

## City of Sanford



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



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### Memorandum

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To: City Council  
Subject: Manager's Report for June 16<sup>th</sup>, 2015  
Date: June 16<sup>th</sup>, 2015

#### **LD 1203 “An Act to Address the Detrimental Effects of Abandoned Property”**

The City has been actively providing testimony in support of the proposed legislation that would provide a greater ability to perfect property maintenance issues with properties that are under foreclosure actions. LD 2103 was recently amended by the Judiciary as Title 30-A Section 3106-A. Municipal authority to manage abandoned properties. Upon review, the amendments are deemed very favorable as the municipality would not need to enact a separate ordinance to perfect and the amendment relates to existing law under Title 14 Section 6326, which defines abandonment of a property. If adopted into law, the City Council would be able to use Title 14 Section 6326 A-H as copied below as a means to make a determination of abandonment and then be able to perfect actions against the property. The costs of perfecting actions would be recoverable within 30 days by responsible parties (owner/s of record or mortgagor) and or assessed as a supplemental tax due and collectable as the municipal tax bill. The cost would therefore be subject to municipal lien and collection laws.

#### **State Budget Adoption:**

There are no definitive reports of compromise on the competing measures of the Democrats or Republicans, at least to a veto proof level that would prevent the Governor from vetoing the compromise positions. MMA recently listed the most pertinent elements to continue monitoring and providing input to our Legislators as follows:

- The extent of the legislative raids on the municipal revenue sharing program for both years of the biennium and, potentially, beyond.
- The level of distribution for General Purpose Aid for Local Schools.
- Any changes that might be made to the Homestead property tax exemption;
- Whether the taxable property in the Business Equipment Tax Reimbursement program will be made tax exempt.
- Changes to the funding and administration of the General Assistance program.

I previously had reported that State Municipal Revenue Sharing was agreed by both parties to be preserved at least at current levels for the two years of the biennial budget. That prior statement is now in jeopardy as all compromise proposals are pending.

AS of 4:45PM on 6-16-15 MMA reports: A “leadership amendment” to the majority report has just been printed and as of this writing is being put before the House for consideration. The amendment was apparently negotiated among the four legislative leaders in an attempt to create a proposed state budget that will garner a solid two-thirds support in both the House and the Senate. What follows are the details regarding the leadership amendment in the four primary areas of concern for municipal government and property taxpayers: municipal revenue sharing, the Homestead property tax exemption, General Purpose Aid to Education and General Assistance.

Municipally-related Budget Line in Governor’s Proposed State Budget	Majority Report	Leadership Amendment
<p><b>Revenue Sharing:</b>  <i>Proposed flat funding in FY 2016 and elimination in FY 2017 and thereafter.</i></p>	<p>Flat fund municipal revenue sharing at a fixed \$62.5 million for both years of the biennium, without further amending the revenue sharing statute.</p>	<p>The leadership amendment revises the revenue sharing law for the next four fiscal years (FY 2016-FY 2019) to require the distribution to be 2% of state sales and income tax receipts, rather than 5% as required by law. The 5% requirement would allegedly kick back in during FY 2020 and thereafter. Under current projections, 2% of sales and income tax revenue would yield revenue sharing distributions of:</p> <p>FY 2016 - \$62.57 million</p> <p>FY 2017 - \$62.07 million</p> <p>FY 2018 - \$64.78 million</p> <p>FY 2019 - \$67.5 million</p>
<p><b>Homestead Exemption:</b>  <i>Proposed to double the current \$10,000 exemption for homeowners 65 and older and repeal the homestead exemption for all other homeowners.</i></p>	<p>Increase the value of the Homestead property tax exemption from \$10,000 to \$15,000 beginning April 1, 2016 for all homesteaders, providing 50% state reimbursement for lost tax revenue associated with the first \$10,000 of the exemption and 100% reimbursement for the lost tax revenue for \$5,000 of the exemption value. The 100% reimbursement would occur over the FY 2016-2017</p>	<p>Increase the value of the Homestead property tax exemption from \$10,000 to \$15,000 beginning April 1, 2016. For that year, the state reimbursement for the lost property tax revenue will remain at 50% for the \$15,000 exemption.</p> <p>Increase the value of the Homestead exemption from \$15,000 to \$20,000 beginning April 1, 2017. For that year and subsequently, the state reimbursement for the lost property tax revenue will be 50% for the first \$10,000 of the exemption and 75% for</p>

