



Presque Isle City Council Meeting

Monday, May 6, 2013

6:00 PM

Presque Isle Council Chambers

Present: Chairperson Emily Smith, Vice-Chairperson Randy Smith, Councilors Micah Desmond, Richard Engels, Peter Hallowell and Bruce Sargent

City Manager James A Bennett and Beverly A Labbe were also present.

Chairperson Emily Smith called the meeting to order at 6:00 PM and led those present in the Pledge of Allegiance.

Recognition

13-86 **Government Finance Officers Association *Certificate of Excellence in Financial Reporting***

City Manager Bennett stated the City has received the Certificate of Excellence in Financial Reporting for the thirteenth year in a row and gave special recognition to Priscilla Webb, Director of Finance.

Public Hearings

13-87 **Approve a Special Permit for Music, Dancing and Entertainment for Bou's Brew Pub, with a location of 431 Main Street (Single Hearing)**

The public hearing portion of the meeting was opened at 6:01 PM. Hearing no comments from the public, the public hearing was closed at 6:01 PM.

BE IT RESOLVED by Councilor Hallowell, seconded by Councilor Sargent to approve a Special Permit for Music, Dancing and Entertainment for Bou's Brew Pub, with a location of 431 Main Street. **Vote 6 - 0.**

13-88 **Approve a Malt, Spirituous and Vinous Liquor License for Bou's Brew Pub, with a location of 431 Main Street (Single Hearing)**

The public hearing portion of the meeting was opened at 6:02 PM. Hearing no comments from the public, the public hearing was closed at 6:02 PM.

BE IT RESOLVED by Councilor Engels, seconded by Councilor Sargent to approve a Malt, Spirituous and Vinous Liquor License for Bou's Brew Pub, with a location of 431 Main Street. **Vote 6 - 0.**

13-89 Approve a Special Permit for Music, Dancing and Entertainment for Hayward-Frazier VFW Post #2599, with a location of 6 State Road (Single Hearing)

The public hearing portion of the meeting was opened at 6:02 PM. Hearing no comments from the public, the public hearing was closed at 6:02 PM.

BE IT RESOLVED by Councilor Engels, seconded by Councilor Randy Smith to approve a Special Permit for Music, Dancing and Entertainment for Hayward-Frazier VFW Post #2599, with a location of 6 State Road. **Vote 6 - 0.**

13-90 Amend Chapter 38B Life Safety Code (First Hearing)

The public hearing portion of the meeting was opened at 6:03 PM. Hearing no comments from the public, the public hearing was closed at 6:03 PM.

The second public hearing is scheduled for June 3, 2013.

13-91 Amend Chapter 16 - Land Use and Development Code to allow expansion of the boundary of the Downtown Retail Business Zone to four lots: 23, 29 and 39 Second Street and 221 State Street (First Hearing)

The public hearing portion of the meeting was opened at 6:04 PM. Hearing no comments from the public, the public hearing was closed at 6:04 PM.

The second public hearing is scheduled for June 3, 2013.

Citizen Comments

Donald Gardner, a former Councilor and former member of the Zoning Board of Appeals, addressed the Council. Gardner feels the Councilors have strayed from their purpose, which in his opinion, is to represent the citizens of Presque Isle. Gardner asked the Councilors when was the last time they talked to a resident and asked how they felt about issues. Residents of Presque Isle are not happy with Pay As You Throw (PAYT) and the City is losing money with the program. Washburn, Perham and Wade have pulled out of PAYT because it was too expensive. Gardner also stated residents want the outdoor pool kept open. It has been around for 80 years, and he feels the tradition should continue.

Jacqueline Goodine stated residents want the opportunity to vote on Pay As You Throw like they did on the Community Center.

Frank Bemis addressed the Council in support of Pay As You Throw (PAYT). Bemis stated the program has allowed residents to pay for only what they dispose of, and non-profits are now paying for their disposal costs. Bemis stated PAYT has increased recycling, which saves space in the landfill.

