The following are minutes of the February 6, 2006 Council Meeting.

I. **CALL TO ORDER** – On Monday, February 06, 2006 at 7:00 p.m. a Council Meeting was held in the City Hall Auditorium.

II. **ROLL CALL OF MEMBERS** – Mayor Johnston conducted a roll call of the members and determined that the Councilor present constituted a quorum. Councilors present: David Tripp, Leslie Smith, Jr., Ronald Morton, Roland Michaud, Arthur Tardif, Eric Cote and Jesse McDougal.

Richard R. Michaud, City Administrator and Lucette S. Pellerin, City Clerk were also in attendance this evening.

III. **PLEDGE OF ALLEGIANCE**

IV. **APPROVAL OF MINUTES:**

Minutes of January 17, 2006 were approved as written.

V. **GENERAL**

VII. **CONSENT AGENDA:**

A. **(Second & Final Reading) Adoption of 2005 Electrical Code**

The City of Saco adopts and enforces model construction codes that regulate all phases of building, plumbing, electrical and fire safety installations. These codes are written and revised by membership organizations such as the International Code Council and the National Fire Protection Association. Every 3 years, a new edition of these codes is published that include newly adopted provisions that recognize changes in safety and design.

The City Council discussed this item at Workshop on December 19, 2005; and the First Reading was held on January 3, 2006; and the Public Hearing was held on January 17, 2006.

The City of Saco hereby Ordains and Approves the Second and Final Reading of the document entitled, ‘Amendments to Chapter 87 Electrical Standards Ordinance, dated December 19, 2005.’

B. **Confirm the Mayors Appointments to: Coastal Waters Commission; Lucia Kimball Trust; Transit Committee**

Be it Ordered that the City Council confirm the Mayor’s appointment as a full member to the Saco Coastal Waters Commission, Mike Gray, with a term to expire February 6, 2009; and further move to confirm Donald Sharland as a member of the Lucia Kimball Deering Trust, and Rene Ittenbach to the Biddeford, Saco, Old Orchard Beach Transit Committee.

C. **Contract Mowing**
Be it Ordered that the Council amend the budget transferring (bid amount) from the June 30, 2005 Undesignated Unreserved Fund Balance to the Parks & Recreation Contract Account.

Councilor Smith moved Councilor Michaud seconded, to approve the consent agenda. The motion passed with seven (7) yeas.

VI. AGENDA ITEMS:

A. (Public Hearing) Saunders Electronics CDBG Grant Application

Saunders Electronics has designed and made electronic controls in the Saco Industrial Park for nearly two decades. The specialty, high tech manufacturing work has grown steadily and the company is poised for more expansion. The next step is the purchase of machinery that will permit lead free soldiering. The removal of lead is required in the European Union as of July 1.

The Community Development Block Grant Business Assistance program funnels federal funds from the State of Maine to the City to grant to the company. The company is seeking $400,000 and will add some 13 jobs as a result of its proposed equipment purchase. It will also add 3000 square feet within its plant. Most aspects of the application and grant administration are fairly routine, but one involving job creation responsibility should be brought to the Council’s attention.

Put simply, the city is required to return the money if the company doesn’t create the jobs. Dozens of towns and cities have worked with this condition, and there are ways to eliminate or reduce the city’s liability. One way to reduce the liability is through an indemnification agreement, preferably backed by security. Another way to eliminate the potential liability is for the company to do the project on a reimbursement basis and meet the job requirements before the grant is disbursed. A combination of the two methods is also possible.

This decision on indemnification can await the grant approval, and, should the grant application be successful, can be considered by the Council before final arrangements are made.

The application attached is nearing completion and will be complete before the Council’s February 6 meeting. At that time a required public hearing would be held. David Saunders and his team will attend the meeting and explain the project. A consultant for the company prepared the grant application with some assistance from the development office.

The Economic Development Commission has met with the company and recommends approval.

Councilor Smith moved, Councilor Michaud seconded, to open the Public Hearing on the Saunders CDBG Business Assistance grant application. The motion passed with seven (7) yeas.

The individuals attending the public hearing were municipal officials, employees of the City, representatives from Saunders Electronic, three individuals from the general public and two reporters employed by local newspapers.

Mr. David Saunders, President of Saunders Electronics, addressed questions from Councilors regarding the increase of some 13 jobs, should Council approve the Application.
Mr. Saunders also spoke of the changes regarding lead free soldering, required in the European Union, effective July 1, 2006.

There being no comments from the public Councilor Smith moved, Councilor Michaud seconded, to close the Public Hearing and Be it Resolved that the City Council authorize the following resolution:

Saco City Council RESOLUTION

Whereas the City of Saco wishes to apply to the Department of Economic and Community Development for a Community Development Block Grant Program award to carry out a community development program; and

Whereas the planning process required by Maine Law and the CDBG program has been compiled with, including participation in the planning process by low and moderate income families and individuals and the City has conducted at least one duly advertised public hearing; and

Whereas the Department of Economic and Community Development has established the Economic Development Program,

[ X ] Business Assistance Grant Category
[ ] Development Fund Loan Category

NOW THEREFORE BE IT RESOLVED BY THE COUNCIL that Richard Michaud it’s City Administrator is authorized and directed to submit a Community Development Block Grant application for the program designated above in the amount of $400,000 to the Department of Economic and Community Development on behalf of Saunders Electronics substantially in the form presented to this Council; is authorized to make such assurances on behalf of the City of Saco required as part of such application; and, is authorized and directed, upon acceptance of said funds to carry out the duties and responsibilities for implementing said program, consistent with the Charter of the City of Saco and regulations governing the planning and implementation of community development programs in the State of Maine.

Signed this ______ day of February 2006 on behalf of the City Council of Saco, Maine.

WITNESS: __________________________ SIGNED: __________________________
Title

Municipal Seal

Further I move to approve the Resolution. The motion passed with seven (7) yeas.
STATE OF MAINE
COMMUNITY DEVELOPMENT BLOCK GRANT
COVER SHEET AND CERTIFICATIONS
Economic Development Program

A. Applicant Identification

<table>
<thead>
<tr>
<th>Applicant:</th>
<th>City of Saco</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address:</td>
<td>300 Main Street</td>
</tr>
<tr>
<td>Town/City/County</td>
<td>Saco, York, Maine</td>
</tr>
<tr>
<td>Zip Code:</td>
<td>04072</td>
</tr>
<tr>
<td>Chief Executive Officer:</td>
<td>Richard Michaud</td>
</tr>
<tr>
<td>Phone Number:</td>
<td>207-282-3487</td>
</tr>
<tr>
<td>E-mail:</td>
<td><a href="mailto:rmichaud@sacomaine.org">rmichaud@sacomaine.org</a></td>
</tr>
<tr>
<td>Contact Person:</td>
<td>Peter Morelli</td>
</tr>
<tr>
<td>Phone Number:</td>
<td>207-282-3487</td>
</tr>
<tr>
<td>E-mail:</td>
<td><a href="mailto:pmorelli@sacomaine.org">pmorelli@sacomaine.org</a></td>
</tr>
</tbody>
</table>

