CALL TO ORDER – On Monday, August 6, 2007 at 7:00 p.m., a Council Meeting in the City Hall Conference Room.

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

PLEDGE OF ALLEGIANCE

APPROVAL OF MINUTES: June 25, 2007; July 2, 2007

Minutes of the June 25, 2007 and July 2, 2007 meetings were approved as printed.

AGENDA ITEMS:

A. (Final Reading) Adopt Trail Bond Order

Councilor Cote moved, Councilor Tripp seconded, that the City of Saco hereby AMENDS the Order entitled, ‘Order Authorizing City of Saco to Borrow An Amount not to Exceed $500,000 for Trail Improvements’ to read in its entirety as follows:

ORDER AUTHORIZING CITY OF SACO TO BORROW AN AMOUNT NOT TO EXCEED $500,000 FOR TRAIL IMPROVEMENTS

BE IT ORDERED BY THE CITY COUNCIL OF THE CITY OF SACO, MAINE IN CITY COUNCIL ASSEMBLED:

1) That under and pursuant to 30-A M.R.S.A. §5772 and Sections 6.14 and 6.15 of the Charter of the City of Saco, the Treasurer and the Mayor of the City of Saco are authorized to issue general or limited general obligation securities in the name of the City of Saco in an aggregate principal amount not to exceed Five Hundred Thousand Dollars ($500,000), and notes in anticipation thereof, to pay a portion of the costs to design and construct improvements for pedestrian/cyclist trails in the City of Saco, and to acquire any real estate or interests in real estate related thereto (the “Project”);

2) That the proceeds of the said securities and said notes in anticipation thereof (hereinafter collectively, “Bonds”), together with any investment earnings thereon, are appropriated to be used for the Project and for related costs of issuance, credit enhancement and accrued interest, if any;

3) That the estimated period of utility of the Project is determined to be in excess of thirty (30) years;
4) That pursuant to Section 6.15 of the Charter of the City of Saco, taxes shall be levied on the taxable estates of the City of Saco for each year that the Bonds remain outstanding in the amount necessary to meet the payment of the annual installments of principal and interest on the Bonds;

5) That to the extent not inconsistent with this Order, the Treasurer is authorized to select such date(s), maturity(ies), denomination(s), interest rate(s), place(s) of payment, form(s) and other details of the Bonds, as the Treasurer determines to be in the interest of the City;

6) That any of the Bonds may be made callable, with or without premium, prior to their maturity;

7) That the Bonds shall be executed in the name of the City by the Treasurer and Mayor, under the official seal of the City attested by the City Clerk, and that any signature thereon may be by facsimile to the extent permitted by law;

8) That the Treasurer is authorized to provide for the sale of the Bonds at such times and in such manner, as the Treasurer determines to be in the interest of the City, and to select a

purchaser or purchasers of the Bonds and to execute and deliver such contracts or agreements as may be necessary in connection therewith;

9) That in connection with the sale of any of the Bonds, the Treasurer may select such financial advisors, bond counsel, underwriters, rating agencies, bond insurance companies, registrars, paying agents, transfer agents and other service providers for such of the Bonds as the Treasurer determines to be in the interest of the City, and to execute and deliver such contracts and agreements as may be necessary or appropriate to secure their services;

10) That the Treasurer is authorized to prepare, or cause to be prepared, Notices of Sale, Preliminary Official Statements and Official Statements and Placement Memoranda for use in the offering and sale of any of the Bonds, in such form and containing such information as may be approved by the Treasurer, and that the distribution thereof in the name of and on behalf of the City in connection with offering any of the Bonds is approved;

11) That the Treasurer is authorized to undertake all acts necessary to provide for the issuance and transfer of such of the Bonds as the Treasurer deems advisable in book-entry form pursuant to the Depository Trust Company Book-Entry Only System, as an alternative to physical transfer of bonds, and the Treasurer is authorized and empowered to enter into a Letter of Representation or any other contract, agreement or understanding necessary or, in the Treasurer’s opinion, appropriate in order to qualify such Bonds for and to participate in the Depository Trust Company Book-Entry Only System;

12) That the Treasurer is authorized and directed to covenant and certify on behalf of the City that no part of the proceeds of the Bonds shall be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause such Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended;

