



Special City Council Meeting August 9, 2010

Agenda

5:30 p.m. City Council Meeting

Pledge of Allegiance

I. **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*

II. Unfinished Business

08092010-01 Order- Authorizing the issuance and sale of Capital Improvement bonds in the amount of \$7,900,000 (Annual Capital Improvement Program) (Second and Final Reading – Public Hearing)

III. **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 the agenda*.

IV. 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. 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

Agenda Information Sheet

08092010-01

Council Meeting Date: August 9, 2010

SUBJECT:

ORDER - AUTHORIZING THE ISSUANCE AND SALE OF CAPITAL
IMPROVEMENT BONDS IN THE AMOUNT OF \$7,900,000
(Annual Capital Improvement Program) (First Reading – Public Hearing)

INFORMATION:

This is the second and final reading.

Information from the July 19, 2010: The total amount reads \$7,900,000, the actual expense is less due reimbursement from the Maine State School Revolving Renovation Fund Program. The School Department's Capital Purchases amount to \$1,000,000 though if awarded, the School could potentially receive grant funds that would increase their capital expenditures to \$2,500,000, and the Fund would reimburse the City \$1,500,000. If not successful, the School's capital budget would remain at \$1,000,000.

The City's capital purchases amount to \$5,400,000, which includes funds for bond counsel and retaining for bid variances. The City anticipates an October issuance and an interest payment of \$80,000 for Fiscal Year 2011. The City's debt balance as of June 30, 2010 is approximately \$73,012,854, which is about 24% of the state allowable debt given the City of Auburn's valuation.

This issue was discussed publically at the following meetings:

City Council Workshop April 1, 2010

City Council Workshop April 26, 2010

City Council Workshop June 21, 2010

City Council Public Hearing and Meeting August 2, 2010

Public hearing notice (Sun Journal) July 2, 2010

City Council Meeting - public hearing and first reading July 19, 2010

Author: Glenn E. Aho (7/29/2010)

STAFF COMMENTS/RECOMMENDATION:

The City Manager recommends passage.

VOTE:

City of Auburn

CITY COUNCIL, AUBURN, MAINE

Date: August 9, 2010

TITLE: ORDER - AUTHORIZING THE ISSUANCE AND SALE OF CAPITAL IMPROVEMENT BONDS IN THE AMOUNT OF \$7,900,000 (Annual Capital Improvement Program) (First Reading – Public Hearing)

Be It Ordered by the Auburn City Council, following a public hearing duly called and held as required by Article 8, Section 8.13 of the Auburn City Charter, that there be and hereby is authorized the issuance and sale of the City's general obligation bonds in the amount of \$7,900,000, the proceeds of which are hereby appropriated to fund the costs of the following Capital Improvements (including costs of issuance, capitalized interest, and any other costs related or ancillary thereto):

Acquisition of the following capital equipment and the design, construction, renovation, and rehabilitation of the following capital improvements, all constituting part of the City's FY11 Capital Improvement Program:

| Department | FY11 Projects Only (See CIP for full description) | CIP Page | Proposed Financing | CIP | FY 2011 CIP Bond |
|----------------|---|-------------|-----------------------|------|-------------------------------|
| School | Building and Equipment Improvements | n/a | Bond | CIP2 | \$2,500,000 |
| Engineering | Major Drainage | 27 | Bond | CIP2 | \$ 460,000 |
| Engineering | MDOT Match | 29 | Bond | CIP2 | \$ 204,000¹ |
| Engineering | Reclaim | 30 | Bond | CIP2 | \$749,944 |
| Engineering | Resurface | 31 | Bond | CIP2 | \$1,133,240 |
| Engineering | Reconstruction | 32 | Bond | CIP2 | \$2,084,542 |
| Engineering | Sidewalk Improvement Program | 35 | Bond | CIP2 | \$100,000 |
| ICT | Integrated Messaging | 86 | Bond | CIP2 | \$25,000 |
| Fire | Engine Five and Central Station Parking and Ramp Area | 106 | Bond | CIP2 | \$150,000 |
| Planning | Traffic Signal Loop Repairs | 154 | Bond | CIP2 | \$44,800 |
| Planning | Roadway Lighting Upgrades | 155 | Bond | CIP2 | \$7,000 |
| Planning | Traffic Signal Preemption Repairs | 156 | Bond | CIP2 | \$3,850 |
| Police | HVAC System | 161 | Bond | CIP2 | \$30,000 |
| Public Works | Building and Grounds | 174 | Bond | CIP2 | \$26,500 |
| Public Works | Heavy Equipment | 176 | Bond | CIP2 | \$238,050 |
| Recreation | Softball Field repairs | 135 | Bond | CIP2 | \$15,000 |
| Recreation | Flash Cam | 140 | Bond | CIP2 | \$6,500 |
| Administration | Bond Counsel | | | | \$35,000 |
| Contingency | Retained earnings for bid variances | | | | \$86,574 |
| TOTALS | | | | | \$7,900,000 |

