	338,300	\$	148,265	43.83%	\$ (19,155)
TOTAL LICENSES	\$	387,600	\$	147,345	38.01%	\$	385,600	\$	164,440	42.65%	\$ (17,095)
INTERGOVERNMENTAL ASSISTANCE	_		_					_			•
STATE-LOCAL ROAD ASSISTANCE	\$	440,000	\$	-	0.00%	\$	440,000	\$	-	0.00%	
STATE REVENUE SHARING	\$	1,649,470	\$	404,770	24.54%	\$	1,649,470	\$	559,696	33.93%	
WELFARE REIMBURSEMENT	\$	70,000	\$	11,540	16.49%	\$	53,000	\$	19,731	37.23%	
OTHER STATE AID	\$	22,000	\$	-	0.00%	\$	22,000	\$	-	0.00%	
CITY OF LEWISTON	\$	155,000	\$	-	0.00%	\$	155,000	\$	-	0.00%	
TOTAL INTERGOVERNMENTAL ASSISTANCE	= \$	2,336,470	\$	416,311	17.82%	\$	2,319,470	\$	579,427	24.98%	\$ (163,116)
CHARGE FOR SERVICES											
GENERAL GOVERNMENT	\$	132,040	\$	50,399	38.17%	\$	140,240	\$	36,236	25.84%	\$ 14,163
PUBLIC SAFETY	\$	485,703	\$	93,974	19.35%	\$	366,152		28,334	7.74%	,
EMS AGREEMENT	\$	987,551	\$	30,374	0.00%	\$	100,000	\$	33,333	33.33%	
TOTAL CHARGE FOR SERVICES	\$	1,605,294	\$	144,374	8.99%	\$	606,392	\$	97,903	16.15%	
TOTAL STRAIGET SK SERVICES	Ψ	1,000,201	Ψ	111,071	0.0070	Ψ	000,002	Ψ	01,000	10.1070	Ψ 10,171
FINES PARKING TICKETS & MISC FINES	\$	26,000	\$	20,096	77.29%	\$	40,000	\$	6,699	16.75%	\$ 13,397
MISCELLANEOUS											
INVESTMENT INCOME	\$	10,000	\$	279	2.79%	\$	20,000	\$	159	0.80%	\$ 120
INTEREST-BOND PROCEEDS	\$	2,000	\$	-	0.00%	\$	2,000	\$	-	0.00%	\$ -
RENTS	\$	122,000	\$	-	0.00%	\$	122,000	\$	-	0.00%	\$ -
UNCLASSIFIED	\$	20,000	\$	29,200	146.00%	\$	17,500	\$	42,836	244.78%	\$ (13,636)
SALE OF RECYCLABLES	\$	-	\$	-		\$	4,800	\$	-	0.00%	\$ -
COMMERCIAL SOLID WASTE FEES	\$	-	\$	20,486		\$	-	\$	22,168		\$ (1,682)
SALE OF PROPERTY	\$	20,000	\$	1,200	6.00%	\$	20,000	\$	6,760	33.80%	\$ (5,560)
RECREATION PROGRAMS/ARENA	\$	-	\$	-		\$	-	\$	-		\$ -
MMWAC HOST FEES	\$	206,000	\$	69,753	33.86%	\$	204,000	\$	68,598		\$ 1,155
9-1-1 DEBT SERVICE REIMBURSEMENT	\$	-	\$	-		\$	-	\$	-		\$ -
TRANSFER IN: TIF	\$	500,000	\$	-	0.00%	\$	520,000	\$	-		\$ -
TRANSFER IN: POLICE	\$	20,000			0.00%	\$	-				\$ -
TRANSFER IN: PARKING PROGRAM	\$	55,000			0.00%	\$	-				\$ -
TRANSFER IN: PD DRUG MONEY	\$	45,000			0.00%	\$	-				\$ -
TRANSFER IN: REC SPEC REVENUE	\$	41,720			0.00%	\$	-				\$ -
TRANSFER IN: SPECIAL REVENUE	\$	290,000			0.00%	\$	-				\$ -
ENERGY EFFICIENCY	\$	-	\$	-		\$	2,000		279	13.95%	: ' '
CDBG	\$	58,000	\$	-	0.00%	\$	58,000			0.00%	
UTILITY REIMBURSEMENT	\$	37,500		6,223	16.60%	\$	37,500	- :	7,675	20.47%	
CITY FUND BALANCE CONTRIBUTION	\$	1,350,000	_	-	0.00%	\$	1,350,000	\$	-	0.00%	
TOTAL MISCELLANEOUS	\$	2,777,220	\$	127,141	4.58%	\$	2,357,800	\$	148,475	6.30%	\$ (21,334)
TOTAL GENERAL FUND REVENUES	\$	54,013,580	\$	24,644,120	45.63%	\$	52,244,978	\$ \$	24,130,230	46.19%	\$ 513,890
SCHOOL REVENUES											
EDUCATION SUBSIDY	\$	20,411,239	\$	5,429,527	26.60%	\$	17,942,071	2	6,941,875	38.69%	\$ (1,512,348)
EDUCATION	\$	774,572		122,889	15.87%	\$	1,358,724		169,807	12.50%	
SCHOOL FUND BALANCE CONTRIBUTION	\$	906,882		-	0.00%	\$	855,251	\$		0.00%	
TOTAL SCHOOL	\$	22,092,693	_	5,552,415	25.13%	\$	20,156,046	_	7,111,682	35.28%	
	Ψ	,552,550	Ψ	0,002,110	23.1070	Ψ	_0,.00,010	Ψ	.,,	33.2070	÷ (.,000,201)
GRAND TOTAL REVENUES	\$	76,106,273	\$	30,196,535	39.68%	\$	72,401,024	\$	31,241,912	43.15%	\$ (1,045,377)

