INFORMATIONAL MEETING AGENDA

THURSDAY, MAY 24, 2018
CITY HALL (COUNCIL CHAMBERS)
6:30 P.M.

A. Items for discussion submitted by the City Council and/or the City Manager:

1. Public Offering of Bonds – City Manager
2. Kennebec Valley YMCA for a Public Service CDBG Application – City Manager
3. MDOT Project at the Intersection of Route 3 and Riverside Drive – City Manager
4. Mill Park Brick Building Concept – City Manager
5. ecomaine Recycling Penalty Fees – City Manager

B. Persons wishing to address the City Council who have submitted a formal request in accordance with Section 2-61 of the Code of Ordinances:

C. Open comment period for any persons wishing to address the City Council:
MEMO

To:       Bill Bridgeo, City Manager
From:     Keith P. Luke, Deputy Director of Development Services
CC:       Matt Nazar
Date:     5/18/2018
Re:       Kennebec Valley YMCA CDBG Application

Earlier this month Tom Warren, the Executive Director of the KVYMCA approached the city to inquire about applying for a Public Service Grant through the state’s Community Development Block Grant (CDBG) program. The CDBG process requires that municipalities serve as applicants, submitting applications that designate sub-recipients when allocations are made – we’ve done this in the recent past with a workforce training program for NAMI and an economic development grant for JS McCarthy, Inc.

Applying for a CDBG grant is a two-step process. Development Services staff worked with the YMCA to submit a required Letter of Intent to DECD the first week in May. The grant request is for a maximum, $50,000 award to cover scholarships for YMCA memberships and daycamp participation for qualified, low-income “New Mainers”.

Unlike other aspects of the CDBG program, this request requires no matching funds from the city. The city is responsible for the proper administration of the program and given some risk in that regard requires that non-profit sub-recipients sign a memorandum of understanding clearly defining the responsibilities and limitations on use of CDBG program funds.

Earlier this week the city received notification from DECD that our Letter of Intent has qualified to move forward in the application process. The final application requires authorization from city council. The application due date is June 22, 2018.

Tom Warren, Executive Director of the Kennebec Valley YMCA will be available at the informational meeting on Thursday, May 24th to discuss the application and how it will benefit the YMCA.
PROTOTYPE INFORMATION

Provide a concise description of the proposed project below. The scope of work should be very specific in identifying how the CDBG PSG money will be used and how the proposed activities will help to address the gap between training/skills and employment opportunities.

The purpose of the KV YMCA is to provide the community with an inspirational environment for the enrichment of all people through social, recreational, and learning activities. Caring, honesty, respect, and responsibility are the basis for all we do.

Our staff will actively engage in collaborative efforts with The Capital Area New Mainers Project (CANMP – pronounced “camp”) by providing families with membership and program financial scholarships. CANMP is a cross-cultural organization that welcomes immigrants and works to create a thriving, integrated, multicultural community in central Maine. Since its founding in January 2017, CANMP has developed a variety of programs that align with one or more of three primary objectives:

- **Cultivate personal relationships**: CANMP programs and events give immigrants and qualified low-income community members the opportunity to meet, share experiences, and build lasting relationships.

- **Meet immigrant needs and develop skills**: CANMP connects immigrants to helpful people and resources in the capital area to meet immediate and long-term needs, and it provides opportunities for them to become contributing members of our community.

- **Educate the broader community**: CANMP advocates for immigrant needs and educates the broader community about the challenges that immigrants face and the benefits they bring to our area.

The vast majority of the new arrivals are LMI-qualified and have many needs, including language, housing, transportation, and employment.

The goal of this project is to provide full YMCA program and membership access to LMI-qualified New Mainers supporting their needs and priorities.

Among the top priorities for newly arrived immigrant families are recreation programs and child care for their children. Many families are quite large, with between four and eight children and the parents lack the income and awareness to enroll their children in recreation or child care programs. For immigrants, recreation and child care programs provide much more than just fun for the kids. They are critical to full immersion and integration into the larger community, giving immigrant children opportunities to learn and apply English-language skills, make American friends, and share their culture while providing adults with the time to pursue stable employment. These programs help immigrant families overcome the isolation of language and cultural differences.