¹ MDOT Match was increased by \$4,000 and Reconstruction decreased by \$4,000. The MDOT Match was increased to fund the City's match for the Center Street/Minot Avenue local match for the Transportation Study the City Council discussed on February 16, 2010, and April 20, 2010. The bottom line had not changed. The changes are bolded above.
(W0251413.1)

City of Auburn

CITY COUNCIL, AUBURN, MAINE

Date: August 9, 2010

THAT the bonds, which term shall be deemed to include any Bond Anticipation Notes (BAN's) as described below, shall be issued as authorized hereunder and shall be signed by the Finance Director and City Treasurer, attested by the City Clerk under the seal of the City. A tax levy is hereby provided for each fiscal year that the bonds authorized hereunder remain outstanding to meet the annual installments of principal and interest as may accrue in each respective year. The bonds may be issued at one time or from time to time, either singly or in series, and the authority and discretion to fix method of sale, issue date, maturities, denominations, interest rate, place of payment, form and other details of said bonds and notes, and to take all other actions and to sign and deliver all other documents, certificates and agreements in order to provide for the sale thereof is hereby delegated to the Finance Director and City Treasurer.

THAT in the case of the school project(s) described above, the authority of the Finance Director and the City shall include without limitation the authority to execute and deliver a Loan Agreement under the State's School Revolving Renovation Fund Program in such amount as the Maine Department of Education and Maine Municipal Bond Bank ("MMBB") shall approve, provided, however, that the loan amount under that Program that the MMBB does not forgive and which shall be evidenced by a bond shall not exceed the amount set forth above for the school project(s).

THAT the bonds authorized hereunder may be made subject to call for redemption, either with or without premium, on such terms as may be determined by the Finance Director.

THAT in order to finance temporarily the projects described above, the Finance Director is authorized to expend up to \$7,900,000 either from available funds of the City or from the proceeds from BAN's which would be reimbursed or refinanced from bond proceeds.

THAT the authority and discretion to designate the bond or notes, or a portion thereof, as qualified tax-exempt obligations under Section 265 of the Internal Revenue Code of 1986, as amended, is hereby delegated to the Finance Director.

THAT this order is a declaration of official intent pursuant to Treas. Reg. § 1.150-2 and shall be kept available for public inspection during reasonable business hours at the office of the City Clerk.

A Public Notice describing the general purpose of the borrowing and the terms thereof was published the same on July 2, 2010, in the Lewiston Sun-Journal, a daily newspaper published in Androscoggin County.

July 19, 2010 - Motion for acceptance of first reading: Councilor Berube
Seconded by: Councilor Young
Vote: 5 Yeas – 1 Nay – Farrell. Motion carried 5-1.

Motion for acceptance of second reading and final passage: Councilor Berube
Seconded by: Councilor Young
Vote: 4 Yeas – Councilors Hayes, Young, Berube, Samson - 3 Nays – Councilor Gerry, Farrell and Herrick. Motion carried 4-3.

City of Auburn

CITY COUNCIL, AUBURN, MAINE

Date: August 9, 2010

Motion for acceptance of second reading and final passage:

Seconded by:

Vote

Action by City Council:

Date: August 9, 2010

ATTEST: _____

Roberta L. Fogg, CITY CLERK