<b>Municipally-related Budget Line in Governor's Proposed State Budget</b>	<b>Majority Report</b>	<b>Leadership Amendment</b>
	biennium, but would thereafter drop back to \$75% reimbursement for the \$5,000 increment.	the second \$10,000 of the exemption.
<p><b>BETR-to-BETE Conversion:</b>  <i>Proposed converting all taxable property enrolled in the BETR program to exempt status (the BETE program) over a 4-year period.</i></p>	No changes to the BETR or BETE programs.	Same as the majority report.
<p><b>General Purpose Aid for Local Schools (GPA):</b>  <i>Proposed increasing the GPA appropriation for FY 2016 by approximately \$20 million, from \$943.8 million for the current fiscal year to \$964 million.</i></p>	Increases the GPA appropriation by approximately \$40 million from FY 2015 to FY 2016, to \$983.7 million.	Same as majority report.
<p><b>General Assistance:</b>  <i>Proposed changes to the GA reimbursement formula to marginally reduce the reimbursement rate for the "50%" municipalities and significantly reduce reimbursement for the cities qualifying for supplemental "90%" reimbursement for GA expenditures exceeding threshold levels.</i></p>	No changes to current GA reimbursement formula.	Beginning July 1, 2015, changes the GA reimbursement formula to provide all municipalities with 70% reimbursement for General Assistance benefits issued. The vast majority of municipalities will experience an increase in reimbursement from 50% to 70%. Several of Maine's service center communities will experience a decrease in reimbursement because of the repeal of the 90% reimbursement formula that applies under current law to GA expenditures exceeding a certain percentage of the municipality's state valuation.

<b>Municipally-related Budget Line in Governor’s Proposed State Budget</b>	<b>Majority Report</b>	<b>Leadership Amendment</b>
<p><b>General Assistance:</b>  <i>Proposed change to disqualify certain non U.S. citizens from receiving GA benefits, including people in the U.S. in violation of federal law as well as non U.S. citizens waiting for determinations of asylee or refugee status unless especially “qualified” under federal statute.</i></p>	<p>No changes to current law regarding eligibility.</p>	<p>The leadership amendment includes language governing the eligibility of non U.S. citizens seeking asylum status with respect to food stamps, TANF and supplemental security income, generally authorizing benefits for a maximum 240 day period. There is no language in the leadership amendment, however, regarding those applicants and the General Assistance program.</p>
<p><b>Tax Reform – Sales Tax Changes:</b>  <i>Proposed significant expansion of the sales tax base to include a range of services that are not currently subject to the sales tax, as well as increases to the general sales tax rate.</i></p>	<p>Proposes only one change to the sales tax law that would otherwise be in effect on July 1, 2015. Specifically, the majority report would implement no expansion of the sales tax base and would also allow the temporarily increased tax rate on general retail sales to sunset back from 5.5% to 5%. The majority report retains the meals and lodging sales tax rate at 8% rather than allowing it to sunset to 7% on July 1.</p>	<p>Retains the current tax rate on general sales (5.5%) rather than letting it sunset to 5%. Also retains the current tax rate on meals served in restaurants at 8% rather than letting it sunset to 7%. Increases the sales tax rate on lodging from the current rate of 8% to 9%. No significant expansion of the sales tax base, but modifies the statutory definition of “prepared foods” for sales tax purposes.</p>
<p><b>Tax Reform – Individual Income Tax Changes:</b>  Proposed a four-year phase-down of the top income tax rate from 7.95% to 5.75%, removed a number of personal income tax deductions and credits.</p>	<p>No substantive changes to the individual income tax code except for bringing the exclusion value under Maine’s estate tax into conformity with the federal exclusion value.</p>	<p>Effects a two-year phase down of the top income tax rate from 7.95% to 7.15%, adjusts the bracketing system to apply an income tax rate to all adjusted gross income (i.e., removes the current “0%” bracket), increases the standard deduction and phases out the ability to utilize the standard deduction (or itemized deductions if applicable) at higher income levels, establishes a “sales tax fairness credit” within the</p>

<b>Municipally-related Budget Line in Governor's Proposed State Budget</b>	<b>Majority Report</b>	<b>Leadership Amendment</b>
		income tax code for lower-income tax filers to reflect the increases in sales tax exposure, brings the exclusion value under Maine's estate tax into conformity with the federal exclusion value, exempts military pensions, other changes.

