

Sanford City Council

City Council Meeting Minutes – December 17, 2019

The Sanford City Council met at 6:00 p.m. in the Chambers of the Sanford City Hall Annex on Tuesday, December 17, 2019. **Mayor:** Thomas P. Cote. **COUNCILORS:** Deputy Mayor Lucas J. Lanigan, Councilor Maura A. Herlihy, Councilor Ayn M. Hanselmann; Councilor John L. Tuttle, Jr.; Councilor Robert G. Stackpole; Councilor Joseph R. Hanslip. **CITY STAFF:** City Manager Steven Buck; Executive Assistant Lorisa Ricketts; Sanford Regional Economic Growth Council Director Jim Nimon; Fire Chief Steven Benotti; Finance Director Ronni Champlin; Police Chief Thomas Connolly; Treasurer Paula Simpson.

Pledge of Allegiance

The regular City Council session began with the Pledge of Allegiance and a moment of silence.

Moment of Silence

Roll Call:

Mayor Cote performed the Council roll call: Councilor Hanselmann, present; Councilor Stackpole, present; Councilor Tuttle, present; Councilor Hanslip, present; Councilor Herlihy, present; Deputy Mayor Lanigan, present.

Minutes

19-675-01 Ordered, to approve the minutes from the Executive Session held on December 3, 2019.

Councilor Stackpole moved to approve. Councilor Hanslip seconded. Motion passed 7-0.

19-674-01 Ordered, to approve the minutes from the regular City Council Meeting held on December 3, 2019.

Councilor Herlihy moved to approve. Councilor Tuttle seconded. Motion passed 7-0.

Mayor's Report/City Council Sub-Committee Reports

Mayor Cote reminded everyone that there are still openings for City boards and committees. Details and application form are on the City's website.

City Manager's Report

Solar – Manager Buck said he recently attended the National Brownfields Conference in Los Angeles and noted that Solar Development is a major topic for brownfields development around the country; from what he can see, we are still on track to be ahead of the curve in terms of economic benefit from projects.

SMPDC wants to do a session on Solar Development in York County and focus on best practice. They want to hold the meeting here in Sanford. Steve is going to recommend that it be held at the Performing Arts Center to showcase that great venue.

In talking with EPA officials, one of the reasons we were successful in attaining one of 11 multipurpose grants in the nation was the creation of an energy corridor. For the first time under the passing of the omnibus bill LD1711 that allows for net energy billing, we can truly create that energy corridor using the existing grid to get the benefit of the solar power to not only the historic mill yard, but also to the industrial park as we continue to expand solar.

Walden Green Energy lease is on agenda tonight. Because the power-purchase agreement was not yet set, that gave us the flexibility to exercise the net energy billing and other elements we continue to work on.

SanfordNet Fiber – new network operator agreement is under review; will be brought to the City Council as an amendment to the ISP agreement the Council approved. This gets us back to our initial premise whereby GWI will start to fund connections to the other small businesses on the corridor and the City will own if they move. The city will have achieved its objective of building the core and having the private sector operate it and expand upon the core.

LED streetlights – interviewed four different companies for LED streetlight conversions; the lights produce \$120,000 savings per year with a 2.5 – 3 year return. All of the lights being looked at have a 7 pin connector to utilize smart city applications: can utilize for street temperature sensors, air quality sensors, traffic cameras, 5G or 4G LTE boosters etc.

Housing – have meetings with York County Community Action and Sanford Housing Authority to work towards further development of workforce housing in the community. Have already had some very productive meetings with the new SHA director Diane Gerry, and wants to continue down that path.

Gravel extraction – he noted at the conference that a lot of states look at former mining areas for solar redevelopment.

He is working on two labor agreements currently, along with budgets.

Emery Mills damage repairs have been successfully completed and water levels are being brought back up to normal winter levels.

Councilor Tuttle asked for an update on the homeless. Manager Buck said that the homeless population at Heritage Drive has dissipated. At this point, we have resolved as much as can be done for this year; thanks to the help of the appropriate agencies.

Deputy Mayor Lanigan said he was very impressed with Ms. Gerry; she seems to be thinking in line with what the Land Bank is thinking.

Mayor Cote asked if mineral extraction folks are at the table for discussions of modification of the

Communications/Presentations

19-634-01 Presentation to the City Council - the Fiscal Year 2018/2019 Audit from Christian A. Smith, CPA, CFE Partner with Wipfli, 30 Long Creek Drive, South Portland.

Christian Smith presented on the audit. He is happy to report that the results are unmodified (clean) opinions for both the City and School department. They are also required to do a special audit called a Single audit, a report to the State and a report to the State Dept. of Education.

(Presentation attached.)