A $50,000 CDBG award will allow us to provide individual and family scholarships to low income immigrant families, as well as placements in summer camp, daycare, and similar programs. These programs are offered on a rolling calendar basis and our expectation is that this funding will be expended within 12-24 months.
Kennebec Valley YMCA

CDGB Block Grant Program Letter of Intent Supporting Document

**Direct Financial Scholarship Support Cost (2 years)**

- Family Memberships: 25 memberships x $780 = $19,500
- General Programs: 50 programs x $50 = $2,500
- Summer Day Camp Program: 48 camp sessions x $160 = $7,680
- Child Care Program: 4 children x $7,200 = $28,800

**TOTAL $58,480**

**Administrative and Facility Cost (2 years)**

- Direct Staff and Administrative support: $7,400
- Facility Overhead: $5,000
- Support Services/Supplies: $6,000

**TOTAL $18,400**

**TOTAL ESTIMATED PROJECT COST $76,880**
May 9, 2018

William Bridgeo
City of Augusta
16 Cony Street
Augusta, ME 04330

Dear Mr. Bridgeo:

The Office of Community Development (OCD) has reviewed the Letter-of-Intent to apply you submitted for the 2018 Community Development Block Grant (CDBG) Public Service program. Our review showed that the City of Augusta, on behalf of the Kennebec Valley YMCA, has met the requirements established by Title I of the Housing and Community Development Act of 1973, as amended and the State of Maine CDBG program.

Please remember that eligibility to submit a final application does not imply final project approval or funding. Further, no CDBG funds can be obligated or expended prior to the project receiving Environmental Clearance from the Office of Community Development.

The Public Service application is due at OCD by 4:00pm on Friday, June 22, 2018, and must meet all the requirements of the 2018 CDBG program. Failure to submit a complete application by this date will require the submission of a new Letter of Intent.

You may contact me at 624-9817 or deborah.johnson@maine.gov with any further questions regarding the 2018 CDBG application process.

Sincerely,

Deborah Johnson, Director
Office of Community Development
MEMORANDUM

TO: Mayor and City Councilors, City of Augusta, Maine

FROM: Bonnie L. Martinolich, Bond Counsel

SUBJECT: Certain Federal Securities Law Requirements Applicable to Publicly Offered Bonds

DATE: May 10, 2018


This memorandum provides information about two federal securities law requirements related to the public offering of the City of Augusta, Maine (the “City”) 2018 bonds: 1) disclosure obligations applicable to sale of the 2018 bonds and 2) the obligation to make annual filings (“continuing disclosure”) regarding the City’s finances and operations until the 2018 bonds are paid off.

A. BOND ISSUE DISCLOSURE

The United States Securities and Exchange Commission (“SEC”) has set forth its view of the federal securities law responsibilities of members of a governmental authority (including the City Council members) who have authorized bond issue disclosure documents (i.e., the Preliminary Official Statement and the subsequent final Official Statement (collectively, the “OS”), a draft of which is being provided to you prior to your May 24, 2018 meeting) in an SEC report concerning Orange County, California (the “Orange County Report”). The Orange County Report emphasizes the responsibilities of the Trustees under the federal securities laws and the critical role that the Trustees play with respect to the information in the OS. In particular, the Orange County Report states that:

“A public official who approves the issuance of securities and related disclosure documents may not authorize disclosure that the public official knows to be materially false or misleading; nor may the public official authorize disclosure while recklessly disregarding facts that indicate that there is a risk that the disclosure may be misleading. When, for example, a public official has knowledge of facts bringing into question the issuer’s ability to repay the securities, it is reckless for that official to approve disclosure to investors without taking steps appropriate under the circumstances to prevent the dissemination of materially false or misleading information regarding those facts. In this matter, such steps could have included becoming familiar with the disclosure documents and questioning the issuer’s officials, employees or other agents about the disclosure of those facts.” (emphasis added)

In addition, the Orange County Report states that:

“Despite their knowledge of the County’s increasing use of interest income from the County [investment] Pools to balance the discretionary budget, the Supervisors approved the Official
B. CONTINUING DISCLOSURE

