City of Biddeford

Finance Committee

October 18, 2016/5:00 PM/COUNCIL CHAMBERS

1. Call to order

2. Approval of the Minutes

3. Signing of the expenditure warrant

4. Discussion/Approval

4.1. Refinancing (J.Bennett;M.Wilson)

2016-Biddeford_Refinancing Schedule.doc

Savings from Refinancing.pdf

4.2. Unfunded Liabilities (J. Bennett; M. Wilson)

Unfunded Liabilities.xlsx

4.3. Bulldozer Approval

Quotes for a dozer 2016.docx

Council Order 2014 John-Deere Dozer_FY17.docx

4.4. Delinquent Property Tax Policy (J. Bennett)

Delinquent Property Tax Policy_Outline.docx

Policy Regarding Delinquent Property Taxes_VER-2.docx

4.5. Disposal of the four remaining vacant parcels – 2 Bradbury St., 34 St. Mary's St., 106 Hill St. and 32 Maple St. (J. Bennett)

Assessed Values of Vacant Parcels.xlsx

5. Other Business

6. Adjournment

Finance Committee Agenda Item Report

Agenda Item No. 2016-162
Submitted by: Jerry Gerlach
Submitting Department: Finance & Tax
Meeting Date: October 18, 2016

SUBJECT
Refinancing (J.Bennett;M.Wilson)

Recommendation:

ATTACHMENTS

- 2016-Biddeford_Refinancing Schedule.doc
- Savings from Refinancing.pdf

October 2016						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

November 2016						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

December 2016						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Chronology Relating to the Sale of
City of Bidderord, Maine
2016 General Obligation Bonds

	DATE	ACTION
❑	Oct 17	Notify Bond Counsel, Paying Agent, Rating Agencies, CUSIP and DTC.
❑	Oct 24	Draft of 2016 CAFR from City.
❑	Nov 1	First draft of POS distributed; First draft Closing Agenda distributed.
❑	Nov 8	Second draft of POS distributed; First draft BPA and Bond Opinion distributed.
❑	***Nov 10***	***Due diligence.***
❑	Nov 11	Veterans Day (State Holiday).
❑	Nov 14	Third draft of POS distributed; Second draft BPA distributed.
❑	Nov 14	POS sign-off conference call (3:00 pm).
❑	Nov 14	Final draft of POS; POS to printer.
❑	Nov 14	POS and info to Rating Agencies
❑	Nov 18	Receive CAFR form City.
❑	Nov 18	Electronic POS to rating agency and investors.
❑	Nov 24	Thanksgiving Day (National Holiday).
❑	Nov 25	Assignment of ratings.
❑	***Nov 28***	***Initial Pricing Call (4:00 pm).***
❑	***Nov 29***	***Pricing.***
❑	Nov 29	Verbal Award (12:30 PM-ish).
❑	Nov 29	Send to Verification Agent (1:30 PM-ish).
❑	Nov 29	Receive Verification Confirmation (4:00 PM-ish)
❑	Nov 30	Written Award & BPA (10:00 AM-ish).
❑	Nov 30	Apply/receive CUSIP(s). (10:15 AM-ish/11:30 AM-ish).
❑	Nov 30	Allocation to purchasers..
❑	Nov 30	Notify Bond Counsel, Paying Agent, CUSIP and DTC.
❑	Nov 30	Draft of IRS Form 8038-G.
❑	Dec 7-8	City executes Bonds and Closing Documents; deliver to Bond Counsel.
❑	Dec 12	FA receives and forwards Bonds and Opinion to Paying Agent.
❑	***Dec 15***	***DTC releases; Settlement w/purchaser; Bond Proceeds placed in Escrow.***
❑	Dec 15	Notify Paying Agent to notify 2010 & 2011 Bondholders.
❑	Dec 15	Submit Material Event Notice (Calls) to EMMA

Sewer, CSO and WWTF (2010 Bonds)