13) That the Treasurer is authorized to covenant on behalf of the City to file any information report and pay any rebate due to the United States in connection
with the issuance of the Bonds, to take all other lawful actions necessary to insure
that interest on the Bonds will be excluded from the gross income on the owners
thereof for purposes of federal income taxation, and to refrain from taking any
action which would cause interest on the Bonds to become includable in the gross
income of the owners thereof;
14) That the Treasurer is authorized to covenant, certify and agree, on behalf of
the City, for the benefit of the holders of Bonds, that the City will file any required
reports, make any annual financial or material event disclosure, and take any
other action that may be necessary to insure that the disclosure requirements
imposed by Rule 15c2-12 of the Securities and Exchange Commission, if
applicable, are met;
15) That the Treasurer is authorized to designate any of the Bonds as qualified
tax exempt obligations for purposes of Section 265(b) of the Internal Revenue
Code of 1986;
16) That the Treasurer is authorized to execute and deliver such tax certificates,
arbitrage and use of proceeds certificates and other documents and certificates as
may, in the Treasurer’s opinion, be necessary or convenient to effect the
transactions hereinbefore authorized, to be in such form not inconsistent with
this Order as the Treasurer, with the advice of the City’s bond counsel, may
approve;
17) That the Treasurer and other proper officials of the City are authorized and
empowered in its name and on its behalf to do or cause to done all such other acts
and things as may be necessary or desirable in order to effect the issuance, sale
and delivery of the Bonds in accordance herewith and any such prior action by
them is hereby ratified and confirmed;
18) That if the Treasurer, Mayor, Clerk or any other City officer or official is for
any reason unavailable to approve, execute or attest the Bonds or any related
financing documents, the person or persons acting in any such capacity, whether
as an assistant, a deputy, or otherwise, is authorized to act for such official with
the same force and effect as if such official had herself/himself performed such
act;
19) That if any of the officers or officials of the City who have signed or sealed the
Bonds shall cease to be such officers or officials before the Bonds so signed and
sealed shall have been actually authenticated or delivered by the City, such Bonds
nevertheless may be authenticated, issued, and delivered with the same force and
effect as though the person or persons who signed or sealed such Bonds had not
ceased to be such officer or official; and also any such Bonds may be signed and
sealed on behalf of the City by those persons who, at the actual date of the
execution of such Bonds, shall be the proper officers and officials of the City,
although at the nominal date of such Bonds any such person shall not have been
such officer or official;
20) That the Treasurer prepare a signed financial statement to accompany this
and any other referendum question to be submitted on the same date to the
voters of the City for ratification of bond issues;
21) That a copy of this Order be filed with the City Clerk;
22) That it shall be a condition for the Bonds to be issued that the Maine Department of Transportation approves funding of not less than $1,000,000 for the Project; and

23) That pursuant to Section 6.15 of the Charter of the City of Saco, Maine the following question shall be submitted to the voters of the City of Saco at a referendum vote to be held on November 6, 2007:

Shall the Order of the City Council of the City of Saco entitled “Order Authorizing City of Saco to Borrow an Amount Not to Exceed $500,000 For Trail Improvements” be ratified and approved so as to provide an off road pedestrian/bicyclist way between Route 112, Thornton Academy, Funtown, Cinemagic and the Cascade Road, with connection to an existing pedestrian/bicyclist way through Old Orchard Beach and Scarborough to Bug Light in South Portland, provided, however that this project shall proceed only if the Maine Department of Transportation approves funding of not less than $1,000,000 for this project?

CITY OF SACO, MAINE
Treasurer’s Financial Statement for Proposed Bonds

Referendum Question 1: Trail Improvements

As of June 30, 2007, the total amount of bonds of the City of Saco outstanding and unpaid is $19,032,932 of which $15,492,688 is principal and $3,540,245 is interest. The City has no other bonds authorized but not yet issued. The bonded indebtedness to be assumed if the question authorizing this borrowing is ratified by the voters is as follows:

<table>
<thead>
<tr>
<th>Question</th>
<th>Proposed Improvements</th>
<th>Bond Principal</th>
<th>Estimated Bond Interest</th>
<th>Total Principal and Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Question 1</td>
<td>Trail Improvements</td>
<td>$500,000</td>
<td>$268,761</td>
<td>$768,761</td>
</tr>
</tbody>
</table>

The total debt service costs will vary depending on the prevailing interest rates at the time the bonds are issued. The above estimated costs for the bonds are based upon an estimated interest rate of 4.5% over an estimated term of 20 years.

The validity of this obligation and of the voters' ratification of this obligation may not be affected by any errors in the estimate made pursuant to the above statement. If the actual amount of the total debt service for the bond issue varies from the estimate, the ratification by the electors is nevertheless conclusive and the validity of the obligation is not affected by reason of the variance.

