

STATE OF MAINE

COUNTY OF YORK

CITY OF SACO

I. CALL TO ORDER – On Monday, June 9, 2014 at 7:03 p.m. a Council Meeting was held in the City Hall Auditorium.

II. ROLL CALL OF MEMBERS – Mayor Donald Pilon conducted a roll call of the members and determined that the Councilors present constituted a quorum. Councilors present: David Precourt, Leslie Smith Jr., Bette Brunswick, Kevin Roche, Arthur Tardif, Eric Cote and Nathan Johnston. City Administrator Rick Michaud was also present.

III. PLEDGE OF ALLEGIANCE

IV. GENERAL:

PROCLAMATION – 75TH ANNIVERSARY OF THE FOUNDING OF THE SEASHORE TROLLEY MUSEUM

WHEREAS, The Seashore Trolley Museum was founded on July 5, 1939 as the first organization in the world to collect, preserve and interpret an electric streetcar; and

WHEREAS, that car came from the Biddeford & Saco Railroad Co.; and

WHEREAS, the organization was incorporated in 1941 as the New England Electric Railway Historical Society, a non-profit; and

WHEREAS, the Museum’s operations have relied largely on generous contributions of labor and financial donations of member volunteers; and

WHEREAS, Seashore Trolley Museum’s mission expanded over time and its vehicle collection encompasses examples from every major public transportation system in the United States and many from around the world, as well as an extensive collection of books, artifacts and ephemera; and

WHEREAS, the Museum maintains programs and events of special interest and entertainment for residents of nearby communities, and educates visitors from near and far, as well as Maine school children, drawing on a context not addressed by other museums; and

WHEREAS, the Museum’s operations have a significant impact on our regional economy, and job creation;

NOW, THEREFORE, I, Donald E. Pilon, Mayor of Saco, and the Citizens of Saco, do hereby recognize Seashore Trolley Museum as a unique and important cultural resource and congratulate its Members and Board of Trustees on the occasion of its 75th Anniversary on July 5, 2014.

Given under my hand, and seal of the City of SACO, on this 9th day of June 2014

**Mayor
Donald E. Pilon**



V. AGENDA:
A FY15 BUDGET
1) ADOPTION OF THE FY15 MUNICIPAL BUDGET

The City Administrator submitted the Fiscal Year - 2015 Budget to the City Council on March 17, 2014. 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.

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”.

Document History:

Budget Presented: March 17, 2014
Workshop: April 7, 2014
Workshop: April 28, 2014
Workshop: May 5, 2014
Workshop: May 19, 2014
Workshop: May 27, 2014
Workshop: May 29, 2014
Public Hearing: June 2, 2014

Councilor Roche moved, Councilor Brunswick seconded “Be it Ordered that the City Council move to approve an appropriation order for the adoption of the Fiscal Year 2014 - 2015 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 \$24,783,772 which represents \$22,928,512 in municipal expenditures, \$500,000 in overlay, \$1,100,295 in County taxes, \$750,000 in TIF transfers, and \$605,260 in capital improvements for municipal operations; to be offset by \$24,783,772 in anticipated revenues and other credits, which represents \$7,582,757 in anticipated municipal revenues, and other credits of \$600,000 from the Ambulance Fund, \$25,000 from the Saco Island TIF, and \$1,000 from the Camp Ellis Fund, \$30,000 from Economic Development Fund, \$125,000 from School Reimbursement, and \$550,000 from the Undesignated Fund Balance; and thereby raising municipal gross taxes of \$15,870,015 and county gross taxes of \$1,229,217 and further ordering that the amounts set in the following attached schedule titled “CITY OF SACO FY 2015 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 2014-2015 as authorized under Section 6.04 of the Charter of the City of Saco, Maine.

