

STATE OF MAINE

COUNTY OF YORK

CITY OF SACO

The following are minutes of the May 11, 2009 Council Meeting.

I. CALL TO ORDER – On Monday, May 11, 2009 at 7:00 p.m. a City Council Meeting was held in the City Hall Auditorium.

II. ROLL CALL OF MEMBERS - Mayor Roland Michaud conducted a roll call of the members and determined that the Councilors present constituted a quorum. Councilors present: Margaret Mills, Leslie Smith Jr., Ronald E. Morton, Sandra Bastille, Arthur Tardif, Eric Cote and Marston Lovell. City Administrator Rick Michaud and Lucette S. Pellerin, City Clerk were also present.

III. PLEDGE OF ALLEGIANCE

IV. GENERAL:

IV. APPROVAL OF MINUTES:

V. AGENDA ITEMS:

A. Adoption of FY09/10 Municipal Budget

Councilor Morton moved, Councilor Cote seconded that it be Ordered that the City Council move to approve an appropriation order for the adoption of the Fiscal Year 2009-2010 budget, excluding all school related items, per Section 6.06 and 6.07 of the Charter of the City of Saco, Maine as follows:

Approve gross expenditures of \$21,234,858 which represents \$18,652,705 in municipal expenditures, \$752,011 in overlay, \$1,020,912 in County taxes, \$663,229 in TIF transfers, and \$146,000 in capital improvements for municipal operations; to be offset by \$21,234,858 in anticipated revenues and other credits, which represents \$7,745,726 in anticipated municipal revenues, and other credits of \$300,000 from the Ambulance Fund, \$20,000 from the Economic Development Fund, \$45,000 from the Saco Island TIF, \$1,000 from the Camp Ellis Fund, and \$1,374,183 from the Undesignated Fund Balance; and thereby raising gross taxes of \$11,748,949 and further ordering that the amounts set in the following attached schedule titled “CITY OF SACO FY 2010 CITY BUDGET” which shall become a part of the City Clerk’s records and shall designate the form of the City of Saco Budget for Fiscal Year 2009-2010 as authorized under Section 6.04 of the Charter of the City of Saco, Maine.

The motion passed with four (4) yeas and three (3) nays. Councilor Smith, Bastille and Tardif voted in the negative.

AMENDMENT TO MAIN MOTION: Councilor Tardif moved, Councilor Smith seconded to cut \$6,000, 10620/500703 Public Agencies funding designated for the Dyer Library. The motion failed with two (2) yeas and five (5) nays. Councilors Mills, Morton, Bastille, Cote and Lovell voted in the negative.

City of Saco Budget for Fiscal Year 2009-2010	5/4/2009			
	COUNCIL	CITY	COUNCIL	
	APPROVED	ADMIN	REVISED	
<u>MUNICIPAL BUDGET</u>	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>CHANGE</u>	<u>Change</u>
Mayor-Council (Legislative)	\$ 20,600	\$ 20,600	\$ 20,600	\$ -
City Administration	\$ 265,426	\$ 265,426	\$ 265,426	\$ -
Finance/Technology Department	\$ 757,459	\$ 748,477	\$ 745,122	\$ (3,355)
City Clerk	\$ 217,945	\$ 252,445	\$ 252,445	\$ -
Tax Assessor	\$ 182,697	\$ 182,697	\$ 182,697	\$ -
City Building Maintenance	\$ 116,214	\$ 105,524	\$ 105,524	\$ -
Legal Department	\$ 115,000	\$ 115,000	\$ 115,000	\$ -
Police Department	\$ 3,169,701	\$ 3,227,105	\$ 3,214,803	\$ (12,302)
Fire/Ambulance Department	\$ 2,575,605	\$ 2,617,879	\$ 2,608,879	\$ (9,000)
Building Inspection	\$ 247,828	\$ 250,947	\$ 250,947	\$ -
Planning & Economic Development	\$ 300,928	\$ 298,389	\$ 298,389	\$ -
Public Works Department	\$ 4,345,366	\$ 4,395,247	\$ 4,431,581	\$ 36,333
Public Agencies	\$ 559,800	\$ 604,696	\$ 563,696	\$ (41,000)
Emergency Management	\$ 5,900	\$ 5,900	\$ 5,900	\$ -
Parks & Recreation Department	\$ 920,251	\$ 982,452	\$ 982,452	\$ -
Debt Service	\$ 1,753,585	\$ 1,812,892	\$ 1,812,892	\$ -
Employee Benefits	\$ 2,460,036	\$ 2,527,688	\$ 2,527,688	\$ -
Insurance	\$ 179,425	\$ 179,425	\$ 179,425	\$ -
Contingency	\$ 89,241	\$ 89,241	\$ 89,241	\$ -
Capital Projects	\$ 363,876	\$ 1,089,787	\$ 146,000	\$ (943,787)
Gross Municipal Budget	\$ 18,646,881	\$ 19,771,816	\$ 18,798,705	\$ (973,111)
	COUNCIL	CITY	COUNCIL	
	APPROVED	ADMIN	REVISED	
<u>MUNICIPAL ANTICIPATED REVENUES</u>	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>CHANGE</u>	<u>Change</u>
Non-Property (Excise) Taxes	\$ 3,186,000	\$ 3,086,000	\$ 3,086,000	\$ -
Permits/Licenses/Fees	\$ 975,011	\$ 749,700	\$ 749,700	\$ -
Intergovernmental Revenues	\$ 767,442	\$ 733,036	\$ 733,036	\$ -
Charges for Services	\$ 621,500	\$ 771,800	\$ 771,800	\$ -
Other Unclassified/Miscellaneous	\$ 696,962	\$ 476,600	\$ 561,600	\$ 85,000
Subtotal Revenues	\$ 6,246,915	\$ 5,817,136	\$ 5,902,136	\$ 85,000