Dated: August 6, 2007 at Saco, Maine /s/ Lisa Parker, Treasurer City of Saco
The motion passed with five (5) yeas and two (2) nays. Councilors Smith and Tardif voted in the negative.

B. Acceptance of Open Space: Saco River Estates

The Saco River Estates subdivision was approved by the Planning Board on Oct. 19, 2004. Five two-family dwellings will be developed on about 5.5 acres, from a single driveway off Lincoln Street; the project also includes a lot for a single family dwelling. The developer, Robert Pagliarulo, set aside the 21.3 acre remainder of the parcel as open space to be offered to the City. The open space includes roughly 1,850 feet of frontage along the Saco River, with access from Lincoln Street along a paper street (Granite Street) adjacent to the Boston and Maine railroad. The tax assessed value of this parcel is $19,200.

Councilor Tardif moved, Councilor Smith seconded, that the City of Saco not accept this land since it is useless space. The motion failed with two (2) yeas and five (5) nays. Councilors Tripp, Morton, Michaud, Cote and Jacques voted in the negative.

Councilor Michaud moved, Councilor Tripp seconded, that it be ordered that the City Council move pursuant to 23 MRSA Section 3025, to accept the dedication made by Above Grade Development Corporation of title in fee simple of a parcel of land labeled “Open Space” on a plan titled “Final Subdivision Plan, Saco River Estates,” described and titled in a Warranty Deed dated March 14, 2007. Further move to approve the Order. The motion passed five (5) yeas and two (2) nays. Councilor Smith and Tardif voted in the negative.
WARRANTY DEED
Maine Statutory Short Form

KNOW ALL MEN BY THESE PRESENTS,

THAT ABOVE GRADE DEVELOPMENT CORPORATION, a Massachusetts Corporation with its principal place of business located at Saugus, County of Essex, Commonwealth of Massachusetts,

for no consideration paid

grants to the CITY OF SACO, a Municipal Corporation, of 300 Main Street, Saco, Maine, with Warranty Covenants, a certain parcel of land in the City of Saco, State of Maine adjacent to the Saco River and Lincoln Street, labeled "Open Space" on a plan titled "Final Subdivision Plan", Saco River Estates, Project Number 24776, for Above Grade Development, dated September 2, 2004 by Northeast Civil Solutions recorded in Plan Book 298, Page 17 of the York County Registry of Deeds, said parcel being more particularly bounded and described as follows:

Beginning at the intersection of the southern right-of-way line of said Lincoln Street and the northwesterly right-of-way of the Boston & Maine Railroad;

Thence N 71° 14' 00" W along the southern right-of-way line of said Lincoln Street 79.22 feet to a point, said point being the eastern most corner of land now or formerly of Brian W. Cyr recorded in the York County Registry of Deeds in Book 13032, Page 291;

Thence S 69° 37' 56" W along the land of said Cyr and the land now or formerly of Brian and Linda Bedell recorded in the York County Registry of Deeds in Book 6573, Page 200, 320.88 feet to a point, said point being the southern most corner of said Bedell land;

Thence N 25° 18' 39" W along the land of said Bedell 110.48 feet to an iron pipe on the southerly line of the land now or formerly of Marc and Ellaren Breton recorded in the York County Registry of Deeds in Book 9206, Page 253;

Thence S 85° 58' 21" W along the land of said Breton and the land now or formerly of Wanda Massie recorded at the York County Registry of Deeds in Book 1261, Page 366, 163.50 feet to an iron pipe, said iron pipe being the southwest corner of said Massie land and southeast corner of the land now or formerly of Raymond and Pearl Berreault recorded at the York County Registry of Deeds in Book 1728, Page 94;

Thence N 65° 13' 18" W along the land of said Berreault and the lands now or formerly of David and Aurelia Pitman recorded at the York County Registry of Deeds in Book 2570, Page 304, James Gagnon recorded at the York County Registry of Deeds in Book 9876, Page 104, Hansjoachim and Liselette Zimmerman recorded at the York County Registry of Deeds in Book 1840, Page 482 and Book 2147, Page 745, Andrew and Marie Delekto recorded at the York
County registry in Book 1556, Page 239, and Wilfred and Jeanine Trottier recorded at the York County Registry of Deeds in Book 1834, Page 3, 937.19 feet to a granite monument, said granite monument being an easterly corner of Lot 6 as shown on said plan;