	Prior Sewer	(less Ref'd'd)	2016 Bonds	New Total	Savings
2016	1,262,023	0	0	0	0
2017	1,250,757	(146,559)	93,533	1,197,731	53,026
2018	1,225,521	(293,119)	280,600	1,213,002	12,519
2019	1,198,922	(293,119)	280,600	1,186,404	12,519
2020	1,170,962	(293,119)	280,600	1,158,443	12,519
2021	1,143,001	(1,048,119)	1,005,800	1,100,682	42,319
2022	1,110,090	(1,017,919)	971,300	1,063,471	46,619
2023	859,479	(987,719)	941,900	813,660	45,819
2024	836,118	(957,519)	912,500	791,099	45,019
2025	812,757	(927,319)	883,100	768,538	44,219
2026	789,396	(897,119)	853,700	745,977	43,419
2027	766,001	(866,919)	824,300	723,382	42,619
2028	742,537	(836,719)	794,900	700,718	41,819
2029	718,323	(805,575)	760,600	673,348	44,975
2030	342,272	(453,488)	408,000	296,785	45,488
2031	105,874	0		105,874	0
2032	89,412	0		89,412	0
2033	87,723	0		87,723	0
2034	16,677	0		16,677	0
2035	16,514	0		16,514	0
2036	16,352	0		16,352	0
6/30/2015	14,560,709	(9,824,328)	9,291,433	12,765,791	532,895

PV Savings 382,097

PV Savings 5.284887%

School (2011 Bonds)

	Prior School	(less Ref'd'd)	2016 Bonds	New Total	Savings
2016	4,098,192	0	0	0	0
2017	4,009,046	(425,600)	246,833	3,830,279	178,767
2018	3,918,282	(851,200)	774,975	3,842,057	76,225
2019	3,828,954	(851,200)	778,850	3,756,604	72,350
2020	3,726,127	(851,200)	777,650	3,652,577	73,550
2021	3,620,001	(851,200)	776,250	3,545,051	74,950
2022	3,517,391	(2,131,200)	2,058,450	3,444,641	72,750
2023	3,411,996	(2,080,000)	2,004,450	3,336,446	75,550
2024	3,305,418	(2,028,800)	1,955,350	3,231,968	73,450
2025	3,213,804	(1,977,600)	1,906,050	3,142,254	71,550
2026	2,011,513	(1,923,200)	1,846,750	1,935,063	76,450
2027	1,955,566	(1,868,800)	1,792,550	1,879,316	76,250
2028	1,899,525	(1,814,400)	1,738,350	1,823,475	76,050
2029	1,840,191	(1,756,800)	1,684,150	1,767,541	72,650
2030	1,780,763	(1,699,200)	1,625,050	1,706,613	74,150
2031	1,721,288	(1,641,600)	1,566,150	1,645,838	75,450
2032	1,661,813	(1,584,000)	1,509,225	1,587,038	74,775
2033	1,602,338	(1,526,400)	1,454,400	1,530,338	72,000
2034	1,465,600	(1,465,600)	1,390,175	1,390,175	75,425
2035	1,404,800	(1,404,800)	1,331,625	1,331,625	73,175
2036	1,344,000	(1,344,000)	1,268,750	1,268,750	75,250
6/30/2015	55,336,605	(30,076,800)	28,486,033	49,647,647	1,590,767