Census Tract(s) Where Proposed PI Activities will occur:
Tract 52

B. The Applicant Certifies That:

1. State Certifications

   a. To the best of my knowledge and belief, the information in this Phase I application is true and correct;

   b. the document has been duly endorsed by the governing body of the applicant;

   c. that the community will provide the required financial contribution to the project;

   d. the proposed project has been reviewed and it complies with the community's comprehensive plan and/or applicable state and local land use requirements;

   e. for non-municipal owned BA and DF activities, the EDP program application has established a financing plan in which the request comprises the lesser of the maximum EDP Activity Category award amount or 50% of the total project cost. Project activities and use of funds to calculate the non-program financing must represent a new investment or a new project. The financing necessary to support at least 50% of the total project cost must be firm commitments from non-CDBG funds and must be documented on the Project Funds Table and supported by binding commitment letters submitted with the application;

   f. for municipal owned BA activities, the community will also provide a minimum cash match of 20 percent of the total BA award. This match must be directly related to the BA infrastructure portion of the project presented in the application;

   g. it will work with the Office of Community Development to develop a detailed project if it receives a conditional award; and
h. it will comply with all applicable State laws and regulation.
2. **Federal Certifications**

   a. prior to expenditure of CDBG funds, it will establish a local community development plan that identifies the municipalities’ housing and community development needs, including the needs of low and moderate income, and the activities to be undertaken to meet them;

   b. it will provide in a timely manner for citizen participation, public hearings, and access to information with respect to the State of Maine CDBG Program and the proposed local CDBG project/program. Indicate in public notices and at public hearings that the State program is competitive, the maximum grant amount that can be requested, and the general type of activities contained in the proposed local program. Also announce in the public notice the availability of the local program plan/application, describe the Community's previous CDBG performance (if any), and how the Community will collect, consider and maintain all oral and written comments received on the proposal;

   c. it will adopt and follow a residential anti-displacement and relocation assistance plan which complies with Section 104 (d) of the Housing and Community Development Act of 1974, as amended, that at a minimum provides for the replacement of all low/moderate income dwelling units that are demolished or converted to a non-LMI housing use as a direct result of CDBG assistance, and a relocation assistance component;

   d. it will comply with the requirements of Section 319 of Public Law 101-121 regarding government-wide restrictions on lobbying;

   e. it is not listed on U. S. Dept of Labor’s Debarred and Suspended Contractor’s List and will not employ contractors or subcontractors on this list;

   f. with the exception of administrative or personnel costs, it will verify that no person who is an employee, agent, consultant, officer, or elected official or appointed official of state or local government or of any designated public agencies, or sub recipients which are receiving CDBG funding, may obtain a financial interest or benefit, have an interest in or benefit from the activity, or have an interest in any subcontract or agreement with CDBG activities; and

   f. in the event that job creation requirements are not met, the applicant community will be responsible for immediate repayment of all CDBG funds to the State.

<table>
<thead>
<tr>
<th>Signature of Chief Executive Officer</th>
<th>City of Saco</th>
<th>02/10/06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Community</td>
<td></td>
<td>Date: mm/dd/year</td>
</tr>
</tbody>
</table>

**Signature of Each Participating Applicant in a Multi-Jurisdictional Application**

<table>
<thead>
<tr>
<th>Signature of Chief Executive Officer</th>
<th>Name of Community</th>
<th>Date: mm/dd/year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

C:\Program Files (x86)\PDFConverter\temp\NVDC6E11D289-DBB8-49E3-B036-485F91B638D6\2263fc74-3b51-4509-8951-7c3c6d4b0095file.doc
Date: February 6, 2006

ECONOMIC DEVELOPMENT PROGRAM THRESHOLD VERIFICATION WORKSHEET

1. Eligible Entity (check one): __X___ Municipality _____ County _____ Joint Application

2. Job Retention – Please refer to Section I (F) on Page 8 to tabulate full time and FTE jobs.
   
   Date of Survey ___/___/____
   Number of Full Time Equivalent Employees (FTE)______
   Number of (FTE) that are low/moderate income ______
   Number of LMI Employees = ________% LMI Benefit
                        Number of FTE’s

   If % of LMI Benefit is less than 51%, this project is ineligible.

3. Job Creation - Please refer to Section I (F) on Page 8 to tabulate full time and FTE jobs.

   Number of Full Time/Full Time Equivalent Jobs to be created __13___
   Number of these to be taken by LMI persons __10___
   Number of FTE jobs to be taken by LMI persons = __77__% LMI Benefit
                                Number of Jobs to be created

   If % of LMI Benefit is less than 51%, this project is ineligible

4. Eligible Activities in accordance with HUD Regulations: 570.200 – 570.206
   and CDBG 2005 Program Statement: Page 40, Section 3 (1) (c).  X Yes  No

5. BA Category FUNDING THRESHOLD – Program Dollars must represent the lesser of the maximum
   allowable award for specific activity or 50% of the total proposed funding.
   
   a. Total Project Costs $ __928,723________
   b. Program Request $ __400,000________
   c. Non CDBG Funds $ __528,723________
   d. % program $ to project (b/a) ___43__%

5. DF Category FUNDING THRESHOLD – Program Dollars must represent the lesser of $250,000 or 50% of
   the total proposed funding.

   a. Total Project Costs $____________
   b. Program Request $____________
   c. Non CDBG Funds $____________
   d. % program $ to project (b/a) ________%

6. EDP Dollars per Job Created/Retained
   Divide the amount of EDP funds sought by the total Full Time and Full Time Equivalent jobs created/retained.
   Enter the answer as a dollar amount.

   EDP FUNDS __ $ __400,000________ = __ $30,769__ FT/FTE Jobs
   FT & FTE JOBS __13__
6. Quality of LMI Jobs Created/Retained
Compute the average hourly wage and fringe benefits for all Full Time and Full Time Equivalent jobs to be created/retained. Enter the total as an hourly dollar amount.

Average Wage of LMI jobs _$10.00/hour
Average fringe benefits _$1.30/hour

TOTAL _$11.30/hour

ECONOMIC DEVELOPMENT PROGRAM ACTIVITY DESIGNATION SHEET

1. Activity Declaration
   a. List the activities you will be doing in your proposed EDP project: Saunders Electronics will upgrade their existing manufacturing facility and purchase and install new environmentally friendly manufacturing equipment at 82 Industrial Park Road to comply with new EU manufacturing standards.
   b. Are all activities in the same group (see list below)? [X] Yes [ ] No

2. Pine Tree Zone Designation (Check applicable box below)
Will EDP project activities take place in a Designated Pine Tree Zone [X] Yes [ ] No
If yes, list Pine Tree Zone name, parcel and Certified Pine Tree Business to be assisted:

________________________
Saunders Electronics located in PTZ 059-027-000-000 (please check)

3. Amount of EDP Request: $400,000 Total project cost: $928,723
   (May not be less than $100,000) (May not be more than $5,000,000)

EDP ELIGIBLE ACTIVITY CATEGORIES (With maximum grant amounts)
   (Check box below next to applicable activity group.)

1. Business Assistance Grant (BA) Maximum Award
   Activity Group 1 - Non-Municipal Owned
   a) Construction, installation and rehabilitation of commercial or industrial buildings, capital equipment and real property improvements. $400,000
   b) Non-capital equipment and operating capital; or technical assistance provided regionally to businesses facing closure/bankruptcy needing advise to expand operations for the purpose of new job creation $200,000

   Activity Group 2 - Municipal owned
a) Acquisition, relocation, demolition, clearance, construction, reconstruction, installation, and rehabilitation associated with public infrastructure projects such as water and sewer facilities, flood and drainage improvements, publicly-owned commercial and industrial buildings, parking, streets, curbs, gutters, sidewalks, etc. which are necessary to create or retain jobs in the non-retail private sector for low and moderate income persons.

b) Required local match necessary to secure new funds to the State for eligible economic development planning activities.

2. Development Fund Loan (DF)

a) Acquisition of commercial or industrial buildings and site improvements. DF program funds cannot be used to refinance existing debt.

ECONOMIC DEVELOPMENT PROGRAM
APPLICATION CERTIFICATION

TO: State of Maine
Department of Economic and Community Development

From: (Municipality) City of Saco
(Company) Saunders Electronics Inc.
(Preparer) City of Saco

Date: February 10, 2005

The attached application for Community Development Block Grant funding through the Business Assistance (BA) or Development Fund (DF) Loan Program is submitted for your review. The following CDBG/HUD/State requirements have been reviewed, understood, assured and acknowledged by all parties to the application.