CITY OF AUBURN, MAINE EXPENDITURES - GENERAL FUND COMPARATIVE THROUGH October 31, 2014 VS October 31, 2013

		FY 2015		Unaudited EXP	% OF		FY 2014		Unaudited EXP	% OF	
DEPARTMENT		BUDGET	TH	RU OCT 2014	BUDGET		BUDGET	TH	RU OCT 2013	BUDGET	VARIANCE
ADMINISTRATION	•	70.500	•	00.000	40.400/	•	74.070	•	00.400	45.000/	Φ 5004
	\$	78,532	\$	38,032	48.43%	\$	71,079	\$	32,128	45.20%	. ,
	\$	280,750	\$	86,996	30.99%	\$	238,903	\$	80,146	33.55%	. ,
	\$	359,500	\$	113,634	31.61%	\$	318,933	\$	109,316	34.28%	. ,
	\$	177,320	\$	46,518	26.23%	\$	172,277	\$	57,114	33.15%	. , ,
	\$	164,593	\$	49,577	30.12%	\$ \$	162,045	\$	50,887	31.40%	. , ,
	\$	427,815	\$	140,634	32.87%	\$	405,976	\$	131,425		\$ 9,209
HUMAN RESOURCES	Ф	139,578	\$	44,540	31.91%	\$	139,566	\$	43,050	30.85%	. ,
	\$	413,829	\$	204,135	49.33%	\$	395,350	\$	202,995	51.35%	. ,
_	\$	65,000	\$	6,237	9.60%		100,000	\$	16,093	16.09%	,
TOTAL ADMINISTRATION	\$	2,106,917	\$	730,303	34.66%	\$	2,004,129	\$	723,154	36.08%	\$ 7,149
COMMUNITY SERVICES											
PLANNING & PERMITTING	\$	902,494	\$	271,350	30.07%	\$	775,230	\$	251,802	32.48%	\$ 19,548
	\$	192,954	\$	59,226	30.69%	\$	189,539	\$	76,452	40.34%	. ,
	\$	960,692	\$	324,967	33.83%	\$	946,737	\$	309,079	32.65%	
TOTAL COMMUNITY SERVICES	\$	2,056,140	\$	655,543	31.88%	\$	2,759,028	\$	637,333	23.10%	\$ 18,210
FISCAL SERVICES											
	\$	6,263,936	\$	5,774,574	92.19%	\$	6,321,584	¢	4,676,409	72 000/	\$ 1,098,165
						э \$. , ,
	\$	698,335	\$	186,836	26.75%	\$	715,667		220,821	30.86%	+ (,,
	\$	468,081	\$	4 070 400	0.00%		431,446	\$	4 500 000	0.00%	*
	\$	4,737,117	\$	1,678,426	35.43%	\$	4,397,585	\$	1,566,399	35.62%	+ ,-
` ,	\$	375,289	\$	7,000,000	0.00%	\$	375,289	\$		0.00%	
