

STATE OF MAINE

COUNTY OF YORK

CITY OF SACO

I. CALL TO ORDER – On Monday, May 2, 2011 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. Councilors present: Margaret Mills, Leslie Smith Jr., Marie Doucette, Philip Blood, Arthur Tardif, Eric Cote and Marston Lovell. City Administrator Rick Michaud was also present.

III. PLEDGE OF ALLEGIANCE

IV. GENERAL:

PARKS & RECREATION – DONATION FROM SACO & BIDDEFORD SAVINGS BANK

Saco & Biddeford Savings Bank donated \$2,000 to the Parks & Recreation Department to help put in a roll out floor at the community center.

RECOGNITION OF THE CITY OF SACO FOR 10 YEARS OF SUPPORT TO SACO SPIRIT FOR THE NATIONAL MAIN STREET MAINE PROJECT

Johanna Hoffman and Nadeen DeSilva from Saco Spirit presented the City of Saco with a plaque in recognition of 10 years of support to Saco Spirit on their Main Street mission.

ECOMAINE AWARD – HOWARD CARTER, DEPUTY DIRECTOR WWTP

Mayor Roland Michaud nominated Howard Carter, Deputy Director of WWTP for ecomaine's eco-Excellence Award for the City of Saco. On Feb. 28th, ecomaine's Board of Directors Recycling Committee chose Howard to receive the award for 2011. His eco-friendly efforts have set a positive and practical example for others to emulate and ecomaine looks forward to sharing his accomplishments with other communities.

PACE PRESS RELEASE (PROPERTY ASSESSED CLEAN ENERGY)

Thanks to a collaborative effort with numerous Maine municipalities, Efficiency Maine is launching a program for Maine homeowners that will offer a new way to finance energy efficiency upgrades to their homes.

The program, called Maine PACE loans was officially launched Monday, April 4th. These loans provide a way for homeowners to borrow funds at a competitive interest rate to make energy improvements, such as installing a new energy-efficient heating system, weatherizing a home with insulation and air sealing, and replacing inefficient appliances and lighting.

With a fixed interest rate of 4.99 percent, loans can have up to a 15-year repayment period, and are transferable upon the sale of the property. Loans can range anywhere from \$6,500 to \$15,000. For more information about PACE, visit www.energymaine.com/pace, or call 1-866-376-2463.

PROCLAMATION – MUNICIPAL CLERKS WEEK – MAY 1 THROUGH MAY 7, 2011

Mayor Roland Michaud recognized the week of May 1 through May 7, 2011, as Municipal Clerks Week, and further extended appreciation to Municipal Clerk Lucette Pellerin and to all Municipal Clerks for the vital services they perform and their exemplary dedication to the communities they represent.

Arthur Tardif moved, Leslie Smith seconded to endorse the proclamation. The motion passed with seven (7) yeas.

PROCLAMATION – NATIONAL TRAIN DAY – MAY 7, 2011

The City Council and Mayor of the City of Saco on this 2nd day of May 2011 do hereby proclaim May 7, 2011 as “National Train Day” and urge all citizens to stop by Saco’s Transportation Center to view the Trainriders Northeast display.

Councilor Lovell, Leslie Smith seconded to endorse the proclamation. The motion passed with seven (7) yeas.

CITY COUNCIL RESOLUTION IN OPPOSITION TO: LD 1476 - AN ACT TO STREAMLINE THE COUNTY BUDGET PROCESS

LD 1476 amends the county budget procedures for York County by renaming the York County Budget Committee the York County Budget Advisory Committee, requires 5 of the 10 voting members to be from the public and requires its chair be an appointed member. This bill also requires a unanimous vote by the York County Commissioners to amend the budget sent to them by the York County Budget Advisory Committee and changes the provisions concerning interim budgets and adds provisions concerning budget amendments.

The Mayor and the City Council of the City of Saco believe that LD 1476 is both unnecessary and harmful to the York County Budget process.