Counselor Hanselmann offered kudos to the City Finance Department and School Finance Department for the audit results. She said that members of the public had expressed concerns during the bond referendum that funds were being mismanaged and asked if it is correct to say that there has been no mismanagement identified by the audit. Mr. Smith said that is correct.

Mayor Cote gave recognition to the fact that in the past, budget presentations went on for a long time because there were so many problems. He said there has been a complete turnaround since then and thanked the finance and management team.

Public Participation

Nicholas Farrel said that Noelle and Grove Street haven't been plowed properly. He stated that he spoke to Public Works director Hill and there was no salt/sand put down after plowing. Manager Buck will look into the issue.

Public Hearings

The City Council will take public comment on the following:

- 19-671-01 A Public Hearing to receive comments on a second amendment of a Municipal Tax Increment Financing District Known as the "Sanford Property Holdings Municipal Development and Tax Increment Financing District". The District consists of approximately 4.92 acres of property located at the intersection of Route 4 and Route 109.

Public Hearing opened at 6:29 PM.

Growth Council Director Jim Nimon spoke in favor of the second amendment to the Sanford Property Holdings TIF district. This allows the City to support market-rate housing construction at the existing district near the roundabout. He introduced Steve Dumont from TPD Construction to give a brief presentation.

Steven Dumont from TPD construction gave a brief overview of the project and of TPD construction, a family-owned construction management firm from Sanford, Maine, specializing in commercial and multi-family building construction throughout Maine and New Hampshire. The company works with Avesta Housing, Community Housing of Maine, and a variety of multi-family developers building throughout Maine and NH.

Over the last few years, TPD started to develop a few of their own sites. They bought several properties that were in repair and renovated them. Three of them were on Railroad Avenue; he detailed the work that was done and said they tried to create updated, clean market-rate apartments. The company's most recent project was Roosevelt School. It hadn't been used in years; they purchased the building and reconstructed the interior, turning it into 8 market rate units and fixed up the outside. He showed a photo of the interior of one of the units in this project to demonstrate the type of unit they wish to build. They want to create bright, open, modern units. Have redeveloped 21 market-rate properties in the community.

The company proposes to create a 12 unit market-rate housing project on the site. It would be a three floor building with an elevator, high energy-efficiency. The units would be 2 bedrooms/full bathroom with heating/cooling and storage for each unit.

They feel Sanford is in need of market-rate housing and are optimistic about what lies ahead for Sanford. They feel this is a project that would be well-received by the community. He has spoken with many people who are excited and would be willing to rent one of these units.

There is a gap between Sanford's rents and the cost of construction. TIF would help fill that gap. He welcomed any questions.

Deputy Mayor Lanigan asked what would be considered a market rate for these units. Mr. Dumont responded that it would be around \$1350/month.

Mayor Cote clarified the location of the project: in the area behind the McDonalds at the roundabout at the intersection of Routes 4 and 109.

Public Hearing closed at 6:37 PM.

- 19-653-01 A Public hearing to receive comments on the renewal of City Special Amusement permit and a liquor license renewal with malt, vinous and spirituous privileges from Springvale Social Club, Inc. D/B/A Springvale Social Club, 22 Bridge Street, Springvale Maine.

Public Hearing opened at 6:38 PM.

No public comment.

Public Hearing closed at 6:38 PM.

- 19-641-01 The first of two public hearings to seek and receive comments on the following Mental Health & Abuse Clinic License renewals:

1. Sweetser, 863 Main Street, Sanford, ME.

Public Hearing opened at 6:38 PM.

No public comment.

Public Hearing closed at 6:38 PM.

Consent Agenda

- 19-654-01 Ordered, to approve the following license requests:

1. Springvale Social Club, Inc. D/B/A Springvale Social Club, 22 Bridge Street, Springvale, Me.
1. City Special Amusement Permit
2. Liquor License Renewal with Malt, Vinous and Spirituous privileges.
3. Games of Chance.

2. An application for Mental Health & Abuse Clinic license renewal from Sweetser, 863 Main Street, Sanford, Maine. (This license must have two Public Hearings. This is the first hearing).

This item was removed from the consent agenda.

3. Sanford Lodge of Elks #1470, 13 Elm Street Sanford, ME.
 1. Games of Chance.
 2. Beano/Bingo

Mayor Cote sought questions or comments from the Council on the Consent Agenda. Seeing no questions or comments, the motion was approved.

Old Business

- 19-650-01 Ordered, to approve the new license application from Leaf Labs, LLC to operate as a medical marijuana grower at 72 Emery Street, Unit #450, Sanford, ME 04073.

Councilor Stackpole moved to approve. Councilor Hanselmann seconded.

Councilor Hanselmann said there is a way to accomplish the transfer from corporation to LLC, and that has been accomplished.

Motion passed 7-0.