TOTAL FISCAL SERVICES	\$	12,542,758	\$	7,639,836	60.91%	\$	12,241,571	\$	6,463,629	52.80%	\$ 1,176,207
PUBLIC SAFETY											
FIRE DEPARTMENT	\$	4,057,633	\$	1,451,649	35.78%	\$	4,024,789	\$	1,313,608	32.64%	\$ 138,041
FIRE EMS	\$	635,468	\$	211,635	33.30%						\$ 211,635
	\$	3,738,108	\$	1,127,433	30.16%	\$	3,589,583	\$	1,096,463	30.55%	\$ 30,970
TOTAL PUBLIC SAFETY	\$	8,431,209	\$	2,790,717	33.10%	\$	7,614,372	\$	2,410,071	31.65%	\$ 380,646
PUBLIC WORKS											
	\$	5,806,379	\$	1,718,044	29.59%	\$	5,577,954	\$	1,493,970	26.78%	\$ 224,074
	\$	599,013	\$	305,756	51.04%	\$	558,835	\$	282,963	50.63%	. ,
	\$	6,405,392	\$	2,023,800	31.60%	\$	5,289,267	\$	1,776,933	33.60%	\$ 246,867
TOTAL TODAY WORKS	Ψ	0, 100,002	Ψ	2,020,000	01.0070	Ψ	0,200,201	Ψ	1,770,000	00.0070	Ψ 210,007
INTERGOVERNMENTAL PROGRAMS			_			_		_			_
	\$	105,000	\$	52,500	50.00%	\$,	\$	52,500	50.00%	•
	\$	1,067,249	\$	350,831	32.87%	\$	1,036,409	\$	518,425		\$ (167,594)
	\$	235,373	\$	52,844	22.45%	\$	235,496	\$	117,686	49.97%	\$ (64,842)
	\$	-	\$	-	0.000/	\$	-	\$	-		\$ -
	\$	17,000	\$	-	0.00%	\$	-	\$	-	45 400:	\$ -
_	\$	270,000	\$	-	0.00%	\$	270,000	\$	41,793		\$ (41,793)
TOTAL INTERGOVERNMENTAL	\$	1,694,622	\$	456,175	26.92%	\$	1,646,905	\$	730,404	44.35%	\$ (274,229)
COUNTY TAX	\$	2,046,880	\$	2,046,879	100.00%	\$	2,029,513	\$	2,029,512	100.00%	\$ 17,367
	\$	2,584,032	\$	-	0.00%	\$	2,555,723	\$	-	0.00%	\$ -
	\$	-	\$	-		\$	-	\$	-	0.00%	•
TOTAL CITY DEPARTMENTS	\$	37,867,950	\$	16,343,253	43.16%	\$	36,140,508	\$	14,771,036	40.87%	\$ - \$ 1,572,217
	•			, ,				·			
EDUCATION DEPARTMENT	\$	38,241,323	\$	7,110,613	18.59%	\$	37,128,028	\$	9,545,811	25.71%	\$ (2,435,198)
TOTAL GENERAL FUND EXPENDITURES	\$	76,109,273	\$	23,453,866	30.82%	\$	73,268,536	\$	24,316,847	33.19%	\$ (862,982)

