



Presque Isle City Council Meeting

Monday, July 1, 2013

5:00 PM

Presque Isle Council Chambers

Present: Chairperson Emily Smith (arrived at 5:37 PM), Vice-Chairperson Randy Smith, Councilors Richard Engels, Craig Green, Peter Hallowell and Bruce Sargent

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

Vice-Chairperson Randy Smith called the meeting to order at 5:03 PM and led those present in the Pledge of Allegiance.

Workshop @ 5:00 PM

2013 Budget Amendments and Setting Mil Rate

City Manager Bennett started by recapping what was discussed during the June 24, 2013 workshop. M.S.A.D. #1 school budget was passed, which included an increase of approximately \$825,000, county taxes have increased, and property tax valuation has decreased. At the workshop last week, a proposal was brought to close the \$458,000 shortfall in the 2013 budget. If all the recommendations presented during the June 24, 2013 workshop are implemented, the result would be an increase in the mill rate of 1.20.

At the workshop last week, there were several cuts that were suggested. From the operational budget, approximately \$143,000 was recommended; some through increases to revenues and some through decreases in expenditures. The recommendation also included approximately \$50,000 in reductions to employee benefits, revenue from an asset sale (which will take place in August @ The Forum) of \$25,000, a \$25,000 reduction in capital improvements, and taking \$90,184 from surplus. Bennett stated if the asset sale brings more revenue than anticipated, anything over \$25,000 will be used to offset the amount that would be taken from surplus. The first thing that needs to be decided is, how much does the Council want to reduce employee benefits, and how much do you want to raise taxes.

Councilor Hallowell asked about reallocating money from the Emergency Reserve as an alternative to taking funds from the Undesignated Fund. Bennett stated the results are the same, but removal of funds from the Emergency Reserve requires a full vote of the Council, where the Undesignated Fund only needs a majority vote.

Bennett noted removing \$90,000 from Undesignated Fund violates the City's current policy which requires 12% of the budget be kept in that fund.

Councilor Green inquired about purchasing a used fire truck instead of a new one. Green would rather find funds from someplace else instead of taking benefits away from employees.

Information regarding a used fire truck has been included in the Councilor's packets. \$228,205 has been designated in that reserve account for the purchase of a fire truck. A new truck costs approximately \$550,000. Bennett stated the current vehicle will not pass inspection next year, so the choices are: (1) to proceed with the purchase of a new one, (2) have two different trucks: design a custom pumper truck and purchase a used rescue truck, or (3) continue to pursue a used combination pumper with rescue truck. Bennett stated the problem with trying to find a used truck from Department of Defense is that the Forestry Department gets first choice. In addition to the City not having first preference, there are certain criteria used to establish a point system (i.e. size of community) that determines which municipality gets to pick next. It is Bennett's recommendation not to purchase a used truck.

Chief Darrell White stated he received a visit from a forest ranger today and he stated the forestry department typically is looking for land fire equipment, not structure fire equipment, so structure fire trucks would probably not be available anyway.

Councilors decided whether or not to purchase a new or used fire truck does not impact the 2013 budget, so no decision was made at this time. Councilor Hallowell cautioned the Councilors about deferring investments/problems for a later time. Hallowell inquired about borrowing more money for a truck instead allocating money in the 2013 budget. Bennett stated it is possible, but the practice has been to borrow the least amount of money. Hallowell asked about removing a total of \$75,000 from capital instead of just \$25,000.

Chief White stated the next big purchase is in three years, which is replacement of the 1983 tanker. White stated the tanker is a more basic truck, therefore it will not cost as much as this one. Maine Military Authority has looked at the 1983 tanker. About 10 years ago \$10,000 was spent to replace the engine, and three years ago they lost the tank, and had to have it repaired. White stated they are "babying" this truck to make it last as long as possible.

Bennett asked the Council if they were willing to raise taxes, and if they are, by how much. If Councilors make the choice not to impact employee benefits, then \$50,000 will have to be found someplace else.

