

**WESTBROOK CITY COUNCIL
FINANCE COMMITTEE AGENDA
MONDAY MAY 6, 2019 AT 6:30PM
WESTBROOK HIGH SCHOOL ROOM 114**

Westbrook City Council's Finance Committee, chaired by Councilor Michael Foley, will meet at 6:30pm, immediately prior to the Regular City Council meeting. The agenda items are as follows:

1. **Authorizing Borrowing of Bond Funds through Maine Bond Bank**
Presented by Jerre Bryant (City Administrator) and Suzanne Knight (Finance Director)

2. **Senior Property Tax Assistance Program**
Presented by Jerre Bryant (City Administrator)



CITY OF WESTBROOK, MAINE
IN CITY COUNCIL

Date: May 6, 2019

Order: 2019-86

AUTHORIZING THE ISSUANCE OF THREE MILLION EIGHT HUNDRED SIXTY-EIGHT THOUSAND DOLLARS (\$3,868,000) OF GENERAL OBLIGATION BONDS AND APPROPRIATING THE PROCEEDS THEREOF

That the Westbrook City Council hereby authorizes the issuance of three million eight hundred and sixty-eight thousand dollars (\$3,868,000) in General Obligation Bonds as outlined in the attached Exhibit.

First Reading: May 6, 2019

Second and Final Reading:

Attest:

City Clerk

Mayor

**WESTBROOK, MAINE
CITY COUNCIL**

**ORDER AUTHORIZING THE ISSUANCE OF
THREE MILLION EIGHT HUNDRED SIXTY-EIGHT THOUSAND DOLLARS (\$3,868,000)
OF GENERAL OBLIGATION BONDS AND APPROPRIATING THE PROCEEDS THEREOF**

WHEREAS, the City desires to authorize the issuance of up to \$3,868,000 principal amount of the City's General Obligation Bonds and to authorize the sale of such Bonds to the Maine Municipal Bond Bank for inclusion in its Fall 2019 issue and to appropriate the proceeds thereof to finance the Projects described in this Order;

NOW, THEREFORE, be it voted, resolved, and ordered by the City Council of Westbrook, Maine:

Section 1: Appropriation. The sum of \$3,868,000 is hereby appropriated, from the proceeds of the Bonds and Notes herein authorized, to finance the costs of: (a) infrastructure improvements including City-wide paving and resurfacing of City streets; (b) improvement of William Clarke Drive, Cumberland Street, Cumberland Mills and Stroudwater Street, including paving, resurfacing, sidewalks, traffic signals, curbing, drainage and other traffic improvements; (c) the construction of a replacement culvert on Brown Street; (d) the reconstruction of a retaining wall on Saco Street; and (e) the acquisition of vehicles and equipment including a fire engine, street sweeper, loader with plow, tandem dump truck, bucket truck, catch basin cleaner and loader to replace existing equipment, and which Bonds and Notes may also finance costs of issuance of the Bonds and Notes and capitalized interest of up to three years on the Bonds and Notes (the "Project").

Section 2: Authorization of Borrowing. For the purposes of financing the aforesaid appropriation and to refund any temporary notes issued pursuant thereto, pursuant to the City Charter and all amendments thereof and acts additional thereto, Section 2-159 and 2-186 to 2-203 of the Westbrook Code of Ordinances and Title 30-A of the Maine Revised Statutes and all other authority thereto enabling, the Treasurer is hereby authorized and empowered in the name and on behalf of the City to expend and borrow up to \$3,868,000 from the Maine Municipal Bond Bank (the "Bank") pursuant to a Loan Agreement between the City and the Bank providing for a loan from the Bank in the principal amount not in excess of \$3,868,000, and the Treasurer be and hereby is authorized and empowered, in the name and on behalf of the City, to execute and deliver, under the seal of the City, attested by its Clerk, a Loan Agreement to be in the usual and ordinary form utilized by the Bank, which is hereby approved, and to contain such other terms and provisions, not contrary to the general tenor hereof, as the Treasurer may approve, with her approval to be conclusively evidenced by her execution thereof.