CITY OF AUBURN, MAINE INVESTMENT SCHEDULE AS OF October 31, 2014

INVESTMENT		FUND	Od	BALANCE ctober 31, 2014	Sep	BALANCE stember 30, 2014	INTEREST RATE	WEIGHTED AVG YIELD
BANKNORTH MNY MKT	24-1242024	GENERAL FUND	Φ.	55,437.66	¢	55,431.96	0.15%	_
BANKNORTH MNY MKT		GF-WORKERS COMP	\$	49.295.87		49.290.81	0.08%	
BANKNORTH MNY MKT	24-1745944	GF-UNEMPLOYMENT	\$	67,027.81	\$	67,020.92	0.15%	
BANKNORTH CD	7033	GF-UNEMPLOYMENT	\$	102,404.84	\$	102,404.84	0.15%	
BANKNORTH MNY MKT	24-1809302	SPECIAL REVENUE	\$	52,656.90	\$	52,651.49	0.15%	
BANKNORTH MNY MKT	24-1745902	SR-PERMIT PARKING	\$	198,366.52	\$	198,346.14	0.15%	
BANKNORTH MNY MKT	24-1745895	SR-TIF	\$	1,119,935.07	\$	1,119,820.01	0.15%	
BANKNORTH MNY MKT	24-1746819	CAPITAL PROJECTS	\$	4,778,142.71	\$	4,777,534.07	0.20%	
BANKNORTH MNY MKT	24-1745928	ICE ARENA	\$	249,764.86	\$	249,739.20	0.15%	
GRAND TOTAL			\$	6,673,032.24	\$	6,672,239.44		0.19%

"Maine's City of Opportunity"

Financial Services

To: Clinton Deschene, City Manager From: Jill Eastman, Finance Director

Re: Arena Financial Reports for October 31, 2014

Attached you will find a Statement of Net Assets and a Statement of Activities for the Ingersoll Arena and the Norway Savings Bank Arena as of October 31, 2014. I have also attached budget to actual reports for Norway Savings Bank Arena for revenue and expenditures.

INGERSOLL ARENA

Statement of Net Assets:

The Statement of Net Assets lists current assets, noncurrent assets, liabilities and net assets.

Current Assets:

As of the end of October 2014 the total current assets were \$129,666. These consisted of cash and cash equivalents of \$249,739, and an interfund payable of \$120,073, which means that Ingersoll owes the General Fund \$120,073, so net cash available to Ingersoll is \$129,666 at the end of October.

Noncurrent Assets:

Noncurrent assets are the building, equipment and any building and land improvements, less depreciation. The total value of noncurrent assets as of October 31, 2014 were \$232,292. The equipment that was transferred to Norway Savings Bank Arena or sold have been removed from the Ingersoll balance sheet as well as the related accumulated depreciation.

Liabilities:

Ingersoll had no liabilities as of October 31, 2014

Statement of Activities:

The statement of activities shows the current operating revenue collected for the fiscal year and the operating expenses as well as any nonoperating revenue and expenses.

Ingersoll Arena had no operating revenues through October 2014.

The operating expenses for Ingersoll Arena through October 2014, were \$3,505. These expenses include supplies, utilities, and repairs and maintenance.

As of October 2014 Ingersoll has an operating loss of (\$3,505).

Non-operating revenue and expenses consist of interest income and debt service payments. The interest income to date is \$94 and debt service expense to date is \$81,563.

As of October 31, 2014 Ingersoll has a decrease in net assets of \$84,974.

NORWAY SAVINGS BANK ARENA

Statement of Net Assets:

The Statement of Net Assets lists current assets, noncurrent assets, liabilities and net assets.

Current Assets:

As of the end of October 2014 the total current assets of Norway Savings Bank Arena were (\$93,648). These consisted of cash and cash equivalents of \$91,281, and an interfund payable of \$184,929, which means that Norway owes the General Fund \$184,929 at the end of October.

Noncurrent Assets:

Norway's noncurrent assets are equipment that was purchased, less depreciation (depreciation is posted at year end). There was an adjustment to the equipment to account for equipment that was transferred from Ingersoll Arena. The total value of the noncurrent assets as of October 31, 2014 was \$239,332.