PV Savings 1,127,444

PV Savings 5.872106%

Consolidated

	Prior Total	(less Ref'd'd)	2016 Bonds	New Total	Savings
2016	5,360,215	0	0	0	0
2017	5,259,803	(572,159)	340,367	5,028,010	231,793
2018	5,143,803	(1,144,319)	1,055,575	5,055,059	88,744
2019	5,027,877	(1,144,319)	1,059,450	4,943,008	84,869
2020	4,897,089	(1,144,319)	1,058,250	4,811,020	86,069
2021	4,763,002	(1,899,319)	1,782,050	4,645,733	117,269
2022	4,627,481	(3,149,119)	3,029,750	4,508,112	119,369
2023	4,271,475	(3,067,719)	2,946,350	4,150,106	121,369
2024	4,141,536	(2,986,319)	2,867,850	4,023,067	118,469
2025	4,026,561	(2,904,919)	2,789,150	3,910,792	115,769
2026	2,800,909	(2,820,319)	2,700,450	2,681,040	119,869
2027	2,721,566	(2,735,719)	2,616,850	2,602,698	118,869
2028	2,642,062	(2,651,119)	2,533,250	2,524,193	117,869
2029	2,558,513	(2,562,375)	2,444,750	2,440,888	117,625
2030	2,123,035	(2,152,688)	2,033,050	2,003,397	119,638
2031	1,827,162	(1,641,600)	1,566,150	1,751,712	75,450
2032	1,751,224	(1,584,000)	1,509,225	1,676,449	74,775
2033	1,690,060	(1,526,400)	1,454,400	1,618,060	72,000
2034	1,482,277	(1,465,600)	1,390,175	1,406,852	75,425
2035	1,421,314	(1,404,800)	1,331,625	1,348,139	73,175
2036	1,360,352	(1,344,000)	1,268,750	1,285,102	75,250
6/30/2015	69,897,315	(39,901,128)	37,777,467	62,413,438	2,123,662

PV Savings 1,509,542

PV Savings 5.711471%

Sewer, CSO and WWTF (2016 Bonds)

	Ref'd'd Total	New Money	New Total
2016	0	0	0
2017	1,197,731	42,683	1,240,414
2018	1,213,002	300,425	1,513,427
2019	1,186,404	295,175	1,481,579
2020	1,158,443	289,925	1,448,368
2021	1,100,682	283,800	1,384,482
2022	1,063,471	276,800	1,340,271
2023	813,660	269,800	1,083,460
2024	791,099	262,800	1,053,899
2025	768,538	255,800	1,024,338
2026	745,977	248,800	994,777
2027	723,382	241,800	965,182
2028	700,718	234,800	935,518
2029	673,348	227,800	901,148
2030	296,785	215,900	512,685
2031	105,874	209,100	314,974
2032	89,412	203,150	292,562
2033	87,723	198,050	285,773
2034	16,677	192,950	209,627
2035	16,514	187,850	204,364
2036	16,352	182,750	199,102
2037		177,650	177,650
2038		172,550	172,550
	12,765,791	4,970,358	17,736,150

2016 Roads Bonds Affect

	Prior City Debt	New Roads	New Total
2016	858,867	0	858,867
2017	835,617	65,383	901,000
2018	812,256	196,150	1,008,406
2019	786,823	471,950	1,258,773
2020	659,964	463,550	1,123,514
2021	605,319	453,750	1,059,069
2022	590,019	442,550	1,032,569
2023	554,969	431,350	986,319
2024	543,219	415,250	958,469
2025	531,569	404,250	935,819
2026	519,919	393,250	913,169
2027	509,103	382,250	891,353
2028	295,213	371,250	666,463
2029	286,088	360,250	646,338
2030	283,299	349,250	632,549
2031	21,250	338,250	359,500
2032	20,750	328,625	349,375
2033	20,250	320,375	340,625
2034	0	312,125	312,125
2035	0	303,875	303,875
2036	0	295,625	295,625
2037		287,375	287,375
2038		279,125	279,125
	8,734,492	7,665,808	16,400,300

Prior to Refdd

Finance Committee Agenda Item Report

Agenda Item No. 2016-163
Submitted by: Jerry Gerlach
Submitting Department: Finance & Tax
Meeting Date: October 18, 2016

SUBJECT
Unfunded Liabilities (J. Bennett; M. Wilson)

Recommendation:

ATTACHMENTS

- Unfunded Liabilities.xlsx

Selected Unfunded Liabilities as of 6/30/2016

Vacation Accrual	Sick Accrual	Actuarial Accrued Liability - Other Postemployment Benefits	Total
606,569	1,703,946	6,829,834	9,140,349

10,054,660 <==Last year's liability.

Quotes for a dozer

We received quotes for a used dozer for the Public works Department. We are recommending the quote from Nortrax Equipment for a 2014 John-Deere 650K LGP with trade for the amount of $89,500.00. This Dozer was a rental and has been serviced by the dealer since day one and has 2 years of warranty left on the power train. This unit has 1550 hours on it and is the right size machine to take care of our snow dump and the work we need to do in the summer. This Dozer has a book value of $129,607.00 and is in the FY17 CIP budget 21204-60603 as a lease purchase.