1. These funds are requested to allow the implementation of a project that benefits the community, and creates and/or retains jobs of which at least 51% will be taken by LMI persons. The maximum period allowed to meet the job creation requirement is two (2) years from the approximate date of funded activity completion.

2. The purpose of these funds (BA, DF) is to provide gap financing to the municipality or business that it is unable to secure through conventional lenders or in the case of the use of funds to provide the required local match for securing new funds brought into the state. Documentation is provided indicating that the project cannot proceed without CDBG program participation.

3. The award of any Program funds will not substitute for local public or private funds, which are available for the project, described in the grant application.
4. The application presents a financing plan which is consistent with one of the following:

For non-municipal owned BA and for DF activities, the program application must present a financing plan for a project in which the request comprises the lesser of the maximum award amount for that specific activity or 50% of the total project cost. Project activities and use of funds to calculate the non-program financing must represent a new investment or a new project. The financing necessary to support at least 50% of the total project cost must be firm commitments from non-CDBG funds and must be documented by binding commitment letters submitted with the application. In addition, for municipal owned BA activities, the community must provide a minimum cash match of 20 percent of the total BA award. This match must be directly related to the BA infrastructure portion of the project and is in addition to any investment made by the assisted business.

For BA eligible planning activities, the community must provide documentation that the amount requested is the lesser of the maximum award amount for that specific activity or the actual match required by the funding agency.

5. The proposed project is stated in clear and precise language and includes an itemized budget specifically stating the intended use of CDBG funds, the intended use of other lender’s funds, as well as identifying owner equity injection.

Even though the DECD will be responsible for servicing the DF loans to the business, in the event that job creation/retention program benefit is not met for either the BA or DF category, the community awarded the CDBG funds will be responsible for immediate repayment of all CDBG funds contributed toward the project to the DECD.

6. The proposed project demonstrates that a market exists for its product or service, the cost of the product or service is competitive in current market conditions, the cash flow projections are adequate to support operating expenses and indebtedness, and management has the capacity to carry out the business or development plan. The project demonstrates that there are no unidentified costs, necessary for implementation.

7. The application clearly describes the need for Program assistance, reasonableness of the amount requested, the repayment plan (for DF) as well as proposed collateral appropriate to secure the Program loan along with a willingness to execute security agreements.

8. __Peter Morelli________________ has been identified as the contact person representing the municipality and will work in cooperation with DECD to survey the job creation/retention process as well as maintain all necessary records and assist in the monitoring process.

Submitted by:

________________ ______________________
Signature of Municipal CEO Date
Date: February 6, 2006

Typed or Printed Name  Title

_______________________________________  ____________________________
Signature of Business CEO  Date
_David Saunders_  __President__
Typed or Printed Name  Title

_______________________________________  ____________________________
Signature of Application Preparer  Date
Typed or Printed Name  Title
ECONOMIC DEVELOPMENT PROGRAM

PROJECT PARTICIPANT INFORMATION

GRANT RECIPIENT (Municipality): City of Saco
Contact Person: Peter Morelli
Address: 300 Main Street, Saco, ME
ZIP 04072
Telephone: 207-282-3487 ext. _____ Email: pmorelli@sacomaine.org
Municipal Tax ID# 01-6000035

BUSINESS: David Saunders
Contact Person: Kevin Higgins, Operations Manager
Address: 82 Industrial Park Drive, Saco, ME
ZIP 04071
Telephone: 207-283-9106 ext. _____ Email: k_higgins@saunderselectronics.com
Business Tax ID# 04-2677444

PREPARER: Peter Morelli, Development Director
Contact Person: Peter Morelli
Address: 300 Main Street, Saco, Maine
ZIP 04072
Telephone: 207-282-3487 ext. _____ Email: pmorelli@sacomaine.org
Business Tax ID# 01-6000035

LENDER: Maine Bank and Trust
Contact Person: Michael Morel, Vice President
Address: 28 Adams Street, Biddeford, ME
ZIP 04005-2595
Telephone: 207-283-3131 ext. _____ Email: mmorel@mainebank.com
Business Tax ID# 01-0467238

LENDER:
Contact Person:
Address:
ZIP
Telephone:

LENDER:
Contact Person:
Address:
ZIP
Telephone:

LENDER:
Contact Person:
Address:
ZIP
Telephone:

C:\Program Files (x86)\PDFConverter\temp\NVDC\6E11D289-DBB8-49E3-B036-485F91B638D6\2263fc74-3b51-4509-8951-7c3c6d4b0095file.doc
Saunders Electronics  
CDBG Proposal Narrative

D1. **Problem Statement**

**Scope of Problem**

The City of Saco, once a textile manufacturing center in York County, has transitioned into a largely residential community with employment opportunities in retail, hotel and hospitality, corporate and some light manufacturing. By the late 1980s traditional manufacturing had completed its migration to the southern United States, leaving the Saco-Biddeford area with vast empty mills and forcing local workers to travel to other communities for employment. Saco and Biddeford have built several industrial parks as a response to the sea-change in manufacturing. In Saco one of the early occupants of the industrial parks was Saunders Manufacturing, who relocated here two decades ago.

In recent years, Saco’s largest manufacturers have continued to be challenged by international economic conditions. The General Dynamics small armaments plant here employs 300, while its predecessors had employed over 1200. Mediums-sized plants such as JohnsManville (insulated panels), Steag Hamatech (machinery for DVDs), Holman Equipment (commercial toasters and cooking equipment) have closed, forcing workers to seek alternative employment in other occupational fields and/or regions. Despite the historical downturn in manufacturing employment opportunities in Saco, there are a few companies who are succeeding in specialty manufacturing industries, including Saunders Electronics. Saunders Electronics, considered a medium-sized manufacturer in the City of Saco, has grown from a start-up entity with Dave Saunders consulting to Northeast based technology companies in 1979 to becoming a successful full service electronics manufacturing service (EMS) provider operating out of a 9,000 square foot manufacturing plant in the Saco Industrial Park since 1984. The company has been 100% self-funded since incorporation and currently employs 27 full time individuals consisting of precision electronic assemblers, engineers, and support staff with annual revenues of $5 Million.

The story in manufacturing is the same across the country – manufacturing jobs, regardless of industry sector, are migrating off-shore to less costly labor markets. This has negatively affected manufacturing jobs in the local area with the closing of Vishay-Sprague, US Optical Disc, Steag-Hamatech, Holman Equipment and the significant downsizing in employment at General Dynamics. In the case of Saunders Electronics, the market for EMS in North America remained flat in 2004 and 2005 and the industry, as a whole, is not expanding due to the migration of electronics manufacturing off-shore. Manufacturing jobs which are important to the local economy are being lost at an alarming rate and are forcing manufacturers like Saunders Electronics, to diversity and upgrade their services and manufacturing capabilities for customers who require close proximity to their domestic design and manufacturing partners.

**Impact on Community and Region**

Although the EMS industry has remained flat, Saunders Electronics has been able to grow their business despite foreign competition. The company provides highly specialized, personal service catering to clients who require a close working relationship with their design and manufacturing house. In order to remain a viable Maine-based manufacturer, enhance long term sustainability, retain twenty seven existing positions and create new positions for highly skilled and low to moderate income workers, Saunders Electronics must expand its current
Date: February 6, 2006

facility from 9,000 to 12,000 square feet, integrate new manufacturing equipment and train the workforce to incorporate environmentally friendly (lead-free) manufacturing practices into the present manufacturing environment. This need is being driven by new European Union mandates which require compliance by July 2006.

Saunders Electronics is an important member of the business community in Saco as the company provides the City with tax revenues of approximately $11,700 annually. The current assessed value of the facility and land is $925,000 and is anticipated to increase to over $1 million following the completion of this project.