New Business

- 19-645-01 Ordered, to accept the Annual Audit conducted by Wipfli for fiscal year 2018/2019.

Councilor Tuttle moved to approve. Councilor Hanslip seconded.

City Manager Buck commended the Finance Department: Ronni, Paula and Gwen for their work on running a tight ship.

Motion passed 7-0.

- 19-667-01 Ordered, to accept a bid for a three-year vehicle lease program for the Sanford Police Department.

Councilor Tuttle moved to approve. Councilor Stackpole seconded.

Police Chief Connolly presented on the proposed vehicle lease program, and the history of the high maintenance costs for the fleet of vehicles the department owns: about \$1000/month. Over a 3 year period, that is \$36,000. They must also pay about \$2000/vehicle to outfit and then strip them. They also lose money trading them in. Total about \$53,000.

Put out a request for bids and had several submitted. The lowest was Bill Dodge Motors. Total cost for a three year lease for the five vehicles will be

about \$44,000, saving the City money. This has been discussed with Finance and was brought before the Public Safety Committee, which approved it.

Mayor Cote commented that it will be interesting to see how the Kias vehicles perform in terms of quality. Chief Connolly said they don't need to be heavy-duty vehicles for the uses they will have, and should do well.

Manager Buck said the numbers work extremely well in this scenario. He believes the amount received back in trade value will be even higher than the estimate in this scenario.

Motion passed 7-0.

19-647-01 Ordered, to authorize acceptance of Stephen and Tabitha King Foundation Grant for the Sanford Fire Department.

Councilor Tuttle moved to approve. Deputy Mayor Lanigan seconded.

Fire Chief Benotti spoke and said that one of the things Fire Marshal Cotter does is identify potential grant funds. The Fire Department has applied before; was successful this year in getting \$40,000 in funds for a lift system that fits on the back of an ambulance to lift bariatric patients so staff do not have to bear the weight of very large patients. This improves safety for staff.

Total cost of the project including installation is about \$45,000. The grant will cover \$40,000 of the cost and the other \$5000 would be found from existing funds.

Manager Buck recognized the philanthropic nature of the Stephen and Tabitha King foundation. He has seen funds from the foundation go to a variety of projects: thermal imaging cameras, parks facilities, library improvements and more.

Councilor Tuttle gave his thanks to Fire Marshal Cotter for obtaining these grant funds.

Councilor Hanselmann said the Public Safety Committee the amount from the budget could likely be offset by the man-hours saved. She asked if this would help the City's workers compensation. Manager Buck said indirectly, it would save by helping prevent back injuries and associated workers compensation claims.

Motion passed 7-0.

19-655-01 Ordered, to authorize the Sanford Fire Department to enter into a cooperative agreement with the Seacoast Chief Fire Officers Mutual Aid District.

Councilor Tuttle moved to approve. Deputy Mayor Lanigan seconded.

Chief Benotti explained what the Seacoast Chief Fire Officers Mutual Aid District offers, and said the county organization currently in place is weak. SCFOMAD offers training at a discount. The organization is growing; Lebanon, Kittery and York are already members and he anticipates Wells will soon be members. He feels it is a win-win for the City. The cost will be offset by the savings in training.

Initial cost \$300/year, beyond that the cost depends on

Deputy Mayor Lanigan asked if this would affect existing mutual aid. Chief Benotti said it would not affect existing agreements.

Mayor Cote said he wrestles with our obligation to the communities we have agreements with, who may have not funded their departments to the extent we have. Chief Benotti said the other communities often can provide tankers which Sanford doesn't have, or can cover in Sanford when Sanford staff is occupied elsewhere to ensure emergency services continue to be able to respond.

Manager Buck said if there is a situation where there is abuse of the mutual aid, the situation would be addressed and fixed.

Deputy Mayor Lanigan commended the fire department on their coverage of the accident on Friday and their ability to save the lives they did. While Sanford was doing that, other communities provided coverage in case urgent response was needed by Sanford residents.

Councilor Herlihy said this issue is really about how the State funds things and pits communities against each because of the way taxes are structured.

Motion passed 7-0.

19-677-01 Ordered, to authorize the City Manager to sign a land lease with Walden Solar NE LLC for the former CGA property located on New Dam Road, for the purposes of creation and operation of a solar power project.

Councilor Hanslip moved to approve. Councilor Stackpole seconded.

City Manager Buck presented on this item and explained what the agreement and project would entail.

Mayor Cote asked when the project would kick off. Manager Buck said the goal is for construction to begin in 2020.

Motion passed 7-0.

19-673-01 Ordered, to approve a second amendment on a Municipal Tax Increment Financing District Known as the "Sanford Property Holdings Municipal Development and Tax Increment Financing District" pursuant to the long form Order contained at Exhibit E-3 to the Development Program contained within the Council meeting materials.