Section 3: Authorization of Bonds. For the purposes of financing the aforesaid appropriation and to refund any temporary notes issued pursuant thereto, pursuant to the City Charter and all amendments thereof and acts additional thereto, Section 2-159 and 2-186 to 2-203 of the Westbrook Code of Ordinances and Title 30-A of the Maine Revised Statutes and all other authority thereto enabling, the City Council hereby approves and authorizes the issue, sale and delivery to the Bank as evidence of the aforesaid loan of up to \$3,868,000 and against payment therefor, the Bonds of the City in a principal amount not to exceed \$3,868,000, such Bonds to mature and be payable on such dates and in such amounts as approved by the Treasurer; to bear interest at the rates specified by the Bank for its Fall 2019 issue, which rates shall be subject to approval by the Treasurer of the City, such approval to be conclusively evidenced by her execution and delivery of such Bonds, payable semi-annually; to be issued as a single, fully registered Bond in the an amount not to exceed \$3,868,000 maturing and payable in installments as aforesaid; to be signed by the Treasurer and countersigned by the President of the City Council and the Mayor and to be sealed with the seal of the City and attested by its Clerk; and to be in such form and contain such terms and provisions as the officers executing the same may approve their approval to be conclusively evidenced by their execution thereof

Section 4: Authorization of Notes. The Treasurer is authorized to borrow money in anticipation of said Bonds by the issuance and sale of notes or renewal notes in anticipation thereof (the “Notes”) and to determine the date, form, interest rate, maturities (not later than 3 years from date of issuance in the case of any Notes) and all other details of each issue of Notes, including the form and manner of their sale and award, subject to the provisions of the law, the City Charter and this Order.

Section 5: Rates and Other Provisions; Execution. The Bonds and any Notes shall mature at the times and in the amounts, to be dated as of such date, to bear interest at the rate or rates and to be in such form and to contain such terms and provisions (including but not limited to early redemption provisions, if any) as the Finance Committee may hereafter determine or authorize. The Finance Committee is further authorized to delegate the authority to determine the form of the Bonds and any Notes and other terms and provisions thereof to the Treasurer. Each Bond or Note issued hereunder shall be signed by the Treasurer, shall be countersigned by the President of the Council and by the Mayor, and shall be sealed with the seal of the City, attested to by its Clerk.

Section 6: Redemption. The Treasurer is hereby authorized to provide that any of the Bonds and Notes hereinbefore authorized be made callable, with or without premium, prior to their maturity.

Section 7: Tax-Exempt Covenants. The Treasurer is hereby authorized to covenant and certify on behalf of the City that no part of the proceeds of the issue and sale of the Notes or the Bonds authorized to be issued hereunder shall be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause such Notes or Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and that no part of the proceeds of the issue and sale of such Notes or Bonds (including any notes and bonds in renewal thereof) shall be used, directly or indirectly, in such manner which would cause the Notes or Bonds to be "private activity bonds" within the meaning of Section 141 of the Code. The Treasurer is hereby authorized to covenant and agree, on behalf of the City, for the benefit of the holders of the Bonds and Notes, that the City will file any required reports and take any other action that may be necessary to ensure that interest on the Bonds and Notes will remain exempt from federal income taxation, and that the City will refrain from any action that would cause interest on the Bonds or Notes to be subject to federal income taxation.

Section 8: Qualified Tax-Exempt Obligations. To the extent permitted under the Code, the Treasurer is hereby authorized to designate any of the Bonds or Notes authorized to be issued hereunder as qualified tax-exempt obligations for purposes of Section 265(b) of the Code.

Section 9: Disclosure. The Treasurer is hereby authorized to covenant, certify and agree, on behalf of the City, for the benefit of the holders of the Notes or Bonds, that the City will file any required reports, make any annual financial or material event disclosure, and take any other action that may be necessary to insure that the disclosure requirements imposed by Rule 15c2-12 of the Securities and Exchange Commission, if applicable, are met.

Section 10: City Officials. If any of the officers or officials of the City who have signed or sealed the Bonds or Notes shall cease to be such officers or officials before the Bonds or Notes so signed and sealed shall have been actually authenticated or delivered by the City, such Bonds or Notes nevertheless may be authenticated, issued, and delivered with the same force and effect as though the person or persons who signed or sealed such Bonds or Notes had not ceased to be such officer or official; and also any such Bonds or Notes may be signed and sealed on behalf of the City by those persons who, at the actual date of the execution of such Bonds or Notes, shall be the proper officers and officials of the City, although at the nominal date of such Bonds or Notes any such person shall not have been such officer or official.

Section 11: Deputy Officers. If the Treasurer, President of the Council, Mayor or Clerk are for any

reason unavailable to approve and execute the Bonds or Notes or any of the related financing documents, the person or persons then acting in any such capacity, whether as an assistant, a deputy, or otherwise, is authorized to act for such official with the same force and effect as if such official had herself performed such act.