<u>OTHER MUNICIPAL CREDITS</u>				
General Fund- Undes. Fund Bal.	\$ 791,170	\$ 1,991,170	\$ 1,374,183	\$ (616,987)
General Fund- Des. Fund Bal.	\$ 97,000	\$ -	\$ -	\$ -
State Revenue Sharing	\$ 1,550,000	\$ 1,560,590	\$ 1,560,590	\$ -
Ambulance Fund transfer	\$ 300,000	\$ 300,000	\$ 300,000	\$ -

Economic Dev. Fund transfer	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
Saco Island/Downtown transfer	\$ 45,000	\$ 45,000	\$ 45,000	\$ -
School Reimbursements to Pub.Wks.	\$ 283,000	\$ 283,000	\$ 283,000	\$ -
Camp Ellis Fund transfer	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
Subtotal Other Credits Municipal	\$ 3,087,170	\$ 4,200,760	\$ 3,538,773	\$ (616,987)
Total Revenues/Credits Municipal	\$ 9,334,085	\$ 10,017,896	\$ 9,485,909	\$ (531,987)
	COUNCIL	CITY	COUNCIL	COUNCIL
	APPROVED	ADMIN	PROPOSED	PROPOSED
<u>SUMMARY</u>	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 09-10</u>	<u>CHANGES</u>
Municipal Expenditures	\$ 18,646,881	\$ 19,771,816	\$ 18,798,705	\$ (973,111)
Municipal Revenues/Credits	\$ 9,334,085	\$ 10,017,896	\$ 9,485,909	\$ (531,987)
Net Taxes to be raised municipal	\$ 9,312,796	\$ 9,753,920	\$ 9,312,796	\$ (441,124)
County Taxes	\$ 1,020,912	\$ 1,020,912	\$ 1,020,912	\$ -
Overlay	\$ 752,011	\$ 752,011	\$ 752,011	\$ -
TIF Taxes	\$ 663,229	\$ 663,229	\$ 663,229	\$ -
Gross Expenditures City+County+Overlay+TIF		\$ 22,207,969	\$ 21,234,858	-\$973,111
Anticipated revenues and other credits		\$ 22,207,969	\$ 21,234,858	-\$973,111

B. FY10 State Required Action

The State requires two separate actions by the Municipal Officers after the budget is passed. Section 5682 of Title 30-A requires that the City may receive State funds only on the affirmative vote of the Council to accept those funds. The numbers in the motion are the estimates from the budget. Total accuracy on the estimates is not a requirement, only that acceptance of the funds is authorized. The City Clerk must certify the vote and return to Augusta before 7/1/09.

Councilor Mills moved, Councilor Smith seconded that it be Ordered that the City Council authorize the City Treasurer to accept, on behalf of the City of Saco, the following categories of state funds and their estimated amounts for the fiscal year 2009-2010 which are provided by the Legislature of the State of Maine to the City of Saco, and which action is required under Title 30-A MRSA 5682.

