

City of Sanford



**From the Desk of
Steven R. Buck
City Manager**



Memorandum

To: City Council
Subject: Manager's Report for November 15th, 2016
Date: November 15th, 2016

Local Election Results: Attached at the end of this Report are the Certified Election Results from November 8th, 2016 Local Elections. A summary is as follows:

Mayor – Thomas P. Cote

2 City Councilors

John L. Tuttle, Jr.

Robert Stackpole

2 School Committee Members

Scott Sheppard

John W. Roux

1 Trustee Sanford Water District

Roger Durant

2 Trustees Sanford Sewage District

Jonathan Adam Brock

Kevin Eaton

Referendum Results:

QUESTION 1: CITIZEN INITIATIVE - LEGALIZE MARIJUANA	Yes
QUESTION 2: CITIZEN INITIATIVE - FUND FOR K-12 EDUCATION	Yes
QUESTION 3: CITIZEN INITIATIVE - BACKGROUND CHECK FOR FIREARMS SALE	Yes
QUESTION 4: CITIZEN INITIATIVE-RAISE MINIMUM WAGE	Yes
QUESTION 5: CITIZEN INITIATIVE - RANKED CHOICE VOTING	Yes
QUESTION 6: BOND ISSUE	Yes

Full Results are attached at end of Report.

Marijuana Legalization Act:

I have reviewed the attached Marijuana Act and my notes are below on the key elements impacting a Municipality: (The proposed Bill is 30 pages in length)

RE: **Sec. 1. 7 MRSA c. 417** is enacted to read:

CHAPTER 417

MARIJUANA LEGALIZATION ACT

Notes on Marijuana Legalization Act:

1. State Licensing Authority (Department of Agriculture, conservation, and Forestry) has 9 months to Adopt Rules upon passage
2. Rules are Major Substantive pursuant to Title 5 Chapter 375, subchapter 2-A
3. Rules must address (only key items impacting City are listed)
 - a. Application to establish operations
 - b. Ability to suspend upon violation
 - c. THC limitations by product
 - d. Criminal Background Checks
 - e. Security of facilities – standards
 - f. Annual Inspection by State or Local Fire Marshal
4. Independent Testing and Certification standards for consumable products
5. Labeling Requirements for all products
6. Health and Safety Standards governing facilities
7. Training for local jurisdictions and law enforcement officers
8. Licensing and Identification of Facilities
9. **State is the Licensing Authority – SUBJECT TO MUNICIPAL APPROVAL – similar to liquor**
 - a. **Municipality May set a limit and standards on the Number of retail or marijuana social clubs**
10. There will be a State cap of 800,000 square feet of cultivation facility canopy space
11. State may issue licenses for the following categories:
 - a. A. Retail marijuana store license;
 - b. B. Retail marijuana cultivation facility license;
 - c. C. Retail marijuana products manufacturing facility license;
 - d. D. Retail marijuana testing facility license;
 - e. E. Retail marijuana social club license; and
 - f. F. Occupational licenses and registrations for owners, managers, operators,
 - g. employees, contractors and other support staff employed at, working in or having
 - h. access to restricted access areas of the licensed premises, as determined by the state
 - i. Licensing authority.
12. State Sales Tax will be collected at point of sale (store or club) – No mention of local sales tax or other means to collect fees
13. Law cannot limit local law enforcement agency from investigating unlawful activity in relation to a retail or social club operation
14. Retail Marijuana Social Club – point of Sale to be consumed on site
15. Records must be kept and may be inspected by the Licensing Authority (State)
16. State may fix the price of product
17. License Fees – State collects to support their inspections and operations