Councilor Tuttle moved to approve. Councilor Hanslip seconded.

Director Nimon introduced Shana Mueller from Bernstein Shur and thanked her for coming to be on hand to help with this item if needed. She has provided excellent ongoing advice on TIF to the City and is highly respected at DECD and among colleagues. Mayor Cote thanked Ms. Mueller for her help with the development of this TIF district amendment.

Councilor Herlihy asked if the caps that were discussed have been included. Mayor Cote responded that yes, they are in place.

Manager Buck said he recently attended the National Brownfields Conference and was interested to see that a lot of the educational sessions were focused on development of market-rate housing on brownfields sites. It was interesting to hear that it is a not a Sanford-unique situation as far as the cost of building market-rate housing in relation to what is affordable for those communities. Sanford is not alone in this scenario.

Deputy Mayor Lanigan pointed out that this isn't a typical TIF because it was already in an existing TIF district so it took some creative thinking and work from the team and he appreciates all the work that went into it from the team and from TPD because the Council came back with some requests to make it fit into a box that would work for the City. Everybody put their thinking caps on to make that happen and he thinks it is a great project.

Mayor Cote said he is impressed with the proposal by TPD and is excited to see it happen. He thinks that area of Sanford particularly needs this level of investment and he appreciates TPD believing in Sanford's future with the market-rate housing. He said it is the shift that needs to occur here and this is just the beginning. He appreciates their partnership and looks forward to an excellent project and more to come.

Councilor Hanselmann said she is also excited about the project. She thinks the community and the Council need to be careful with the balance of our TIF programs as we move forward with other projects, and we need to balance them with economic development as we move forward.

Motion passed 7-0.

Council Member Comments

Councilor Hanselmann: This is the last meeting of her first year as a Council member. She is grateful it is a three year term; she feel like she is just learning what she is doing. But she appreciates everyone's support and is excited for this upcoming year and to continue serving the City.

Councilor Stackpole: The City and the Council continue to think progressively particularly with this TIF. It is not your typical TIF; there was some back and forth and he recognizes Councilor Hanslemann's concerns; this project wasn't an easy one but he thinks it is a great project for the City to have. Happy Holidays and he will see everyone next year.

Councilor Tuttle: Attended Rodney Shain's wake; he was a long-time coach and teacher in Sanford. He was a great man who helped a lot of people and will be greatly missed.

Councilor Hanslip: Sunday afternoon he attended the celebration of life for public works employee Bill Thyng, who passed away a couple of weeks ago. It was hugely well attended. We know he was a good guy, a dedicated employee and a mentor to others in Sanford. The love in the room was palpable; he is missed.

Councilor Herlihy: None.

Deputy Mayor Lanigan: Happy holidays to everyone; he will miss the first meeting of the year. He had the pleasure of going to the grand opening of Senator King's Biddeford office on Friday to represent the City. On Saturday at the Southern Maine Veteran's Cemetery he attended Wreaths Across America hosted by Rolling Thunder and others. Youths from Boy and Girl Scouts stood in the pouring rain waiting for the opportunity to lay wreaths. It was a great service. Thanks to Councilor Tuttle for helping get the cemetery. He also attended Bill Thyng's service on Sunday. He didn't know Bill personally but at the service he noted Bill's love of family, love of outdoors, and how much the community loved him.

Mayor Cote: Thanked Margaret Chase Smith and Willard PTA. He will be having lunch with students on Friday and is looking forward to it. He also thanked Councilor Herlihy for providing the pizza. Happy holidays to everyone and thanks to everyone for braving the weather to come to the meeting tonight.

Future Agenda Items

Councilor Herlihy had an interesting conversation with Sewerage District superintendent Andre Brousseau re PFAS, especially re their use in Fire Department Training.

Adjournment

Mayor Cote moved to adjourn regular meeting at 7:29 PM.

Respectfully submitted by Lorisa Ricketts, Executive Assistant.



City of Sanford

Financial Statement Presentation

June 30, 2019

Presented by Christian Smith, CPA, CFE

WIPFLI

Relationship with the Auditors

- Independent auditors work for the Council.
- Auditors work with management to perform the audit.
- Auditors express an opinion on the financial statements that are the responsibility of management
- The auditor's opinion is an "unmodified opinion", this is a clean opinion, the financial statements are fairly stated and have been presented in accordance with Generally Accepted Accounting Principles (GAAP)

Reports Issued

- Financial reports— City and School Department
- Management letters – City and School Department
- Required Communications Letters— City and School Department
- Single audit report and data collection form
- State of Maine Department of Audit Procedural Form
- Reconciliation of MEDMS upload to financial report
- Compliance with the Maine School Finance Act
- MSMA Wage Certification

