STATE OF MAINE
COUNTY OF YORK
CITY OF SACO

I. CALL TO ORDER – On Monday, May 20, 2013 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 Councilors present constituted a quorum. Councilors present: David Tripp, 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:

PROCLAMATION - ARBOR WEEK - MAY 20TH – MAY 26TH

Whereas, In 1872 J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees, and
Whereas, this holiday, called Arbor Day, was first observed with the planting of more than a million trees in Nebraska, and
Whereas, In 1978, the State of Maine first celebrated Arbor Week during the 3rd full week of May, and
Whereas, trees can reduce the erosion of our precious topsoil by wind and water, cut heating and cooling costs, moderate the temperature, clean the air, produce life-giving oxygen, and provide habitat for wildlife, and
Whereas, trees are a renewable resource giving us paper, wood for our homes, fuel for our fires, and beautify our community, and
Whereas, trees, wherever they are planted, are a source of joy and spiritual renewal.

Now, Therefore, I, Mark D. Johnston, Mayor of the

City of Saco, do hereby proclaim

May 20th through May 26th as the celebration of

Arbor Week

in the City of Saco, and I urge all citizens to celebrate Arbor Week and to support efforts to protect our trees and woodlands, and

Further, I urge all citizens to plant trees to gladden the heart and promote the well-being of this and future generations.

Dated this 20th Day of May, 2013

Mayor Signature ____________________________________________

Mark D. Johnston, Mayor
V. AGENDA
A. CODE AMENDMENT CHAPTER 4 – TERM LIMITS COASTAL WATERS COMMISSION – (2ND & FINAL READING)

Proposed to the City Council is a Code Amendment which would eliminate the “term of office” limits now provided in the City Code §4-39 Coastal Waters Commission.
It is proposed that subjecting members to term limits diminishes the continuity of the Commission as well as creating a loss of institutional knowledge. Additionally, the Code change will bring the Coastal Waters Commission rules in line with other commissions/committees established in Chapter 4.

The Council discussed this item at Workshop on April 1, 2013. The First Reading was on April 16, 2013 and the Public Hearing was May 6, 2013.

Councilor Blood moved, Councilor Tripp seconded "The City of Saco hereby Ordains and Approves the document titled, ‘Part 1, Administrative Legislation, Chapter 4, Article 39 Coastal Waters Commission, B (5), dated April 1, 2013’." The motion passed with seven (7) yeas.

(Underline represents new language, while strikethrough is language to be deleted.)

**Part 1 Administrative Legislation – Chapter 4, Article 39 Coastal Waters Commission, B (5), dated April 1, 2013**

§4-39 – C (5)

(5) The term of office of a member shall be three years. Members may be appointed for a maximum of two consecutive three-year terms but may be appointed again after one year off the Commission. Each Commissioner shall be a resident of the City, shall be persons qualified to perform the duties of such office and shall serve without compensation.

**B. CONTRACT ZONE – 6 & 8 NEW COUNTY ROAD PARCELS – (2ND & FINAL READING)**

Applicants Robert and Jeanne Labonte propose a contract zone for their two parcels at 6 and 8 New Country Road. The current R-1d zoning allows residential subdivisions. In order to make the project feasible – costs include extending the public sewer across the Turnpike – they ask that minimum lot size, frontage and setback requirements be relaxed so that more lots would be possible than otherwise allowed in the R-1d zone.

The Planning Board reviewed this request originally as a proposed zoning map amendment, but felt that the applicant would be served in a timelier manner via a contract zone application. The Board made a positive finding on each of the four standards for a contract zone; and forwards a positive recommendation for the contract zone as proposed.

The Council discussed this item in Workshop on April 1, 2013. The First Reading was on April 16, 2013, and the Public Hearing was May 6, 2013.

Councilor Cote moved, Councilor Lovell seconded to approve the Contract Zone document titled, ‘Contract Zone Agreement By and between Robert and Jeanne Labonte and the City of Saco, dated March 5, 2013’.

TABLED - Councilor Lovell moved, Councilor Doucette seconded to table this item until after a workshop to clarify some issues. The motion passed with five (5) yeas and two (2) nays – Councilors Tardif and Tripp.