SEC rule 15c2-12 provides that an underwriter shall not purchase or sell the City 2018 bonds unless the underwriter has determined that the City has undertaken in a written agreement to provide certain annual financial information regarding the City, including annual audited financial statements, and notice if any one of the fourteen events listed in rule 15c2-12 occurs. The events include payment delinquencies, adverse tax events relating to the tax-exempt status of the 2018 bonds and any change of any rating of the 2018 bonds. The City’s continuing disclosure obligations are further described in the POS under the heading “Continuing Disclosure.” Included with this memorandum is a copy of the Continuing Disclosure Certificate delivered by the City in connection with the City’s 2017 bonds. A substantially similar Certificate will be included as Appendix C to the POS and delivered by the City at time of the closing of the 2018 bonds.

C. COMMENTS TO THE PRELIMINARY OFFICIAL STATEMENT

The POS is substantially complete, but will undergo additional minor edits prior to being finalized and circulated to the City’s rating agency and to potential investors.

We welcome the Mayor’s and each Councilor’s questions, comments, and concerns related to the POS. If any arise after the meeting on May 24, 2018, we respectfully ask that such items be communicated to the following person by Wednesday, May 30, 2018, so that we may address them prior to finalizing the POS.

Raphael E. St. Pierre  ralph.stpierre@augustamaine.gov  207-626-2300
Assistant City Manager

The OS will be substantially similar to the POS, but will be issued after the bond sale and will include information about the final terms of sale, including interest rates.

As they become available, the final POS and the final OS will be provided electronically to each City Council member.

Please let us know if there is any question, or if you would like additional information, regarding the subject of this memorandum. Thank you.
CITY OF AUGUSTA, MAINE
CONTINUING DISCLOSURE CERTIFICATE

In connection with the issuance by the City of Augusta, Maine (the "Issuer") of its $7,210,000 2017 General Obligation Bonds (the "Bonds") and with reference to the continuing disclosure requirements of Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended, and officially interpreted from time to time (the "Rule"), the Issuer hereby covenants that it will take the actions described in sections 1, 2 and 3 herein for the benefit of the beneficial owners of the Bonds, subject to the conditions and limitations specified herein. The Issuer reserves the right to incorporate by reference in any future disclosure provided hereunder its Official Statement dated April 27, 2017 relating to the Bonds (the "Official Statement") which is expected to be submitted, at the time of delivery of the Bonds, to the Municipal Securities Rulemaking Board established under the Securities and Exchange Act of 1934, as amended, or any successor thereto ("MSRB").

1. The Issuer will provide to the MSRB: (a) not later than 270 days after the end of each fiscal year, commencing with the fiscal year ending June 30, 2017, financial information and operating data relating to the Issuer for the preceding fiscal year of the type presented in the Official Statement regarding (i) revenues and expenditures of the Issuer relating to its operating budget, (ii) capital expenditures, (iii) fund balances, (iv) property tax or rate information, (v) outstanding indebtedness and overlapping debt of the Issuer, (vi) pension and other post-employment benefit obligations of the Issuer, and (vii) such other financial information and operating data as may be required to comply with the Rule; and (b) promptly upon their public release, the audited financial statements of the Issuer, prepared in accordance with generally accepted accounting principles.

The Issuer reserves the right to modify from time to time the specific types of information provided under clause (a) above or the format of the presentation of such information to reflect changed circumstances, provided that any such modification will be done in a manner consistent with the Rule.

2. The Issuer will provide to the MSRB in a timely manner not in excess of nine (9) business days after the occurrence of an event listed in this section 2 notice of the occurrence of any of the following events with respect to the Bonds:

a. Principal and interest payment delinquencies;
b. Non-payment related defaults, if material;
c. Unscheduled draws on debt service reserves reflecting financial difficulties;
d. Unscheduled draws on credit enhancements reflecting financial difficulties;
e. Substitution of credit or liquidity providers, or their failure to perform;
f. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
g. Modifications to rights of holders of the Bonds, if material;
h. Bond calls, if material, and tender offers;
i. Defeasances;

j. Release, substitution, or sale of property securing repayment of the Bonds, if material;

k. Rating changes;

l. Bankruptcy, insolvency, receivership or similar event of the Issuer;

m. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

n. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Issuer from time to time may choose to provide notice of the occurrence of other events, in addition to those listed above, if, in the judgment of the Issuer, such other event is material with respect to the Bonds, but the Issuer does not undertake or commit to provide any such notice of the occurrence of any material event except those listed above.