Nortrax Equipment

2014 650k LGP	$96,500.00	(1500hrs)
Trade in	$7,000.00	
Total:	$89,500.00	

Milton Cat

2016 D5K LGP	$127,000.00	(550hrs)
Trade in	$8,000.00	
Total:	$119,000.00	
2014 D4K LGP	$107,000.00	(1300hrs.)
Trade in	$8,000.00	
Total	$99,000.00	

Beauregard Equipment

650L	$99,000.00	(50hrs)
Trade in	$4,600.00	
Total:	$94,400.00	

2016. **IN BOARD OF CITY COUNCIL...October 18, 2016**

BE IT ORDERED, that the City Manager be authorized to purchase one (1) 2014 John-Deere 650K LGP Dozer as per quote of October 7, 2016 (the "Equipment") from Nortrax Equipment (the "Vendor") and may pay the Vendor an amount not to exceed $96,500.00 (before trade-in valued at $7,000.00) for the Equipment as follows:

1. The City of Biddeford expects to incur debt to reimburse expenditures to pay the cost of the Equipment;

2. The City of Biddeford reasonably expects that the maximum principal amount of the debt, including for reimbursement purposes, is $96,500.00;

3. The City Manager, on behalf of the City of Biddeford, is authorized to enter into a lease purchase, loan or other financing agreement for the Equipment provided that (a) the principal amount of such agreement will not exceed $96,500.00, (b) the term of such agreement will not exceed one hundred and twenty (120) months and (c) any obligation of the City of Biddeford to make lease or loan payments pursuant to such agreement is subject to annual appropriation by the City Council of the City of Biddeford;

4. The City Manager is authorized to advance money from the General Fund of the City for payment of the costs of the Equipment; and

5. The City Manager, on behalf of the City of Biddeford, is authorized to negotiate, enter into, execute, deliver and cause to be performed, and to approve, any and all agreements, instruments, certificates and other documents, and to grant security interests in the Equipment, upon such terms, conditions, limitations and undertakings, which the City Manager determines are necessary and proper for the acquisition and financing of the Equipment, provided that any lease purchase, loan or other financing agreement will be countersigned by both the Mayor and the Treasurer of the City of Biddeford. Without limiting the foregoing, the City Manager, on behalf of the City of Biddeford, in connection with the acquisition of the Equipment, is authorized to sell, transfer, trade in or otherwise dispose of any equipment, which the City Manager determines is no longer useful to the City of Biddeford.

NOTE: The Finance Committee reviewed this item on October 18, 2016 and voted to recommend it to the City Council for approval. The lease-purchase of this item is included in the FY17 CIP budget for Public Works, with a down payment of $12,000.

Finance Committee Agenda Item Report

Agenda Item No. 2016-165
Submitted by: Jerry Gerlach
Submitting Department: Finance & Tax
Meeting Date: October 18, 2016

SUBJECT
Delinquent Property Tax Policy (J. Bennett)

Recommendation:

ATTACHMENTS
- Delinquent Property Tax Policy_Outline.docx
- Policy Regarding Delinquent Property Taxes_VER-2.docx

Delinquent Property Tax Policy

Outline

Policy Implications/Dates

Unpaid tax bill	➢	30-60 days – make contact
Attempt Voluntary Repayment Plan	➢	30-60 days of placement of lien
Tax acquired properties (matured tax liens)		
Commercial	➢	10 – 30 days for repayment
Fails to pay	➢	Commence sale process
Residential		
Enter into mandatory repayment plan	➢	Within 6 months of tax acquired
Fails to enter into agreement	➢	Commence sale process
Fails to follow agreement	➢	30 days to cure default
Fails to cure default	➢	Commence sale process

Six month review for compliance

One year review for compliance and to make sure terms still sufficient to resolve all outstanding amounts within 3 years.

