

**STATE OF MAINE**

**COUNTY OF YORK**

**CITY OF SACO**

The following are minutes of the December 14, 2009 Council Meeting.

- I. **CALL TO ORDER** – On Monday, December 14, 2009, at 7:00 p.m., a 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. Those present: Margaret Mills, Leslie Smith, Jr., Marie Doucette, Jeffrey Christenbury, Arthur Tardif, Eric Cote and Marston Lovell.

Also in attendance this evening was Mr. Richard R. Michaud, City Administrator and Lucette S. Pellerin, City Clerk.

**III. PLEDGE OF ALLEGIANCE**

**IV. GENERAL:**

**V. APPROVAL OF MINUTES: November 2, 2009, November 16, 2009 and November 30, 2009**

The above entitled minutes were approved as printed.

**VI. AGENDA ITEMS:**

**b. (PUBLIC HEARING\_ YORK COUNTY COMMUNITY KITCHEN CDBG**

York County Shelter Programs, Inc. owns the building across the street from Central Fire Station on Thornton Avenue. The building, which has been a bakery off and on for 30 years, is being operated again as a bakery, on Friday, Saturday, and Sunday, for now. Upstairs three formerly homeless people are housed by the agency.

The agency is planning what could become a great business incubator for downtown Saco. A shared use kitchen would give people with an idea for a food product that they want to produce -- a place to begin production for a minimal cost, with high quality equipment, and professional assistance available. It would also provide some services to farmers in the region.

The agency approached the state Community Development Block Grant (CDBG) program about the project. The CDBG office visited in mid November and is enthusiastic. They have funded similar projects in other parts of the state. The University of Maine Cooperative Extension Service and the Maine Department of Agriculture have participated in these community kitchens.

In order for the CDBG office to grant money to the project, the city would have to apply. The administration of this grant in the CDBG “special projects” category would be very simple

compared to many others the staff has administered. The budget presented in workshop on November 30 was \$32,000. A more refined budget has been prepared and the prepared resolution includes the figured \$30,000. There is no cash match required for the grant.

Councilor Cote moved, Councilor Lovell seconded, to open the Public Hearing on the York County Community Kitchen Community Development Block Grant. The motion passed with seven (7) yeas.

Mr. David Beseda, who is involved with the York County Shelter Program, Inc., spoke in favor of the York County Community Kitchen Community Development Block Grant. The grant will provide opportunities for those establishing new business ventures.

Councilor Cote moved, Councilor Smith Seconded, to close the Public Hearing and Be it Ordered that the City Council approve the Resolution titled, ‘Saco City Council Resolution – December 14, 2009’. **Further** move to approve the Order. The motion passed with seven (7) yeas.

**a. (PUBLIC HEARING) AUTHORIZE A BOND FOR THE FIRE STATION**

The Saco Fire Department is requesting \$5,999,000, to relocate and replace the current Central Station which is poorly located at one end of the downtown district and outlived its useful life.

Central Station was built in 1938 by the Works Progress Administration [WPA] on an original site dating back to 1871. Research shows the Central Station is the oldest continuously manned station in the state. When it was built in 1938 it was state of the art, but with 71 years of progress and development in the fire service this building is obsolete by any standards.

The documented need to relocate and replace the current central fire station can be traced back to the 1970's and to three prior fire chiefs. The city's comprehensive plan written in 1978, states *“Not only are they hampered by overcrowding and inadequate facilities, but also by downtown traffic congestion, particularly the fire department. These departments should be established in suitable facilities within close proximity to the downtown business and high density residential areas”*.

The existing Central Fire Station:

- Lacks the appropriate engineering controls to ensure the protection of the employees from contaminates,
- Is poorly located with respect to the growth of the city and apparatus having to maneuver through congested streets on every emergency response,
- Does not meet current ADA requirements for employees or the general public,
- Has an electrical system is inadequate and unsafe,
- Has a major issue with the condition of the masonry and brickwork.
- A feasibility study conducted for the fire department on Central Station as early as 1987 identified precast concrete deterioration and concrete spalling as areas of concern.
- Has a plumbing system that is antiquated, inadequate and not code compliant.
- Has an undersized, overcrowded apparatus floor area
- The first motorized apparatus housed were small and weighed about 14,000 lbs while the new aerial weighing 60,000 lbs must fit in the same space.