Consent Agenda

- 13-92 Approve City Council minutes for the regular meeting held on April 1, 2013
- 13-93 Approve 2013 Warrants #12 - #15, totaling \$1,197,488.50
- 13-94 Approve Warrant and Notice of Election for M.S.A.D. #1, June 11, 2013
- 13-95 Request to schedule two public hearings on June 3, 2013 and July 1, 2013 to amend Chapter 40 - Conduct in Public Parks, Recreation Areas and Facilities
- 13-96 Accept resignation of Karl Dampf from the Planning Board
- 13-97 Pole Permit for Chapman Street
- 13-98 Chapman Fire Contract

Councilor Desmond stepped out of the meeting.

BE IT RESOLVED BY Councilor Engels, seconded by Councilor Randy Smith to approve Consent Agenda Items #92 - #98 as presented. **Vote 5 - 0.**

Old Business

12-291 Nude Entertainment License for Presque Isle Inn & Convention Center

Councilor Desmond came back to the meeting.

Councilor Engels expressed his opposition to this license because he feels this application does not meet the criteria of Chapter 52 - Commercial Displays of Nudity. Specifically, the license would cover the entire premises, and it allows individuals under the age of 18 on the premises while the event is being held. Engels stated he is not opposed to this type of entertainment, but feels this is not the appropriate place.

City Manager Bennett was under the impression that when the Council recently approved amendments to Chapter 52, those concerns had been addressed. The Ordinance was amended to allow licensing of only portions of the premises and it would not allow anyone under the age of 18 in that licensed area 2 - 3 hours before the event took place.

BE IT RESOLVED by Councilor Sargent, seconded by Councilor Randy Smith to approve the Nude Entertainment License for Presque Isle Inn & Convention Center. **Vote 3 - 3, with Councilors Desmond, Engels and Hollowell opposed.**

The application is denied.

13-75 Pawnbroker’s License for Gregg Jaime d/b/a Star City Trading

City Manager Bennett stated Chapter 23 – Pawnbroker’s Ordinance, states “the pawnbroker applicant must be of good moral character.” Police Chief Irwin has conducted a background check on Gregg Jaime and has found several convictions including a felony involving stolen property. For that reason, the Chief is requesting the license be denied.

BE IT RESOLVED by Councilor Randy Smith, seconded by Councilor Engels to deny the Pawnbroker’s License for Gregg Jaime d/b/a Star City Trading.

Vote 6 - 0.

New Business

13-99 Presentation by Efficiency Maine, Lighting Upgrade

Dick Fortier of Efficiency Maine gave a brief summary of his findings and explained that this is a pilot program that replaces old lighting with more energy efficient lighting. The State has been funding this program through a benefit charge which is included in our electric rates and by carbon taxes. The program utilizes local electricians and the cost includes disposal of old bulbs and fixtures.

Fortier has completed an analysis of City Hall, the Rec & Parks Building along with the Riverside building.

Below is a summary of savings and cost:

	Annual Savings	Project Cost	Efficiency Maine Contribution	Net Cost	Payback
City Hall	\$ 3,019.00	\$ 11,040.44	\$ 6,859.50	\$ 4,180.94	17 Months
Rec & Parks	\$ 671.00	\$ 2,997.16	\$ 1,525.50	\$ 1,471.66	26 Months
Riverside	\$ 315.00	\$ 1,969.44	\$ 717.00	\$ 1,252.44	48 Months

City Manager Bennett stated if the Council wants to proceed, this item can be brought back in June.

13-100 Presentation by Runyon Kersteen Ouellette

Hank Farrah, of Runyon Kersteen Ouellette (RKO), gave a brief presentation and reviewed the Comprehensive Annual Financial Report. Farrah stated the City has received a clean report and thanked Priscilla Webb and Sharon DeMerchant for having all of the necessary materials ready so they can complete their work in a timely manner.

City Manager Bennett stated RKO has submitted a letter to the City with two items that need to be addressed. At next month’s meeting the Council will have the City’s response to that letter.

13-101 Presentation by Downtown Revitalization Committee regarding support of design plan for Farmer's Market and Banner Policy

City Manager Bennett presented a draft Banner Policy, and if the Council has no concerns with the draft, the policy will be presented for final approval at the June meeting. There are no funds needed to implement the policy and it will be under the supervision the Downtown Revitalization Committee. This policy will be reviewed and voted on by the Downtown Committee on Wednesday.

