

MARCH 26, 2018

For the Council's Consideration on April 3, 2018:

Shall the City Council:

(1) authorize the construction of the Sanford Seacoast Regional Airport Snow Removal Equipment Building that will include two large bays, a sand storage bay, furnished administrative and office space, a storage mezzanine, security perimeter fencing and a new vehicle access gate (the "Project");

(2) appropriate up to \$3,572,444 for the Project; and

(3) to fund the appropriation, do the following:

(a) accept and expend the following: Federal Aviation Administration contributions of up to \$850,000 and Maine Department of Transportation contributions of up to \$44,444,

(b) expend sale proceeds of a recent airport hangar in the amount of up to \$118,000;

(c) authorize the Treasurer and the Mayor to issue general obligation securities of the City of Sanford, including temporary notes in anticipation of the sale thereof, in an aggregate principal amount not to exceed \$2,560,000; and delegate to the Treasurer and the Mayor the discretion to fix the date(s), maturity(ies), interest rate(s), denomination(s), place(s) of payment, form and other details of said securities, including execution and delivery of said securities on behalf of the City of Sanford, and to provide for the sale thereof; and pursuant to Treasury Regulation 1.150-2, the Council declares its official intent to reimburse any expenditure made from the City's general funds prior to the issuance of general obligation securities with the proceeds of such general obligation securities; and

(4) authorize a referendum be sent to the voters pursuant to Section 705 of the City Charter, indicate on the ballot that the City Council recommends yes and hold a public hearing on April 24, 2018 regarding the same which referendum question shall read:

**REFERENDUM LANGUAGE:**

Shall the City authorize the Treasurer and the Mayor to issue general obligation securities of the City of Sanford, including temporary notes in anticipation of the sale thereof, in an aggregate principal amount **not to exceed \$2,560,000** for the purpose of funding a portion of the total cost of the Sanford Seacoast Regional Airport Snow Removal Equipment Building that will include two large bays, a sand storage bay, furnished administrative and office space, a storage mezzanine, security perimeter fencing and a new vehicle access gate (the total maximum cost of the project is \$3,572,444); and delegate to the Treasurer and the Mayor the discretion to fix the date(s), maturity(ies), interest rate(s), denomination(s), place(s) of payment, form and other details of said securities, including execution and delivery of said securities on behalf of the City of Sanford, and to provide for the sale thereof.

City Council Recommendation: YES

Budget Committee Recommendation: *[Must Be Obtained from Budget Committee]*

**CITY OF SANFORD FINANCIAL STATEMENT**

The issuance of bonds by the City of Sanford (the "City") is one of the ways in which the City borrows money for certain purposes. The following is a summary of the bonded indebtedness of the City as of this Referendum:

Bonds Now Outstanding and Unpaid	\$111,930,113
Interest to be Repaid on Outstanding Bonds	<u>\$ 37,000,309</u>
Total to be Repaid on Bonds Issued	\$148,930,422

Additional Bonds Authorized But Not Yet Issued	\$ 38,499,125*
Additional Bond (now proposed) to be Issued if Approved by Voters	\$ 2,560,000
Estimate of Potential New Interest	<u>\$ 404,345</u>
Total Additional Bonds to be Issued and Estimated Interest if Approved By Voters	\$ 41,463,470

Note: This total does not include \$4.6M in a Bond Anticipation Note as this has been issued and included in Bonds Now Outstanding and Unpaid.

When money is borrowed by issuing bonds, the City must repay not only the principal amount of the bonds but also any interest on the bonds. The amount of interest to be paid will vary depending upon the rate of interest and the years to maturity at the time of issue. The validity of the bonds and of the voters' ratification of the bonds may not be affected by any errors in the estimates made of the total debt service involved.

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Paula E. Simpson, Treasurer