18. Section 2447 (4) A municipality may regulate the number of retail marijuana stores and the location and operation of retail marijuana establishments and retail marijuana social clubs **and may prohibit** the operation of retail marijuana establishments and retail marijuana social clubs within its jurisdiction.
19. Local Licensing Section 2449 (page 23) May do the following:
 - a. May regulate the location and operation of facilities and clubs per 30-A Chapter 187 Sub 3
 - b. May be at least as restrictive (can be more, but not less) that provided under State law
 - c. All State issued licenses MUT HAVE Municipal Approval – City has 14 days to process (similar to liquor licenses – details will be in rule making)
 - d. Municipality received 50% of the Licensing Fee paid to State
 - e. Municipality may impose Licensing Requirements restricting time, place, manner, and the number of businesses (manner I am interpreting as standards of operation?)
 - f. Public Hearing MAY be required by City (similar to liquor licenses)
 - g. Home cultivation is allowed
 - i. 6 plants
 - ii. Can't be visible from a public way
 - iii. Must be secured
 - iv. Plants must be tagged by grower with Driver's license number as ID
 - v. Consumption ONLY at a Non-Public Place
20. Employment Policies – employer may enact and enforce workplace policies restricting use by employees and discipline employees under the influence (How, standards?)
21. Sales Tax set as 10% at point of final sale ONLY (Retail Store or Social Club) – No Distribution Set to Local Level
 - h. Goes to General Fund of State – “can't be used to directly fund any new state programs”

Parks and Recreation Study:

Submitted by Director Marcel Blouin

The City of Sanford has solicited the help of Milone & MacBroom, Inc. to create a Citywide Parks and Recreation Facilities Master Plan. The Parks and Recreation Facilities Master Plan is an important tool for the community. The plan will guide capital planning, address maintenance requirements, and identify investment needs for Sanford's parks and recreation infrastructure over the next 20 years.

Over the coming few months, we will be using this website to keep you informed and to solicit your input during the planning process. This website includes an overview of the parks and recreation facilities included in the planning study. If you have any questions or comments, please share them with us. We would be happy to hear from you.

By clicking on the site <http://www.sanfordparks.com/> you will be able to take our survey regarding you and your family's thoughts and use of the park facilities in the community. Please take a few moments to complete the survey to help us provide better facilities into the future.

Mayors' Coalition Work Plan 2017: Proposed 2017 Work Plan

The Coalition was formed in 2012 and includes the Mayors of nine Maine communities. The purpose of the Coalition is to advocate for state policies that will grow Maine's economy statewide by providing the infrastructure, skilled workforce, and reasonable tax rates necessary to support such growth. The Coalition brings together the Mayors of Augusta, Bangor, Belfast, Biddeford, Brewer, Lewiston, Saco, Sanford, and Westbrook. This is a bi-partisan group that represents municipalities with a combined population of just under 172,000.

Legislative Advocacy

The Coalition will monitor and testify on a variety of legislation that impacts Coalition communities. EPCG will flag bills of potential interest to the group and they will be discussed at the regular Coalition meetings. The Coalition has utilized a consensus approach and only takes a position when all members agree.

Major issues for 2017 will likely include:

1. Revenue Sharing and other policies impacting municipal budgets (e.g., homestead exemption)
2. Substance abuse policy
3. Affordable Housing
4. Infrastructure investment
5. County jail funding
6. Education Reform (CTE/School Funding/Special Ed/Title 1/School Construction/EPS)

Meeting with the Congressional Delegations

The Coalition will continue to meet with a representative of each Congressional office at least once during the year. The Coalition has developed a list of issues where federal action, or lack thereof, impacts our communities. These include immigration, regulation of surface waters, transportation, including transit, water/wastewater infrastructure, housing, and economic development.

We met with members of Senator King's staff in October and will meet with Patti Aho from Collins' staff on November 18th.

Meeting with Administrative Officials

The Coalition will continue to meet with administration officials (i.e. commissioners and representatives from various state agencies that the Coalition deems important).

In the past, we have met with Commissioners from Transportation, Health and Human Services, Public Safety, Environmental Protection, Economic & Community Development, Labor, and with Governor's staff.