Thence S 26° 01' 34" W along Lot 6 and the land of the Homeowners Association as shown on said plan 138.41 feet to a point, said point being a corner of the land of said Homeowners Association;

Thence N 69° 29'28" W along the land of said Homeowners Association 293.55 feet to a point, said point being a corner of the land of said Homeowners Association;

Thence N 30° 01' 28" W along the land of said Homeowners Association 188.73 feet to a point, said point being a corner of the land of said Home Owners Association;

Thence S 29° 10' 55" W along the land of said Homeowners Association 673 feet more or less to a point on the Saco River;

Thence Southeasterly along the Saco River to a point on the northwesterly right-of-way line of said Boston & Maine Railroad, a tie course from the last mentioned point bears S 69° 24' 37" E a distance of 1,243.14 feet;

Thence N 60° 00' 36" E along the northwesterly right-of-way line of said railroad 25 feet more or less to a point;

Thence continuing N 60° 00' 36" E along the northwest right-of-way line of said railroad 179.25 feet to a point;

Thence along a curve to the right on the northwest right-of-way line of said railroad 528.26 feet to a point, said curve has a radius of 5, 738.16 feet, a chord distance of 528.07 feet, and a chord bearing of N 62° 38' 51" E;

Thence N 69° 37' 56" E along the northwest line of said Boston & Maine Railroad 411.38 feet to the Point of Beginning.

The above described lot or parcel of land is burdened by power line easements to the benefit of the Central Maine Power Company recorded at the York County Registry of Deeds in Book 2600, Page 290, Deed Book 1458, Page 109, and Deed Book 727, Page 195.

The above-described parcel of land is burdened by a flowage easement to the benefit of Wilfred and Jeanine Trottier recorded at the York County Registry of Deeds in Book 1834, Page 3.

The above described lot or parcel of land contains 21.34 acres of land more or less.

Reference is made to a plan titled "Boundary Survey" Saco River Estates Project Number 24776, for Above Grade Development, dated June 28, 2004 by Northeast Civil Solutions on file in the records of the City of Saco.
Being a portion of the premises conveyed from Lucia Kimball Deering Fund to Above Grade Development as recorded at the York County Registry of Deeds in Book 12320, Page 312 and Deed Book 12320, Page 316. See also Book 14991, Page 834-836 of said same Registry a deed from Robert Pagliarulo, in his individual capacity, transferring his interests in said parcel to said same Grantee.

IN WITNESS WHEREOF, I, the said ROBERT PAGLIARULO, the President of said ABOVE GRADE DEVELOPMENT CORPORATION have caused this instrument to be signed and sealed in its corporate name this ______ day of ____________, 2007.

WITNESS:        ABOVE GRADE DEVELOPMENT CORPORATION

[Signature]
Robert Pagliarulo
It's President

COMMONWEALTH OF MASSACHUSETTS

[Signature]

Then personally appeared the above named Robert Pagliarulo, as President of said Above Grade Development Corporation, who acknowledged the foregoing instrument to be his free act and the free act and deed of said Corporation.

Before me,

[Signature]
Notary Public
PrintName: [Signature]
My Commission Expires

RETURN RECORDED DOCUMENT TO:
City of Saco
300 Main Street
Saco, ME 04072
C. Set Tax Rate for April 1, 2007 Assessment of Tax

Dan Sanborn, Assessor for the City of Saco, informed the Mayor and Council that the mil rate, for the 2007/2008 fiscal year, will be $13.32 per thousand.

CONSENT AGENDA:

A. (First Reading) Contract Zone Amendment German Auto Certification of Election Results

The City of Saco hereby approves the First Reading and adopts the findings in the contract zone document entitled “Contract Zone Agreement By and Between German Auto Services and the City of Saco,” dated June 26, 2007; and further moves to schedule a Public Hearing for August 20, 2007.

Contract Zone Agreement
By and Between
German Auto Services and the City of Saco

THE CITY OF SACO HEREBY ORDAINS:
That the Zoning Ordinance of the City of Saco, dated January 2, 1985 and amended through January 2, 2007, is hereby amended by adopting the change in use as further described in the following contract by and between the City of Saco and German Auto Services.