Councilor Tardif moved, Councilor Lovell seconded to accept the resolution. The motion passed with seven (7) yeas.

V. APPROVAL OF MINUTES: APRIL 4; APRIL 22, 2011

The minutes of April 4, 2011 and April 22, 2011 were approved as written.

VI. AGENDA

A. CHAPTER 172 REGISTRATION INCENTIVE PROGRAM – (PUBLIC HEARING)

Revisions in the Code, specifically Chapter 172 are designed to attract new and further business in the Saco Auto Mile Area. The Deputy Treasurer has been working to enhance the city’s ability to attract new and repeat business in the Saco Auto Mile area, in particular with regard to car rental agencies. The focus of Chapter 172, Registration Incentive Program is to encourage Enterprise (EAN) and other similar businesses to continue to work with Saco in registering their fleets.

Included in Chapter 172 is a plan to incentivize businesses to locate vehicles in Saco via a payment based on excise revenues, number of vehicles registered and local business presence/employment.

The First Reading of this item was held on April 11, 2011.

Councilor Lovell moved, Councilor Tardif seconded to open the Public Hearing for the Code Amendment to Chapter 172 Registration Incentive Plan, April 11, 2011. The motion passed with seven (7) yeas.

There were no comments from the public.

Councilor Lovell moved, Councilor Tardif seconded to close the Public Hearing and Be it Ordered that the Second and Final Reading of the Code Amendment to Chapter 172 Registration Incentive Plan be held on May 16, 2011. Further move to approve the Order. The motion passed with seven (7) yeas.

B. COMBINED BUDGET AND CAPITAL IMPROVEMENT PROGRAM FISCAL – YEAR 2012

The City Administrator submitted the Fiscal Year - 2012 Budget to the City Council on March 21, 2011. Pursuant to the City Charter, § 6.06 and 6.07, **City Council Action on the Budget and Capital Program**, a “Notice of Budget Hearing” was posted in the newspaper.

The purpose of this evening's meeting is to hear public comment on the Budget and Capital Program.

Section 6.06 (b) further states that, "Amendment before adoption. At the next regular or special City Council meeting, at least seven (7) days after the public hearing, the City Council may adopt the budget with or without amendment...." **Section 6.06 (c)** states, "the City Council shall, by order, adopt the budget at a regular City Council meeting on or before the first regular City Council meeting in June".

Following the Public Hearing, and after taking into consideration comments heard this evening, and if there are no amendments, the Council may vote to adopt the Fiscal-Year 2011/2012 Budget and Capital Program.

Councilor Cote moved, Councilor Lovell seconded to open the Public Hearing on the Fiscal-Year 2012 Budget and Capital Improvement Program. The motion passed with seven (7) yeas.

Kathryn McInnis Misenor, 5 Sweet Street – Ms. Misenor is concerned about the access to basic services, the status of 911 and whether dispatch services will be out sourced. It would be best to keep dispatch services under local control. She also stated that the library is essential to the community and that there is allot more they could do with continued support.

Brett L. Misenor, 5 Sweet Street – Mr. Misenor also reiterated the importance of keeping dispatch services in the administrative control of the City of Saco. He asked that they the city not out-source the dispatch services. Mr. Misenor also felt that the library is an important resource for the community.

Ann Dobson, 75 Middle Street – Ms. Dobson thanked the city for their past support of the Dyer Library. She noted that over the past couple of years, it has been a traffic jam at the Library, because there is so much that goes on there. The library has allot of wonderful programs and activities for the citizens of Saco.

Deanna Contrino, 18 Cleveland Street – Ms. Contrino thanked the Mayor and Council for no increasing the tax rate over the last four years beyond what was necessary for educational needs. She stated that taxes are the dues that we pay for living in a community that values educational needs and other services. When the library isn't supported to the extent necessary to offer programming to its citizens the city council sends the message to others that its attitude towards technology is more in keeping with the brick sidewalks and reproduction gas lights on Main Street. The library is not only a public service, but a value added public service that plays an important role in helping people to succeed.