- The apparatus doors are only 10 foot wide and limit which vehicles can fit into Central Station. Some of the doors have been widened by removing all non-supporting masonry and still only have a couple inches of clearance per side to back the apparatus into the bays.
- Most of the regions mutual aid apparatus will not fit into the station because the apparatus doors are either too narrow or lack proper height. This means the equipment from neighboring towns must be left outside running in the winter to prevent freezing while they provide station coverage.
- There are safety concerns about the lack of ability to clearly see with current rear view mirrors because the mirrors are modified to fit the opening to allow the trucks to fit into the station, and
- Lacks adequate parking for employees, the public wishing to conduct business, and visitors.
- Other areas of deficiency include; energy efficiency (dispatch office and insulation), technological infrastructure needed, and adequate storage areas.

THE Project cost of \$5,999,000 is to be repaid using revenue from the Ambulance Billing Account and debt retirement; no property tax increase is necessary to fund this project.

**Question # \_\_\_\_**

shall the Order of the City Council of the City of Saco entitled “Order Authorizing the City of Saco to Borrow an Amount Not to Exceed \$5,999,000 for construction of a new fire station at 271 North Street be ratified and approved?”

Yes \_\_\_\_\_

No \_\_\_\_\_

Councilor Smith moved, Councilor Mills seconded, to open the Public Hearing on the ‘**Order Authorizing the City of Saco to Borrow an Amount not to Exceed \$5,999,000 for Construction of a New Fire Station at 271 North Street’**. The motion passed with seven (7) yeas.

Fire Chief Alden Murphy and Finance Director Beth Cote addressed the Mayor and Council pertaining to the construction of the fire station. The discussion, by the Fire Chief and Finance Director, centered on the need for a new station as well as the financial gain, due to low interest rates, that would be realized should the project get approval by the voters in February.

Speaking in favor of the Fire Station project were: former Saco Fire Chiefs Alton Meserve and Larry Smith; former Mayor Mark Johnston, Mrs. William Johnson, speaking on behalf of Mayor Johnson who was unable to attend the meeting, and Police Chief Bradley Paul. All who spoke this evening were in agreement that the fire station, build in 1938, had served our community well, but it was time for a new fire station.

Councilor Smith moved, Councilor Mills seconded, to close the Public Hearing and Be it Ordered that the City Council authorize the ‘**Order Authorizing the City of Saco to Borrow an Amount not to Exceed \$5,999,000 for Construction of a New Fire Station at 271 North Street’** and hereby adopts said Order and directs that a copy of said Order be included in the minutes of this meeting. Further move to approve the Order. The motion passed with six (6) yeas and one (1) nay. Councilor Tardif voted in the negative.

**ORDER AUTHORIZING THE CITY OF SACO  
TO BORROW AN AMOUNT NOT TO EXCEED \$5,999,000.00  
FOR CONSTRUCTION OF A NEW FIRE STATION AT 271 NORTH STREET, SACO**

(It is estimated \$5,999,000 will cover the cost of all expenses attributed to the construction of said fire station)

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

1. Bonds Authorized. Pursuant to Maine law, including 30-A M.R.S.A. 5772 and Section 6.15 of the Charter of the City of Saco and all other authority thereto enabling, there is hereby authorized and approved the issuance of general obligation bonds (the "Bonds") of the City, and temporary notes in anticipation thereof (the "Notes), in an aggregate principal amount not to exceed \$5,999,000. The Bonds shall be designated "City of Saco, Maine, General Obligation Bonds" and any notes in anticipation thereof shall be designated "City of Saco General Obligation Bond Anticipation Notes." The proceeds of the Bonds and any Notes shall used to finance the costs of construction of a new fire station at 271 North Street in the City of Saco (the "Project") and reasonably related costs, including site work, appurtenances and other facilities reasonably related to the Project, including drainage facilities and manholes, the cost of planning, preparation of specifications, surveys, engineering, legal and other professional services associated with the Project, costs of issuance of the Bonds and any Notes, and capitalized interest prior to and during construction and for a period not to exceed thirty (30) years from the issue date of the Bonds or Notes. The City Council shall make all determinations regarding said Project.

2. Period of Utility. The estimated period of utility of the Project is seventy (70) years.

3. Tax Levy. Pursuant to Section 6.15 of the Charter of the City of Saco, an amount necessary to meet the annual payments of principal and interest on the Bonds (and any Notes not paid from the proceeds of Bonds issued hereunder) shall be included in the tax levy of the City each year until the debt represented by said Bonds and Notes is extinguished.