CITY OF SACO FY 2015 CITY BUDGET

<u>MUNICIPAL BUDGET</u>	<u>COUNCIL</u>	<u>CITY</u>	<u>REQUESTED</u>	<u>PERCENT</u>
	<u>APPROVED</u>	<u>ADMIN</u>		
	<u>FY 13-14</u>	<u>FY 14-15</u>	<u>CHANGE</u>	<u>CHANGE</u>
Mayor-Council (Legislative)	\$ 20,600	\$ 20,600	\$ -	0.00%
City Administration	\$ 325,120	\$ 327,004	\$ 1,884	0.58%
Finance Department	\$ 388,801	\$ 388,569	\$ (232)	-0.06%
Technology Department	\$ 434,703	\$ 451,348	\$ 16,645	3.83%
City Clerk	\$ 323,709	\$ 311,196	\$ (12,513)	-3.87%
Tax Assessor	\$ 205,442	\$ 201,564	\$ (3,878)	-1.89%
City Building Maintenance	\$ 113,749	\$ 105,712	\$ (8,037)	-7.07%
Legal Department	\$ 185,000	\$ 185,000	\$ -	0.00%
Police Department	\$ 3,598,791	\$ 3,652,465	\$ 53,674	1.49%
Fire/Ambulance Department	\$ 2,844,252	\$ 2,993,071	\$ 148,819	5.23%
Building Inspection	\$ 218,416	\$ 223,507	\$ 5,091	2.33%
Planning & Economic Development	\$ 319,075	\$ 363,954	\$ 44,879	14.07%
Public Works Department	\$ 5,325,096	\$ 5,566,092	\$ 240,996	4.53%
Public Agencies	\$ 100,200	\$ 101,200	\$ 1,000	1.00%
City Agencies	\$ 608,100	\$ 611,100	\$ 3,000	0.49%
Emergency Management	\$ 5,900	\$ 5,900	\$ -	0.00%
Parks & Recreation Department	\$ 1,419,804	\$ 1,449,688	\$ 29,884	2.10%
Debt Service	\$ 2,344,930	\$ 2,404,486	\$ 59,556	2.54%
Employee Benefits	\$ 3,137,379	\$ 3,255,056	\$ 117,676	3.75%
Insurance	\$ 169,963	\$ 170,000	\$ 37	0.02%
Contingency	\$ 133,000	\$ 141,000	\$ 8,000	6.02%
Capital Improvement - Facility	\$ 548,000	\$ 322,000	\$ (226,000)	-41.24%
Capital Improvement - Parks & Rec	\$ 75,000	\$ -	\$ (75,000)	-100.00%
Capital Improvement - Roads & Infrastructure	\$ 525,536	\$ 227,660	\$ (297,876)	-56.68%
Capital Improvement - Sewer	\$ 6,000	\$ 55,600	\$ 49,600	826.67%
Gross Municipal Budget	\$ 23,376,565	\$ 23,533,772	\$ 157,207	0.67%
	<u>COUNCIL</u>	<u>CITY</u>		
	<u>APPROVED</u>	<u>ADMIN</u>	<u>REQUESTED</u>	<u>PERCENT</u>
<u>MUNICIPAL ANTICIPATED REVENUES</u>	<u>FY 13-14</u>	<u>FY 14-15</u>	<u>CHANGE</u>	<u>CHANGE</u>
Non-Property (Excise) Taxes	\$ 3,040,000	\$ 3,260,000	\$ 220,000	7.24%
Permits/Licenses/Fees	\$ 675,600	\$ 706,520	\$ 30,920	4.58%
Intergovernmental Revenues	\$ 2,104,128	\$ 1,761,137	\$ (342,991)	-16.30%
Charges for Services	\$ 1,224,000	\$ 1,276,100	\$ 52,100	4.26%
Other Unclassified/Miscellaneous	\$ 409,000	\$ 579,000	\$ 170,000	41.56%
Subtotal Revenues	\$ 7,452,728	\$ 7,582,757	\$ 130,029	1.74%