Jeffrey Christenbury, 20 Cleveland Street – Mr. Christenbury stated that after hearing all the departments present their budgets, he feels that the budget being presented this evening is a responsible budget that gets us through this year with a moderate tax increase. He feels that the tax rate in Saco is very reasonable at this time. The services are very good in the city and we should try to continue that even if it means a moderate tax increase.

J.D. Hadiaris, 33 Pine Ridge Road – Mr. Hadiaris is a member of the Dyer Library Board of Trustees. He noted that the library is a fantastic resource and has several wonderful activities being put on throughout the year with their limited budget and that there are allot on wonderful people who are involved with the library. Mr. Hadiaris thanked the city for all the support in the past and noted that any additional funds are welcomed at the library and will be used in the best possible way.

Fred Clark, 117 Ferry Road – Mr. Clark congratulated the Council and Mayor on the improvements to the asphalt on the city streets and sidewalks that people see when they visit the city, but he also noted that there are other values that people look for when they visit the city that are not quite so obvious. One of those values is the library. Mr. Clark volunteers in the history room Friday afternoons and noted that many people come in looking for various information. Any assistance that the city can give over and above the minimum would be greatly appreciated.

Diane Libby – Ms. Libby spoke in support of the library and museum and sated that it was a great asset to her and the community.

Laura Vickery, 93 Temple Street – Ms. Vickery works in the children’s department and spoke about all the programs that her department offers to all the children in city. She saw and assisted 6,249 people in the month of March.

Ron Morton, 28 Clayton Drive – Mr. Morton stated that the Federal, State and Municipal governments need to look at and consider things that can be taken away in the services area in this budget process. One example would be to not plow the sidewalks. Mr. Morton has lived in 7 different cities, and Saco is the only community that he has lived in that plows sidewalks. The city needs to make some tough decisions. He stated that we cannot continue to increase taxes at all levels.

City Administrator Rick Michaud asked some members of the staff to prepare comments and asked the Mayor to afford them the opportunity to be heard this evening. They have been through the budget process with the council now and have observations and points to make to the council.

Police Chief Bradley Paul noted that 30 years ago we faced a very difficult economic challenge. In many ways it is similar to the challenge that we face today. We made decisions back then that resulted in the loss of many public safety jobs and even the loss of the rescue that many Saco citizens depend upon. They were decisions that we came to regret, because they were simply not sustainable. Those actions affected the city for decades. The census figures were just released and it shows that Saco has grown by 22% in the last 20 years. Saco is a great place to work, live and to raise your family. This has happened in a large part to the high quality of life citizens expect from having lived in the city. It is also efficiency, which is a trademark of municipal government in Saco. The communities of Biddeford and Saco are 12-15% larger than Saco, and they employ nearly 40% more employees than Saco. Sustainability and quality of life are two of the values that set Saco apart from many other communities. The third is the quality of its leadership and its ability to face its challenges in a way that distinguishes us not diminishes us. As we continue in this process I would ask that you carefully consider the adverse impacts that may result from reducing service levels to our citizens. Saco’s 1979 tax cap may be just a historical footnote for some, but its lessons are every bit as valuable today as they were 30 years ago.