**C. RENEWAL APPLICATION FOR SPECIAL ENTERTAINMENT PERMIT – BIDDEFORD & SACO ELKS LODGE NUMBER 1597 – (PUBLIC HEARING)**

Biddeford-Saco Elks Lodge No. 1597 has applied for a renewal of their Special Entertainment Permit. The permit will be concurrent with the establishment’s liquor license.

The applicant has paid all applicable permit fees and the clerk has properly advertised the public hearing in accordance with the Saco City Code, Chapter 93 - Entertainment §93-2.
Councilor Doucette moved, Councilor Blood seconded to open the Public Hearing. The motion passed with unanimous consent.

There were no comments from the public.

Councilor Doucette moved, Councilor Blood seconded to close the Public Hearing and “Be it ordered that the City Council grant the renewal application submitted by Biddeford-Saco Elks Lodge No. 1597 for a Special Entertainment permit to be concurrent with the establishment’s current liquor license”. Further move to approve the Order. The motion passed with seven (7) yeas.

D. FY14 BUDGET
   1. WRRD BUDGET ADOPTION

The FY2012-2013 operating budget was $2,259,758 that was supported by a sewer user fee rate of $4.50 per unit. At the rate of $4.50 per unit, an annual average of 100 customers was $360.00 per year.

The FY2013-2014 budget includes an increase in the sewer user fee rate from $4.50 to $4.56 per unit. At the rate of $4.56 per unit, an annual average of 100 customers will be $364.39 per year, an increase of 1.3%.

The sewer user fee rate increase for FY2013-2014 represents the increase needed to cover expenses. In FY2014 there is no use of Fund Balance budgeted. In FY2013-2014, the Council will consider increasing the sewer user fee rate to $4.56 per unit.

The Council discussed this item at Workshop on April 16, 2013, and again on May 6, 2013.
Councilor Smith moved, Councilor Tripp seconded “Be it Ordered that the City Council move to adopt an appropriation order for the adoption of the Fiscal Year 2013-2014 Water Resource Recovery Division budget of the City of Saco, Maine as follows: Approve gross expenditures of $2,373,825; to be offset by $2,373,837 in anticipated revenues and other credits, which represents an increase in the rate of sewer user fees from $4.50 to $4.56. Further move to approve the Order. The motion passed with six (6) yeas and one (1) nay – Councilor Tardif.

2. ADOPTION OF THE FY14 MUNICIPAL BUDGET

The Council discussed this item at Workshop on April 1, 2013, and April 16, 2013. The Public Hearing for the budget was held on May 6, 2013.