Other Credits Municipal				
General Fund - Unassigned Fund Bal.	\$ 1,335,640	\$ 550,000	\$ (785,640)	-58.82%
Ambulance Fund transfer	500,000	600,000	100,000	20.00%
Economic Dev. Fund transfer	-	30,000	30,000	100.00%
Saco Island/Downtown transfer	25,000	25,000	-	0.00%
School Reimbursements	-	125,000	125,000	100.00%
Camp Ellis Fund transfer	1,000	1,000	-	0.00%
Subtotal Other Credits Municipal	\$ 1,861,640	\$ 1,331,000	\$ (530,640)	-28.50%
Total Revenues/Credits Municipal	\$ 9,314,368	\$ 8,913,757	\$ (400,611)	-4.30%
	COUNCIL APPROVED	CITY ADMIN	REQUESTED	PERCENT
SUMMARY	FY 13-14	FY 14-15	CHANGE	CHANGE
Municipal Expenditures	\$ 23,376,565	\$ 23,533,772	\$ 157,207	0.67%
Municipal Revenues/Credits	(9,314,368)	(8,913,757)	400,611	-4.30%
Overlay	500,000	500,000	-	0.00%
TIF Taxes	750,000	750,000	-	0.00%
Net Taxes to be raised Municipal	\$ 15,312,197	\$ 15,870,015	\$ 557,818	
Net Taxes to be raised County Taxes	\$ 1,229,217	\$ 1,229,217	\$ -	
Net Taxes to be raised Education	\$ 19,985,322	\$ 20,607,734	\$ 622,412	
Gross Taxes to be raised	\$ 36,526,736	\$ 37,706,966	\$ 1,180,231	3.23%
Taxable Valuation	\$ 1,991,317,665	\$ 2,026,317,665	\$ 35,000,000	1.76%
Mil Rate-Preliminary Estimate	\$ 18.58	\$ 18.61	\$ 0.03	0.16%

Exhibit: Amendments 1 – 11 including Account Numbers and Totals

Amendment #	Account Name	Account #	Amendment Change Amount increase/(decrease)	
1	<u>Legislative</u>			
	Transfers/Miscellaneous	Cut half of Misc	10362/500400	\$ (3,000)
2	<u>Legislative</u>			
	TELEPHONE	Mayor Cell Phone	10360/500336	\$ 857
3	<u>Administration</u>			
	Contracted Services	Citizen Survey	10372/500428	\$ (6,250)
4	<u>All Departments</u>			
	No change for FY2015	Merit Pay - Non Union		\$ -
5	<u>Information Technology</u>			
	Department Head Wages	IT shared with school	10284/500101	\$ 90,000
	Supervisory Wages	IT shared with school	10284/500102	\$ 36,957
	Non Supervisory Wages	IT shared with school	10284/500103	\$ (6,000)
	Minor Equipment	IT shared with school	10386/500317	\$ (3,000)
	Travel	IT shared with school	10386/500339	\$ 900
	Telephone	IT shared with school	10386/500336	\$ (100)
	Contracted Services	IT shared with school	10386/500428	\$ 12,500
	Total IT Department			\$ 131,257
	DENTAL/OPTICAL	IT shared with school	10600/500215	\$ 650
	UNEMPLOYMENT COMPENSATION	IT shared with school	10600/500283	\$ 516
	WORKERS' COMPENSATION	IT shared with school	10600/500285	\$ 3,558
	DEFERRED COMPENSATION	IT shared with school	10600/500286	\$ 348
	MAINE PERS (RETIREMENT)	IT shared with school	10600/500287	\$ 4,674
	HEALTH INSURANCE	IT shared with school	10600/500288	\$ 17,241
	FICA TAXES	IT shared with school	10600/500289	\$ 9,253
	DISABILITY INSURANCE	IT shared with school	10600/500290	\$ 728
	Total EE Benefits Department			\$ 36,968
	Revenue from School	IT shared with school	300952	\$ (198,499)
	Total Revenue Increase			\$ (198,499)
	Grand Total IT shared with school			\$ (30,274)