Public Works Director Michael Bolduc stated that he has been a Department Head for 32 years in Saco and he also was here when the city went in default. It took 10 good years to get out of the default. Allot of services were cut, but none of the services were sustainable in the end. All those people were hired back again and it took 10 years to get the equipment back. The population growth that we have seen in the last 20 years is representative of how people coming into the city and that are living in the city feel about the city. Saco is a good place to live, we have good services, and they come for those services, and they are priced right. Public Works is looking for a 1.7 % increase this year. Contractual increases to the union contracts and fuel pricing make up 1.5 % of the increase. What we are not addressing in Capital Projects. We cannot defer this forever it is not a sustainable thing. Public Works is hearing from citizens who feel that they are not doing enough. Mr. Bolduc understands that there needs to be a balance, but feels that we have the right product for the right price. The 13% reduction in the budget that he was asked to consider would eliminate the transfer station, half the street lights in the city, discontinue the herbicide treatment and shelf the GIS program. The budget that we present this year is the bare minimum. We haven’t had a tax increase in a few years because of the bad economy.

Parks & Recreation Director Joseph Hirsch stated that he does support the City Administrator’s original budget. The Parks & Rec. budget is proposing \$615,000 revenues, an additional \$65,000 over what they are proposed to bring in this year. Hard decisions needed to be made to come up with a 13% decrease in their budget. They tried to minimize the effects to full time employees who generate revenue and minimize any effects on the revenue stream. Some of the cuts proposed are to lifeguards and trees because they do not generate revenue. One full time position and seasonal staffing were also being proposed to be cut but these two do affect the revenue line. \$830,000 of their budget is salaries, wages and deals with the actual costs to run these services. A 13% reduction would include 14% of salaries and staffing. This does affect the tax rate, but it also affects the stability of the department and the services.

Tax Collector Stephanie Weaver stated that she was glad to hear the Mayor call for some more data and substantiated information because that is the project that she has been in charge of since she's been here is the Quantitative Survey, where we have heard from the silent majority and she thinks people over time have said the same. The citizens have told us the same thing, that they like the quality of life in Saco. They like the services that they receive and they think the services are a good value and have told us that four times in a row in the Quantitative Survey. They have a high satisfaction level with the services and the things they don't like are plowing the roads and sidewalks and these are the things your department heads are addressing and doing the best with what they have.

Assessor Daniel Sanborn had just three comments. Mr. Sanborn has been appraising property for 36 years. One of the contributory values when people make a decision to buy in the community is the quality of the services that they are going to receive. There is a reason that Saco is worth \$2.2 billion. If the service level diminishes, you typically see real property values diminish. There is a cause and effect. As we move through the budget process, it is concerning to me that values may actually diminish, not because we are in a poor recessionary period, but because the services to support those values won't be there. Mr. Sanborn is also the enhanced 911 officer who does the mapping for the entire city, so in terms of responding to emergencies, they can actually find you. Adjustments need to be made fairly quickly on tax mapping, usually 3 times per year. If 13% reductions need to be made to the department, then these e-911 mapping services will only get done about every 16 months, which would be a little difficult to do. This reduction would also mean eliminating the processing clerk position, which would put the department down to two people. One of the processing clerk objectives is writing to every new property owner in the city each month to let them know that they are eligible for a homestead exemption. It takes time to do this, and 90% of the people don't know it there, but it has saved the property owners this year alone \$17,500. A reduction in staff would mean the department might not be able to do this anymore. Things like this make us the community that we are, are going to disappear. Since 1984, the city has become an in-house re-evaluation department because of having that extra clerk position. If the position is eliminated then an outside re-evaluation firm would need to be hired to do this work which would cost more money. Re-evaluations costs about \$750,000 and the city have never under Mr. Sanborn's watch had to ask for one or allowed our quality rating or performance drop below the state minimum standards. The city of Saco is in fact has one of the best quality ratings in the state. The city is being kept assessed at 103%, rather than 98-99% because in order to do a creditable city wide valuation of the 8,000 parcels, you would need enough sales of similar homes so you can development reasonable opinions of value for all of them. Given the economy, we have had about 97 sales in the city that were considered arms length. Mr. Sanborn stated that he can't honestly recalculate the values of the city based on 97 sales. The last time it was done was in 2008 and it was based on between 400-500 sales. The law says that the city can be assessed up to 110%.