Need for Funds

As a small self-funded company, available cash resources are dedicated to working capital requirements. Saunders Electronics, based on current business assets, is able to finance a significant portion of the facility expansion project with bank financing. However, capital from CDBG’s Business Assistance Program for new equipment is required in order to fill the financial gap between available cash resources and bank financing.

In order to assist the company with job retention and creation, the City of Saco, with the State of Maine, has awarded Pine Tree Zone status to Saunders Electronics. By reducing energy costs, tax payments and other equipment and operating expenses, the Pine Tree Zone status has significantly enhanced the company’s viability and long term sustainability and will help Saunders Electronics retain current jobs (most of which are LMI positions) and create new positions for LMI workers over the long term.

2. Proposed Solution

Project Description

Based on the challenges/needs identified in the Problem Statement, Saunders Electronics will undertake the following activities with EDP funding to address business challenges:

1. Purchase and integrate capital intensive equipment which allows the implementation of a lead free solder assembly process to comply with the new European mandates which does not allow importation of various product lines which contain hazardous wastes with lead being the primary element in electronic assemblies. By purchasing new manufacturing technologies and integrating them into the current manufacturing environment, Saunders Electronics will improve productivity, expand core manufacturing capabilities and become more competitive globally.

2. Expand the current facility from 9,000 square feet to 12,000 square feet. This expansion will position the company for the integration of capital intensive equipment for a lead free production process. Space enhancements will improve manufacturing efficiencies and address inventory and component/resource storage space constraints. The building expansion will take approximately three to five months to complete and will support the retention of 27 jobs as well as the creation of new manufacturing positions. Facility expansion may also support the addition of a second shift should business demand warrant this addition.

In order to meet customer requirements and increase the long term viability and sustainability of the company and employment base, Saunders Electronics will expand their current manufacturing space by integrating mezzanine space into the facility and purchase and install new environmentally friendly (lead free)
manufacturing equipment to enhance their existing manufacturing capabilities. These improvements will significantly enhance the company’s competitive position and support new job creation.

Changes in the disposal of hazardous waste streams in the European Union, known as RoHS and WEEE directives are driving Saunders Electronics to expand their core competencies and integrate lead-free manufacturing capabilities into their manufacturing facility. By upgrading manufacturing capabilities, Saunders Electronics will be positioned to better serve their existing customer base and increase their ability to compete for new clients in industry sectors they do not currently serve.

Diversifying manufacturing capabilities will encourage and promote company growth and will increase the long term viability and sustainability of existing employment positions as well as create new opportunities for highly skilled workers and those of mid-level education who are of low to moderate income. New manufacturing employment opportunities are important to the City of Saco as they provide balance to employment opportunities with other sectors including retail and hotel and hospitality.

CDBG funds will be used to purchase the following equipment:

<table>
<thead>
<tr>
<th>Equipment</th>
<th>Company</th>
<th>Qty</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>AccuFlex Stencil Printer with 2D and BGA inspection</td>
<td>MPM</td>
<td>1</td>
<td>$86,000</td>
</tr>
<tr>
<td>CP 45FV NEO S SMD placement</td>
<td>Samsung</td>
<td>1</td>
<td>$125,000</td>
</tr>
<tr>
<td>Feeders for all size part types</td>
<td>Samsung</td>
<td>1</td>
<td>$61,950</td>
</tr>
<tr>
<td>Bravo 8105 Reflow Oven</td>
<td>Electrovert</td>
<td>1</td>
<td>$46,300</td>
</tr>
<tr>
<td>Deleta Wave Soldering system model 6622CC</td>
<td>Soltec</td>
<td>1</td>
<td>$99,000</td>
</tr>
<tr>
<td>Thermal profiler with Navigator software prediction</td>
<td>Slim Kic</td>
<td>1</td>
<td>$7,525</td>
</tr>
<tr>
<td>PCBRM15 Selective Solder Rework Pot</td>
<td>AIR-VAC</td>
<td>1</td>
<td>$13,384</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$439,159</td>
</tr>
</tbody>
</table>

**Job Creation:** This project will result in a net job increase of 13 new positions at Saunders Electronics. Out of this number, 10 will be for persons of low to moderate income. Saunders provides a competitive benefits package and is an Equal Opportunity Employer.

**Project Budget:** The total cost for facility enhancement and new equipment purchase and installation is estimated at **$928,223**. The funds provided by the CDBG Business Assistance Grant will be utilized to purchase and install new lead free manufacturing equipment (listed above). The matching funds, secured by company assets, will be provided by a bank loan and company cash and will support the facility expansion and enhancement components of this project.

**Effect on Assisted Business:** The award of $400,000 of CDBG Business Assistance funding and the successful completion of this project will strengthen the long term sustainability and viability of Saunders Electronics as a competitor in the global EMS industry. Where many EMS providers are taking a reactive position to new EU manufacturing requirements and waiting to see how compliance will be monitored and regulated, Saunders is proactively integrating the required mandates into their operation and enhancing their
core competencies. The successful outcome of this project will not only enhance the company’s potential for growth, but improve their ability to retain and create new high quality manufacturing jobs in York County.

**Market Analysis:** In 2004, the Electronics Manufacturing Services (EMS) sector was estimated at $125 Billion. Saunders Electronics targets low volume, high mix product customers involved in industrial controls, medical devices and military applications. Typically these markets offer higher margins and are less likely to be produced overseas because they are based on proprietary technologies.

Although there are several industrial control circuit board, electronic subassembly and cable assembly companies in Maine, Saunders rarely competes with Maine-based businesses. Most of the competition comes from New England based manufacturers. On larger scale projects, Saunders makes every effort to collaborate with other Maine-based entities to provide customers with a complete solution.

Saunders is a successful and sought after EMS provider because the company maintains a low overhead, offers flexible, responsive services, is financially sound and offers unique design and prototyping services that are not available at other EMS houses. Saunders has a solid reputation, loyal customer base and doesn’t require clients to wade through layers of red tape to begin or complete a project.

Because of their financial stability, Saunders is able to respond to customer’s requests to integrate new services and manufacturing capabilities into their current offerings faster and more efficiently than their competitors. Saunders is in close proximity to raw materials suppliers as well as their customers which helps to decrease transportation costs and improve delivery times.

As with any facility expansion and upgrade, there are inherent risks: machinery and equipment is late in arriving and pushes the timeline for completion back, equipment requires troubleshooting and performance testing etc. Lead free compliance is a large and complex project and requires dedicated resources for all disciplines of an enterprise. To mitigate the risks of this project, Saunders is working with equipment suppliers, installers and their customers to plan a realistic and flexible installation schedule. Customers will be kept apprised of facility upgrades and equipment installation so that they may plan their own delivery schedules and maintain commitments to their end customers.

**Project Timeline and Feasibility**

**Successful Completion:** This project is assured of a successful completion as the scope of work outlined in this application is critical to the long term viability and sustainability of Saunders Electronics. The project will be managed by the in-house Saunders management team, all of whom have many years of expertise in project planning and implementation as well as product and process improvements.

Where many EMS providers across the US are taking a reactive position to EU manufacturing requirements and waiting to see how compliance will be monitored and regulated, Saunders Electronics is taking a proactive position and preparing to launch environmentally compliant manufacturing services well in advance of the mandate. This provides Saunders with a competitive advantage over other EMS providers and places the company at the leading edge of innovation.

The award of $400,000 of CDBG Business Assistance funds and the successful completion of this project will help Saunders Electronics enhance their competitive position in the EMS industry, improve their long term viability and sustainability and position the organization for economic and employment growth.
**Work Plan:** To date, Saunders has obtained quotes for facility upgrades and new equipment, designed, reengineered and planned the facility expansion and preliminary work schedule. Upon award, Saunders will place the orders for the equipment and mezzanine space and will implement the work plan.