<table>
<thead>
<tr>
<th>CITY OF Saco FY 2014 CITY BUDGET</th>
<th>Council Approved FY 12-13</th>
<th>Original City Admin FY 13-14</th>
<th>Total After Consensus FY 13-14</th>
<th>Council Changes</th>
<th>%age Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mayor-Council (Legislative)</td>
<td>$20,325</td>
<td>$20,600</td>
<td>$20,600</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>City Administration</td>
<td>292,273</td>
<td>325,120</td>
<td>325,120</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Finance Department</td>
<td>350,672</td>
<td>388,801</td>
<td>388,801</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Technology Department</td>
<td>440,851</td>
<td>434,703</td>
<td>434,703</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>City Clerk</td>
<td>284,584</td>
<td>323,709</td>
<td>323,709</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Tax Assessor</td>
<td>187,503</td>
<td>205,442</td>
<td>205,442</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>City Building Maintenance</td>
<td>171,747</td>
<td>119,149</td>
<td>113,749</td>
<td>(5,400)</td>
<td>-4.5%</td>
</tr>
<tr>
<td>Legal Department</td>
<td>182,500</td>
<td>185,000</td>
<td>185,000</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Police Department</td>
<td>3,332,730</td>
<td>3,598,791</td>
<td>3,598,791</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Fire/Ambulance Department</td>
<td>2,777,318</td>
<td>2,844,252</td>
<td>2,844,252</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Building Inspection</td>
<td>212,671</td>
<td>218,416</td>
<td>218,416</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Planning &amp; Economic Development</td>
<td>314,637</td>
<td>319,075</td>
<td>319,075</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Public Works Department</td>
<td>4,672,673</td>
<td>5,328,096</td>
<td>5,325,096</td>
<td>(3,000)</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Public Agencies</td>
<td>100,200</td>
<td>100,200</td>
<td>100,200</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>City Agencies</td>
<td>598,100</td>
<td>608,100</td>
<td>608,100</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Emergency Management</td>
<td>8,200</td>
<td>5,900</td>
<td>5,900</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Parks &amp; Recreation Department</td>
<td>1,244,217</td>
<td>1,419,804</td>
<td>1,419,804</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Debt Service</td>
<td>2,122,515</td>
<td>2,344,930</td>
<td>2,344,930</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>2,947,169</td>
<td>3,137,379</td>
<td>3,137,379</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Insurance</td>
<td>166,963</td>
<td>169,963</td>
<td>169,963</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Contingency</td>
<td>163,200</td>
<td>133,000</td>
<td>133,000</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Capital Improvement - Facility</td>
<td>86,000</td>
<td>548,000</td>
<td>548,000</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Capital Improvement - Parks &amp; Rec</td>
<td>108,500</td>
<td>75,000</td>
<td>75,000</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Capital Improvement - Roads &amp; Infr.</td>
<td>1,299,500</td>
<td>525,536</td>
<td>525,536</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Capital Improvement - Sewer</td>
<td>6,000</td>
<td>6,000</td>
<td>6,000</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Gross Municipal Budget</td>
<td>22,174,094</td>
<td>23,849,965</td>
<td>23,376,565</td>
<td>(8,400)</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MUNICIPAL ANTICIPATED REVENUES</th>
<th>Council Approved FY 12-13</th>
<th>Original City Admin FY 13-14</th>
<th>Total After Consensus FY 13-14</th>
<th>Council Changes</th>
<th>%age Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Property (Excise) Taxes</td>
<td>$3,007,500</td>
<td>$3,040,000</td>
<td>$3,040,000</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Permits/Licenses/Fees</td>
<td>664,800</td>
<td>675,600</td>
<td>675,600</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Intergovernmental Revenues</td>
<td>1,986,131</td>
<td>2,104,128</td>
<td>2,104,128</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>1,109,300</td>
<td>1,224,000</td>
<td>1,224,000</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Other Unclassified/Miscellaneous</td>
<td>409,000</td>
<td>409,000</td>
<td>409,000</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Subtotal Revenues</td>
<td>$7,176,731</td>
<td>$7,452,728</td>
<td>$7,452,728</td>
<td>-</td>
<td>0.0%</td>
</tr>
</tbody>
</table>
### Other Credits Municipal

<table>
<thead>
<tr>
<th>Description</th>
<th>Approved</th>
<th>Council</th>
<th>City Admin</th>
<th>Total After</th>
<th>Consensus</th>
<th>Consensus % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund- Unassigned Fund Bal</td>
<td>$785,000</td>
<td>$500,000</td>
<td>$1,085,640</td>
<td>$585,640</td>
<td>117.1%</td>
<td></td>
</tr>
<tr>
<td>General Fund- Assigned Fund Balance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ambulance Fund transfer</td>
<td>400,000</td>
<td>500,000</td>
<td>500,000</td>
<td>-</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>Economic Dev. Fund transfer</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Soco Island/Downtown transfer</td>
<td>25,000</td>
<td>25,000</td>
<td>25,000</td>
<td>-</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>Camp Ellis Fund transfer</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>-</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Other Credits Municipal</strong></td>
<td>$1,211,000</td>
<td>$1,026,000</td>
<td>$1,611,640</td>
<td>$585,640</td>
<td>-57.1%</td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenues/Credits Municipal</strong></td>
<td>$8,387,731</td>
<td>$8,478,728</td>
<td>$9,064,368</td>
<td>$585,640</td>
<td>-6.9%</td>
<td></td>
</tr>
</tbody>
</table>