Required Communications Letter- City and School

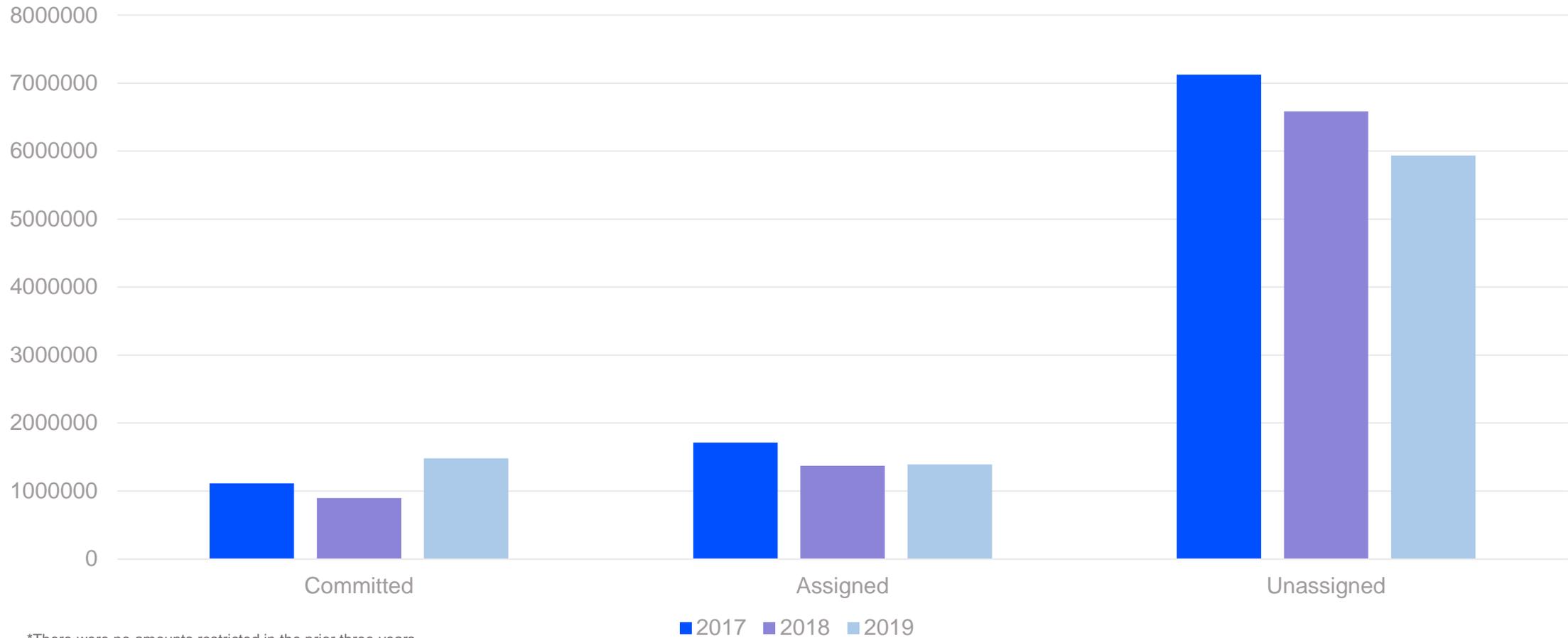
- Management letter - No material weaknesses or significant deficiencies.
- Comments letter – No comments.
- There were no changes in accounting principles, no difficulties in performing the audit, no disagreements with management, no audit adjustments.
- No findings with respect to federal grants tested as part of the single audit (2 City grants tested and 1 School grant tested).

MD&A and Financial Statement Highlights

- On an accrual basis – assets exceed liabilities by \$43.7m
- Ending fund balance for all funds is \$42m
- General fund balance is \$8.8m, a decrease of \$5K over the prior year, school decreased \$514k and City increased \$519K
- Positive budget variances in revenues and expenditures of \$2.6m, \$900k utilized from prior year carryover of capital projects, plus another \$850K of budget use of fund balance for the City and an additional \$1m of budget use of fund balance for the School results in the \$5K decrease in fund balance
- High School construction account \$4.6m remaining fund balance as a result of spending \$11.2m this year. Consolidated elementary construction has \$26.4m remaining fund balance, having spent \$15m out of \$40.8m of bond proceeds.
- Other governmental funds total \$2.4m
- Cash in banks is \$49m, an increase of \$14m over the prior year, all of which is fully collateralized/insured against custodial credit risk