Code Enforcement Officer/Building Inspector Richard Lambert has been employed with the city for 25 years. Mr. Lambert compiled some information to some statistics to analyze where we are. He took the past 3 years at the end of April and compiled the numbers for construction starts and in all levels of construction we have seen a dramatic increase in activity. At the end of April 2009 there was about \$3.8 million worth of construction and 11 housing starts, in April 2010 we had \$4.7 million worth of construction and 20 housing starts and April 2011 we had \$5.6 million worth of construction and 29 housing starts. Commercial housing has jumped from \$800,000 in 2009, last year it was partly \$185,000 and this year \$1.6 million of construction. Mr. Lambert feels the economy is on the rebound and Saco is leading the way. Other communities are seeing a somewhat rebound, but not to the degree we are seeing here in Saco. People want to locate here to Saco. We have a reputation as being a green community and a leader in many areas. This doesn't come easily and it is a credit to the city and we wouldn't want to affect that and he urged the council to do everything within their power to maintain that.

Fire Chief John Duross supports the City Administrators budget as submitted. The small increase for the Fire Dept. reflects the financial need to maintain our current level of service. As he has previously indicated, requests for the services we provide: fire suppression; emergency medical services; fire prevention and public education; continue to increase as they have over the last 30 years. A 13% budget reduction or anything that resembles it would be devastating to the department. It would take us back to shift staffing levels of 1981. This was a time when they were doing less than 1,000 ambulance calls per year as compared to today with nearly 2,300 ambulance call per year. Also at that time we were a basic service that provided basic care. We would transport a very sick person to

the hospital and left them as a very sick person. Today, we have 18 members who are paramedics. They are performing life saving procedures in the field. For us to continue to provide the current levels of fire protection and emergency medical services, we need you to pass the City Administrator's budget. We have reached a point where we need to have 2 ambulances fully staffed to meet the demand. Closing either of the 2 sub stations in North Saco or Camp Ellis will have a negative impact on our response and property insurance ratings issued by the insurance services organization. Our mutual aid system, especially our operations with the Biddeford Fire Department must remain mutual. The departments are approximately the same size, and currently if we need it and they have it available, we can get it. That agreement exists because we have the ability to reciprocate. If our service levels are reduced we will not be able to reciprocate and we should not expect the Biddeford Fire Department to subsidize our needs. We are very dependent on other city departments. There is not one city department that we do not talk to on a weekly basis in assisting our department in providing the level of service that we provide.

Councilor Cote moved, Councilor Lovell seconded to close the Public Hearing. The motion passed with seven (7) yeas.

**CITY OF SACO
NOTICE OF BUDGET HEARING**

There will be a Public Hearing on May 2, 2011 on the City of Saco's Municipal and Capital Improvement Budgets. This special meeting will be held in the City Hall Auditorium, 300 Main Street at 7:00 p.m. The following is a summary of the proposed budgets. Copies of the complete proposed budgets are available for inspection at City Hall during regular business hours.