4. Details of Bonds. To the extent not inconsistent with this Order and the Charter of the City, the discretion to fix the date(s), maturity(ies) of the Bonds and/or Notes, denomination(s), interest rate(s), place(s) of payment, form(s) and other details of said Bonds and Notes, and to provide for the sale thereof, including execution of said Bonds and Notes on behalf of the City of Saco and delivery against payment therefore, is hereby delegated to the Treasurer and Mayor of the City of Saco. The Bonds shall be payable within a fixed term of years to be determined by the Mayor and Treasurer, not to exceed thirty (30) years and thirty (30) days, and Notes in anticipation of Bonds shall not exceed three (3) years from the date of the initial issuance of any Notes. Bonds shall be made payable as pertains to interest semi-annually and as pertains to principal in equal, annual serial installments, except that: (1) each year's installments may be adjusted to the nearest multiple of \$5,000; and (2) the amount of each year's installment may vary provided that it is equal to or greater than the installment due and payable in any succeeding year. The Bonds and any Notes shall contain such terms and provisions, not inconsistent herewith, as the Treasurer and Mayor may hereafter determine. All determinations by the Mayor and Treasurer shall be conclusively evidenced by their execution of the Bonds or Notes. The Treasurer and Mayor are authorized to provide that any of the Bonds and Notes be made callable, with or without premium, prior to their maturity. Each Bond or Note issued hereunder shall be signed by the Treasurer and countersigned by the Mayor. The Mayor and Treasurer are authorized to select a financial

advisor and/or an underwriter for the Bonds and Notes, and the Mayor and Treasurer are authorized and empowered to execute and deliver such contracts or agreements as may be necessary or appropriate in connection therewith.

5. Sale of Bonds. The Treasurer is authorized to prepare, or cause to be prepared, a Notice of Sale and/or a Preliminary Official Statement and an Official Statement for use in the offering and sale of the Bonds and/or Notes, such Notice of Sale, Preliminary Official Statement and Official Statement to be in such form and contain such information as may be approved by the Treasurer. Distribution of the Notice of Sale and/or Preliminary Official Statement and the Official Statement in the name of and on behalf of the City in connection with offering the Bonds and/or Notes is hereby authorized and approved. The Treasurer is authorized to covenant, certify and agree, on behalf of the City, for the benefit of the holders of the Notes or 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.

6. Alternate Method of Sale. In lieu or as an alternative to the method of offering of the Bonds described in section 5 above, the Treasurer is authorized to file an application for sale of the Bonds to the Maine Municipal Bond Bank (the "Bank"), and the Treasurer and Mayor are hereby authorized and empowered in the name and on behalf of the City to borrow up to \$5,999,000 from the Bank pursuant to a Loan Agreement between the City and the Bank providing for a loan from the Bank in the principal amount not in excess of \$5,999,000, and the Treasurer is authorized and empowered, in the name and on behalf of the City, to execute and deliver, under the seal of the City, attested by its Clerk, a Loan Agreement to be in the usual and ordinary form utilized by the Bank, which is hereby approved, and to contain such other terms and provisions, not contrary to the general tenor hereof, as the Treasurer may approve, with her approval to be conclusively evidenced by her execution thereof; the Treasurer and Mayor are further authorized to issue, sell and deliver to the Bank as evidence of the aforesaid loan of up to \$5,999,000 and against payment therefore, Bonds in a principal amount not to exceed \$5,999,000, such Bonds to mature and be payable on such dates and in such amounts as approved by the Treasurer and Mayor; to bear interest at the rates specified by the Bank, which rates shall be subject to approval by the Treasurer and Mayor, such approval to be conclusively evidenced by their execution and delivery of such Bonds, payable semi-annually; to be issued as a single, fully registered Bond in the an amount not to exceed \$5,999,000 maturing and payable in installments as aforesaid; to be signed by the Treasurer and countersigned by the Mayor, and sealed with the seal of the City, attested to by its Clerk; and the Treasurer, Mayor and other proper officials of the City be, and hereby are, authorized and empowered in its name and on its behalf, to do or cause to be done all such acts and things as may be deemed necessary or desirable in order to effect the borrowing from said Bank of up to \$5,999,000 and the issue and delivery to said Bank as evidence thereof of a corresponding principal amount of the Bonds of the City as authorized in this Order.