Municipal Revenue Sharing	\$1,560,590
Local Road Assistance	\$ 262,700
Tree Growth Reimbursement	\$ 18,000
Veterans Exemption Reimbursement	\$ 10,000
General Assistance Reimbursement	\$ 45,000
Homestead Exemption Reimbursement	\$ 315,270

And such other state revenues, grants or reimbursements which may from time to time become available to the City of Saco from the State of Maine. The motion passed with seven (7) yeas.

C. Set the FY10 Property Tax Due Date

Title 36, MRSA, Section 505 provides that a municipality may by vote determine the rate of interest which shall apply to delinquent taxes committed during the taxable year until those taxes are paid in full. The maximum rate of interest is the highest conventional rate of interest charged for commercial unsecured loans by Maine banking institutions on the first business day of the calendar year the vote is taken. The Treasurer of the State of Maine had determined that the maximum rate of interest than can be charged per Title 36, MRSA, Section 505 (4) for calendar year 2009 is 7.0%. Since the rate is at least 2.0% lower than the rate set by the Treasurer for the previous year, the maximum rate allowed per Title 36, MRSA, Section 505 (4-A) is 9.0%. Therefore, for the FY2010 tax commitment, the maximum rate is 9.0%. As a normal course of business, the City has adopted the maximum rate as its rate. This provides incentive for those property owners who are financially able, to pay on time.

Title 36, MRSA, Section 506-A provides that a municipality must establish a rate of interest for the overpayment of taxes. The rate of interest may not exceed the interest rate established by the municipality for delinquent taxes reduced by 4% but may not be less than 8% nor greater than 12%. If a municipality fails to set a rate, it shall pay interest at the rate of 12%. Therefore, for overpayment of the FY2009 taxes, the rate of interest to be paid should be set at 8%.

Title 36, MRSA, Section 506 provides that a municipality "...may authorize their tax collectors or treasurers to accept prepayment of taxes not yet committed and to pay interest on these prepayments, if any is authorized, at a rate not exceeding 8% per year; municipalities are not obligated to authorize the payment of interest on taxes prepaid under this section." Therefore, we are requesting council authorization to apply any prepayment of taxes directly to the tax account as they are received without having to pay interest on these prepayments.

Councilor Lovell moved, Councilor Mills seconded, that it Ordered that the City Council set the interest rate for delinquent FY2010 property taxes at 9.0%, on any refunds of FY2010 tax payments at 8.0%, authorize the tax collector to accept prepayment of taxes not yet committed without having to pay interest on these prepayments and to establish the due dates for tax payments as follows:

First Half Payment – Due Date 9/11/2009 with first interest date of 9/14/2009.

Second Half Payment – Due Date 3/12/2010 with first interest date of 3/15/2010.

Further move to approve the Order. The motion passed with six (6) yeas and one (1) nay. Councilor Bastille voted in the negative.

AMENDMENT TO MAIN MOTION: Councilor Bastille moved that the date for interest accrual be moved to December 2009. The motion failed due to a lack of second.

A. Reconfirm Tax Policy FY10

On October 6, 1986, the City Council approved a tax collection policy which allowed the Tax Collector or the Treasurer to apply tax payments received from an individual to the oldest unpaid tax bill first. We would like to reconfirm this policy with the onset of a new tax year.

The municipal officers of the City of Saco have approved the request of the municipal treasurer and the tax collector that any tax payment received from an individual as payment for any property tax be applied against outstanding or delinquent taxes due on that property in chronological order beginning with the oldest unpaid tax bill. Taxes may not be applied to a period for which abatement request or appeal has not been resolved unless approved in writing by the taxpayer. Also, on the 30-day lien notice or 45-30 day foreclosure notice, a statement will be added indicating the City's tax collection policy.

Councilor Bastille moved, Councilor Lovell seconded that it be Ordered that the City Council accept the tax collection policy as presented pursuant to 36 MRSA Section 906. Further move to approve the Order. The motion passed with seven (7) yeas.

VIII. ADJOURNMENT

Councilor Bastille moved, Councilor Lovell seconded, to adjourn. The motion passed with seven (7) yeas. TIME: 7:23 p.m.

ATTEST: _____
Lucette S. Pellerin, City Clerk