### SUMMARY

<table>
<thead>
<tr>
<th>Description</th>
<th>Council Approved FY 12-13</th>
<th>Original City Admin FY 13-14</th>
<th>Total After Consensus FY 13-14</th>
<th>Council Consensus Changes</th>
<th>%age Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal Expenditures</td>
<td>$22,174,094</td>
<td>$23,384,965</td>
<td>$23,376,565</td>
<td>$8,400</td>
<td>0.0%</td>
</tr>
<tr>
<td>Municipal Revenues/Credits</td>
<td>$8,387,731</td>
<td>$8,478,728</td>
<td>$9,064,368</td>
<td>($585,640)</td>
<td>-6.9%</td>
</tr>
<tr>
<td>Net Taxes to be raised municipal</td>
<td>$13,786,363</td>
<td>$14,906,237</td>
<td>$14,312,197</td>
<td>$594,040</td>
<td>4.0%</td>
</tr>
<tr>
<td>Net Taxes to be raised education</td>
<td>$19,588,219</td>
<td>$19,588,219</td>
<td>$19,588,219</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Taxes to be raised City Council</td>
<td>$33,374,582</td>
<td>$34,494,456</td>
<td>$33,900,416</td>
<td>$594,040</td>
<td>1.7%</td>
</tr>
<tr>
<td>County Taxes</td>
<td>$1,100,295</td>
<td>$1,100,295</td>
<td>$1,100,295</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Overlay</td>
<td>$755,000</td>
<td>$500,000</td>
<td>$500,000</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>TIF Taxes</td>
<td>$803,000</td>
<td>$750,000</td>
<td>$750,000</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Gross Taxes to be raised</strong></td>
<td>$36,032,877</td>
<td>$36,844,751</td>
<td>$36,250,711</td>
<td>$594,040</td>
<td>1.6%</td>
</tr>
<tr>
<td>Taxable Valuation</td>
<td>$1,968,500,000</td>
<td>$1,968,500,000</td>
<td>$1,980,309,544</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mill Rate-Preliminary Estimate</strong></td>
<td>$18.30</td>
<td>$18.71</td>
<td>$18.30</td>
<td></td>
<td>0.0%</td>
</tr>
</tbody>
</table>

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.

Move to amend the consensus budget by these amounts and these accounts:

<table>
<thead>
<tr>
<th>Account Name (consensus date)</th>
<th>Account #</th>
<th>Consensus Change Amount</th>
<th>Mill Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Draw on Unassigned Fund Balance (April 1, 2013)</td>
<td>10350/300800</td>
<td>(255,000)</td>
<td>(0.13)</td>
</tr>
<tr>
<td>Tax Value Increase (0.6%) (April 1, 2013)</td>
<td>10000/300101</td>
<td>(217,834)</td>
<td>(0.11)</td>
</tr>
<tr>
<td>City Hall - Heating Fuel</td>
<td>10422/500313</td>
<td>(5,400)</td>
<td>-</td>
</tr>
<tr>
<td>Public Works - Travel</td>
<td>10482/500339</td>
<td>(2,000)</td>
<td>-</td>
</tr>
<tr>
<td>Public Works - Advertising</td>
<td>10482/500341</td>
<td>(1,000)</td>
<td>-</td>
</tr>
<tr>
<td>Draw on Unassigned Fund Balance (April 16, 2013)</td>
<td>10350/300800</td>
<td>(330,640)</td>
<td>(0.17)</td>
</tr>
<tr>
<td><strong>Consensus Changes</strong></td>
<td></td>
<td>(811,874)</td>
<td>(0.41)</td>
</tr>
<tr>
<td><strong>Starting Budgeted Increase</strong></td>
<td></td>
<td>811,874</td>
<td>0.41</td>
</tr>
<tr>
<td><strong>Total Increase</strong></td>
<td></td>
<td>(0)</td>
<td>-</td>
</tr>
</tbody>
</table>
Councilor Blood moved, Councilor Lovell seconded "Be it Ordered that the City Council move to approve" an appropriation order for the adoption of the Fiscal Year 2013 - 2014 budget, excluding all school related items, per Section 6.06 and 6.07 of the Charter of the City of Saco, Maine as follows:

The amended main motion is now: Approve gross expenditures of $25,726,860 in municipal expenditures, $500,000 in overlay, $750,000 in TIF transfers, and $1,154,536 in capital improvements for municipal operations; to be offset by $25,726,860 in anticipated revenue and other credits, which represents $7,452,728 in anticipated municipal revenues, and other credits of $500,000 from the Ambulance Fund, $25,000 from the Saco Island TIF, and $1,000 from the Camp Ellis Fund, and the $1,085,640 from the Undesignated Fund Balance; and thereby raising gross taxes of $15,562,197 and further ordering that the amounts set in the following attached schedule titled CITY OF SACO FY2014 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 2013 - 2014 as authorized under Section 6.04 of the Charter of the City of Saco, Maine.

