

**CITY OF LEWISTON
PLANNING BOARD MEETING**
Tuesday, January 31, 2012 – 5:30 P.M.
City Council Chambers – First Floor
Lewiston City Building
27 Pine Street, Lewiston

AGENDA

I. ROLL CALL

II. ADJUSTMENTS TO THE AGENDA

III. CORRESPONDENCE

IV. PUBLIC HEARINGS

None

V. OTHER BUSINESS:

Request for a recommendation on capital expenditures costing \$100,000.00 or more which are not included in the annual capital program for the purpose of undertaking Armory improvements to support the Senior Citizen Program.

VI. ADJOURNMENT



CITY OF LEWISTON

Department of Planning & Code Enforcement



TO: Planning Board
FROM: David Hediger, City Planner
DATE: January 27, 2012
RE: January 31, 2012 Planning Board Agenda Item V(a)

Request for a recommendation on capital expenditures costing \$100,000.00 or more which are not included in the annual capital program for the purpose of undertaking Armory improvements to support the Senior Citizen Program.

Pursuant to Article VII, Sections 4(f) of the Zoning and Land Use Code, the board shall review and make a recommendation to the city council with regard to all capital expenditures costing \$100,000.00 or more which are not included in the annual capital program.

The City Council recently approved the transfer of the Multi-Purpose Center to the School Department and the relocation of Senior Citizens Activities to the Armory. The relocation will require renovations to the armory and site improvements to provide additional parking. Said improvements are expected to cost \$400,000.00 which was not included in the annual LCIP. Reference should be made to Finance Director Heather Hunter's memorandum dated January 25, 2012 and City of Lewiston Maine City Council Resolve dated January 24, 2012.

ACTION NECESSARY:

Make a motion pursuant to Article VII, Sections 4(f) of the Zoning and Land Use Code to send a favorable recommendation to the City Council for a capital expenditure costing \$400,000.00 for the purpose of undertaking Armory improvements to support the Senior Citizen Program.



Finance Department

Heather Hunter
Director of Finance/Treasurer
hhunter@ci.lewiston.me.us



TO: Mayor Robert E. Macdonald
And Members of the City Council

FROM: Heather Hunter, Finance Director

SUBJECT: **Project Budget Transfer Request**

DATE: January 25, 2012

The City Council recently approved the transfer of the Multi-Purpose Center to the School Department and the relocation of Senior Citizens Activities to the Armory. With this authorization, approval was granted to undergo renovations to the Armory and surrounding area for additional parking. The current project authorization budget was established at \$400,000. It was requested that I evaluate possible funding options and make a recommendation.

I am recommending the following capital project budget transfer:

FROM:	708-7087311	Main Street Traffic Management	\$120,700.85
	709-7097502	LMRC Project Infrastructure	\$102,561.00
	709-7097308	Landfill Expansion	\$157,732.52
	709 Fund Balance	Accumulated Investment Earnings	<u>\$19,005.63</u>
		Transfer Total	\$400,000.00

Before I provide specific explanations for the reason each of the above projects was selected, I would first like to share some general arbitrage information with you. In most instances, the City has the benefit of issuing tax exempt bonds which save interest costs over the life of the bond. This benefit is not without strings attached. When the City sells tax exempt bonds in excess of \$10 million, we need to be mindful of those strings, which are regulated by the Internal Revenue Service (IRS). To avoid what is known as an arbitrage calculation, the City must meet 6-month spend down limits on projects and bond funds must be fully expended within two years (24 months) from the date of issuance. If we don't meet the spend down limits, we must go through a complex calculation (using a present value basis) that determines if we received "excess" interest on the proceeds within the initial 5 years and every five years thereafter until the funds are completely liquidated. Based upon the bond issuance date, if we haven't met the 24 month spend down target, we must perform the arbitrage calculation and rebate "excess" interest to the IRS.

I wish to limit the City's exposure to rebating (returning) money to the IRS by reprogramming the above unexpended funds and closing out these bond projects.