**Management Team:** The Saunders management team, made up of David Saunders, President, Paul Meserve, Vice President and Kevin Higgins, Operations Manager, has over 55 years of experience in operational leadership and business management. This team of seasoned professionals possesses the organizational management, project oversite and business leadership required to make this project successful.

David Saunders: (insert resume)

**Paul Meserve, Vice President**

<table>
<thead>
<tr>
<th>Experience</th>
<th>2005 to Present</th>
<th>Saunders Electronics</th>
<th>Saco, Maine</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vice President</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Responsible for 100% of new and existing sales resulting in 16 years of continuous profitable growth.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Complete control of day to day fiscal management: accounts payable, accounts receivable, payroll, loan negotiations, etc..</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Manage and coordinate work flow through Engineering and Operations.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Instituted and administered a successful employee benefits package.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1991-2005

**General Manager**

• Implemented computerized payroll, accounts receivable, accounts payable, and general ledger functions.

• Increase of sales dollars/employee from an average of $62,000 per employee to $172,000 per employee.

• Developed company policies and job descriptions. Created policy manual.

• Handled the daily tasks as Operations Manager and Production Manager.

• Grew the company from one employee to hiring over twenty-seven employees.

1989 – 1991

**Sales Manager**

• Doubled sales in first year by researching prospects and cold canvassing.

• Maintained an aggressive service and customer retention program.
• Effectively became a liaison between companies’ engineering and purchasing groups.
• Negotiate price/quantity contracts, develop sales forecast, created marketing material and represented the company at exhibits and trade shows.

1988 - 1989 Bell Industries Andover, MA
Field Sales Representative
• 65% increase in new accounts and sales dollars through coordination with Bell Industries’ corporate executives, manufacturers representatives, and original equipment manufacturers.
• Excelled and participated in several sales training programs.

\Education
1981-1985 University of Maine Orono, Maine
• B.S., Business Administration

\Licenses

Kevin Higgins, Operations Manager

QUALIFICATIONS SUMMARY:
An accomplished operations and supply chain executive with over 28 years of managerial experience in world class manufacturing environments. A customer centric, creative and resourceful leader with an outstanding record of achievement in solving complex manufacturing problems through process improvement and constraint management methodologies to improve the bottom line. Solid expertise as a skilled communicator, team builder, and negotiator within diverse businesses and organizational conditions.

PROFESSIONAL HISTORY:
2005 – Present Saunders Electronics, Saco, ME
A $5 million contract manufacturer providing electronic design and manufacturing services for medical, military, and industrial control customers.
I. Operations Manager
II. Provide operational leadership and business support systems to sustain growth objectives exceeding 20% per year.

2004 – 2005  Nu Visions Mfg, LLC., Springfield, MA
A $60 million contract manufacturer providing electronic manufacturing services supporting primarily medical instrumentation (FDA Registered) and government sectors of the marketplace.

III. Vice President of Operations
Recruited to provide the leadership for 187 individuals and to establish operational excellence for new business growth. Directed the following departments; Supply Chain, Business Unit Management, Manufacturing, Quality, and Engineering reporting to the CEO.

- Implemented validation protocols (IQ, OQ, PQ) on all equipment and processes.
- Defined component lot traceability process within Inventory Control module for all medical customers.
- Responsible for dedicated manufacturing facility in Tijuana, MX supporting a new medical customer.
- Enhanced MES software with implementation of MRP module and integrated VMI program for $40 million inventory management program.
- Reorganized management operating structure from matrix to functional departmental reporting

2001 – 2004  American Engineered Components, Inc. (acquired by AMI)
A $80 million corporation with production plants in Michigan and New York engaged in the manufacture of precision metal stampings servicing diverse customers in automotive, ordnance, aerospace, defense, electronics, commercial and industrial markets.

IV. Vice President Business Development, Carle Place, NY  (2003 – 2004)
Retained by the corporation to manage all North American sales and marketing efforts for non-automotive product lines.

- Consolidated commercial customer base from 221 to 80 and established authorized distribution partners.
- Redefined pricing strategy and created new price book, product literature, and website for commercial product lines.
- Established remote sales/customer service operations.

VIII. Vice President & General Manager, Brighton, MA  (2001 – 2003)
Complete P&L responsibility consisting of a 3-shift operation in a 108,000-sq ft production facility, 150 employees, generating $24 million in sales.

- Managed the closure and integration of the $1.2 million Exatron division of AEC in New Jersey. Successfully transferred all capital equipment, tooling and processes within 3 months.
- Negotiated the acquisition and managed the integration of the metal stamping operation of MacNeill Engineering consisting of $250,000 in capital equipment and tooling along with hiring key production personnel. Increased revenues from this business exceeded $2 million.
- Successful implementation of EDI software for automotive OEM replenishment systems with lot traceability.

1999 – 2001  TREX Medical Inc., Littleton, MA (acquired by Hologic Inc.)
A $200 million manufacturer of x-ray equipment for medical applications consisting of film and digital radiology, mammography, and bone densitometers.

IX. Director of Materials
Responsible for managing the efforts of 23 individuals within the procurement, inventory control, and traffic functions.
Date: February 6, 2006

- Managed the integration of the material logistics and planning systems of the Chicago and Long Island manufacturing divisions into the Littleton facility business system, including the physical acquisition of all manufacturing and service inventories.

1997 – 1999 Premier Industries, Hudson, NH (acquired by APW Enclosure Systems)
A $40 million division of APW Electronics, a $1.2 billion global design and manufacturer of integrated enclosure systems for the telecommunications, networking, data processing, financial, and semiconductor markets.

X. **Director of Materials/Program Management**

XI. Provided leadership for a staff of 31 individuals who were responsible for the impact of inventory procurement to the P&L, supply chain management, delivery performance to the customer, development of world class manufacturing practices which included Kaizen, KanBan, and JIT processes, customer service, customer program management, and management of the business information systems.

- Created and negotiated strategic supplier agreement for raw metal commodity, which realized an 18-month, fixed pricing and a first year cost savings of $380,000. This agreement was adopted as the standard supplier agreement profile document for the corporation.
- Established a vendor managed inventory program for hardware and MRO supplies with total first year savings of $95,000.
- Developed inventory and customer transfer logistics for the integration of 2 separate corporate divisions into the Hudson facility. This business addition increased annual sales from $27 million to $40 million and was successfully accomplished in 4 months.

A $16 million subcontract manufacturer of electrical interconnect assembly services with manufacturing facilities in the US and Mexico.

XII. **Director of Operations**

Directed the domestic manufacturing organization of 123 individuals in a multi-shift, multi-cultural employee base.

- Coordinated the production logistics of the manufacturing operations in Nogales, Mexico; increased on time deliveries by 20%, and expanded the manufacturing facilities by 25%.

1994 – 1995 Instrumentation Laboratory, Lexington, MA
A $265 million dollar international manufacturer and distributor of biomedical instrumentation and medical diagnostic supplies.

XIII. **Distribution Logistics Manager**

Responsible for the procurement and distribution coordination of all medical reagents, controls, and plastic consumable inventories for the US marketplace.

- Provided strategic planning, budgeting, monthly forecasting and analyses for domestic and international production facilities manufacturing controls and reagents for all domestic distribution. Manufacturing sites were located in Orangeburg, NY and Ascoli, Italy.
- Coordinated the transfer of $16 million of inventory to a new distribution partner in 8 regional locations throughout the US.
A $100 million manufacturer of high resolution ink jet printers for the graphic arts industry.


Provided focused leadership for the materials, production, and engineering organizations ultimately comprising 111 individuals during significant company growth; $900,000 to $100 million in sales covering a period of 6 years.
- Implemented new manufacturing technology for next generation product line that increased sales revenues by 18% in first year of production.
- Responsible for financial budgeting and physical execution of company expansion projects; 40,500 sq. ft. facility for Administration in 1992 and 29,000 sq. ft. facility for R&D facility in 1993 along with full telecommunication system in 1992.
- Project leader for complete product line transfer to manufacturing facilities in Israel in 1991.