6	<u>Water Costs</u>				
	Water	Fire (hydrants)	10520/500334	\$	(20,058)
	Water	Fire	10472/500334	\$	(200)
		Total Fire Department		\$	(20,258)
	Water	PD	10462/500334	\$	(60)
	Water	PW	10482/500334	\$	(73)
	Water	P&R	10572/500334	\$	(33)
	Water	Building Maintenance	10422/500334	\$	(23)
		Total Other Departments		\$	(189)
		Total Water savings		\$	(20,447)
7	<u>Legal</u>				
	Supervisory Wages	Hire In-House Legal	10430/500102	\$	65,000
	FICA TAXES	Hire In-House Legal	10600/500289	\$	5,000
	CONTRACTED SOLICITOR	Hire In-House Legal	10430/500425	\$	(100,000)
		Total Legal Savings		\$	(30,000)
8	<u>VACANT</u>				
9	<u>Fire</u>				
	Firefighter/EMT Wages	Fire wage change	10470/500110	\$	(13,438)
		Total Fire Department		\$	(13,438)
	FICA TAXES	Fire wage change	10600/500289	\$	(1,028)
	DEFERRED COMPENSATION	Fire wage change	10600/500286	\$	(2,410)
	MAINE PERS (RETIREMENT)	Fire wage change	10600/500287	\$	1,529
		Total EE Benefits Department		\$	(1,909)
	Transfer from Ambulance	Transfer of revenue	300951	\$	(50,000)
		Total Revenue		\$	(50,000)
		Grand Total Change in Fire Wages		\$	(65,347)
10	<u>Economic Development</u>				
	Contracted Services	Planning/Economic Dev	10452/500428	\$	(15,000)
11	<u>City Agencies</u>				
	Dyer Library	City Agencies	10622/500703	\$	22,000
12	<u>Municipal Grounds & Recreation</u>				
	RECREATION DEPT. REV.	Increase P&R Revenue	300708	\$	(75,000)
13	<u>Municipal Grounds & Recreation</u>				
	Contracted Services	Trees	10572/500428	\$	(8,314)
	Temporary/Seasonal Wages	Life Guards	10570/500113	\$	(34,079)
		Total Municipal Grounds & Rec Dept		\$	(42,393)
	FICA TAXES	Life Guards	10600/500289	\$	(2,607)
		Total Employee Benefits		\$	(2,607)
		Total Municipal Grounds and Rec savings		\$	(45,000)
14	<u>Health Insurance</u>				
	PROP.INSURANCE CLAIMS	EE Portion 16% to 18%	300753	\$	(13,407)
15	<u>Energy Conservation</u>				
	TRANSF. DES FUND BAL	Energy Conservation	300800	\$	(100,000)
	CAPITAL IMPROVEMENT	Energy Conservation	10670/500910	\$	100,000
				\$	-
16	<u>Capital Improvement</u>				
	CAPITAL IMPROVEMENT	Facility	10670/500910	\$	-
	CAPITAL IMPROVEMENT	Municipal Grounds	10670/500910	\$	77,000
	CAPITAL IMPROVEMENT	Roads & Infrastructure	10670/500910	\$	110,000
	CAPITAL IMPROVEMENT	Utility	10670/500910	\$	95,000
				\$	282,000
		Grand Total Changes		\$	1,132

Amendment 1: Councilor Cote moved, Councilor Brunswick seconded “Be it ordered that the City Council approve a decrease to the ‘City of Saco FY 2015 City Budget’ Mayor-Council (Legislative) line from \$20,600 less \$3,000 to \$17,600.” Further move to approve the Order. The motion passed with six (6) yeas and one (1) nay – Councilor Johnston.

Point of Order – Councilor Smith noted that they public did not have the amendments in front of them to view and asked that each amendment be indicated as to what it is for the public at large.