Liabilities:

Norway Arena had accounts payable of \$1,710 as of October 31, 2014.

Statement of Activities:

The statement of activities shows the current operating revenue collected for the fiscal year and the operating expenses as well as any nonoperating revenue and expenses.

The operating revenues for Norway Arena through October 2014 are \$217,912. This revenue comes from the concessions, sign advertisements, pro shop lease, youth programming, shinny hockey, public skating and ice rentals.

The operating expenses for Norway Arena through October 2014 were \$421,865. These expenses include personnel costs, supplies, utilities, repairs, capital purchases and maintenance. July 1st Norway began to pay the monthly rent payment on the arena of \$42,207 to Slap Shot LLC. The November rent payment was posted in October in order to have the check available for November 1st.

As of October 2014 Norway Arena has an operating loss of \$203,953.

As of October 31, 2014 Norway Arena has a decrease in net assets of \$203,953.

I have also attached budget to actual reports for revenue and expenditures.

CITY OF AUBURN, MAINE Statement of Net Assets Proprietary Funds October 31, 2014

Business-type Activities - Enterprise Funds

		ı	ngersoll	l Norway Savings		С	ombined
ASSETS							
Current assets:							
Cash and cash equivalents		\$	249,739	\$	91,281	\$	341,020
Interfund receivables		\$	(120,073)	\$	(184,929)		(305,002)
Accounts receivable			-		-		-
	Total current assets		129,666		(93,648)		36,018
Noncurrent assets:							
Capital assets:							
Buildings			672,279		35,905		708,184
Equipment			66,415		285,813		352,228
Land improvements			18,584				18,584
Less accumulated depreciation			(524,986)		(82,386)		(607,372)
	Total noncurrent assets		232,292		239,332		471,624
	Total assets		361,958		145,684		507,642
LIABILITIES							
Accounts payable		\$	-	\$	1,710		1,710
Total liabilities			-		1,710		1,710
NET ASSETS							
Invested in capital assets		\$	232,292	\$	239,332		471,624
Unrestricted		\$	129,666	\$	(95,358)		34,308
Total net assets		\$	361,958	\$	143,974	\$	505,932

CITY OF AUBURN, MAINE

Statement of Revenues, Expenses and Changes in Net Assets

Proprietary Funds

Business-type Activities - Enterprise Funds Statement of Activities October 31, 2014

	Ingersoll Ice Arena	Norway Savings Arena	Total
Operating revenues:			
Charges for services	\$ - \$	217,912 \$	217,912
Operating expenses:			
Personnel	_	97,264	97,264
Supplies	_	21,372	21,372
Utilities	2,930	64,545	67,475
Repairs and maintenance	575	6,109	6,684
Rent	5.5	211,035	211,035
Depreciation	-	-	,
Capital expenses		-	-
Other expenses	-	21,540	21,540
Total operating expenses	3,505	421,865	425,370
Operating gain (loss)	(3,505)	(203,953)	(207,458)
Nonoperating revenue (expense):			
Interest income	94	-	94
Interest expense (debt service)	(81,563)	-	(81,563)
Total nonoperating expense	(81,469)	-	(81,469)
Gain before transfer	(84,974)	(203,953)	(288,927)
Transfers out	-	-	
Change in net assets	(84,974)	(203,953)	(288,927)
Total net assets, July 1	446,932	347,927	794,859
Total net assets, October 31, 2014	\$ 361,958 \$	143,974 \$	505,932

CITY OF AUBURN, MAINE REVENUES - NORWAY SAVINGS BANK ARENA Through October 31, 2014

REVENUE SOURCE	FY 2015 BUDGET	TI	ACTUAL REVENUES HRU OCT 2014	% OF BUDGET
CHARGE FOR SERVICES				
Concssions	\$ 30,000	\$	233	0.78%
Sign Advertisements	\$ 233,225	\$	98,955	42.43%
Pro Shop	\$ 8,500	\$	2,262	26.61%
Programs	\$ 172,450	\$	22,725	13.18%
Rental Income	\$ 753,260	\$	92,612	12.29%
Tournaments	\$ 24,500	\$	1,125	4.59%
TOTAL CHARGE FOR SERVICES	\$ 1,221,935	\$	217,912	17.83%
INTEREST ON INVESTMENTS	\$ -			
GRAND TOTAL REVENUES	\$ 1,221,935	\$	217,912	17.83%