Councilor Engels feels employees should share some of the burden and is in favor of increasing taxes.

Councilor Green feels the 1% deferment is only for six months, and believes a furlough day or vacation day is agreeable. Green commented that on a median home valued at \$80,000, the tax increase is \$17.28 to cover the City's portion, and an additional increase of \$58.00 is a direct result of the school and county budgets increasing.

Councilor Hallowell would like to accept the list of operational cuts received by Pat Webb totaling approximately \$120,000 and he would like to decrease capital improvements and reserve accounts each by \$75,000, for a total reduction of \$150,000. Hallowell stated the mill rate would be 24.4 mills, which essentially accounts for the school increase. Most homeowners have money being placed in escrow to pay their taxes, and Hallowell feels asking homeowners to come up with an additional \$150.00 at short notice would be very difficult.

City Manager Bennett noted property tax valuation has decreased by \$2,400,000. In response to Councilor Hallowell's recommendation, only \$125,000 needs to be eliminated, not \$150,000. Bennett also commented that in 90 days, Councilors will begin discussions on the 2014 budget. At that time, the City will have a reduction in revenue sharing of \$225,000 plus the second half of the school increase, which is \$400,000.

Bennett feels taking money from capital and reserves to balance the 2013 budget is a one-time fix and will only present a greater challenge in 2014. If the school budget does not increase next year, the school increase raises the mill rate by 86 cents. The City will also see a decrease of \$225,000 in revenue sharing in 2014. If the City continues to take additional money from surplus, the account will eventually be depleted. In 2014, there will be a \$500,000 to \$600,000 shortfall, and to cover that shortfall, the City may be looking at services and/or employees.

Councilor Randy Smith stated he is in favor of the proposal and that the tax increase amounts to 25 cents on the tax rate and believes this is the best solution to the dilemma. Smith believes that to do nothing would be worse for the City. The proposal as presented increases the mill rate for the City's portion of the budget by 0.3 instead of 0.9.

Councilor Emily Smith expressed her disappointment in the suggestions that were presented and feels more cuts should have been proposed. Bennett stated that at the workshop held on June 24th, those Councilors present were not in favor of impacting employee benefits, nor in favor of laying employees off. Taking that discussion into consideration, no other employee cuts were recommended. In 2014, the Council will have to decide what direction the City wants to go; they will have to reduce services or increase taxes.

City Manager Bennett reminded the Council that before cuts to employee benefits can occur, they will have to be agreed upon by the union. The amounts shown for the savings is as of July 1, 2013, if the unions do not agree, the savings will be less. If the unions do not agree, the Council will have to decide where to go from there.

Public Hearings @ 6:00 PM

13-151 Amend Chapter 40 - Conduct in Public Parks, Recreation Areas and Facilities (Second Hearing)

The public hearing portion of the meeting was opened at 6:08 PM. Hearing no comments from the public, the public hearing was closed at 6:08 PM.

BE IT RESOLVED by Councilor Randy Smith, seconded by Councilor Sargent to approve the amendments to Chapter 40 - Conduct in Public Parks, Recreation Areas and Facilities as presented. **Vote 6-0.**

13-152 Approve a Special Amusement Permit for Music, Dancing and Entertainment for KBS Enterprises, Inc d/b/a Presque Isle Inn & Convention Center, 116 Main Street (Single Hearing)

The public hearing portion of the meeting was opened at 6:09 PM. Hearing no comments from the public, the public hearing was closed at 6:09 PM.

BE IT RESOLVED by Councilor Sargent, seconded by Councilor Green to approve the Special Amusement Permit for Music, Dancing and Entertainment for KBS Enterprises, Inc d/b/a Presque Isle Inn & Convention Center, with a location of 116 Main Street. **Vote 6-0.**

13-153 Approve Malt and Vinous Liquor License for Carol Ayoob d/b/a The Whole Potato Café & Commons, LLC, 428 Main Street, Presque Isle (Single Hearing)

The public hearing portion of the meeting was opened at 6:10 PM. Hearing no comments from the public, the public hearing was closed at 6:10 PM.