AMENDMENT #1 – #10360 Legislative/#500400 Transfers/Miscellaneous - $6,000 (Plaques, Gifts and Food etc.)

Councilor Cote moved, Councilor Tardif seconded to amend the line item from $6,000 down to $3,000. The motion with failed with five (5) nays and two (2) yea – Councilors Cote and Tardif.

AMENDMENT #2– #10372 City Admin, Budget/#500428 Contracted Services $12,000 (Public Opinion Survey in the Fall)

Councilor Cote moved, Councilor Tardif seconded to eliminate this line item. The motion failed with five (5) nays and two (2) yea – Councilors Tardif and Cote.

Mayor Johnston called for a vote on the Main motion. The motion passed with six (6) yea and one (1) nay – Councilor Tardif.

3. FY14 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 7/1/13.

The Council discussed this item at Workshop on April 1 and 16, 2013. The Public Hearing was May 6, 2013.

Councilor Lovell moved, Councilor Smith seconded “Be it 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 2013-2014 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.

<table>
<thead>
<tr>
<th>Increase in operating budget</th>
<th>Municipal</th>
<th>RSU Saco Share</th>
<th>York County</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>(0)</td>
<td>$ 1,512,249</td>
<td>$ 128,923</td>
<td>$ 1,641,172</td>
</tr>
<tr>
<td>City's Over Assessed RSU Levy</td>
<td></td>
<td>(234,616)</td>
<td></td>
<td>(234,616)</td>
</tr>
<tr>
<td>Amount proposed to be raised</td>
<td>$</td>
<td>(0)</td>
<td>$ 1,277,633</td>
<td>$ 128,923</td>
</tr>
<tr>
<td>Percentage of Increase</td>
<td>0.00%</td>
<td>3.55%</td>
<td>0.38%</td>
<td>3.93%</td>
</tr>
<tr>
<td>Mill increase</td>
<td>$</td>
<td>-</td>
<td>$ 0.65</td>
<td>$ 0.07</td>
</tr>
</tbody>
</table>
Municipal Revenue Sharing $1,223,000
Local Road Assistance $ 245,568
Tree Growth Reimbursement $ 37,000
Veterans Exemption Reimbursement $ 7,000
General Assistance Reimbursement $ 75,560
Homestead Exemption Reimbursement $ 364,000

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

4. SET FY PROPERTY TAX DUE DATES

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 2013 is 7.0%. Therefore, for the FY2014 tax commitment, the maximum rate is 7.0%. As a normal course of business, the City has adopted the maximum rate as its rate. This will provide 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 FY2014 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.

In discussing the due dates with the Tax Collector, we have agreed on the following dates:

**First half due date** – August 9, 2013 with interest accruing from August 12, 2013.
**Second half due date** – February 14, 2014 with interest accruing from February 17, 2013.
**Amendment:** Expand the EZ Pay program to include businesses for fiscal year 2014. Eight monthly payments starting August 15, 2013 and ending March 15, 2014. Sign up available at City Hall.

The Council discussed this item in Workshop on April 1 and 16, 2013. The Public Hearing was May 6, 2013.

Councilor Doucette moved, Councilor Lovell seconded “Be it Ordered that the City Council set the interest rate for delinquent FY2014 property taxes at 7.0%, on any refunds of FY2014 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 08/09/2013 with first interest date of 08/12/2013,
Second half payment – Due Date 02/14/2014 with first interest date of 2/17/2014.
Further move to approve the Order.

AMENDMENT - Councilor Doucette moved, Councilor Lovell seconded to approve the Amendment to: Expand the EZ Pay program to include businesses for fiscal year 2014. Eight monthly payments starting August 15, 2013 and ending March 15, 2014. Sign up available at City Hall. The motion passed with seven (7) yeas.

Mayor Johnston called for a vote on the main motion. The motion passed with seven (7) yeas.

5. RECONFIRM TAX POLICY DUE DATES

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

Tax Collection Policy

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, personal property, and sewer user fees 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.

The Council discussed this item at Workshop on April 1 and 16, 2013. The Public Hearing was May 6, 2013.