3. The Issuer will provide, in a timely manner, to the MSRB notice of a failure to satisfy the requirements of section 1 herein.

4. The intent of the Issuer's undertaking in this Continuing Disclosure Certificate is to provide on a continuing basis the information described in the Rule. The provisions of the Continuing Disclosure Certificate may be amended by the Issuer without the consent of, or notice to, any beneficial owners of the Bonds, (a) to comply with or conform to the provisions of the Rule or any amendments thereto or authoritative interpretations thereof by the Securities and Exchange Commission (the "SEC") or its staff (whether required or optional), (b) to add a dissemination agent for the information required to be provided by such undertakings and to make any necessary or desirable provisions with respect thereto, (c) to add to the covenants of the Issuer for the benefit of the beneficial owners of the Bonds, (d) to modify the contents, presentation and format of the financial information from time to time as a result of a change in circumstances that arises from a change in legal requirements, or (e) to otherwise modify the undertakings in a manner consistent with the requirements of the Rule concerning continuing disclosure; provided, however, that in the case of any amendment pursuant to clause (d) or (e), (i) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the offering of the Bonds, after taking into account any amendments or authoritative interpretations of the Rule, as well as any change in circumstances, and (ii) the amendment does not materially impair the interests of the beneficial owners of the Bonds, as determined either by a party unaffiliated with the Issuer (such as bond counsel to the Issuer), or by the vote or consent of beneficial owners of a majority in outstanding principal amount of the Bonds.

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1 This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.
affected thereby at or prior to the time of such amendment. Furthermore, to the extent that the Rule, as in effect from time to time, no longer requires the issuers of municipal securities to provide all or any portion of the information the Issuer has agreed to provide pursuant to this Continuing Disclosure Certificate, the obligation of the Issuer to provide such information also shall cease immediately.

5. The purpose of this Continuing Disclosure Certificate is to assist an underwriter of the Bonds in complying with the requirements of the Rule and, except for creating the right on the part of the beneficial owners of the Bonds, from time to time, to specifically enforce the Issuer's obligations hereunder, this Continuing Disclosure Certificate does not create new contractual or other rights for any beneficial owner of the Bonds, any municipal securities broker or dealer, any potential purchaser of the Bonds, the SEC or any other person. The sole remedy in the event of any actual or alleged failure by the Issuer to comply with any provision herein shall be an action for the specific performance of the Issuer's obligations hereunder and not for money damages in any amount. Any failure by the Issuer to comply with any provision of this undertaking shall not constitute an event of default with respect to the Bonds.

6. Unless otherwise required by law, all notices, documents and information provided to the MSRB shall be provided in electronic format, with identifying information, as prescribed by the MSRB, to: http://emma.msrb.org/submission.

7. In the past five (5) years, the Issuer has never failed to comply in any material respect with any previous undertakings in regard to continuing or material events disclosure, except to the extent described in the Official Statement.

8. The Issuer's Assistant City Manager for Finance and Administration, or such official's designee, shall be the contact person on behalf of the Issuer from whom the foregoing information, data and notices may be obtained. The name, address and telephone number of the initial contact person is: Raphael St. Pierre, Assistant City Manager for Finance and Administration, City of Augusta, 16 Cony Street, Augusta, ME 04330; Telephone: (207) 626-2300.

9. This Disclosure Certificate shall be governed by and construed in accordance with the laws of the State of Maine and applicable law of the United States of America.

IN TESTIMONY WHEREOF, this Certificate has been signed as of May 11, 2017.

CITY OF AUGUSTA, MAINE

By: Raphael St. Pierre
Assistant City Manager for Finance and Administration