7. Tax Exempt Bonds. The Treasurer is authorized to covenant and certify on behalf of the City that: (a) no part of the proceeds of the issue and sale of the Notes or the Bonds authorized to be issued hereunder shall be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause such Notes or Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), (b) no part of the proceeds of the issue and sale of such Notes or Bonds (including any notes and bonds in renewal thereof) shall be used, directly or indirectly, in such manner which would cause the Notes or Bonds to be "private activity bonds" within the meaning of Section 141 of the Code, (c) all required information reports shall be filed and any rebate due to the United States in connection with the issuance of said Bonds and Notes shall be paid, and (d) the City shall take all other lawful actions necessary to insure the interest on the Bonds and Notes will be excluded from the gross income of the owners thereof for purposes of federal income

taxation and to refrain from taking any action which would cause interest on the Bonds or Notes to become includable in the gross income of the owners thereof. The Treasurer is also authorized and empowered to designate the Bonds and/or Notes as qualified tax-exempt obligations for purposes of Section 265(b) of the Code, to the extent the election may be available and advisable as determined by the Treasurer.

8. Build America Bonds. Notwithstanding any contrary provisions in this Order, the City is authorized to issue all or any portion of any of the Bonds or Notes as taxable governmental bonds, in accordance with the applicable requirements for Build America Bonds, if the Mayor and Treasurer determine, in consultation with the financial advisor of the City, that issuing such Bonds and/or Notes as taxable Build America Bonds will result in a lower cost of funds to the City, such determination to be conclusively evidenced by the execution of Bonds or Notes by the Mayor and Treasurer, designating the same as "Build America Bonds." "Build America Bonds" mean Bonds or Notes issued as taxable governmental bonds or notes with Federal subsidies in the form of either tax credits to holders or refundable tax credits paid to the City as issuer, authorized under the American Recovery and Reinvestment Act of 2009, and Section 54AA of the Code, and any amendments of or successor provision to the foregoing. The terms for any redemption of such Build America Bonds prior to maturity shall be determined by the Mayor and Treasurer. The Treasurer and Mayor are authorized to take such actions as may be required under applicable Federal law to cause such Bonds or Note to qualify for treatment as Build America Bonds and to obtain refundable tax credit payments, including designation of all or a portion of the Bonds and/or Notes as Build America Bonds, election to have Section 54AA of the Code apply to such Bonds and/or Notes, and election irrevocably to have Section 54AA(g) of the Code apply to such Bonds and/or Notes, with the result that the City shall be entitled to the credit provided in Section 6431 of the Code.

9. Documents and Certificates. The Mayor, Treasurer, City Clerk and other appropriate officials of the City of Saco are authorized to execute and deliver on behalf of the City such other documents and certificates as may be required in connection with such Bonds and Notes, and to do or cause to be done all acts and things, not inconsistent herewith, as may be necessary or appropriate in order to effect the issuance, execution, sale and delivery of the Bonds and any Notes, and to carry out the provisions of this Order in connection with the Project.

10. Appropriation. The sum of \$5,999,000 is hereby appropriated to finance the Project costs, such amount to be raised by the issuance of the Bonds and/or Notes of the City. In addition, the investment earnings on the proceeds of the Bonds and Notes, if any, and the excess proceeds of the Bonds and Notes, if any, are hereby appropriated for the following purposes, such proceeds to be held and applied in the following order of priority: (a) to any Project costs in excess of the principal amount of the Bonds or Notes; and (b) in accordance with applicable terms and provisions of the Arbitrage and the Use of Proceeds Certificate delivered in connection with the sale of the Bonds or Notes.

11. Reimbursement. This Bond Order shall constitute the City's declaration of official intent within the meaning of Treasury Regulation 1.150-2 to pay, on an interim basis, costs of the Project in an amount up to the principal amount of the Bonds to be issued, which costs the City reasonably expects to reimburse with proceeds of the Bonds or Notes.

12. Referendum Vote. Pursuant to Section 6.15 of the Charter of the City, the following question shall be submitted to the voters of the City of Saco for ratification or rejection at a referendum vote to be held on February 9, 2010: "Shall the Order of the City Council of the City of Saco entitled

'Order Authorizing the City of Saco to Borrow an Amount Not to Exceed \$5,999,000 for construction of a new fire station at 271 North Street in said Saco be ratified and approved?'

13. City Clerk. A copy of this order shall be filed with the City Clerk.

**c. ADJOURNMENT**

Councilor Smith moved, Councilor Lovell seconded, to adjourn. The motion passed with seven (7) yeas.  
TIME: 7:55 p.m.

ATTEST: \_\_\_\_\_  
Lucette S. Pellerin, City Clerk