- Implemented all materials and manufacturing computer management systems utilizing ASK/ManMan software.
- Established field service material replenishment logistics for global VAR channels.
- Outourced all non-proprietary manufacturing functions not part of the company core competencies.
- Consistently maintained net physical inventory dollar value variance of < .1% against total inventory value of up to $7 million.
- Created and negotiated supplier contracts for proprietary single source commodities in Sweden, UK, and France.

1977 – 1988  Instrumentation Laboratory, Lexington, MA
A $400 million international manufacturer and distributor of biomedical instrumentation and consumable supplies.

V. Planning and Procurement Manager

Managed the efforts of 16 material professionals in distribution, production planning and procurement.
- Project Team leader for the implementation of American Software Forecasting module for distribution replenishment logistics.
- Manufacturing team leader for ASK/ManMan integrated software module implementation and training.
- Successfully outsourced high volume disposable medical plastics production operation.

EDUCATION:
BS Business Administration, 1988, University of Massachusetts/Lowell
CPIM, 1985, American Production and Inventory Control Society
Advanced proficiency in MS Office applications; Excel, Word, Outlook, Access, Power Point, Project and Visio Business Diagrams.
Functional knowledge for the following integrated manufacturing execution systems; MAPICS, Ask/ManMan, Visibility, Profit Key, BAAN, Fourth Shift, Visual Mfg

Timetable for Project Implementation:
3. **Citizen Participation**

**Public Hearing Process (5 points)**
Describe how citizen participation contributed to the actual development of this application including how the required public hearing contributed to the process. *(Submit a public hearing record consisting of the published public hearing notice, hearing minutes, and attendance list with the original and all five copies of the application.)*

In an effort to involve and gain the support of the general citizenry of Saco for this project, the Town of Saco held a Public Hearing on February 6, 2006. Saunders Electronics made a formal presentation outlining details of the expansion project to local citizens and business people. Participants in the Hearing overwhelmingly support the expansion of Saunders Electronics and look forward to its long term viability and sustainability as an anchor tenant in the Saco Industrial Park.

**Business/Local Involvement (5 points)**
Outline other input business, chambers of commerce, development organizations, local groups, and individuals have had in increasing the citizen participation process for the Program project.

Highlight how the use of any media (TV, radio, newspapers, etc.) increased public awareness and participation in the EDP project.

Public participation in the preparation of this application included a presentation before the Biddeford Saco Area Economic Development Corporation Board of Directors. This certified (CDFI) Community Development Financial Institution and community based lender has broad representation from the workforce development, social service, business, and government communities. The 12 member Board of Directors voted to endorse the application and this letter of endorsement.

The Saco Economic Development Commission heard a similar presentation by the Saunders executive team on January 4. The Commission, which manages Saco’s industrial parks, was pleased by the progress of one of the park’s pioneers. This seven member board voted its endorsement, which is attached.

Include a graphic description (aerial photo, map, sketch) of the sites involved. Provide a generalized location of the site relative to the community and a copy of a floodplain map showing the project location. Include existing and proposed site and/or building improvements.
[Insert Peter’s aerial photo, a copy of the 3D model of the mezzanine space and Flood Plain Map]

[KEVIN - Insert following list of items here:]
- Balance Sheets – both historical and projected for a minimum of three years
- Profit and Loss Statements - both historical and projected for a minimum of 2 years
- Pro-Forma Cash Flow Statement - for one year, this is essential where a seasonal variation exists
- Current Personal Financial Statements - for all principals with more than 20% ownership in the business.
Economic Development Program
Matching Funds Table
(Include Fully Secured Cash Commitments Only)

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Grant/Loan</th>
<th>Amount</th>
<th>Terms of borrowing or bond sale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maine Bank &amp; Trust</td>
<td>Loan</td>
<td>$528,000</td>
<td>7 year note/rate TBD</td>
</tr>
</tbody>
</table>

TOTAL: $528,000

Letters of Commitment for all Cash Matching Funds listed must be attached to this table.

Submit a copy of this Matching Funds Table and all letters of commitment with the original and all five copies of the application.
**Economic Development Program**

**Budget Summary (Include All Sources)**

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Column 1</th>
<th>Column 2</th>
<th>Column 3</th>
<th>Column 4</th>
<th>Column 5</th>
<th>Column 6</th>
<th>Column 7</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CDBG</td>
<td>Local</td>
<td>State</td>
<td>Utility</td>
<td>Federal</td>
<td>Other</td>
<td>Total</td>
</tr>
<tr>
<td>Real Property Acquisition</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relocation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clearance/Demolition</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Site Improvements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Building Construction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building Renovations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Improvements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sewer Improvements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drainage</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lighting</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roads &amp; Streets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parking</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utility Lines</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fiber Optics</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rail Lines &amp; Spurs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>$400,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventory</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixtures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working Capital</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional Fees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inspection</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Architectural</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engineering</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (List)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Computer System w/ Training</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$69,275</td>
<td>$69,275</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td>$400,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$528,223</td>
<td>$928,223</td>
</tr>
</tbody>
</table>

**Directions for Completing Budget Summary**

1. For each applicable cost in the Cost Category column, list the projected dollar amount for all applicable funding sources in columns 1-6.

2. List the total dollar amount for each cost category in column 7, Total.

3. Enter the sum of all Totals in column 7 in the TOTAL COSTS box directly under column 7.
4. Submit a copy of this Summary with the original and **all five copies** of the application.

**ECONOMIC DEVELOPMENT PROGRAM**

**FINANCIAL SUMMARY STATEMENT**

Provide the following information on the current obligation of the Business to be assisted for the following:

<table>
<thead>
<tr>
<th>Current Debt</th>
<th>Debt Holder</th>
<th>Rate/Term</th>
<th>Payment</th>
<th>Collateral</th>
</tr>
</thead>
<tbody>
<tr>
<td>$103,712.13</td>
<td>Maine Bank &amp; Trust</td>
<td>5.50%/72 mths</td>
<td>$1,571.40</td>
<td>82 Industrial Real Estate</td>
</tr>
<tr>
<td>$245,000.13</td>
<td>Maine Bank &amp; Trust</td>
<td>7.75%/9 mths</td>
<td>$1,582.29</td>
<td>82 Industrial Real Estate</td>
</tr>
<tr>
<td>$125,327.73</td>
<td>Maine Bank &amp; Trust</td>
<td>7.25%/12 mths</td>
<td>$750.58</td>
<td>ABA</td>
</tr>
<tr>
<td>$148,945.92</td>
<td>Maine Bank &amp; Trust</td>
<td>7.75%/60 mths</td>
<td>$3,734.54</td>
<td>ABA</td>
</tr>
</tbody>
</table>

**Proposed new obligations of the Business after EDP assistance:**

<table>
<thead>
<tr>
<th>Proposed Debt</th>
<th>Debt Holder</th>
<th>Rate/Term</th>
<th>Payment</th>
<th>Collateral</th>
</tr>
</thead>
<tbody>
<tr>
<td>$528,000</td>
<td>Maine Bank &amp; Trust</td>
<td>TBD/7 years</td>
<td>TBD</td>
<td>82 Industrial Real Estate</td>
</tr>
</tbody>
</table>
ECONOMIC DEVELOPMENT PROGRAM

COMMUNITY BENEFIT WORKSHEET
(Not Required for Technical Assistance Activities under BA Activity Group 1(b) or Planning Activities under BA Activity Group 2(b))

Local Fiscal Improvement:

What percent of value to the total value is the municipal assessment?  .055%

1. Assessed value of land prior to improvements  $196,100

2. Assessed value of buildings prior to improvements  $729,100

3. Total assessed value (1+2)  $925,000

4. Estimated total assessed value following improvements  $1,015,200

5. Estimated tax based on #4  $12,791

6. Current tax  $11,657

7. Anticipated net tax increase (#5 - #6)  $1,134

The above figures were obtained through (check all that are applicable)