Amendment 2: Councilor Brunswick moved, Councilor Smith seconded “Be it ordered that the City Council approve an increase to the ‘City of Saco FY 2015 City Budget’ Mayor-Council (Legislative) line from \$20,600 plus \$857 to \$21,457 and that the amounts are to reflect amounts that were previously amended in other items.” Further move to approve the order. The motion failed with one (1) yea and (6) nays – Councilors Precourt, Smith, Brunswick, Tardif, Cote and Johnston.

Amendment 3: Councilor Smith moved, Councilor Brunswick seconded “Be it ordered that the City Council approve a decrease to the ‘City of Saco FY 2015 City Budget’ City Administration line from \$327,004 less \$6,250 to \$320,754.” Further move to approve the order. The motion passed with seven (7) yeas.

Amendment 4: Councilor Brunswick moved, Councilor Precourt seconded “Be it ordered that the City Council rescind the Council Approved Performance Measurement Policy, effective July 1, 2014.” Further move to approve the order. The motion passed with five (5) yeas and two (2) nays – Councilors Cote & Johnston.

Amendment 5: “Councilor Roche moved, Councilor Precourt seconded “Be it ordered that the City Council approve an increase to the ‘City of Saco FY 2015 City Budget’ to increase Revenue - School Transfer for \$198,499, and further approve the increase in the Technology Department Line \$451,348 plus \$131,257 to \$582,605; and further move to approve the increase in the Employee Benefits Line from \$3,255,056 plus \$36,968 to \$3,292,024.” Further move to approve the order. The motion passed with seven (7) yeas.

Amendment 6: Councilor Tardif moved, Councilor Brunswick seconded “Be it ordered that the City Council approve a decrease in the ‘City of Saco FY 2015 City Budget’ to Fire/Ambulance Department \$2,993,071 less \$20,258 to \$2,972,813; further approve the decrease to the City Building Maintenance \$105,712 less \$23 to \$105,689; further approve the decrease to Police Department \$3,652,465 less \$60 to \$3,652,405; further approve a decrease to Public Works \$5,566,092 less \$73 to \$5,566,019; and further approve a decrease to Parks & Recreation Department \$1,449,688 less \$33 to \$1,449,655.” Further move to approve the order. The motion passed with five (5) yeas and two (2) nays – Councilors Smith and Cote.

Amendment 7: “Be it ordered that the City Council approve a decrease to the ‘City of Saco FY 2015 City Budget’ to the Legal Department line from \$185,000 less \$35,000 to \$150,000; further move to approve an increase to Employee Benefits \$3,255,056 add \$5,000 to \$3,260,056; and further move to approve hiring a part-time, staff city attorney- to receive no employee benefits or office space within City Hall, said position to be funded at \$70,000 per year.” This motion was not discussed by Council or voted on.

Amendment 8: VACANT

Amendment 9: Councilor Brunswick moved, Councilor Precourt seconded “Be it ordered that the City Council approve an increase in the transfer from the Ambulance fund to the General Fund from \$600,000 plus \$50,000 to \$650,000; further move to approve a decrease in the ‘City of Saco FY 2015 City Budget’ Fire/Ambulance Department line from \$2,993,071 less \$13,438 to \$2,979,633; and further move to approve a decrease Employee Benefits \$3,255,056 less \$1,909 to \$3,253,147 reflecting amounts amended in other items.” Further move to approve the order. The motion passed with five (5) yeas and two (2) nays – Councilors Smith and Johnston.

Amendment 10: Councilor Precourt moved, Councilor Brunswick seconded “Be it ordered that the City Council

approve a decrease to the 'City of Saco FY 2015 City Budget' Planning & Economic Development line from \$363,954 less \$15,000 to \$348,954." Further move to approve the order.

Second Order Amendment on Amendment 10: Councilor Roche moved, Councilor Brunswick seconded to increase the deduction by \$40,000 from \$15,000. The motion passed with seven (7) yeas.