FY 2012 COMBINED CITY BUDGET AND CAPITAL PROGRAM

<u>MUNICIPAL BUDGET</u>	<u>COUNCIL APPROVED FY 10-11</u>	<u>CITY ADMIN FY 11-12</u>	<u>REQUESTED CHANGE</u>	<u>PERCENT CHANGE</u>
Mayor-Council (Legislative)	\$ 20,600	\$ 20,600	\$ -	0.00%
City Administration	\$ 275,686	\$ 284,157	\$ 8,471	3.07%
Finance Department	\$ 366,555	\$ 387,166	\$ 20,611	5.62%
Technology Department	\$ 386,782	\$ 394,639	\$ 7,857	2.03%
City Clerk	\$ 256,934	\$ 264,448	\$ 7,514	2.92%
Tax Assessor	\$ 183,521	\$ 190,332	\$ 6,811	3.71%
City Building Maintenance	\$ 112,190	\$ 112,033	\$ (157)	-0.14%
Legal Department	\$ 115,000	\$ 185,000	\$ 70,000	60.87%
Police Department	\$ 3,304,724	\$ 3,351,169	\$ 46,444	1.41%
Fire/Ambulance Department	\$ 2,635,584	\$ 2,711,468	\$ 75,884	2.88%
Building Inspection	\$ 254,702	\$ 253,529	\$ (1,172)	-0.46%
Planning & Economic Development	\$ 310,168	\$ 310,741	\$ 574	0.18%
Public Works Department	\$ 4,503,559	\$ 4,605,121	\$ 101,562	2.26%
Public Agencies	\$ 572,800	\$ 663,743	\$ 90,943	15.88%
Emergency Management	\$ 5,900	\$ 5,900	\$ -	0.00%
Parks & Recreation Department	\$ 1,014,083	\$ 1,142,905	\$ 128,822	12.70%
Debt Service	\$ 2,479,481	\$ 2,390,941	\$ (88,540)	-3.57%
Employee Benefits	\$ 2,746,416	\$ 2,849,377	\$ 102,962	3.75%
Insurance	\$ 179,425	\$ 179,425	\$ -	0.00%
Contingency	\$ 145,547	\$ 135,000	\$ (10,547)	-7.25%
Capital Projects	\$ 165,000	\$ 165,000	\$ -	0.00%
Gross Municipal Budget	\$ 20,034,656	\$ 20,602,694	\$ 568,038	2.76%

<u>MUNICIPAL ANTICIPATED REVENUES</u>	<u>COUNCIL APPROVED FY 10-11</u>	<u>CITY ADMIN FY 11-12</u>	<u>REQUESTED CHANGE FY 10-11</u>	<u>PERCENT CHANGE CHANGES</u>
Non-Property (Excise) Taxes	\$ 3,960,000	\$ 3,007,500	\$ (952,500)	-24.05%
Permits/Licenses/Fees	\$ 688,200	\$ 704,800	\$ 16,600	2.41%
Intergovernmental Revenues	\$ 1,813,273	\$ 1,489,777	\$ (323,496)	-17.84%
Charges for Services	\$ 1,047,560	\$ 1,094,300	\$ 46,740	4.46%
Other Unclassified/Miscellaneous	\$ 468,186	\$ 487,383	\$ 19,197	4.10%
Subtotal Revenues	\$ 7,977,219	\$ 6,783,760	\$ (1,193,459)	-14.96%
<u>Other Credits Municipal</u>				
General Fund- Undes. Fund Bal.	\$ 1,468,773	\$ 1,925,000	\$ 456,227	31.06%
General Fund- Des. Fund Bal.	\$ 35,000	\$ -	\$ (35,000)	0.00%
Ambulance Fund transfer	\$ 834,398	\$ 580,000	\$ (254,398)	-30.49%
Economic Dev. Fund transfer	\$ 20,000	\$ 31,000	\$ 11,000	55.00%
Saco Island/Downtown transfer	\$ 25,000	\$ 25,000	\$ -	0.00%
Camp Ellis Fund transfer	\$ 1,000	\$ 1,000	\$ -	0.00%
Subtotal Other Credits Municipal	\$ 2,384,171	\$ 2,562,000	\$ 177,829	7.46%
Total Revenues/Credits Municipal	\$ 10,361,389	\$ 9,345,760	\$ (1,015,629)	-9.80%