Councilor Tripp moved, Councilor Smith seconded “Be it 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.

VI. CONSENT AGENDA

Councilor Lovell moved, Councilor Blood seconded to approve Consent Agenda items # 1-5 as follows:

1. Be it ordered that the City Council approve the minutes for May 6, 2013. Further move to approve the order;
2. Be it ordered that the City Council approve the Warrant and Notice of Election, calling a Special Municipal Referendum Election for June 11, 2013. Further move to approve the Order;
3. Be it ordered that the City Council approve the Warrant and Notice of Election, calling a Regional School Unit No. 23 Budget Validation Referendum for June 11, 2013. Further move to approve the Order;
4. Be it ordered that the City Council grant Sandra Sulikowski a combined Massage Establishment/Therapist License in accordance to the Codes of the City of Saco, Chapter 138. Further move to approve the Order;
5. Be it Ordered that the City Council confirm the Mayor’s reappointment of Thomas Casamassa as a full member of the Saco Coastal Waters Commission, with his term ending on May 20, 2016. Further move to approve the Order.

The motion passed with seven (7) yeas.

1. NOTICE OF ELECTION FOR THE SPECIAL MUNICIPAL REFERENDUM ELECTION

STATE OF MAINE
CITY OF SACO
WARRANT AND NOTICE OF ELECTION
SPECIAL MUNICIPAL REFERENDUM ELECTION
TUESDAY, JUNE 11, 2013
WARDS 1-7 INCLUSIVE

COUNTY OF YORK

TO: BRADLEY PAUL, CHIEF OF POLICE OF SACO

GREETINGS:

YOU ARE HEREBY REQUIRED, in the name of the State of Maine, to notify and warn the inhabitants of the City of Saco in said county and state, qualified according to law to vote in city affair, to meet at their respective Ward in said City, viz:

- Ward 1  Saco Community Center, 75 Franklin Street
- Ward 2  Saco Community Center, 75 Franklin Street
- Ward 3  Saco Community Center, 75 Franklin Street
- Ward 4  Saco Community Center, 75 Franklin Street
- Ward 5  Saco Community Center, 75 Franklin Street
- Ward 6  Saco Community Center, 75 Franklin Street
- Ward 7  Saco Community Center, 75 Franklin Street

Tuesday, June 11, 2013 at 7:00 a.m. in for forenoon, to give their votes for the following:

**Question #1** – To vote by secret ballot on the following 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 $1,700,000 for Improvements to the Stackpole Bridge” be ratified and approved?

- Yes _____
- No _____

**Financial Statement**

The issuance of bonds and notes by the City of Saco (the “City”) is one of the ways in which the City borrows money for certain purposes. The following is a summary of the bonded indebtedness of the City as of the referendum date. The total amount of bonds of the City of Saco outstanding and unpaid is $20,423,365, of which $15,044,962 is principal and $5,378,403 is interest. The City has $1,700,000 in bonds authorized and unissued. The total amount of bonds of the City to be issued if the question authorizing this borrowing is ratified by the voters is $1,700,000. The total debt service costs of the bonds will vary depending on the prevailing interest rates at the time the bonds are issued. The total estimated principal and interest payments on the bonds is $2,622,250, of which $1,700,000 is principal, and estimated interest at fixed rates ranging from 2.5% to 4.0% (depending on the years to maturity) over 30 years is $922,250.

When money is borrowed by issuing bonds, the City must repay not only the principal amount of the bonds but also interest on the bonds. The amount of interest to be paid will vary depending upon the rate of interest and the years to maturity at the time of issue. The validity of the bonds and of the voters’ ratification of the bonds may not be affected by any errors in the estimates made of the costs involved, including varying interest rates, the estimated cost of interest on the bond amount to be issued and the total cost of principal and interest to be paid at maturity.

s/ Cheryl Fournier
Cheryl Fournier, Treasurer, City of Saco

The polls shall be opened at 7 o'clock a.m. and shall be closed at 8:00 o'clock p.m.

A person may register to vote on or before Election Day.

Absentee ballots will be processed during Election Day at the following times: approximately 8:00 a.m.; 2:00 p.m. and 8:00 p.m.

Dated at Saco, this 20th day of May, 2013.