BE IT RESOLVED by Councilor Green, seconded by Councilor Sargent to approve the Malt and Vinous Liquor License for Carol Ayoob d/b/a The Whole Potato Café & Commons, LLC with a location of 428 Main Street, Presque Isle. **Vote 6-0.**

Citizen Comments

There were no citizen comments.

Consent Agenda

- 13-154 Approve City Council minutes for June 3, 2013
- 13-155 Approve 2013 Warrants #20 - #23, totaling \$1,194,749.84
- 13-156 Approve M.S.A.D. #1 Budget Validation Referendum Return of Votes Cast
- 13-157 Approve Response to 2012 Audit Management Letter from Runyon Kersteen Ouellette
- 13-158 Approve Drug Forfeiture funds
- 13-159 Approve closing Main Street for the Chamber of Commerce Balloon Fest
- 13-160 Approve closing of Riverside Drive for the Elks July 4th Car Show
- 13-161 Approve refinance of Solid Waste Landfill loan

BE IT RESOLVED by Councilor Engels, seconded by Councilor Randy Smith to approve Consent Agenda Items 154 - 161 as presented. Vote 6-0.

Old Business

- 13-108 **TABLED ITEM: Authorize Community Center project funding to come from anticipated future bond proceeds**

City Manager Bennett asked that this item and the next be removed without prejudice, stating that decisions regarding a pool still need to be made. Bennett stated he has spoken with the co-chairs of the fundraising committee and everybody is in agreement with waiting until a final design can be developed. Staff will try and have information on the pool by August. If a pool is to be included, additional funds will be needed.

Councilor Green addressed the public and wanted to assure them that the Council wants to proceed with a new community center.

BE IT RESOLVED by Councilor Engels seconded by Councilor Sargent to remove Agenda Item 108 and 109 without prejudice. Vote 6-0.

- 13-109 **TABLED ITEM: Authorize Community Center bid documents**

New Business

- 13-162 **Used Fire Truck**

City Manager Bennett stated this item was discussed at length at the workshop held earlier. Since this agenda item does not impact the 2013 budget, staff will continue to pursue a used truck and once the bids have come back, those will be brought back to the Council as well. Chief Darrell White stated if the Councilors wanted to look at what is available on the website, he can provide that information.

13-163 Adjustment of 2013 Budget

City Manager Bennett recommended moving as one motion the recommendations presented in the package. If the Council wants to make amendments, Bennett recommended they do so after the motion has been made.

BE IT RESOLVED by Councilor Engels, seconded by Councilor Randy Smith to adjust the 2013 budget as presented, which includes a \$125,000 increase in taxes.

An amendment to the motion was made by Councilor Hallowell to take an additional \$75,000 out of capital and \$75,000 out of the Undesignated Fund to bring the mill rate down to 24.4. There was no second.

Vote 5-1, with Councilor Hallowell opposed.

13-164 Presentation of Tax Commitment and set 2013 Mil Rate

BE IT RESOLVED by Councilor Engels, seconded by Councilor Green that the City Council authorize the Tax Collector to collect payments of year 2014 taxes in advance. **Vote 6-0.**

BE IT RESOLVED by Councilor Green, seconded by Councilor Randy Smith that the Tax Commitment Date for 2013 is July 1, 2013. **Vote 6-0.**

BE IT RESOLVED by councilor Randy Smith, seconded by Councilor Sargent that the 2013 taxes are due and payable on July 25, 2013. **Vote 6-0.**

BE IT RESOLVED by Councilor Sargent, seconded by Councilor Green that interest to be paid by the City of Presque Isle shall be at the rate of 3.00 percent per annum on reimbursements due to overpayment (abatement) of taxes. **Vote 6-0.**

