

LEWISTON CITY COUNCIL WORKSHOP AND SPECIAL MEETING AGENDA

Tuesday, May 8, 2012
City Council Chambers

6:00 p.m. Workshop

Pledge of Allegiance to the Flag.
Moment of Silence.

WORK SESSION

Discussion of the Proposed FY13 Lewiston Capital Improvement Program (LCIP) Bond Issue.

SPECIAL MEETING

1. Executive Session pursuant to MRSA Title 1, section 405(6) (c) to discuss an Economic Development issue of which the premature disclosure of the information would prejudice the competitive bargaining position of the City.
2. Adjourn.



City of Lewiston Executive Department

EDWARD A. BARRETT
City Administrator

PHIL NADEAU
Deputy City Administrator



May 3, 2012

To: Honorable Mayor and Members of the City Council
Fr: Edward A. Barrett
Su: Proposed FY13 Bond Issue

Next Tuesday's workshop will allow the Council to review potential bond projects, including projects outlined for FY13 in the Capital Improvement Plan. Attached, please find a spreadsheet that lists these projects and provides a recommendation for consideration.

FY13 LCIP municipal projects called for just over \$3 million in bonds. Of that amount, we are recommending \$1,881,400 be borrowed in the coming year. Over 50% of this amount will go to street reconstruction and the local share of state highway projects. Other projects include continuing acquisition and demolition of properties, primarily in the downtown (\$150,000), the local share of a large vehicle wash (\$180,000), funding for updating the City's comprehensive plan (\$150,000), police station sidewalk replacement (\$50,000), waterproofing at the Library (\$60,000), and updated aerial mapping (\$75,000). There are two projects which do not appear in the LCIP: \$200,000 for renovations to the Social Services office in City Hall and \$75,000 for Armory renovations related to installation of an elevator. We are still in the process of validating the costs associated with the Armory project and alternatives to reduce them and will hopefully be able to report on alternatives at Tuesday's meeting.

During the coming year, the City will make principal payments of \$6,172,940 as compared to the proposed new debt of \$1,881,400. This level of borrowing will support our efforts to manage the municipal side of the City's debt and will allow room for additional borrowing for projects related to the Riverfront Island Master Plan, including the possible demolition of Mill 5, should the Council wish to pursue them.

School projects include an addition to McMahon School (\$5,500,000) and locker replacement and hallway renovations at Montello School (\$125,000). As originally presented, the LCIP included \$160,000 in bonds for site work to add portable classrooms at Montello. This has been deferred. A second Montello project (\$160,000) called for replacing security cameras, lockers, and whiteboards. This was originally proposed to be funded from the school operating budget. The Department has requested that the

Council consider borrowing \$125,000 to allow for locker replacement and hallway improvements only. One other project included in the LCIP that is not recommended for funding -- site preparation for the installation of portable classrooms at Martel (\$50,000), is no longer necessary due to the transfer of the Multi-Purpose Center to the School Department.

The Middle School Project was included in the LCIP in two Phases. Phase I would include renovations to 50,000 square feet of the building at an original estimate of \$3.0 million. This has increased to \$3.5 million as preliminary project design moved forward. Phase II, which was included in FY14 proposed capital program, would renovate 40,000 square feet of the existing building and add 8 classrooms. The renovations were split into two phases to ensure that the renovation work to be completed would not be negatively impact or redone when the expansion was undertaken. The current estimate of the cost of Phase II is \$5.6 million. Taken together, the renovation and expansion plus bond issuance costs result in a \$9,165,000 project.

The City Charter requires that any single bond project that exceeds 15% of the prior year's tax levy must go to the voters for approval. That limit is currently \$6,982,095. Since the middle school project exceeds this amount, a referendum vote is required to approve issuing the bonds. Note, however, that if the Council and voters approve, bonds will likely be issued over a two to three year period depending on its cash flow needs.

Taken together, these General Fund projects total \$16,671,400. Under the City's ordinances, any bond authorization in excess of 80% of the average amount of principal retired over the last three years requires the affirmative vote of 5 members of the Council. That limit is approximately \$5.8 million.