SUMMARY	COUNCIL APPROVED FY 10-11	CITY ADMIN FY 11-12	REQUESTED CHANGE FY 10-11	PERCENT CHANGE CHANGES
Municipal Expenditures	\$ 20,034,656	\$ 20,602,694	\$ 568,038	2.84%
Municipal Revenues/Credits	\$ 10,361,389	\$ 9,345,760	\$ (1,015,629)	-9.80%
Net Taxes to be raised municipal	\$ 9,673,267	\$ 11,256,934	\$ 1,583,668	16.37%
Net Taxes to be raised education	\$ 16,245,159	\$ 16,245,159	\$ -	0.00%
Taxes to be raised City Council	\$ 25,918,425	\$ 27,502,093	\$ 1,583,668	6.11%
County Taxes	\$ 1,079,365	\$ 1,079,365	\$ (0)	0.00%
Overlay	\$ 1,266,878	\$ 1,200,000	\$ (66,878)	-5.28%
TIF Taxes	\$ 785,141	\$ 785,141	\$ -	0.00%
Gross Taxes to be raised	\$ 29,049,810	\$ 30,566,599	\$ 1,516,789	5.22%
Taxable Valuation	\$ 2,101,430,400	\$ 2,120,343,274	\$ 18,912,874	0.90%
Mil Rate-Preliminary Estimate	\$ 13.82	\$ 14.42	\$ 0.60	

Note: The Homestead Exemption, Overlay, TIF Taxes and Taxable Valuation figures are estimates as the Assessor's property valuation process is not yet complete. They will be adjusted by the Tax Assessor when he completes his work on new valuations, adjustments to existing valuations and adjustments to personal property.

Lucette S. Pellerin, MMC/CCM

City Clerk



City of Saco

Administration
Saco City Hall
300 Main Street
Saco, Maine 04072-1538

Richard R. Michaud, City Administrator
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Fax: (207) 282-8209
Email: rmichaud@sacomaine.org

INTEROFFICE MEMORANDUM

TO: MAYOR MICHAUD AND CITY COUNCILORS
FROM: RICHARD MICHAUD, CITY ADMINISTRATOR
SUBJECT: BUDGET TRANSMITTAL LETTER NUMBER 4
DATE: APRIL 25, 2011

On the Agenda Workshop for Monday night April 25, 2011 is a City Council Budget Discussion for outside agencies and the budget in general. It is my intention to provide a copy of this "proposed changes to the budget FY12 chart" after each budget work session to keep tally of what staff recommendations are. On another note:

June 30, 2008 was the last time our Fund Balance was in excess of 8.33%. Over the past two years our fund balance has been (June 30, 2009) at 4.3% or \$2,113,393 and June 30, 2010) at 5.56% or \$2,088,590. On June 30, 2011, I am estimating a fund balance of 3.79% or \$1,086,696. If we adopt the proposed FY12 budget as is, our fund balance will be near 1% on June 30, 2012. The damage is done to the city's bond rating status with respect to future borrowings. I previously proposed a way to replenish the Fund Balance with a 4 year goal to get back to the 8.33%.

If we do go to bond over the next 4 years, we would use the bond bank - that will eliminate the need to be rated on our own. There is no way to truly tell if going to bond on our own, actually saves us money in the long run. You'd have to have two identical bonds go out on the same day to be funded to find out if that fact is actually true.

We've been able to secure favorable funding while having a reduced fund balance. By showing the City has a 4 year plan to return Fund Balance to our 8.33% policy will provide a stabilizing plan for the future.

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PROPOSED CHANGES TO FY12 BUDGET

Account #	Account Name	Original Budget	Additional City Administrator Proposed increase/(decrease)	City Administrator Proposed Adjusted Budget
10384/500370	LICENSES/PERMITS AND FEES	132,400	(2,000)	130,400
	Vacant Inspection Position			
10440/500103	Eliminated	102,636	(45,949)	56,687
10600/500289	FICA for vacant position eliminated	682,876	(3,515)	679,361
10430/500425	LEGAL	150,000	(70,000)	80,000
10610/500281	INSURANCE	159,300	(10,000)	149,300
10130/300504	REVENUE SHARING	(759,646)	(463,354)	(1,223,000)
	Total increase/(decrease)		\$ (594,818)	
		\$	\$	\$
	Draw on Undesignated Fund Balance	1,925,000	(594,818)	1,330,182
	Change in Designated Fund Balance (Unused Loader Amount)			