BE IT RESOLVED by Councilor Hallowell, seconded by Councilor Sargent that interest on unpaid taxes shall be at the rate of 7.00 percent per annum. Interest on unpaid taxes will begin to accrue on October 16, 2013. **Vote 6-0.**

BE IT RESOLVED by Councilor Randy Smith, seconded by Councilor Green that abatements shall be appropriated from the 2013 overlay. **Vote 6-0.**

BE IT RESOLVED by Councilor Engels, seconded by Councilor Sargent that the mill rate for 2013 to be assessed against all taxable real and personal property shall be 24.7 mills with \$90,184 to be taken from the City's unassigned fund balance. **Vote 6-0.**

BE IT RESOLVED by Councilor Engels, seconded by Councilor Randy Smith, notwithstanding current policy to reduce the City's Unreserved, Undesignated General Fund Balance account to below 12%. **Vote 6-0.**

13-165 Streamlining Permitting Process

Kenneth Arndt, Director of Planning & Development, presented the Council with ideas to help streamline the permitting process for developers. Arndt stated that one of the recommended changes would require an amendment to the City Charter. Currently, if a zone change is needed to allow for development, the Planning Board must hold a public hearing, and the City Charter requires two more public hearings at the City Council level. Arndt is recommending the Charter be revised to have only one public hearing at the City Council level. Arndt stated that when the Planning Board holds their hearing, notices are sent to all those affected before the public hearing takes place, so in Arndt's opinion, there is ample notice given to the community.

Presently, when a developer presents a plan, a separate meeting is held with department heads who then review the plan. If any changes are required, Arndt must call the developer and request those changes be made.

The second recommended change is to schedule a half-hour appointment with the developer *and* department heads during the preliminary stages so potential problems can be handled immediately instead of waiting for the final plan to be presented. Additionally, a contact person would be assigned to the project, so the developer deals directly with one person instead of multiple people.

City Manager Bennett stated if the Council wanted to proceed with amending the City Charter, there are formal proceedings that must happen to get the question placed on the ballot. It was the consensus of the Council to proceed with changing the City Charter in regards to public hearings.

13-166 Inclusion of pool in the new Community Center

Councilor Green shared that Chris Beaulieu, Mike Chasse and he went to Moncton, NB to observe how they provide summer activities for children. Moncton serves 80,000 people with different splash places built around the community. The splash places are unmanned and the water is managed, so if there are no people, it does not get used. Green also asked if there was any possibility of partnering with other entities, such as UMPI.

City Manager Bennett stated there are a few options. One is to close the outdoor pool, construct a new one at the new community center along with a splash center and open the indoor pool in the summer months to the public. The cost of this option is approximately \$3,000,000. The second option is to have an outdoor pool with a splash center, with no indoor pool at a cost of \$1,000,000. Bennett noted that the indoor pool still needs repairs. Lastly, the City could build an outdoor pool with a splash center and obtain a contractual agreement with UMPI for an indoor pool, and then close the City's indoor pool.

Councilor Sargent wondered if you compared the cost of fixing the indoor pool along with the operational expenses, if it would be cheaper in the long run to build a new pool versus fixing what we currently have.

Councilor Engels feels that spending \$1,000,000 to fix the outdoor pool for seven weeks does not sound practical and liked option three.

In Councilor Green's opinion, it makes sense to partner with entities who currently offer the same services, and it would be a good way to save money in the 2014 budget. Before any time is spent running numbers, Green would like to know if the City can get any agreements.

Bennett stated that Chris Beaulieu and he attended a meeting with MSAD #1, UMPI and NMCC trying to pursue all avenues. The problem is that recreational time is needed at the same time. For example, during soccer season, UMPI and the school need their soccer fields at the same time would. UMPI does have an indoor pool, but it is not a competitive sized pool, so swim meets cannot be held there. The school would have to hold their swim meets away from home instead.