Section 12: Other Actions. The Treasurer, Mayor, President of the City Council, Clerk and other appropriate officers of the City are hereby authorized and empowered to do all such acts and things as may be deemed necessary or desirable in order to effect the borrowing from said Bank of up to \$3,868,000 and the issue and delivery to said Bank as evidence thereof of a corresponding principal amount of the Bonds of the City as hereinabove authorized, and to execute, deliver, file, approve, and record all such financing documents, contracts, deeds, assignments, certificates, memoranda, abstracts, and other documents as may be necessary or advisable, with the advice of counsel for the City, including but not limited to any certificates, bond insurance agreements, notices of sale and other documents as may be necessary or appropriate in connection with the sale of the Bonds and Notes and any letter of credit agreement or liquidity facility agreement necessary to the issuance of any Bonds or Notes, to carry out the provisions of this Bond Order and the provisions set forth above in connection with the Project, the execution, sale, and delivery by the City of the Bonds and Notes and the execution and delivery of any related financing documents.

Section 13: Costs; Reallocation. The term “cost” or “costs” as used herein and applied to the Project, or any portion thereof, includes, but is not limited to (1) the purchase price or acquisition cost of all or any portion of the Project; (2) the cost of planning, developing, preparation of specifications, surveys, engineering, feasibility studies, legal and other professional services associated with the Project; (3) the cost of environmental studies and assessments; (4) the cost of financing charges and issuance costs, including premiums for insurance, interest prior to and during construction and for a period not to exceed three (3) years from the issue date of the Bonds or Notes, administrative fees and costs, legal and accounting fees and costs, application fees, and other fees and expenses relating to the financing transaction; and (5) the cost of all other financing authorized hereunder, whether related or unrelated to the foregoing. In the event that any proceeds of the Bonds or Notes remain unspent upon completion of a Project, or if the City abandons a Project, the City reserves the right to reallocate unspent proceeds to the costs of other qualified projects approved, or to be approved, by the City Council, or to apply unspent proceeds to the payment of debt service on the Bonds or the Notes.

Section 14: Tax Levy. In each of the years during which any of the Bonds or Notes issued hereunder are outstanding, there shall be levied a tax in an amount which, with other revenues, if any, available for that purpose, shall be sufficient to pay the interest on said Bonds or Notes, payable in such year, and the principal of such Bonds or Notes maturing in such year (except in the case of Notes to be refunded in that year by the issuance of Bonds).

Section 15: Investment Earnings; Premium. The investment earnings on the proceeds of the Bonds and Notes, if any, and the excess proceeds and premium of the sale of the Bonds and Notes, if any, are hereby appropriated for the following purposes, such proceeds to be held and applied in the following order of priority: (a) to any costs of the Project in excess of the principal amount of the Bonds or Notes; and (b) in accordance with applicable terms and provisions of the Arbitrage and the Use of Proceeds Certificate delivered in connection with the sale of the Bonds or Notes.

Section 16: Reimbursement. It is the intent of the City Council that this Bond Order shall constitute the City's declaration of official intent within the meaning of Treasury Regulation 1.150-2 to pay, on an interim basis, costs of the Project, which costs the City reasonably expects to reimburse with proceeds of the Bonds or Notes to be issued in the maximum principal amount of \$3,868,000.



CITY OF WESTBROOK, MAINE
IN CITY COUNCIL

Date: May 6, 2019

Order: 2019-85

ADOPTING CHAPTER 41 OF THE CODE OF ORDINANCES, PROPERTY TAX ASSISTANCE

That the Westbrook City Council hereby adopts Chapter 41 of the Westbrook Code of Ordinances, *Property Tax Assistance*, as outlined in the attached exhibit, and further authorizes the implementation of the Senior Property Tax Assistance Program.

Program funds for FY 2019-2020 in the amount of \$50,000 available in budget line 10001310-58985.

First Reading: May 6, 2019

Second and Final Reading:

Attest:

City Clerk

Mayor



CITY OF WESTBROOK, MAINE

2 York Street, Westbrook, ME 04092

REQUEST FOR COUNCIL ACTION

Requests are due to the City Clerk two Fridays prior to a Council meeting. If expenditure/acceptance of funds is involved, Finance Department approval is required prior to submission.

PROPOSED TITLE: Adoption of Chapter 41, Property Tax Assistance

REQUESTED BY: Administration

DATE: 04/29/2019

SUMMARY:

Request to adopt Chapter 41, Property Tax Assistance, and to authorize the Senior Property Tax Assistance Program.