Mayor Pilon called for a vote on Amendment 10. The motion passed with seven (7) yeas.

Amendment 11: Councilor Johnston moved, Councilor Cote seconded "Be it ordered that the City Council approve an increase to the 'City of Saco FY 2015 City Budget' City Agencies line from \$611,100 plus \$22,000 to \$633,100." Further move to approve the Order. The motion failed with three (3) yeas and four (4) nays – Councilors Precourt, Smith, Brunswick and Tardif.

Amendment 12: Councilor Precourt moved, Councilor Brunswick seconded "Be it ordered that the City Council approve an increase to the 'City of Saco FY 2015 City Budget' Recreation Revenue line from \$750,000 plus \$75,000 to \$825,000." Further move to approve the Order. The motion passed with four (4) yeas and three (3) nays – Councilors Tardif, Cote and Johnston.

Amendment 13: Councilor Precourt moved, Councilor Roche seconded "Be it ordered that the City Council approve a decrease to the 'City of Saco FY 2015 City Budget' Municipal Grounds & Recreation line from \$1,449,688 less \$42,393 to \$1,407,295; and further approve the decrease to Employee Benefits line from \$3,255,056 less \$2,607 to \$3,252,449."

City Administrator Rick Michaud noted that subsequent to this, the Parks & Recreation Director Joe Hirsch has revised the budget to change the staffing of the Parks program from 3 employees to 2 employees eliminating one position at approximately \$45,000 and the Council has been provided with the detail assessment of the impact change. On the city service levels it would mean the 2 remaining employees would focus on maintaining the cities ball fields and there would be no maintenance of city parks.

City Administrator Rick Michaud asked Councilor Precourt if it was his intention on this motion to not change the lifeguards and tree cutting and to specifically remove 1 position from the parks program and if so, is that part of the motion? Councilor Precourt stated that he did not read the motion. City Administrator Rick Michaud asked the City Clerk who made the motion. The Clerk stated that Councilor Precourt made the motion. (Note/Clarification: Councilor Precourt moved the motion, Councilor Roche seconded and Councilor Smith read the motion but didn't move it). City Administrator stated so you are not agreeing with Councilor Roche's perspective that this is really about changing lifeguards. Councilor Precourt stated no, lifeguards were never brought into this situation. City Administrator Rick Michaud asked Councilor Precourt what he would like to see happen here? Councilor Precourt noted that what Councilor Roche was presenting was a position and that is where he stood on it as well. Councilor Roche stated or account #500101 reduction of \$45,000 in pay. City Administrator Rick Michaud stated that his understanding of the intent of Councilor Precourt's motion is to not change the lifeguard accounts or the tree accounts but to eliminate 1 position in the parks program. Councilor Precourt stated that was correct. City Administrator Rick Michaud asked Councilor Roche as the second on the motion if he agreed with that? Councilor Roche stated a position or account #500101 reduction of salary. City Administrator Rick Michaud asked Councilor Roche if that was a "yes" at supporting Councilor Precourt's amendment? Councilor Roche stated that Councilor Precourt's amendment is just wording it as just a cut in a position, so "No". City Administrator asked if Councilor Roche's second was withdrawn? Councilor Roche stated "yes" and withdrew the second. Mayor Pilon asked if there was a second on the motion and there wasn't, so the motion dies due to a lack of a second.

Amendment 13-1: Councilor Roche moved, Councilor Brunswick seconded that \$45,000 be cut from account #500101 – Department Head position. The motion failed with three (3) yeas and four (4) nays – Councilors Smith, Tardif, Cote and Johnston.

Amendment 14: Councilor Smith moved, Councilor Precourt seconded “Be it ordered that the City Council approve an increase to the ‘City of Saco FY 2015 City Budget’ Insurance Claims Revenue line from \$579,000 plus \$13,407 to \$592,407.” Further move to approve the Order. The motion passed with seven (7) yeas.