Enterprise Funds

The proposed bond projects for our enterprise funds remain similar to those of recent years and address separation of combined sewers, water and sewer line rehabilitation or replacement, and water quality improvements. Of note, \$100,000 is recommended for a study of the Jepson Brook Channel to establish its carrying capacity and any improvements that might be required given the impact of various separation projects in this watershed. Unlike the municipal general fund, the bond issues for all three utilities will exceed the principal amount scheduled for payment in the coming year. This is a result of the costs associated with state and federal clean water mandates and the aging nature of our water and sewer systems.

Conclusion

City and school staff will be available on Tuesday to review these projects with you. Based on that discussion, we plan to include a bond order on the Council Agenda for the meeting of May 15, 2012. Should you have any questions or need further information, please feel free to contact me or the responsible department head.

PROPOSED FY13 BOND PROJECTS	LCIP Amount	Fund	Amount	Comment
City General Fund				
Property Acquisition/Demolition	150,000	yes	\$150,000	Potential interest in increasing
Comprehensive Plan	185,000	yes	150,000	
Large Vehicle Wash	62,500	yes	180,000	Includes Auburn's share; Grant Dependent
Library Waterproofing	60,000	yes	60,000	
Police Sidewalk Replacement	50,000	yes	50,000	
Social Services Renovations		yes	200,000	Not currently in LCIP
Armory -- Senior Project		yes	75,000	Possible Cost Increase
Replace Enterpirse Software System	505,000	no		Defer
Bus Replacement	80,000	no		Use Year End Balance to Reserve \$40,000
Equipment Replacement	924,000	no		Partially Funded in Operating Budget
GIS Aerial Update	75,000	yes	75,000	
MDOT Local Share -- Lisbon St	142,700	yes	142,700	
MDOT Local Share -- Russel St	71,000	yes	71,000	
MDOT Local Share -- Main Street	120,700	yes	120,700	
Street Reconstruction	607,000	yes	607,000	
Subtotal	3,032,900		\$1,881,400	FY13 Principal payment is \$6,172,940
School Projects				
McMahon Addition	5,500,000	yes	5,500,000	
Lewiston Middle School	8,000,000	yes	9,165,000	Increased Cost Estimate; Includes Full Project
Martel School Site Preparation	50,000	no		Replaced by MPC Transfer
Montello School Site Work	160,000	no		Defer
Montello School Improvements		yes	125,000	Locker and Whiteboard Replacement
Subtotal	13,710,000		14,790,000	
TOTAL GENERAL FUND			16,671,400	

Sewer Fund

Sanitary Sewer Main Rehab	325,000	yes	325,000	
Jepson Brook Separation	1,000,000	yes	1,000,000	
Interceptor Inspection and Rehab	200,000	yes	200,000	
Oak Street Separation	550,000	yes	550,000	
Subtotal	2,075,000		2,075,000	FY13 Principal Payment: \$752,430

Water Fund

Lake Auburn/Main Street Water Supply	530,000	yes	530,000	
Distribution Main Replace/Rehab	1,770,000	yes	1,770,000	
Subtotal	2,300,000		2,300,000	FY13 Principal Payment: \$1,432,327

Stormwater

Jepson Brook Separation	1,000,000	yes	1,000,000	
Hart Brook Water Quality	100,000	yes	100,000	
Oak Street Separation	550,000	yes	550,000	
Jepson Brook Channel Study	100,000	yes	100,000	
Subtotal	1,750,000		1,750,000	FY13 Principal Payment: \$415,229

TOTAL	22,867,900		22,796,400	
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LEWISTON CITY COUNCIL
MEETING OF MAY 8, 2012

AGENDA INFORMATION SHEET:

AGENDA ITEM NO. 1

SUBJECT:

Executive Session pursuant to MRSA Title 1, section 405 (6) (c) to discuss an Economic Development issue of which the premature disclosure of the information would prejudice the competitive bargaining position of the City.

INFORMATION:

The Maine State Statutes, Title 1, section 405, define the permissible grounds and subject matters of executive sessions for public meetings.

APPROVAL AND/OR COMMENTS OF CITY ADMINISTRATOR:

State statutes define the purposes for entering into an executive session.

ERIS/KMM

REQUESTED ACTION:

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To enter into an Executive Session pursuant to MRSA Title 1, section 405 (6) (c) to discuss an Economic Development issue of which the premature disclosure of the information would prejudice the competitive bargaining position of the City.