___________________________________________________________

___________________________________________________________

___________________________________________________________

___________________________________________________________

A majority of the City Council of the City of Saco

Mark D. Johnston, Mayor  Michele L. Hughes, City Clerk

A TRUE COPY ATTEST: ______________________________________
City Clerk of Saco

2. NOTICE OF ELECTION FOR THE RSU 23 BUDGET REFERENDUM ELECTION

WARRANT AND NOTICE OF ELECTION
CALLING REGIONAL SCHOOL UNIT NO. 23
BUDGET VALIDATION REFERENDUM
(20-A M.R.S. §1486)

TO: Michael Garrity, a resident of Regional School Unit No. 23 (the "Regional School Unit") composed of the City of Saco and the Towns of Dayton and Old Orchard Beach, State of Maine.

In the name of the State of Maine, you are hereby ordered to serve upon the municipal clerks of each of the municipalities within Regional School Unit No. 23, namely, the City of Saco and the Towns of Dayton and Old Orchard Beach, an attested copy of this warrant and notice of election. Service shall be in hand within three (3) days of the date of this warrant and notice of election. The municipal clerks of the above municipalities shall immediately notify the respective municipal officers. The municipal officers shall meet forthwith and countersign this warrant and notice of election. The municipal officers shall provide below for the respective municipal clerks to post or have posted this warrant and notice of election.

CITY OF SACO (WARDS 1-7)
REGIONAL SCHOOL UNIT BUDGET VALIDATION REFERENDUM
WARRANT AND NOTICE OF ELECTION

York ss.  State of Maine

TO:  Michelle Hughes, Saco City Clerk: You are hereby required in the name of the State of Maine to notify the voters of this municipality of the election described in this warrant and notice of election.
TO THE VOTERS OF SACO:

You are hereby notified that a Regional School Unit budget validation referendum election will be held at the Saco Community Center, 75 Franklin Street in the City of Saco on Tuesday, June 11, 2013 for the purpose of determining the following article:

Article 1: Do you favor approving the Regional School Unit No. 23 budget for the upcoming school year that was adopted at the latest Regional School Unit budget meeting?

Article 2: Do you wish to continue the budget validation referendum process in Region School Unit No. 23 for an additional three years?

The voting on Article 1 & 2 shall be by secret ballot referendum. The polls will be opened at 7:00 a.m. and closed at 8:00 p.m.

The Registrar of Voters shall hold office hours while the polls are open to correct any error in or change a name or address on the voting list; to accept the registration of any person eligible to vote and to accept new enrollments.

A person who is not registered as a voter may not vote in any election.

Given under our hand this day, May 21, 2013 at Old Orchard Beach, Maine.

[Signatures]

A majority of the School Board of Regional School Unit No. 23

A true copy of the Warrant and Notice of Election, attest: Michael Garrity, Resident of Regional School Unit No. 23

Countersigned this ____________ day of ____________, 2013 at Saco, Maine.

[Signatures]

A majority of the municipal officers of the City of Saco

A true copy of the Warrant and Notice of Election, attest: Michelle Hughes, City Clerk City of Saco
4. MASSAGE THERAPIST & ESTABLISHMENT LICENSE – SANDRA SULIKOWSKI

Sandra L. Sulikowski d/b/a Peak Performance Therapeutic Massage, 334 Main Street has applied for a Combined Massage Therapist/Establishment License.

The applicant has paid all applicable permit fees and has provided a Certificate of Completion of a Therapeutic Massage Career Program through Spatech Institute in compliance with Chapter 138, Sub-section §138-9 Basic proficiency.

5. CONFIRM THE MAYOR’S REAPPOINTMENT OF THOMAS CASAMASSA TO THE COASTAL WATERS COMMISSION

The Coastal Waters Commission shall be composed of seven members, to be appointed by the Mayor for a three-year term and approved by the City Council. Each Commission member shall be a resident of the city, shall be persons qualified to perform the duties of such office and shall serve without compensation.

The Mayor is recommending the reappointment of Thomas Casamassa of 11 Ferry Lane to serve on the Coastal Waters Commission for a three year term.

VII. ADJOURN THE MEETING

Councilor Tripp moved, Councilor Smith seconded to adjourn the meeting at 7:56 p.m.

Attest:________________________________________
Michele L. Hughes, City Clerk