The logical question is why do we have these unspent funds? Taking the projects individually, the Main Street Traffic Management project was our local share of a MDOT project. Unfortunately, the project was delayed two years by the State. David Jones, our Public Works Director, has indicated the project is finally moving forward this spring; however, the money won't fully be spent until the fall. This spend down of funds is still too slow for arbitrage purposes, so I'm recommending the transfer. I recognize the need to fund our local share of this project will remain, and I suggest we evaluate whether other surplus project funds are available or that we re-bond the project in 2013 when it is schedule to be completed.

The LMRC Project Infrastructure and Landfill Expansion projects were completed below budget estimates. The prior Council had dedicated the surplus landfill funds to replace the scale at the Solid Waste Facility. This project was postponed as staff evaluates a more strategic plan for the entire facility. Once again, it is necessary to expend the funds without further delay.

The requested action is to approve the \$400,000 transfer from the Main Street Traffic Management Project at \$120,700.85; the LMRC Infrastructure Project at \$102,561; Landfill Expansion Project at \$157,732.52; and unexpended 2009 Investment Earnings of \$19,005.63.

I would be happy to address any questions or concerns you may have about this request.



**City of Lewiston Maine
City Council Order
January 31, 2012**

RESOLVE, Authorizing Transfer of \$400,000 from Various Capital Projects and Accounts for the Purpose of Undertaking Armory Improvements to Support the Senior Citizen Program.

WHEREAS, the City Council voted on January 24, 2012 to move Senior Citizens Activities to the Armory and allow the School Department to utilize the entire Multi-Purpose Center; and

WHEREAS, at that same meeting, the City Council approved an initial budget of \$400,000 to renovate the Armory and increase parking in the area to support the senior program; and

WHEREAS, at that same meeting, the Finance Director was charged with recommending appropriate financing for this project; and

WHEREAS, the City has an immediate need to spend outstanding bond proceeds derived from closed or delayed projects in order to avoid potential arbitrage rebates to the Internal Revenue Service;

NOW, THEREFORE, BE IT RESOLVED by the CITY COUNCIL of the CITY of LEWISTON,

That a budget transfer of \$400,000 from the 2008 Main Street Traffic Management Project at \$120,700.85, 2009 LMRC Project Infrastructure at \$102,561.00, 2009 Landfill Expansion at \$157,732.52, and 2009 Fund Balance Accumulated Investment Earnings of \$19,005.63 is hereby approved for the Armory renovation project.



**City of Lewiston Maine
City Council Resolve
January 24, 2012**



Order, Directing City Staff to Take the Necessary Steps to Transfer the Multi-Purpose Center to the School Department and Relocate the City Programs Currently Located There.

Whereas, due to an increasing school enrollment, the City's schools are rapidly running out of classroom space; and

Whereas, expanding Longley School into the Multi-Purpose Center will allow for the addition of four classrooms to be used for the pre-kindergarten program, freeing classroom space at other elementary schools; and

Whereas, at the request of the City Council, the School Department and City staff investigated a variety of alternative locations for school and City programs including reuse of the Pettingill School, leasing space, adding modular classrooms, purchasing the Knights of Columbus building, and undertaking renovations to the Armory; and

Whereas, after analysis of long-term capital and operating costs, staff recommended that the Multi-Purpose center be transferred to the School Department and that relocation of the senior citizen program to the Armory was the most cost effective and appropriate option; and

Whereas, given the immediate space needs of the School Department, the transfer of this space and relocation of City programs must be done expeditiously;

Now, Therefore, be it Ordered by the City Council of the City of Lewiston

That City staff is hereby authorized to take all necessary steps to transfer the multi-purpose center to the school department and relocate the City programs currently operated at that location. This shall include implementing plans to renovate a portion of the Armory to house programs for senior citizens, such renovations to include installation of an elevator and other Americans with Disability Act improvements to the facility, adding additional parking, and making such other interior improvements as are necessary to meet the needs of these programs.

Be it Further Ordered, that

The Finance Director shall take the necessary steps to prepare for financing these improvements through developing the necessary documents to allow for the City Council to consider authorizing and issuing general obligation bonds for this project in the approximate amount of \$400,000; and

Be it Further Ordered, that

The Director of Recreation shall work with the School Department to relocate a portion of the recreation programs currently operating at the MPC to other facilities including the Armory and other school gymnasiums; and

Be it Further Ordered, that

City staff shall initiate the process of designating Vale Street as one-way to allow for the installation of additional parking on that street adjacent to the Armory.