Amendment 15: Councilor Brunswick moved, Councilor Cote seconded “Be it ordered that the City Council approve and increase to the ‘City of Saco FY 2015 City Budget’ General Fund- Unassigned Fund Balance line from \$550,000 plus \$100,000 to \$650,000; and further approve the increase to the Capital Improvement – Roads and Infrastructure line from \$227,660 plus \$100,000 to \$327,660.” The motion failed with three (3) yeas and four (4) nays – Councilors Precourt, Smith, Roche and Tardif.

Amendment 16: Councilor Roche moved, Councilor Brunswick seconded “Be it ordered that the City Council approve an increase to the ‘City of Saco FY 2015 City Budget’ Capital Improvement – Municipal Grounds line from \$0 plus \$77,000 to \$77,000; further approve the increase Capital Improvement – Roads and Infrastructure line from \$227,660 plus \$110,000 to \$337,660; and further approve the increase Capital Improvement – Utility line from \$55,600 plus \$95,000 to \$150,600.” Further move to approve the Order. The motion passed with seven (7) yeas.

City Administrator Rick Michaud noted to Mayor Pilon that there may be other amendments this evening. Councilor Roche stated that he had looked at the end of May figures to see where we were coming in at and he did have proposals and maybe not amendments per say but a opportunity for Department Heads to speak to basically why we are coming in under budget but budgeting for more next year. City Administrator Rick Michaud encouraged the Council to have an amendment on the floor with a second and then have a discussion. In the absence of that conversation is not in order.

New Proposed Amendment 17: Councilor Roche moved, Councilor Precourt seconded to amend account #500432 Curbside Collection to a proposed decrease of \$38,909. The motion failed with zero (0) yeas and seven (7) nays – Councilors Precourt, Smith, Brunswick, Roche, Tardif, Cote and Johnston.

New Proposed Amendment 18: Councilor Roche moved, Councilor Precourt seconded to remove line item #500101 Planning and Economic Development Head. This is to remove a non-required City Charter position and to also leave \$50,000 plus benefits in the account for a Grant Writer, for a total decrease in the line by \$52,939.

TABLED - Councilor Cote moved, Councilor Smith seconded to table Councilor Roche’s amendment #18. The motion passed with four (4) yeas and three (3) nays – Councilors Precourt, Brunswick and Roche.

MAIN MOTION AS AMENDED - Mayor Pilon called for a vote on the main motion. The motion passed with four (4) yeas and three (3) nays – Councilors Roche, Tardif and Johnston.

2) FY15 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 7/1/14.

Councilor Smith moved, Councilor Tardif 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 2014-2015 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 \$ 835,292

Local Road Assistance \$ 254,750

Tree Growth Reimbursement \$ 35,600
Veterans Exemption Reimbursement \$ 15,000
General Assistance Reimbursement \$ 73,495
Homestead Exemption Reimbursement \$ 370,000

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.

3) SET FY15 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 2014 is 7.0%. Therefore, for the FY2015 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.

The following dates:

First half due date – August 8, 2014 with interest accruing from August 11, 2014.

Second half due date – February 13, 2015 with interest accruing from February 16, 2015.

Councilor Tardif moved, Councilor Precourt 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 08/08/2014 with first interest date of 08/11/2014;

Second half payment – Due Date 02/13/2015 with first interest date of 2/16/2015; and

Continuation of the EZ Pay program for fiscal year 2015. Eight monthly payments starting August 15, 2014 and ending March 15, 2015. Sign up available at City Hall. Further move to approve the Order. The motion passed with seven (7) yeas.

4) 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.

Councilor Cote 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

VII. ADJOURN THE MEETING

Councilor Smith moved, Councilor Precourt seconded to adjourn the meeting at 9:36 p.m. The motion passed with unanimous consent.

Attest: _____
Michele L. Hughes, City Clerk