

EDWARD J. SUSLOVIC (MAYOR)
KEVIN J. DONOGHUE (1)
DAVID A. MARSHALL (2)
DANIEL S. SKOLNIK (3)
CHERYL A. LEEMAN (4)

CITY OF PORTLAND
IN THE CITY COUNCIL

Order 179-07/08
3/17/08

JAMES I. COHEN (5)
JOHN M. ANTON (A/L)
JILL C. DUSON (A/L)
NICHOLAS M. MAVODONES (A/L)

**ORDER CALLING JUNE 10, 2008 SPECIAL MUNICIPAL ELECTION
AND PLACING OCEAN AVENUE ELEMENTARY SCHOOL BOND
REFERENDUM QUESTION ON THE BALLOT**

ORDERED, that a special Municipal election be held on June 10, 2008; and

BE IT FURTHER ORDERED, that the June 10, 2008, special Municipal election ballot include a referendum question with respect to the Ocean Avenue elementary school project substantially in the form attached hereto as Exhibit A, regarding approval of the project with project costs not to exceed \$20,164,591 and authorization of general obligation bonds in an amount not to exceed \$19,690,417.

EXHIBIT A

Question ___: Shall the Order entitled "ORDER AUTHORIZING THE DESIGN, CONSTRUCTION AND EQUIPPING OF OCEAN AVENUE ELEMENTARY SCHOOL WITH TOTAL PROJECT COSTS NOT TO EXCEED \$20,164,591 AND AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS IN AN AMOUNT NOT TO EXCEED \$19,690,417 THEREFOR", with provisions for early redemption as set forth in said Order be Approved?

- (a) Project Location. The new elementary school and related improvements will be located at and near 150 Ocean Avenue, Portland, Maine.
- (b) State/Local and Non-State-Funded (Local Only) Portion of the New Elementary School. The project budget for the new elementary school and related improvement includes \$19,630,417 of state/local costs and \$60,000 of non-state-funded (local only) costs.
- (c) Responsibility for Bond Payments. The City is responsible for the local share of the annual principal and interest payments for the new elementary school and related improvements included in the total cost of education appropriated pursuant to 20-A M.R.S.A. §15690(1), if any, and for the annual principal and interest payments for the non-state-funded (local only) portion of this school construction project.
- (d) Use of PUC and High Performance School Grants. The City anticipates that the Department of Education will approve PUC and Maine High Performance Schools grants of up to \$474,174 to pay for a portion of the costs of the new elementary school and related improvements.
- (e) Additional Operating Costs. The estimated amount of the additional operating costs of the new elementary school and related improvements following completion of construction is \$40,000 for the first year and \$40,000 for the second year.

TREASURER'S STATEMENT PURSUANT TO 30-A M.R.S. § 5772(2-A)

1. The total amount of the City's general obligation bonds outstanding and unpaid as of June 10, 2008 is \$235,993,211.70.
2. The total amount of the City's general obligation bonds authorized and unissued as of June 10, 2008 is \$64,413,330.00.
3. The total amount of the City's general obligation bonds (the "Bonds") contemplated to be issued if the Order is approved and enacted by the voters is an amount not to exceed \$19,690,417.
4. The interest rate on the Bonds is estimated to be 5.50%. The actual interest rate will be determined at the time the Bonds are sold. Assuming the issuance of the full \$19,690,417 of the Bonds to be authorized, level principal payments over a twenty (20) year term and an average interest rate of 5.50%, the total estimated cost of interest payable on bonded indebtedness for the project is estimated to be \$11,371,216, which would result in a total cost of principal and interest to be paid at maturity of \$31,061,632.82.

The foregoing represents an estimate of costs associated with the Bonds and the actual costs may differ due to changes in term and maturities of the bonds and market conditions. Under Maine

law, the validity of the Bonds and the voters' ratification of the Bonds will not be affected by any errors in the foregoing estimates. The ratification of the voters is nevertheless conclusive and the validity of the Bonds is not affected by reason of any variance of actual costs or total debt service from the estimates provided hereinabove.

CITY OF PORTLAND

By: _____

Duane G. Kline, Director of Finance