City Manager Bennett also presented a draft design for a Farmer's Market which will be located by the District Court on Riverside Drive. When the final design is finished, it would come back for Council approval. Bennett is hopeful that the City can secure grant funds so the Farmer's Market could be constructed next year.

There was some discussion as to whether the market should be located downtown on the corners of Main/Academy and State Streets. Bennett stated getting permission from the federal and state governments to close Route 1 on a regular basis would be unlikely.

Patricia Rathbun, a member of the Downtown Revitalization Committee, spoke in support of the market and informed the Council of the hopes of setting up a canopy for the Farmer's Market in that area before the permanent structure is constructed next summer.

13-102 Discussion of discontinuing winter maintenance on certain roads

City Manager Bennett stated this agenda item is for discussion purposes only. With budget constraints, staff is always looking at ways to reduce costs. The City currently plows the Campbell Road with no residences, and portions of road on the Ashby Road between the Johnson and Ginn Roads that only have two houses on it. This area also has some of the worst drifting within the City limits. Notices were mailed to the residents and if the City chooses to discontinue service, then a formal public hearing would need to be held well in advance of the winter season.

There were some questions about whether the Ashby Road could be closed because it is a right-of-way for Maine Public and Fair Point. Dana Fowler, Director of Public Services, said he did not know and would look into it.

City Manager Bennett stated the City could take a look at what the savings would be versus spending the time and money to keep this problematic section of road clear.

Pam Martin, who resides on the Johnson Road and teaches in Fort Fairfield, addressed her concerns if the City should decide to discontinue winter maintenance. Martin stated she uses this road 180 days a year and if it is closed, she is worried about the conditions of the Johnson Road, which she will be forced to use. Martin recognized how difficult it is to keep the road open and thanked the Public Works Department for doing such a great job. Martin noted the increase in traffic on that road since Critter Hill, a dog grooming business, has located there.

Edith Grenier who resides on the Johnson Road also works in Fort Fairfield and has for the last 25-30 years. Grenier asked the City to keep the road open.

City Manager Bennett stated there three options available at this point: (1) return next month with more information, (2) begin the formal process of discontinuing winter maintenance, or (3) do nothing.

It was the consensus of the Councilors to see how much money the City would save before making any decisions.

13-103 Formal resolve for Missile Defense Base

BE IT RESOLVED by Councilor Engels, seconded by Councilor Randy Smith

Whereas, there are those that believe it is in the national security interest to install additional ballistic missile interceptor sites, and;

Whereas, Northern Maine is the closest to the threats from the east coast, and;

Whereas, Central Aroostook County has a long history of supporting military operations, and;

Whereas, Central Aroostook County has available locations of former military operations, and;

Whereas, the Presque Isle City Council, supports the placement of ballistic missile interceptor sites as a part of a strategic national defense policy.

Now therefore, let it be known by all that the Presque Isle City Council supports the placement of a ballistic missile interceptor site in Central Aroostook County, and

Further, it hereby directs the Presque Isle staff to do all within its power to make their support known, and

Finally, it directs that staff make all appropriate parties aware of this support.

Vote 6 - 0.

13-104 2013 Work Plan

City Manager Bennett distributed a draft 2013 work plan, which still has 4 or 5 items with no strategy or date assigned to them, and asked them to take the plan under advisement. This work plan covers the next 12-15 months.

13-105 Authorize refinancing of Solid Waste loan

City Manager Bennett stated the City can refinance through Maine Bond Bank which would reduce the duration of the loan from 30 to 20 years, and save approximately \$5,000,000.

BE IT RESOLVED by Councilor Hallowell, seconded by Councilor Randy Smith that under and pursuant to the provisions of Title 30-A, Sections 5721-5729 and 5772 of the Maine Revised Statutes, as amended, and the Charter of the City of Presque Isle, Maine, the refunding, on a current basis, of the outstanding principal amount of the 2011 General Obligation Bonds of the City issued to permanently fund the Solid Waste Landfill Expansion (the "2011 Bonds") is hereby approved,

BE IT FURTHER ORDERED, that a sum not to exceed \$6,220,975 is hereby appropriated to provide for the refunding for the 2011 Bonds; and

BE IT FURTHER ORDERED, that to fund said appropriation, the Treasurer and the Chairman of the City Council are hereby authorized to issue, at one time or from time to time, general obligation refunding bonds of the City of Presque Isle, Maine, including temporary notes in anticipation of the sale thereof, in an aggregate principal amount not to exceed \$6,220,975 and the discretion to fix the date(s), maturity(ies), denomination(s), interest rate(s), place(s) of payment, call(s) for redemption, form(s), and other details of said securities, including execution and delivery of said securities against payment thereof, and to provide for the sale thereof, is hereby delegated to the Treasurer and the Chairman of the City Council

Vote 6 - 0.

