

South Portland City Council
Position Paper of the City Manager

Subject:

ORDER #117-13/14 – Amending RESOLVE #3-13/14 regarding school bonds to be issued. Passage requires majority vote.

Position:

The City Council approved Resolve #3-13/14 on February 19, 2014 relating to the issuance of \$9,000,000 of bonds and the required disclosures under Section 612 of the City Charter. Bond Council has requested that the Council add a paragraph to the Section 612 resolve that the City wishes to designate the bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Internal Revenue Code. This designation was undetermined at the time of the initial passage and will provide the City with a larger potential list of bidders for the sale of the bonds.

The City Council placed before the voters in November of 2010 a \$41,500,000 bond referendum to finance additions to and renovations of the South Portland High School which was approved by the voters. The Section 612 resolve gives approval to formally issue the bonds. This was the third 612 resolve for the High School project, with the City previously issuing bonds for \$30,000,000 in May 2012 and again under the State of Maine’s School Revolving Renovation Fund for \$465,115 issued in December of 2013. You will note that the amount to be currently financed is \$9,000,000 which is anticipated to provide financing for the final phase of the project. The resolve also provides notice of official intent and relevant disclosure on the financing. The City’s Finance Director, Greg L’Heureux will be available to answer any questions on the resolve.

Requested Action:

Council passage of ORDER #117-13/14.


City Manager



CITY OF SOUTH PORTLAND

GERARD A. JALBERT
Mayor

JAMES H. GAILEY
City Manager

SUSAN M. MOONEY
City Clerk

SALLY J. DAGGETT
Jensen Baird Gardner & Henry

IN CITY COUNCIL

ORDER #117-13/14

District One
MICHAEL R. POCK

District Two
PATRICIA A. SMITH

District Three
MELISSA E. LINSOTT

District Four
LINDA C. COHEN

District Five
GERARD A. JALBERT

At Large
MAXINE R. BEECHER

At Large
THOMAS E. BLAKE

WHEREAS, the City Council on February 19, 2014 enacted Resolve #3-13/14 pursuant to Section 612 of the City Charter, setting forth the details of \$9,000,000 of school bonds to be issued by the City; and

WHEREAS, the City Council wishes to designate the bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Internal Revenue Code;

NOW, THEREFORE, it is hereby ordered that Resolve #3-13/14 is hereby amended by adding the following paragraph at the end thereof:

“(22) That such bonds are hereby designated “qualified tax-exempt bonds” for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.”

Fiscal Note: Less than \$1,000

Dated: March 17, 2014