CITY OF AUBURN, MAINE EXPENDITURES - NORWAY SAVINGS BANK ARENA Through October 31, 2014

REVENUE SOURCE	ļ	FY 2015 BUDGET	 ACTUAL PENDITURES RU OCT 2014	% OF BUDGET
Salaries & Benefits	\$	318,446	\$ 97,264	30.54%
Purchased Services	\$	67,800	\$ 27,650	40.78%
Supplies	\$	9,000	\$ 21,372	237.47%
Utilities	\$	204,846	\$ 64,545	31.51%
Capital Outlay	\$	80,000	\$ -	0.00%
Rent	\$	528,408	\$ 211,035	39.94%
	\$	1,208,500	\$ 421,866	34.91%
GRAND TOTAL EXPENDITURES	\$	1,208,500	\$ 421,866	34.91%

AUBURN WATER DISTRICT

MEMBER MAINE WATER UTILITIES ASSOCIATION

268 COURT ST. - P.O. BOX 414

AUBURN, MAINE 04212-0414

Sent Via E-Mail - November 4, 2014

Subject:

Auburn Water District, Project Update - South Main Street Water Main Project

2014 - Cook Street to Bolster Street

Clint, Howard & Mayor LaBonte,

We received a request to explain the status of our South Main Street water main project. The water main has been installed, customers are now on new services, and the only remaining work is to conduct final cleanup and pavement restoration. If the weather cooperates, pavement should be completed by the middle of next week (Wednesday, November 12).

The project involved the installation of about 2,200 feet of new 12-inch diameter water main, along with 30+/- new services and a couple of fire hydrants. The intent was to replace an undersized, 6-inch diameter water main that dated back to the 1920's (photo attached). We expect that water quality and fire flow capacity will be enhanced with the new water main. We wanted to have the new main in service prior to the City reconstructing that section of roadway. A combined sewer overflow project was completed 6 to 8 years ago, so now the water, sewer and storm drains should all be in good shape prior to the street reconstruction.

We expected the project would only take about 2 months to complete. Prior to commencing a project we typically send a notice to all impacted customers and residents. Additionally, with this project we had to arrange direct meetings with each homeowner in order to connect them to a temporary water service. Due to conflicts with other buried utilities (gas, sewer, stormdrains, etc) we elected to install the new water main in the same location as the existing main. A temporary water main was installed along the ground and sidewalk to provide service while the existing main was removed and replaced.

In regards to project timing on South Main Street, our Foreman noted that we had an excavator delivered on August 7, and that actual water main work began on August 11. We initially expected to be wrapped up by the end of September. That message was conveyed to the residents. One of the reasons residents likely became frustrated was that we did not meet the time expectations we set forth. In hindsight, we should have provided some periodic updates outlining how things were progressing, along with explaining what delays were encountered.

Unfortunately, we had several issues that pulled our construction crew from the project site. We had separate water main breaks at Colby Street, 2nd Street, and West Dartmouth Street. This reflects some of the old infrastructure that we are striving to replace. The Colby Street issue alone pulled us away for 4 days, as we had to make an emergency repair to keep homes in service, and we subsequently replaced more than 100 feet of old galvanized pipe. These main breaks are unforeseen and obviously unplanned, but given our small crew they require that we pull guys away from planned work. Additionally, we worked cooperatively with the City on part of the Park Avenue street reconstruction. Ledge was

encountered on that project that needed to be blasted to accommodate the roadway underdrains and to allow for the vertical alignment of the road. We worked to cut in a new valve and install a couple hundred feet of temporary water mains to ensure customers would not be disrupted by the blasting operations. This kept everyone in service, including the Park Avenue School.