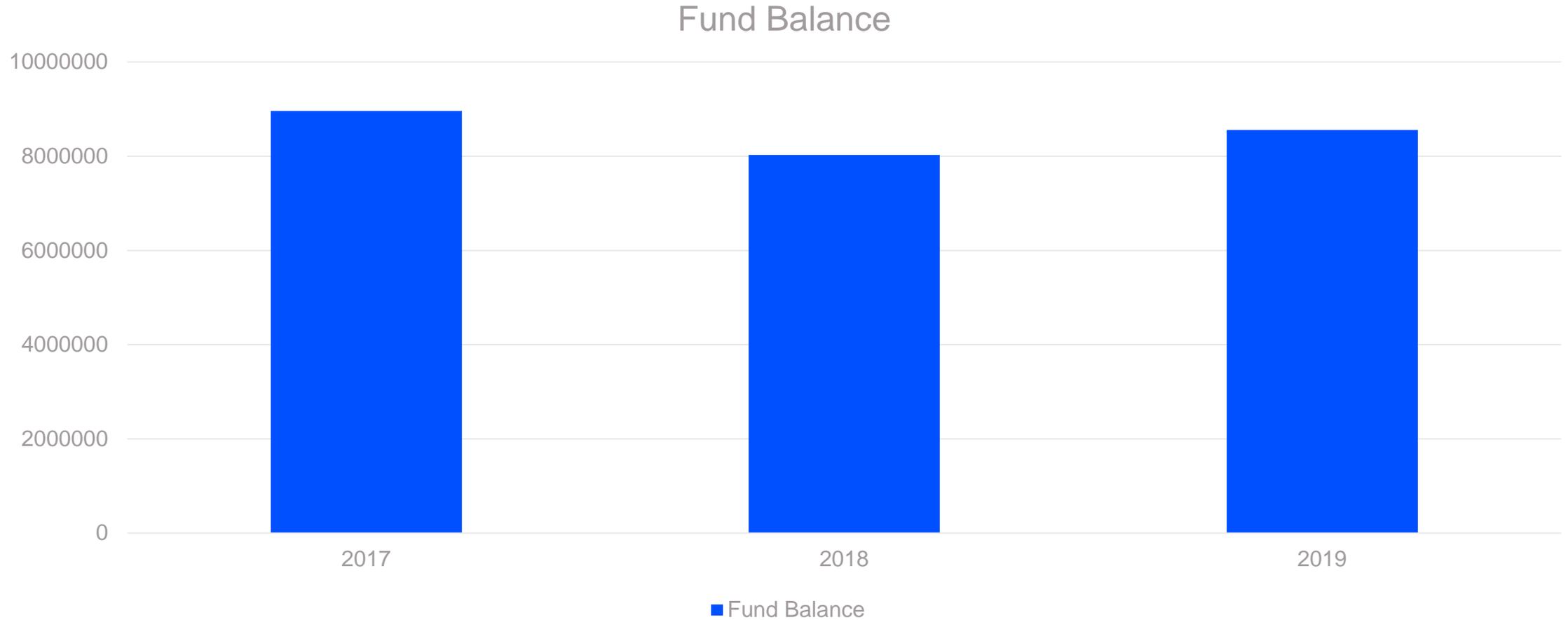
City of Sanford (Includes School)