Town Records  _X____
Assessments  _X____
Appraisals  _______
Other  _X____


CITY OF SACO COUNCIL RESOLUTION

Whereas the _____City of Saco_______ wishes to apply to the Department of Economic and Community Development for a Community Development Block Grant Program award to carry out a community development program; and

Whereas the planning process required by Maine Law and the CDBG program has been compiled with, including participation in the planning process by low and moderate income families and individuals and the Municipal Entity has conducted at least one duly advertised public hearing; and

Whereas the Department of Economic and Community Development has established the Economic Development Program,

   X   Business Assistance Grant Category

   □   Development Fund Loan Category

NOW THEREFORE BE IT RESOLVED BY THE COUNCIL that _____Richard Michaud_____ it’s ______City Administrator_____ is authorized and directed to submit a Community Development Block Grant application for the program designated above in the amount of $ 400,000. to the Department of Economic and Community Development on behalf of _____Saunders Electronics___________ (business) substantially in the form presented to this Council;

is authorized to make such assurances on behalf of ____City of Saco_____ required as part of such application; and,

is authorized and directed, upon acceptance of said funds to carry out the duties and responsibilities for implementing said program, consistent with the Charter of ____City of Saco______ and the laws and regulations governing the planning and implementation of community development programs in the State of Maine.

Signed this _________ day of February , 2006____ on behalf of the Community Council of ______City of Saco_____.

WITNESS: __________________________   SIGNED: __________________________

   Title   Mayor

Municipal Seal
CITY OF SACO MEETING WARRANT ARTICLE

Shall the City of Saco vote to approve a community development program and Community Development Block Grant Program application in the Economic Development Program for the

☐ Business Assistance Grant Category

☐ Development Fund Loan Category

in the amount of $400,000 and to submit same to the Department of Economic and Community Development, and if said program is approved, to authorize the municipal officers to accept said grant funds, to make such assurances, assume such responsibilities, and exercise such authority as are necessary and reasonable to implement such a program?
Public Hearing Notice to comply with Title VI Requirements

Public Hearing Notice - City of Saco

The City of Saco will hold a Public Hearing at 7 p.m., Monday, February 6, 2006, in the City Hall Auditorium, 300 Main Street, to discuss an application being submitted to the State of Maine CDBG program for a Business Assistance Grant. The purpose of the grant application is to assist Saunders Electronics in the acquisition of manufacturing equipment. Public comments will be solicited at this Hearing and will be submitted as part of the application. All persons wishing to make comments or ask questions about the grant application are invited to attend this Public Hearing. Comments may be submitted in writing to Peter Morelli, 300 Main Street, at any time prior to the Public Hearing. If you are physically unable to access any of the City’s programs or services, please call the City Administrator, 282-4191, so that accommodations can be made.
ECONOMIC DEVELOPMENT PROGRAM
JOB CREATION BASELINE EMPLOYMENT SUMMARY

Name of Business to be Assisted: Saunders Electronics Inc.

<table>
<thead>
<tr>
<th>Job Title*</th>
<th>Full Time (Place X)</th>
<th>Part Time (Place X)</th>
<th># Currently Employed</th>
<th># to be Created</th>
</tr>
</thead>
<tbody>
<tr>
<td>President/owner</td>
<td>X</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Vice President</td>
<td>X</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Operations Manager</td>
<td>X</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Facilities/IT Manager</td>
<td>X</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Quality Manager</td>
<td>X</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Office Manager</td>
<td>X</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Engineer, Software</td>
<td>X</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Test Technicians</td>
<td>X</td>
<td></td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Electronic Assemblers</td>
<td>X</td>
<td></td>
<td>11</td>
<td>8</td>
</tr>
<tr>
<td>Mechanical Assemblers</td>
<td>X</td>
<td></td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Packaging</td>
<td>X</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>SMT/Thru Hole Machine Op.</td>
<td>X</td>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>CNC Machine Operator</td>
<td>X</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Quality Control Inspector</td>
<td>X</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Production Manager</td>
<td>X</td>
<td></td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total Jobs</strong></td>
<td></td>
<td></td>
<td><strong>27</strong></td>
<td><strong>13</strong></td>
</tr>
</tbody>
</table>

* Attach a job description for each job title for which a position will be created

Signature of Human Resources Officer __________________________________________ Date __________________________

Printed Name and Title ________________________________________________________
ECONOMIC DEVELOPMENT PROGRAM

GRANTEE/BUSINESS ASSURANCES

JOB CREATION

The Business (as identified below), having applied for funding from the Municipality (as identified below) through the Maine Community Development Block Grant (CDBG) Program agrees to create a minimum of ___13____ new jobs on or before a date two years from the date of the last disbursement of program funds approved by the DECD. The Business also agrees that at least 51% of the new full time and full time equivalent jobs must be taken by qualified low /moderate income persons in compliance with the Maine CDBG program rules, regulations and policies. The Business will verify the job creation achievements and assist the Municipality in compiling the required documentation as required by the Maine CDBG Program.

In determining CDBG National Objective compliance with job creation only Permanent jobs may be counted; temporary jobs may not. Full time jobs require a worker to work at least 1750 hours per year. Part time jobs must be converted to Full Time Equivalents (FTE). An FTE is defined as two part time jobs. Seasonal jobs may count only if the seasonal job lasts long enough to be considered the employee's principal occupation. (Contact OCD prior to counting seasonal jobs towards LMI benefit.) All permanent jobs created by the project must be counted, regardless of funding source(s). Jobs indirectly created by the project (i.e., remote location, “trickle down” jobs) do not count.

It is understood by the Business and the Municipality that, in the event the job creation goals are not met within the prescribed time frame and according to the regulations of the State of Maine Community Development Block Grant Program, the State of Maine and will exercise its right and seek repayment from the Municipality in accordance with the contract provisions and the Municipality may exercise its rights and seek repayment in accordance with the default provisions contained in any agreement it has with the Business.

Having read and fully understanding the requirements set forth in this agreement, the undersigned agree to the job creation requirements contained herein, and to comply with all regulations of the U.S. Department of Housing and Urban Development and the State of Maine governing this program.

__________________________    _________________________
City of Saco                       Municipality

__________________________    _________________________
Signature of Municipal CEO         Date

__________________________    _________________________
Saunders Electronics              Business

__________________________    _________________________
Signature of Business CEO          Date
Saunders Electronics
Electronic Test Technician

Reports to: Production Supervisor FLSA Status: Non-Exempt

Summary:
To ensure that all tested products meet or exceed customer requirements. Troubleshooting the boards to component level rejects or identifying issues as engineering anomalies before final disposition to the Customer/Company is an expectation of this function.

Essential Duties and Responsibilities:

- Troubleshoot boards down to component level
- Read, interpret and react to schematics
- Interface with cross functional groups (Materials, Cells, Engineering)
- Entering and tracking yield/troubleshoot data for all tested products
- Develop and improve test procedures/processes
- Interface with Customer’s Engineering Department
- Comply with Nu Visions standards: ESP, IPC 610, Work Instructions, ISO policies
- Responsible for maintaining preventative maintenance logs
- Effectively utilize MES tracking system
- Perform all other job related duties

Non-Essential:

- Analytical/problem solving capability
- Ability to read and interpret schematics
- Must be a team player and highly motivated
- Ability to multi-task with strong sense of urgency; ability to meet deadlines
- Detail-oriented

Experience/Education:

- Associate in Electronic Technology or Equivalent work experience
- 3+ years of related work experience
- Troubleshooting skills involving test failures
- Experience operating test equipment not limited to HP 3070, Genrad
Saunders Electronics  
Electronic Assembler  

**Reports to:** Manufacturing Manager  
**FLSA Status:** Non-Exempt  

**Summary:**  
To install electronic components into various circuit board assemblies according to the Process or Documentation provided.  