These amendments to the Saco Zoning Ordinance shall be subject to the following conditions and restrictions, as provided for in Section 1403 of the Zoning Ordinance:

1. German Auto will be allowed to sell vehicles from its site at 201 North Street, and to expand its existing repair facility by the addition of a building 60’ x 32’. German Auto will be allowed to sell cars to complement its existing repair business;

2. German Auto will cause to be planted shade street trees every 50’ along its frontage with North Street. Specifically, Turkish Filbert (may be substituted with Dawn Redwood, or if not available, pin oaks) trees, of 2 ½” to 3” caliper shall be planted along the Right of Way line no later than six months following the completion of the current sewer project and the regarding the of the mobilization area;

3. All details as shown on the approved plans are hereby incorporated into this contract by reference, and the site shall be developed substantially in conformance with those plans. Minor changes may be approved by the staff of the City of Saco. Any changes determined by the staff to be “major” shall be submitted to the Planning Board for review. If it is determined that the changes constitute a change in the contract, then the developer shall also be required to obtain City Council approval of the changes:
4. As part of the site plan, the applicant shall install a 6’ high stockade fence around the area presently used to store “parts” cars. This is area is approximately bounded the southerly property line, the easterly property line to the rear corner of the existing garage, then from the front of the garage back to the southerly property line;

5. The amendments in this contract affect only the following parcel(s) of land:
   - Map 40, lot 21
   - Map 53, lot 170

6. Breach of these conditions and restrictions by the developer shall constitute a breach of the contract, and the developer shall be required to apply for a contract modification. Failure to apply for, or to obtain a modification and shall constitute a zoning violation, subject to enforcement action.

7. Cars for sale may only be displayed in the area shown on plan as “3 spaces for sale of used cars”.

8. This contract is between the City of Saco and Larry Hancock, dba German Auto. At such time as Larry Hancock sells the property or the business, this contract is null and void.

9. The existing business on the parcel identified as Map 40, Lot 21 is a non-residential use in a residential district. If a residential use is established on the abutting parcel identified as Map 53, Lot 170, a visual screen for buffering purposes as required in the Zoning Ordinance shall be established, and all vehicles currently stored on said parcel shall be removed, subject to review and approval by the Code Enforcement and Planning Offices.

By vote of the Saco Planning Board on January 14, 1997, and the Saco City Council on March 3, 1997, the following findings are hereby adopted.

A. The site covered by this contract is unusual in nature in that it is located adjacent to a railroad track, with and abandoned station, has been used in the past as a borrow source, as well as for industrial/commercial use, all the while being located in a residential area. It contains a pre-existing non-conforming use (auto repair).

B. The proposed use is consistent with the comprehensive plan’s Centralization Policy, which encourages infill development rather than development out of town: the Visual Impact policy, which encourages new development to maintain existing neighborhood characteristics; and the Arterial Roads Buffer Policy, which encourages large setbacks from road right of ways for disturbances.
C. The property is currently located in an R-2 zoning district, which does not allow retail sales. However, the zone currently contains several sandwich shop retail businesses, at least one automotive towing business, a catering business, and numerous small businesses. The site in question is directly across the street from a sandwich shop. The addition of retail sales of vehicles from this site, with the pre-existence of a repair facility, is consistent with uses presently existing in the district.

D. This approval is conditioned on the following items:

- Landscaping be completed as outlined above;
- Fencing installed as outlined above;
- No business material may be stored behind the building toward the Fortney or Hutcherson properties;
- No lighting may be installed or used that shines onto adjacent properties;
- No car parts, tires, scrap metal or other debris may be stored outside, unless inside a closed container;
- Any future uses for this site shall be reviewed as per the provisions of the Contract Zoning section of the Saco Zoning Ordinance.

Based on the above findings, and the conditions and restrictions listed above, the City Council hereby incorporates this contract zoning agreement into the Saco Zoning Ordinance by reference. By signing this contract, both parties agree to abide by all the conditions and restrictions as contained herein.


Amended by the Saco City Council on ____________, 2007.

City of Saco

By________________________

German Auto Services

By________________________

__________________________

Date

__________________________

Date
B. Certification of Election Results

Be it Ordered that the City Council approve the results of the November 7, 2006 election as presented. I move to approve the Order.

C. Application for License to Operate Game of Chance: BPOE #1597

Be it Ordered that the City Council grant the application for a License to Operate a Game of Chance: Pull Tickets, from October 1, 2007 to December 30, 2007, as submitted by BPOE #1597.

Councilor Smith moved, Councilor Morton seconded, to approve the Consent Agenda. The motion passed with seven (7) yeas.

VII. ADJOURNMENT

Councilor Tripp moved, Councilor Jacques seconded, to adjourn. The motion passed with seven (7) yeas. TIME: 7:21 p.m.

ATTEST: _____________________________

Lucette S. Pellerin, City Clerk