General Fund Balance Trend – Past 3 Years



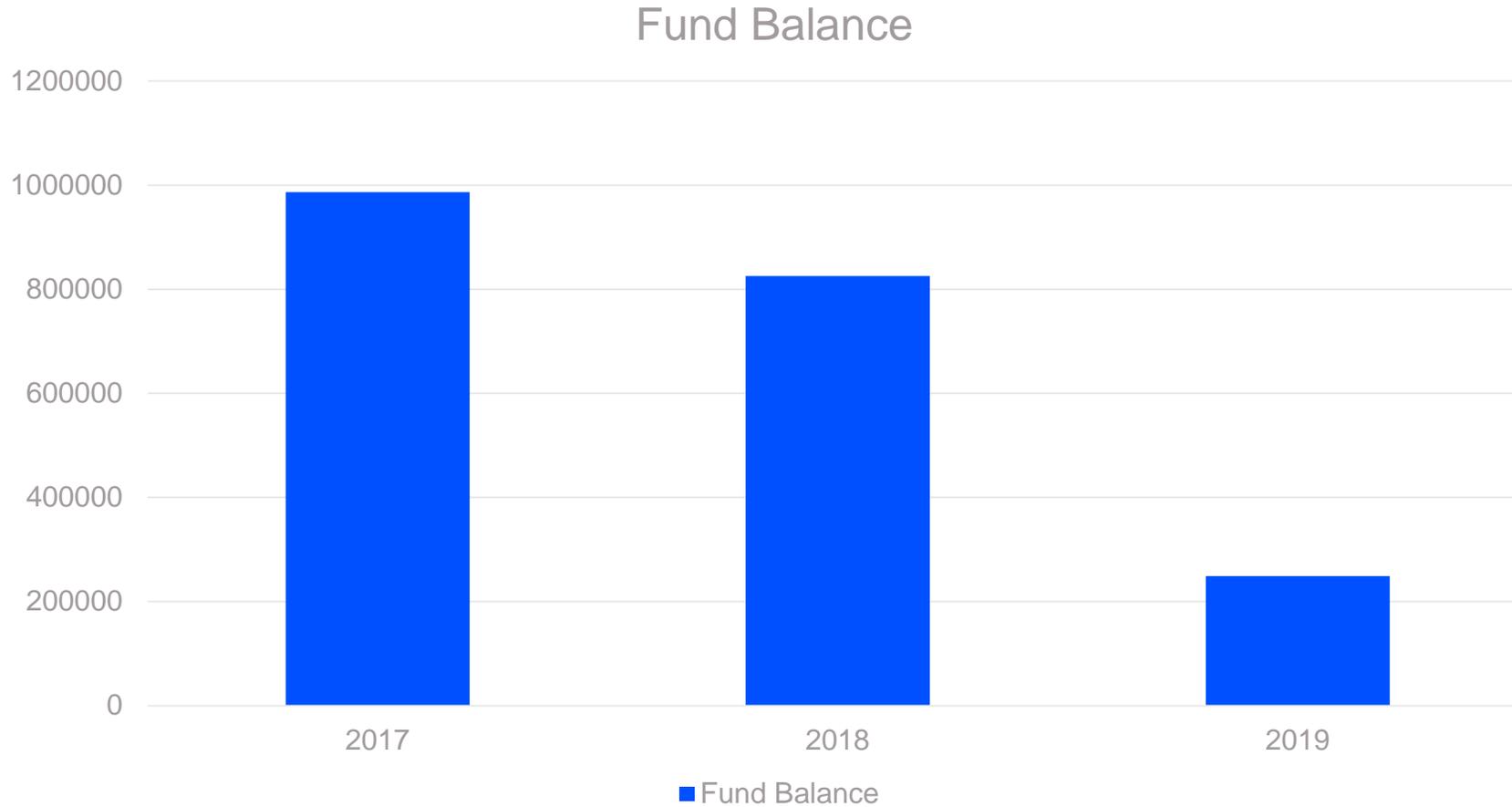
City of Sanford (Excluding the School)