It seems peoples' frustrations were compounded when they did not see our crew onsite. Again, a couple of periodic updates to residents likely would have helped explain delays and possibly avoid some frustration. We will make sure that happens on future projects.

In addition to delays for some emergencies (including a fuel spill on Lake Auburn), we also had periods where there was no construction. There is quite a time delay to flush, disinfect and test a new main. Once a water main is installed, we have to flush the main with sufficient flow to "scour" the inside of the new pipe. There is an approved process established by the American Water Works Association. After flushing, the main is pressure tested to ensure there are no leaks. Lastly, the main is disinfected, flushed, neutralized, and tested for bacteria. The disinfection process requires 24 hours of contact time with the water main. Bacteria test results take 24 hours to process, and we have to conduct 2 separate samples 24 hours apart. Perceived "downtime" can add up rather quickly.

Moving forward, we will definitely work more diligently to keep residents aware of both progress and delays. Unfortunately, I don't think we will ever be able to completely avoid some construction delays. Between our water and sewer infrastructure, we maintain over 250 miles of pipe, 30+ pump stations, 5 water storage tanks, and in excess of 2,000 manholes. Guys are constantly scrambling to address customer calls, Dig Safe notices, adjust infrastructure to paving projects, sewer cleaning, hydrant flushing and station checks. We have an outside crew of only 10 full-time people assigned to tackle all this work.

We believe we can install water mains and sewer lines more cost-effectively with our own staff than pursuing outside design-bid-construct projects. We don't have to engage engineering services to prepare licensed designs and bid packages, nor hire inspectors to monitor ongoing construction. Tackling projects in-house should provide the opportunity for <u>positive</u> interactions with our customers. We have a significant amount of aging infrastructure. So we are trying to creatively tackle necessary work in the most cost effective manner possible.

I hope you find this information helpful. I would be pleased to meet with you or members of the City Council if more detailed information is required.

ohn B. Storer, P.E.

Superintendent, Auburn Water & Sewerage Districts.



City Council Agenda Information Sheet

City of Auburn

Council Meeting Date:

11-17-2014

Order 95-11172014

Author: Roland G. Miller

Subject: Mechanics Savings Bank Credit Enhancement Agreement (CEA)

Information: After a long and comprehensive review of options Mechanics Savings Bank has decided to consolidate their banking operations on their existing site in Auburn. A number of obstacles had to be overcome in order to arrive at this decision. The site needed to be enlarged and this was accomplished by purchasing property from Pan Am rail. Another issue was the nature of the materials that have to be removed from site. Long ago the site was used as a coal storage yard. This means that the excavated material has to be disposed of in an appropriate licensed disposal facility. Finally the public infrastructure surrounding the project site needs to be rebuilt. Both construction of public infrastructure and site preparation are eligible cost under the TIF statute. It is estimated that these elements will cost \$207,441. The bank proposes to fund these improvements and requests the City of Auburn to allow the recovery of these costs, over time, through the tax increment financing program.

The project will be accomplished in two phases: 1) construction of a new retail banking center, and 2) renovation of their existing building into a full operation center. It is estimated at the completion of the project that a new assessed value of \$3,545,900 will result. The current assessed value is \$1,334,600. The city's general fund will continue to receive tax revenue from the current value (at the current mill rate \$27,960). The tax increment value is estimated to be \$2,211,300, and our current tax rate of .02094, yielding \$46,305 per year. 40% of that is \$18,522. If the mill rate remains the same it will take 11.2 years for them to recover \$207,441.

Pro's & Con's: General fund continues to receive tax revenue from the base line value, the downtown TIF district receives \$27,783 and the public infrastructure is financed by some one else.

Financial: Eliminates the need for the public to finance improvements.

Action Requested at this Meeting: Approval of the proposed CEA for Mechanics Savings Bank

Previous Meetings and History:

Attachments: Mechanics Savings Bank Existing Site Conditions and Demo Plan C10.1
Mechanics Savings Bank Alternate #1 Site Plan

City Manager or Assistant City Manager signature

Date:

^{*}Agenda items are not limited to these categories.