The Councilors decided to workshop this item on July 16, 2013 @ 5:00 PM.

13-167 Accept grant for bike path

Martin Puckett, Deputy City Manager, addressed the Council regarding a grant for the bike/pedestrian path. Puckett stated about a year ago, the City applied for a grant that connects Northern Maine Community College, the Industrial Park, Micmac Housing, the Middle School and the Homeless Shelter to the downtown. The total project is estimated at \$162,000, with an 80% (State)/20% (City) match. The City's portion of that amount is \$32,400. Puckett stated a few years ago, the City placed funds in an account dedicated for matching grants, so there are funds available. Puckett stated that he has met with NMCC and the Micmacs and they are very supportive of the project.

BE IT RESOLVED by Councilor Hallowell, seconded by Councilor Sargent to accept the grant when State funding is available and to allocate the 20% local match from the matching grant account. **Vote 6-0.**

Councilor Emily Smith left the meeting.

13-168 Appoint member to Presque Isle Housing Authority's Board of Commissioners

BE IT RESOLVED by Councilor Green, seconded by Councilor Sargent to appoint Erin Casey to the Presque Isle Housing Authority Board of Commissioners to fill the unexpired term of Marion Michaud, term to expire October 1, 2013. **Vote 5-0.**

13-169 Changing City Website Vendor

Sonja Plummer-Morgan, Librarian, addressed the Council regarding changing vendor for the City's website. A Communications Committee was formed a few months ago to help assess how to better communicate with employees and with residents. One of the things that quickly rose to the surface was the need for a new website. The website the City is currently using is twelve years old and outdated. There are two options available. One option is to update the current template. Even though this may be the cheapest option, there would be a significant increase in staff time that would be needed to accomplish this. The second option would be to have a new website developed by TimeSquare Media, which is a local company. The information currently housed in our website can be incorporated into the new website design. There would be no fee to create the website, but once the website became "active", there would be a fee of \$200/month. Plummer-Morgan stated the website does receive about 10,000 "hits" per month, and what the public sees should be nice.

Councilor Emily Smith came back to the meeting.

BE IT RESOLVED by Councilor Green, seconded by Councilor Randy Smith to authorize Option #2 - New website developed by TimeSquare Media. **Vote 6-0.**

13-170 Cable TV Franchise Agreement

City Manager Bennett stated he is trying to find any way possible to mitigate shortfalls in the 2014 budget. The City's franchise agreement with Time Warner has expired. Currently, the City receives 3% from the franchise, but the law allows up to 5%. Increasing to 5% would give the City \$30,000 to \$40,000 in revenues for 2014. To obtain an agreement would take a little time, so Bennett asked if the Council would be interested in pursuing this.

Several Councilors were not in favor because they considered this another tax on residents who just received a mill rate increase.

Bennett also stated Time Warner just informed the City that starting in mid July, the public access channel will no longer be broadcasting on analog, it will be digital only. Bennett stated when he has discussions with Time Warner regarding the franchise; he would ask about the possibility of streaming Council meetings and about upgrading the broadcasting equipment. Bennett will also check with Polaris to see if they are interested.

13-171 Other Services

City Manager Bennett stated that when the Council authorized the Fire Department to start servicing our own fire extinguishers, the Council at that time did not want to encroach on private businesses. In light of the need for additional revenues, Bennett asked if the Council would be willing to reconsider their position. For example, the school receives their funding from the City and if we can provide that service for less, than the City and the school would save money.

Councilors were not comfortable competing with local businesses, but if the private sector was General Electric, then they were in favor. The Council asked the City Manager to come back with how much revenue could be generated.

Manager's Report

There was no Manager's Report.

Announcements

Councilor Emily Smith read several announcements.

Adjournment

BE IT RESOLVED by Councilor Hallowell, seconded by Councilor Randy Smith to adjourn the meeting at 7:42 PM. **Vote 6-0.**

Attested by: _____
Beverly A. Labbe, City Clerk