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VII. CONSENT

Councilor Smith moved, Councilor Lovell seconded to adopt the following Consent Agenda - The City of Saco hereby:

A. Approves the Lease document by and between the City of Saco and Saco & Biddeford Savings Institution for the parking lot areas located at 12 and 14 Thornton Avenue, subject to Planning Board approval; and

B. Ordains and approves the First Reading and adopt the findings in the contract zone document entitled "Contract Zone Agreement By and Between Volunteers of America northern New England and the City of Saco," dated April 26, 2011; and to schedule a Public Hearing for May 16, 2011.

The motion passed with seven (7) yeas.

The item commentaries are listed below.

A. PARKING LOT LEASE 12 THORNTON AVENUE

The bank officials of Saco & Biddeford Savings Institution have approached the city with an expressed interest in a short term lease option for parking at 12 and 14 Thornton Avenue. The proposed lease is attached for review and approval by the City Council. Upon approval of the Council, the Lease would require permitting from the Planning Board.

The Council discussed this item at Workshop on April 25, 2011.

B. CONTRACT ZONE – VOLUNTEERS OF AMERICA NORTHERN NEW ENGLAND, 429 MAIN STREET

Applicant Volunteers of America Northern New England (VOANNE) received approval on August 3, 2009 for a contract zone that would allow Elderly Congregate Housing (ECH) on a portion of the property at 439 Main Street. The approval lapsed after 1 year. The applicant now asks that re-approval of the contract zone be considered.

The plan calls for splitting the parcel in two, leaving the existing Great American Realty building on its own lot with frontage on Main Street, and creating a separate 1.8 acre parcel to the rear for the VOANNE, with a street address of 7 Smith Lane. A 31 unit assisted living facility for those 62 years of age and older is proposed.

A contract zone is requested due to the existing zoning of the parcel, R-1b, which does not allow multi-family dwellings or elderly congregate housing. A second issue addressed with the contract zone is that of frontage: if split off from the Main Street frontage, the rear parcel lacks adequate frontage, but does have an access and utility easement from Smith Lane across the abutting Volunteers of America/Paul Hazelton House parcel. The contract zone proposes to recognize this 50-foot easement as adequate frontage for the purpose of this proposal.

The Planning Board reviewed this item on April 26, 2011 and forwards a positive finding to the Council on each of the four standards required for a contract zone. If the contract zone is approved, the project would be subject to site plan review by the Planning Board prior to development of the site.

VIII. RECESS THE COUNCIL MEETING

Councilor Mills moved, Councilor Lovell seconded to recess the meeting at 8: 25 p.m. The motion passed with seven (7) yeas.

IX. RECONVENE THE MEETING

Councilor Lovell moved, Councilor Mills seconded to reconvene the meeting at 10:00 p.m. The motion passed with seven (7) yeas.

A. WARRANT FOR THE RSU BUDGET VALIDATION AND BOND

The Warrant and Notice of Election is submitted to Mayor and Council authorizing the Regional School Unit No. 23 Renovation Bond Referendum for June 7, 2011.

Regional School Unit No. 23, as required by M.R.S.A. Title 20-A §1501- §1504, has prepared the Warrant and Notice of Election which will be posted, at the polling place, on or before May 6, 2011 by Chief Paul or his designee.

Councilor Cote moved, Councilor Mills seconded to approve the Warrant and Notice of Election for the Regional School Unit No. 23 Renovation Bond Referendum scheduled for June 7, 2011. The motion passed with six (6) yeas and one (1) nay – Councilor Smith.

X. ADJOURNMENT

Councilor Mills moved, Councilor Smith seconded to adjourn at 10:05 p.m. The motion passed with seven (7) yeas.

ATTEST: _____
Michele L. Hughes, Deputy City Clerk