General Fund Balance Trend – Last 3 Years



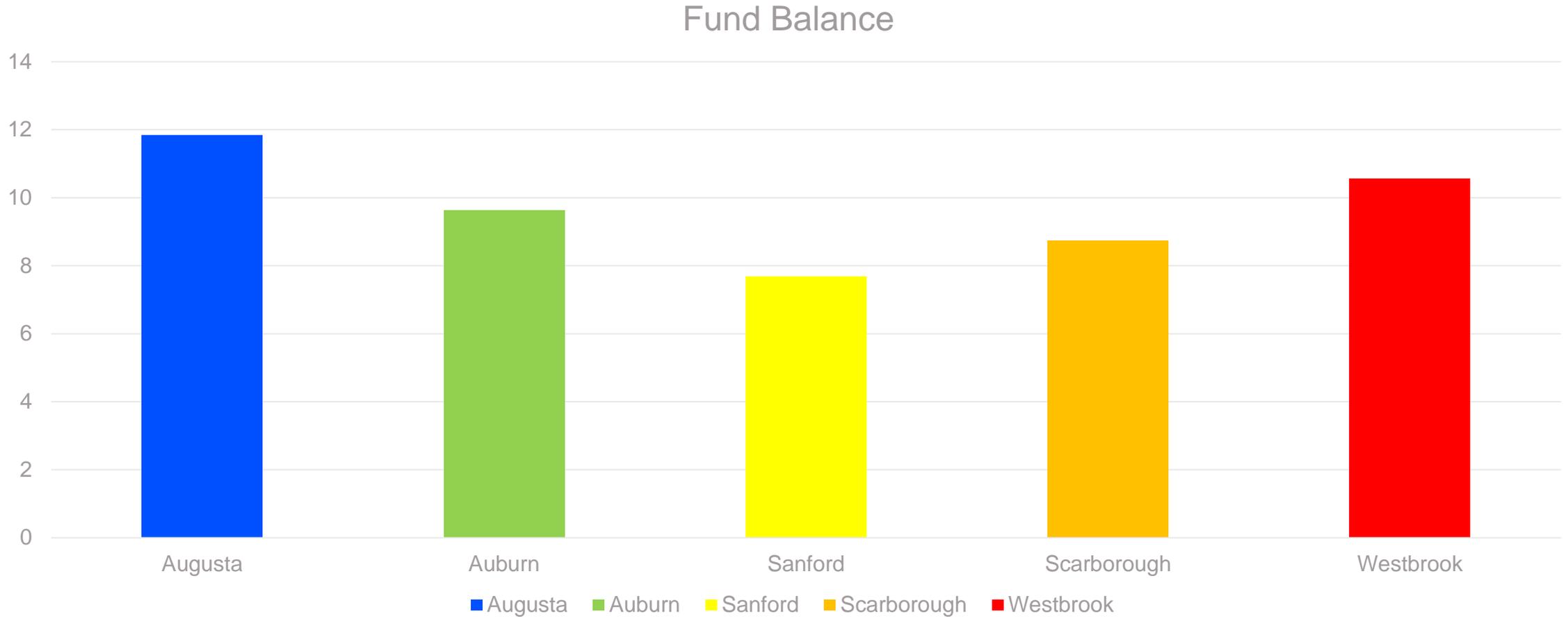
Sanford School Department

General Fund Balance Trend – Last 3 Years



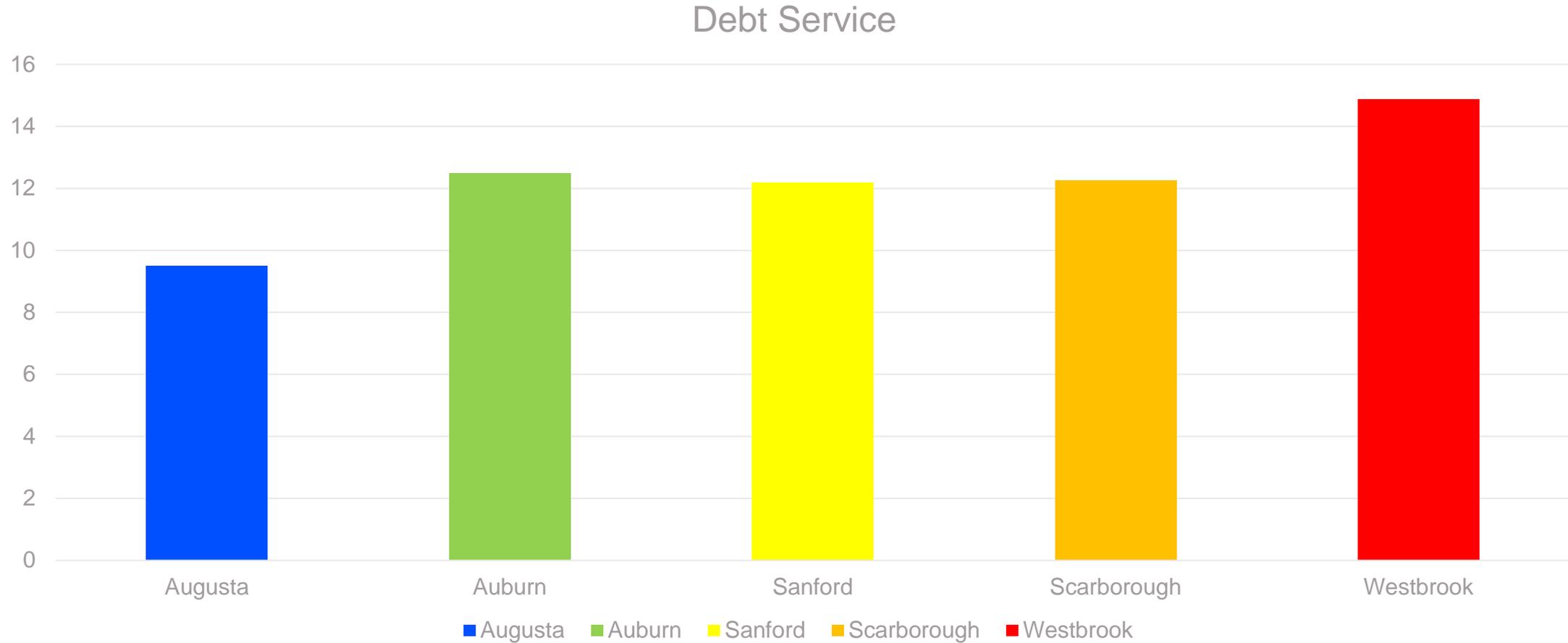
City of Sanford

Comparison of Unassigned Fund Balance as a Percentage of Budget



City of Sanford

Comparison of Debt Service as a Percentage of Budget



What was new in the current year?

- Additional Other Post- Employment Benefits Liability (OPEB) recorded related to the School Department's participation in the Maine Education Association Health Trust. An additional \$1m liability recorded in the government-wide financial statements and presented in the footnotes.

Questions & Comments

This presentation is intended as a tool to assist the Council and management in understanding its financial results. The information contained in this publication should be read in conjunction with the audited financial statements and related disclosures and should not be used for any other purposes without the expressed consent of Wipfli LLP.