State Law/Process

30-day Notice of lien	➢	9 to 12 months from commitment date (date Assessor commits taxes to Tax Collector, usually a few days after Council sets the budget)
Lien Maturity	➢	18 months from placement of lien
Notice of lien maturing	➢	30-45 days before lien maturity
To avoid losing property	➢	Before lien matures - requires payment of all taxes, costs & interest
Once Lien Matures	➢	Taxpayer loses property and City becomes owner

Delinquent Property Tax Policy

Section I – Purpose

The purpose of this policy is to establish clear and fair guidelines for the collection of delinquent property taxes that reflect State statutes.

Section II – Commercial (including Industrial) and multi-family real property

The Tax Collector shall notify commercial, industrial or multi-family taxpayers when their taxes are overdue and to try to make arrangements for payments of all past due taxes, interest and penalties.

If the taxpayer fails to pay all past due taxes, interest, penalties and costs, sale of the property shall be commenced by a sealed bid process within a reasonable period after automatic foreclosure. Such sale proceedings shall be initiated against all taxpayers with respect to commercial, industrial and multi-family real property who have more than one year of delinquent taxes due, or who have one year of delinquent taxes due which is more than one year in arrears. Any exceptions to the foregoing regarding any individual property shall require approval by vote of the City Council.

Section III – Single-family residential real property

The Tax Collector shall notify taxpayers when their taxes are overdue and try to make arrangements for payments of all past due taxes, interest and penalties.

The Treasurer is authorized to enter into a delinquent tax payment agreement with any taxpayer with delinquent property taxes with respect to the taxpayer's single-family residential property. A taxpayer who desires to enter into a delinquent tax payment agreement must do so within six months of the property becoming tax acquired. A delinquent tax payment agreement shall include:

- The name of the property owner;
- The parcel number of the delinquent tax account;
- The tax years covered under the agreement;
- The payment plan negotiated with the taxpayer;
- A statement clearly stating that the agreement will be voided if a payment is not received as scheduled unless prior agreement is received from the Tax Collector;
- A clear statement that if the agreement is voided the account will immediately become eligible for tax sale or within a reasonable time after automatic foreclosure if automatic foreclosure has not yet occurred; and

- A clear statement that if the agreement is voided the taxpayer forfeits his or her right to enter into a subsequent tax payment agreement.

The payments under any delinquent tax payment agreement shall be at a minimum sufficient to repay all past due taxes, interest, penalties and costs and to bring the taxpayer current with respect to the property within three years of entering into the delinquent tax payment agreement.

Annually, the Tax Collector shall review all delinquent tax payment agreements to make sure (1) taxpayers who have entered into such agreements are complying with those agreements and (2) the payment terms continue to be sufficient to resolve all outstanding amounts within three years from when the agreement was made.

If there already has been an automatic foreclosure of the single-family residential property, the delinquent tax payment agreement may provide for the conveyance of the property by quit claim deed to the taxpayer but only after all taxes, assessments, liens and other charges, including interest thereon, have been paid and the taxpayer otherwise has complied with all provisions of the agreement.

If for any reason the taxpayer with delinquent property taxes does not enter into a delinquent tax payment agreement or does not enter into such agreement within six months of the property becoming tax acquired, or fails to comply with a delinquent tax payment agreement, and the single-family residential property has become tax acquired, sale of the property shall be commenced by a sealed bid process. If an automatic foreclosure has not yet occurred, the sale shall be commenced within a reasonable period after automatic foreclosure. Any exceptions to the foregoing regarding any individual property shall require approval by vote of the City Council.

Finance Committee Agenda Item Report

Agenda Item No. 2016-164
Submitted by: Jerry Gerlach
Submitting Department: Finance & Tax
Meeting Date: October 18, 2016

SUBJECT
Disposal of the four remaining vacant parcels – 2 Bradbury St., 34 St. Mary's St., 106 Hill St. and 32 Maple St. (J. Bennett)

Recommendation:

ATTACHMENTS
- Assessed Values of Vacant Parcels.xlsx

Assessed Values of Remaining Vacant Parcels

	Assessed Value	Acres	Zoning
2 Bradbury St.	38,100	0.07	MSRD 2
34 St. Mary's St.	37,200	0.12	MSRD 2
106 Hill St.	76,000	0.18	MSRD 2
32 Maple St.	65,700	0.12	R2