Program funding for FY 2020 budgeted at \$50,000.

BUDGET LINES AFFECTED (IF APPLICABLE):

10001310-58985

Chapter 41

PROPERTY TAX ASSISTANCE

Sec. 41-1. Purpose.

The purpose of this chapter is to establish property tax assistance to persons 70 years of age and older who are residents of the city. Under this program, the city shall provide refund payments to those individuals who maintain a homestead in the city and meet the criteria established by this chapter.

Sec. 41-2. Definitions.

For purposes of this chapter, the following definitions shall apply.

Homestead. The dwelling owned or rented by a taxpayer or held in a revocable living trust for the benefit of the taxpayer and occupied by the taxpayer and the taxpayer's dependents as a home and may consist of a part of a multidwelling or multipurpose building and a part of the land, up to 10 acres, upon which it is built. For purposes of this chapter, "owned" includes a vendee in possession under a land contract, one or more joint tenants or tenants in common and possession under a legally binding agreement that allows the owner of the dwelling to transfer the property but continue to occupy the dwelling as a home until some future event stated in the agreement.

Property tax fairness credit. The credit issued by the State of Maine under the provisions of 36 M.R.S.A. § 5219-KK.

Qualifying applicant. A person who is determined by the Tax Collector to be eligible for tax assistance under the provisions of this chapter.

Rent constituting property tax. Fifteen percent of the gross rent actually paid for the right of occupancy of the homestead. For purposes of this chapter "gross rent" means rent paid in an arms-length transaction solely for the right of occupancy of a homestead, exclusive of charges for any utilities, service, furniture, furnishings, or appliances furnished by the landlord as part of the rental agreement, whether or not expressly set forth in the rental agreement.

Sec. 41-3. Eligibility requirements for participation in the property tax assistance program.

In order to participate in the property tax assistance program, an applicant must demonstrate the following:

- a. The applicant is at least 70 years of age as of July 1 of the tax year for which the applicant seeks property tax assistance.
- b. The applicant has a homestead in the city at the time of the application and for the entire year prior to the date of the application.

c. The applicant has been a resident of the city for at least 10 years immediately preceding the date of the application.

d. The applicant meets all of the criteria set forth in Section 41-5.

Sec. 41-4. Application and payment procedures.

A. Application form. Any person seeking to participate in the property tax assistance program shall submit an application to the Tax Collector on a form provided by the city. Applications shall be available at City Hall and the Website. The application must include the name of the applicant, the homestead address for which property tax assistance is requested and contact information. The application must include evidence of receipt of a property tax fairness credit and the amount of the credit.

B. Time for filing of application; annual requirement. An application for property tax assistance under this chapter must be filed by September 1 immediately following the federal tax year for which property tax assistance is sought. For the first year of this program, any application for the 2018 federal tax year must be filed not later than September 1, 2019. A new application must be filed for every year that the person seeks to participate in the program. If the Tax Collector determines that additional information is required to determine eligibility or otherwise process the application, no action shall be taken on the application until such information is provided by the applicant.

C. Determination of eligibility; timing of payment. The Tax Collector shall review each completed application and determine whether the applicant is eligible to participate in the program and has met the criteria set forth in Section 41-5. The Tax Collector shall notify each applicant about the determination of eligibility. The decision by the Tax Collector on eligibility and amount awarded shall be final. Payment shall be issued within 14 days after the date of the notification of eligibility.

D. Limitation on total property tax assistance. Property tax assistance under this chapter shall match the amount of the property tax fairness credit received by the applicant, up to a maximum amount of \$500.

Sec. 41-5. Criteria for participation and limitations on assistance.

A. Property tax fairness credit qualification. In order to receive property tax assistance under this chapter, an eligible applicant must have received a property tax fairness credit under the provisions of 36 M.R.S.A. § 5219-KK for the property tax year in which assistance is sought. Property taxes for the tax year for which assistance is sought must have been paid in full in order to participate in the program.

B. Limitation of one payment per homestead. Only one qualifying applicant shall be entitled to payment under this program each year for each homestead. The benefit is personal to the applicant and does not survive the applicant's death.

C. Effect of payment on property tax abatement. If a property owner seeks a property tax abatement for any year in which assistance has been granted under this chapter, the amount of the payment made under this chapter shall be deducted from any amount abated for the tax year in which a payment was made.