**Essential Duties and Responsibilities:**  
- To meet customer requirements using IPC A-610 standards  
- To be able to identify components  
- Ability to work with miniature to large components that may require visual magnification  
- Ability to read and interpret assembly instructions, drawings, and processes  
- Follow operation sheets per engineering instructions  
- The ability to utilize the Shop Floor Control computer systems  
- Ability to use various hand tools (pliers, rulers, cutters, hand-formers, etc.)  
- Communicate with Supervisor/Manager  
- Take direction from Supervisor/Manager  
- Maintain the highest level of quality standards at all times  
- Maintain ESD Integrity within production environment  
- Ability to work effectively within a team environment  
- All other job related duties  

**Experience/Education:**  
High School Diploma or Equivalent  
Previous hand assembly experience preferred
Saunders Electronics
SMT Machine Operator

Reports to: Production Manager

Summary:

To utilize SMT machines to place surface mount parts and solder reflow the devices to the PCB

Essential Duties and Responsibilities:

- Utilize process sheets to ensure correct build of product
- Load feeders for surface mount machines using the load list provided by machine
- Verify correct part numbers being used for the specific job being run
- Initiates and selects correct program for SMT machines and correct reflow profile for the reflow oven
- Selects the proper screen for use during screen printing operation
- After running first unit off machine, submit to QC for first piece approval for both side 1 and side 2
- Comply with the following Saunders Electronics standards: ESD, IPC610, Work Instructions, ISO 9001:2000 Policies, Etc
- Machine maintenance

Non-Essential:

- Operate stencil cleaning machine
- Cleaning boards in aqueous cleaner in a timely manner
- Ensure proper lot is being used for those customers whose jobs require lot controls

Experience/Education:

- High School Diploma or GED Equivalent
- Previous electronic experience
- Personal computers
- Knowledge of machine maintenance and IPC standards
Saunders Electronics
Manufacturing Manager

Reports to: Operations Manager

Summary:

Proficiency in managing processes and product in a manufacturing environment; leading by example and able to influence individuals at all levels of the organization; motivating a workforce to help drive process improvement and cost reduction; understanding the importance of a team environment and driving results through the organization

Qualified applicants will be able to demonstrate advanced functional, technical and people and process management skills as well as customer (external and internal) relationship skills with 5 years of experience in electronic manufacturing environment

Essential Duties and Responsibilities:

- Responsible for approximately 30 direct reports
- Product and process improvements supporting the product line
- Driving cost reductions through product and process improvements
- Working knowledge of Lean, Six Sigma, and 5S programs
- Manufacturing planning for capital and capacity with tooling requirements
- Responsible for process capability, yield analysis, and improvement
- Write and maintain engineering, operating, and quality procedures including checklists and preventative maintenance plans
- Create process routing documentation
- Investigate and write customer corrective action requests in cooperation with quality and customer service
- Collection of data and the correlation of failures, driving the actions required to solve the issues to root cause
- Initiate engineering change orders to existing products and processes
- Ensures the product is exceeding our customer requirements of quality, reliability, and our internal goals of cost and delivery

Experience/Education:

- Bachelors Degree in Engineering or equivalent experience
- Working knowledge of ISO Quality and IPC standards
- 5 years of experience in electronic manufacturing environment with extensive working knowledge of SMT, Thru Hole, and electronic soldering manufacturing processes
B. (Public Hearing) Liquor License Renewal – Cascade Inn & Restaurant

Aube Corp. d/b/a Cascade Inn and Restaurant has applied for their liquor license and entertainment permit to be renewed for a term of one year. Said permit to expire on March 11, 2007.

The applicant has paid all applicable permit fees and the clerk has properly advertised the public hearing in accordance with M.R.S.A., Title 28-A, Subsection 653 and in accordance with Saco City Code, Chapter 93, Entertainment sub-section 93-2.

Councilor Morton moved, Councilor Michaud seconded, to open the Public Hearing on the Liquor License and Entertainment permit renewal for the Cascade Inn and Restaurant. The motion passed with seven (7) yeas.

There being no comments from the public Councilor Morton moved, Councilor Smith seconded, to close the Public Hearing and Be it Ordered that the City of Saco hereby approve the renewal of Cascade Family Restaurant Liquor License and Entertainment Permit for a term of one year to expire on March 11, 2007. Further move to approve the order. The motion passed with seven (7) yeas.

C. (Public Hearing) New Liquor License – Shenanigans

Paul E. Sabatino d/b/a Shenanigans has applied for a liquor license and entertainment permit for one year.

The applicant has paid all applicable permit fees and the clerk has properly advertised the public hearing in accordance with M.R.S.A., Title 28-A, Subsection 653 and in accordance with Saco City Code, Chapter 93, Entertainment sub-section 93-2.

Mayor Johnston stepped down and requested that Deputy Mayor Tripp assume the responsibilities as chair for the meeting at this time.

Deputy Mayor Tripp asked for a motion to open the public hearing.

Councilor Cote moved, Councilor Smith seconded, to open the Public Hearing on the Liquor License and Entertainment Permit for Shenanigans. The motion passed with seven (7) yeas.

Mark D. Johnston, 17 Elm Street expressed concerns regarding noise and the fact that the previous owner of the establishment allowed alcoholic beverages to be consumed outside of the licensed premises.

Mr. Johnston requested that Mr. Paul Sabatino, d/b/a Shenanigans, be required to honor the Abatement Program that had been imposed on the previous owner of the establishment.
Councilor Cote moved, Councilor Smith seconded, to close the Public Hearing. The motion passed with seven (7) yeas.

Councilor Cote moved to approve the liquor license. Councilor Cote withdrew this motion.

Councilor Morton, moved, Councilor Michaud seconded, to table the licenses until the next Council Meeting. The motion passed with seven (7) yeas.

Councilor Smith moved, Councilor Tardif seconded, to grant the liquor license with the restriction that beverages not be consumed outside the building; and to table the Entertainment Permit until the next Council Meeting. Further move to approve the order. The motion passed with five (5) yeas and two (2) nays. Councilors Morton and Michaud voted in the negative.

Mayor Johnston assumed the responsibilities as chair and requested a motion for recess.

VIII. RECESS THE MEETING – MOVE TO WORKSHOP

Councilor Michaud moved, Councilor Smith seconded, to recess. The motion passed with seven (7) yeas. TIME: 7:44 p.m.

VI. CALL TO ORDER

VII. COUNCIL MINUTES TO REVIEW: January 17, 2006

Minutes were approved at the beginning of the Council Minutes.

VIII. AGENDA ITEMS:

   a. Jenkins Road Water and Land Use
   b. SAFER Grant

IX. ADJOURN THE WORKSHOP – RECONVENE THE COUNCIL MEETING

Councilor Morton moved, Councilor Smith seconded, to move into executive session. The motion passed with seven (7) yeas. TIME: 8:45 p.m.

X. “Be it ordered that the City Council, Pursuant to M.R.S.A. Chapter 13; Subchapter 1, § 405(6)(C) go into executive session to consider the acquisition of real property”.

XI. REPORT FROM EXECUTIVE SESSION

Councilor Tripp moved, Councilor Michaud seconded to come out of executive session. The motion passed with seven (7) yeas. TIME: 9:10 p.m.
Upon return from executive session Mayor Johnston conducted a roll call of the members and determined that the Councilor present constituted a quorum. Councilors present: David Tripp, Leslie Smith, Jr., Ronald Morton, Roland Michaud, Arthur Tardif, Eric Cote and Jesse McDougal.

No report from the executive session this evening.

**XII. ADJOURNMENT**

Adjournment was by unanimous consent. TIME: 9:22 p.m.

ATTEST: ______________
Lucette S. Pellerin, City Clerk