Meeting with Other Advocacy Groups with Common Interests

The Coalition should make connections with other groups that have similar interests.

We regularly work with MMA, MSMA, MEA, substance abuse services advocates, the County Commissioners Association, MBTA, and others with legislative goals that overlap ours.

Collaboration Amongst Coalition Communities

We should continue to seek opportunities to work together. One example is the electronic vehicle forum we are hosting on November 15th.

Meeting Schedule

We anticipate bi-monthly meetings during the Legislative Session (January to April) and once a month meetings for the remainder of the year. A tentative schedule is attached to this memo.

SanfordNet Fiber Update:

We now have word from the Economic Development Authority (EDA) that our Acceptance Package for Grant Award is due in our office on Tuesday, November 15th, 2016. The receipt of the EDA Grant in the amount of \$769,000, one half of the SanfordNet Fiber funding, is critical and is defining our ability to start construction. We continue to work with our private sector partners of NextGen for construction and GWI for operations until the funding is finalized.

In the interim, I have copied an portion of a narrative from Federal Reserve Bank of Dallas on Community Development as it relates to the implementation of broadband. I have highlighted key areas of note:

Small-Business Development

One of the goals of the community Reinvestment Act, CRA, is to promote economic development through small-business development, which broadband access profoundly impacts. Communities with high-speed broadband infrastructure provide an environment that promotes small-business development. A 2014 study notes that “communities where gigabit broadband was widely available enjoyed higher gross domestic product (GDP), relative to similar communities where gigabit broadband was not widely available.” The 14 communities in the study “enjoyed over \$1 billion in additional GDP when gigabit broadband became widely available.” The study refers to the Chattanooga, Tennessee, municipal-owned gigabit broadband service that has created “1,000 new jobs, increased investments and a new population of computer programmers, entrepreneurs and investors.”

A recent study by the Boston Consulting Group finds that the impact of the internet on GDP in the U.S. is 4.7 percent, i.e., the internet accounted for \$684 billion, or 4.7 percent of all U.S. economic activity in 2010. The study further reports that “the internet economy in the developed markets of the G-20 will grow at an annual rate of 8 percent over the next five years, far outpacing just about every traditional economic sector, producing wealth and jobs.” Membership in the G-20 includes 20 of the world’s largest advanced and emerging economies “representing about two-thirds of the world’s population, 85 percent of global gross domestic product and over 75 percent of global trade.” With some knowledge of coding and a great idea to meet a human need, Google and Facebook were created—a testament to the entrepreneurial spirit and innovation that the internet unleashes. The key to growing entrepreneurship in the internet economy is to promote the expansion of broadband networks. Consider that before the advent of the internet, telecommunications and information technology innovations happened at the center of the network and were created by the engineers working in the industry. The internet, however, makes unbounded innovation possible on the periphery of the network, i.e., with a person and a computer. Closing the digital divide for budding and established entrepreneurs makes it possible for them to have access to the internet for realizing their innovative business ideas.

The internet is a valuable tool that makes basic business processes, such as payroll and payments, more efficient. Furthermore, entrepreneurs are able to capture an audience and customers, sell a product and promote and conduct their businesses in a cost-effective and accessible way. It opens up the global marketplace to companies and facilitates potential partners or allies within the same industry. This “partnering” of companies within the same industry is clearly the trend in fintech. As fintech startup companies have proliferated with mobile apps for payments, investing, lending and more, the discussion has centered on the “disruptive” nature of the companies to the traditional banking industry.

The success of the new companies in reaching more people more efficiently and effectively can be seen as a threat. However, the recent trend has been for banks to partner with the fintech companies, such as the partnership between marketplace lender OnDeck with JPMorgan Chase & Co. Furthermore, the implication for rural communities is significant since access to high-speed broadband can help businesses thrive and no longer be dependent on physical proximity to a broad customer base. Having broadband infrastructure has the potential to make geography irrelevant for some types of businesses.

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