13-106 Reallocate reserve funds for the Recreation & Parks Department

Chris Beaulieu, Director of Rec & Parks, asked the Council to authorize reallocation of reserve funds to repair the one-ton truck. The truck is twelve years old and there is only \$10,000 in the reserve account to go towards the purchase of a replacement. Beaulieu hopes to get another five years from the refurbishment which would allow time to build the reserve account. The truck has 40,000 miles on it, but the body of the truck is really bad.

City Manager Bennett stated there is a possibility of purchasing a newer truck with 60,000-70,000 miles, but you don't know what you are getting. This decision can wait until 2014, which would allow time for the City to look at other strategies.

13-107 Reallocate reserve funds for The Forum

Chris Beaulieu, Director of Rec & Parks, addressed the Council with the need to repair the expansion joint on the arena floor at The Forum. Beaulieu stated the floor was done approximately 12 years ago, but the rubber compound that was used has failed causing the floor to “fall” 2-3 inches in some places.

BE IT RESOLVED by Councilor Randy Smith, seconded by Councilor Engels to approve the reallocation of reserve funds totaling \$8,500 from the sale of the tractor for the floor repair at The Forum as presented. **Vote 6 - 0.**

13-111 Update from Fundraising Committee

Steve Richard, Kevin Sipe, Scott Norton and Mike Chasse, all members of the Fundraising Committee, gave an update on the fundraising efforts for the Community Center. Richard stated the fundraising committee has grown since its inception, and a “PR” committee will be established shortly. The fundraising committee has met with Gary Freidmann, the consultant, a couple of times already.

There is a kick-off event scheduled for August 1st and the committee would like to involve the community. Richard reminded the Council that they authorized funds for the consultant, but there are no resources available for things such as mailers, brochures or the kick-off event.

City Manager Bennett reminded the Council that the City had gone out to bid for a consultant, and the bids received were too high. Freidmann was contacted to see if they would reduce their bid for Phase I of the project, and they agreed. The City then authorized \$25,000.

Sipe, who was also on the Library Board, stated the committee is being cautious because when the Library project was completed it was discovered that design mistakes were made (i.e. color schemes, lighting and windows) because they were in a hurry. The Committee does not want to make those same mistakes; and want to ensure all aspects of the building have been looked at. Sipe also mentioned the building is designed so that it can be expanded upon.

There was some discussion about incorporating an indoor. City Manager Bennett stated that if the Council wanted to include an indoor pool, the cost is estimated at \$3,000,000 to \$3,500,000.

13-108 Authorize Community Center project funding to come from anticipated future bond proceeds

City Manager Bennett stated the Community Center project could be the recipient of bond funds in the near future. For the project to be considered, it needs to be “shovel” ready, which means completed bid specifications. Mark Carter, of North Peak Architecture, needs time to prepare these documents and to bid the project out. Because the bond money would not be available until later this year, Bennett asked the Council to consider authorizing funds from the Undesignated General Fund in the amount not to exceed \$398,000, and when the bond funds are received, they would be used to “repay” the Undesignated General Fund.

Several Councilors were unsettled with authorizing \$398,000 hoping to receive a bond. State revenue sharing is down, and the school budget along with the county tax has increased. To authorize such a large expense at this time was troubling to some.

Bennett suggested holding off on this item and the next agenda item for a few months. In a few months, the City should have a better handle on how the State plans to deal with revenue sharing, and the school budget referendum vote will have taken place.

13-109 Authorize Community Center bid documents

BE IT RESOLVED by Councilor Engels, seconded by Councilor Randy Smith to table authorizing community center project funding and to table authorizing community center bid documents. **Vote 6 - 0.**

13-110 Report of Student Living Program

City Manager Bennett stated this program would not be ready to implement this year and suggested holding off on discussing this issue for now.