Tizz E. H. Crowley, Ward One Robert Hayes, Ward Two Mary Lafontaine, Ward Three Adam Lee, Ward Four



Leroy Walker, Ward Five Belinda Gerry, At Large David Young, At Large

Jonathan P. LaBonte, Mayor

IN CITY COUNCIL

ORDER 95-11172014

ORDERED, that the City Manager is authorized to execute documents that provide a Credit Enhancement Agreement (CEA) to Mechanics Savings Bank for their new development project. The terms of the agreement are stated in the attached documents.



City Council Information Sheet

City of Auburn

Council Meeting Date: 11/17/2014

Subject: Executive Session

Information: Discussion regarding a personnel matter, pursuant to 1 M.R.S.A. Section 405(6)(A).

Executive Session: On occasion, the City Council discusses matters which are required or allowed by State law to be considered in executive session. Executive sessions are not open to the public. The matters that are discussed in executive session are required to be kept confidential until they become a matter of public discussion. In order to go into executive session, a Councilor must make a motion in public. The motion must be recorded, and 3/5 of the members of the Council must vote to go into executive session. An executive session is not required to be scheduled in advance as an agenda item, although when it is known at the time that the agenda is finalized, it will be listed on the agenda. The only topics which may be discussed in executive session are those that fall within one of the categories set forth in Title 1 M.R.S.A. Section 405(6). Those applicable to municipal government are:

- A. Discussion or consideration of the employment, appointment, assignment, duties, promotion, demotion, compensation, evaluation, disciplining, resignation or dismissal of an individual or group of public officials, appointees or employees of the body or agency or the investigation or hearing of charges or complaints against a person or persons subject to the following conditions:
- (1) An executive session may be held only if public discussion could be reasonably expected to cause damage to the individual's reputation or the individual's right to privacy would be violated;
 - (2) Any person charged or investigated must be permitted to be present at an executive session if that person so desires;
- (3) Any person charged or investigated may request in writing that the investigation or hearing of charges or complaints against that person be conducted in open session. A request, if made to the agency, must be honored; and
- (4) Any person bringing charges, complaints or allegations of misconduct against the individual under discussion must be permitted to be present.

This paragraph does not apply to discussion of a budget or budget proposal;

- B. Discussion or consideration by a school board of suspension or expulsion of a public school student or a student at a private school, the cost of whose education is paid from public funds, as long as:
- (1) The student and legal counsel and, if the student is a minor, the student's parents or legal guardians are permitted to be present at an executive session if the student, parents or guardians so desire;
- C. Discussion or consideration of the condition, acquisition or the use of real or personal property permanently attached to real property or interests therein or disposition of publicly held property or economic development only if premature disclosures of the information would prejudice the competitive or bargaining position of the body or agency;
- D. Discussion of labor contracts and proposals and meetings between a public agency and its negotiators. The parties must be named before the body or agency may go into executive session. Negotiations between the representatives of a public employer and public employees may be open to the public if both parties agree to conduct negotiations in open sessions;
- E. Consultations between a body or agency and its attorney concerning the legal rights and duties of the body or agency, pending or contemplated litigation, settlement offers and matters where the duties of the public body's or agency's counsel to the attorney's client pursuant to the code of professional responsibility clearly conflict with this subchapter or where premature general public knowledge would clearly place the State, municipality or other public agency or person at a substantial disadvantage;
- F. Discussions of information contained in records made, maintained or received by a body or agency when access by the general public to those records is prohibited by statute;
- G. Discussion or approval of the content of examinations administered by a body or agency for licensing, permitting or employment purposes; consultation between a body or agency and any entity that provides examination services to that body or agency regarding the content of an examination; and review of examinations with the person examined; and
- H. Consultations between municipal officers and a code enforcement officer representing the municipality pursuant to Title 30-A, section 4452, subsection 1, paragraph C in the prosecution of an enforcement matter pending in District Court when the consultation relates to that pending enforcement matter.