13-111 Recommendation from Presque Isle Development Fund for The Crow’s Nest Restaurant & Event Center, LLC

City Manager Bennett stated The Crow’s Nest Restaurant & Event Center, LLC has a loan through the Presque Isle Development Fund in the amount of \$195,000. Bennett stated at the last development fund meeting the vote was unanimous to authorize the restructuring of the loan to (1) amortize the loan for a five year repayment, with the first payment due June 1, 2014, and then quarterly payments due thereafter; (2) a balloon payment would be due on June 1, 2016; and (3) all the other terms of the loan would remain the same.

Some Councilors felt the City would be losing too much by allowing first payment in June 1, 2014, and the value of the securities is unknown.

BE IT RESOLVED by Councilor Sargent, seconded by Councilor Randy Smith to accept the recommendation of the Presque Isle Development Fund Trustees to restructure the current loan to the Crow's Nest consistent with the memorandum from James Bennett dated April 18, 2013 and to authorize the City Manager to implement those loan recommendations, as stated therein, as soon as possible.

Vote 3-1-2, with Councilor Engels abstaining, and Councilors Desmond and Hallowell opposed.

The motion fails.

BE IT RESOLVED by Councilor Hallowell, seconded by Councilor Desmond to move the first principal and interest payment to January 1, 2014 and all the other terms to remain as stated in the original motion.

Vote 5-1-0, with Councilor Engels abstaining.

13-112 Discuss Tax Reform Program

City Manager Bennett distributed to the Councilors the tax reform program as currently drafted, as well as a worksheet that details what the impact of the reform would mean to Presque Isle.

As drafted, the reform program would increase the Homestead Exemption to \$50,000 or 50% of the individual's tax bill, whichever is less. The net impact to Presque Isle would be an increase of \$732,227 or \$2.87 on the mill rate.

The proposed Tax Reform Program "replaces the current state-municipal revenue sharing formula by providing for the transfer of 1.5% of sales and income tax revenue to be distributed only to higher mill rate municipalities, using the new so-called "Revenue Sharing II" formula" instead of what State law demands. Presque Isle should be receiving 5% in revenue sharing based on the current formula the State has been using. The impact would be a decrease in revenue sharing of \$603,102, which would increase the mill rate by \$1.18. If the State stayed with their recent practice of 3.5% in revenue sharing, Presque Isle would lose \$109,790, which is an increase of \$0.22 to the mill rate.

The proposed reform is also looking at replacing the Circuit breaker program with a \$1,000 maximum credit.

Also, as part of the reform package, is an amendment to the property tax exemption for some private non-profit institutions and organizations. The State would exempt the first \$250,000 in taxable value and then start taxing 25% on the just value over \$250,000. This would increase Presque Isle's net taxable value by \$793,872, which would result in a decrease of \$1.56 on the mill rate.

The state is looking to return the telecommunications tax back to the communities which would increase Presque Isle's tax value by \$6,000,000. In turn, that would increase tax revenue by \$141,000 translating into a decrease of \$0.28 on the mill rate.

In summary the impact to a home valued at \$100,000, would see a decrease of \$929.00 in their taxes, and a business valued at \$100,000 would see an increase of \$125.00.

Bennett stated MMA has a Special Task Force that will address the Policy Committee on Wednesday @ 1:00 PM, and a public hearing will be held on Friday. Bennett suggested holding a workshop on May 13th or the 20th to discuss the possible ramifications to the City budget. It was the consensus of the Councilors to hold a workshop on May 13, 2013 @ 4:00 PM.

Manager's Report

The City was informally notified by the State that Presque Isle has received the Business Friendly Certification.

Announcements

Chairperson Emily Smith read several announcements.

Executive Session

13-113 To discuss Labor Negotiations pursuant to M.R.S.A. Section 405 (6)(D)

Due to the late hour, City Manager Bennett recommended postponing this item until next Monday's meeting.

Adjournment

BE IT RESOLVED by Councilor Engels, seconded by Councilor Sargent to adjourn the meeting at 9:21 PM. **Vote 6 - 0.**

Attested by: _____
Beverly A Labbe, City Clerk