**MDOT Signalization Upgrades:**

Administration continues to meet with the Maine Department of Transportation on traffic signalization upgrades throughout the entire City. Due to the availability and timing of State funding, the entire Project is being defined in two Phases. The first phase of construction would start in 2016-17 and second phase in 2017-18 construction seasons. VHB is under contract with the State to design the improvements and our Public Works Director and Assistant Engineer as well as Planning and Public Safety have all provided input into the pending design.

The City is committed to dedicating fiber optic cable to the Project, assuming the City builds or has a system built, that would allow for the use of a central server to monitor traffic flow continuously and adjust the traffic signals city-wide based upon the number of vehicles entering all of our signalized intersections. The City working on the inclusion of a Preemption System that will allow for our emergency vehicles to change the signals in route for safer more rapid response and limit the use of sirens only to clear their way.

**School Construction:**

Administration met for nearly 10 hours on June 10<sup>th</sup> working on Phase I or the High School Construction. Administration met with the Architect, sub consultants, the Maine Department of Education, and the CBC I on refining the design elements, value engineering and comparing various cost approaches, and working with the sub consultants on all areas. The work is in the Design Development stage and the Project is at or near 25% complete design. A separate meeting was held with the Site Engineers, Sebago Techniques, to address pending negotiations with the Army Corps of Engineers and State Department of Environmental Protection on the environmental impacts and work to trade the City's adjacent 40 acres in lieu or mitigation fees or a portion thereof. The High School construction project remains on task and time, but not without a significant investment of the City's administrative resources and time.

The CBC II will meet on the elementary/middle school projects next on June 22<sup>nd</sup>, 2015 with selected consultants Harriman Associates to begin scoping the Facilities Feasibility Study. The Feasibility Study will form the basis of the request to the Maine Department of Education to remodel Sanford's existing school facilities to allow for the consolidation of our student

population and needs into fewer more efficient building envelopes. The first meeting with Harriman Associates will outline both the scope and the process. After the initial meeting, how the public may become involved and when will be determined and communicated.

**Recognition of Southern Maine Aviation:**

The attached letter recognizing the continued exceptional work and partnership of the Fixed Based Operator (FBO) services rendered by Southern Maine Aviation is attached. The recent celebrations of the birthdays of both former First Lady Barbara Bush and husband former President George HW Bush highlighted the exceptional services of Southern Maine Aviation. By all accounts the impressive influx of private jets and planes was serviced with numerous positive comments by pilots. The City has an exceptional partner with Southern Maine Aviation as it relates to the growth and activity at our Sanford Seacoast Regional Airport and as the face of our City to so many who fly into and visit our City. Please read the attached letter.



# City of Sanford, Maine

## Office of the City Manager

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### City Council

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Joseph R. Hanslip  
Alan R. Walsh  
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### City Manager

Steven R. Buck

June 15<sup>th</sup>, 2015

Jim Knowles  
Southern Maine Aviation  
199 Airport Road  
Sanford, Maine 04073

Mr. Knowles,

The success of the Sanford Seacoast Regional Airport is dependent upon the public-private partnership relationships with our Fixed Base Operators. I would like to extend the City's continued appreciation for the exceptional services, business investments, and promotion of our Airport that has come to define Southern Maine Aviation.

Activities over the past week highlighted by the birthdays of Barbara Bush and President George HW Bush illustrate the valued operations of Southern Maine Aviation. As was well documented there was a significant flurry of activity as private jets of all sorts landed at SFM carrying family, friends, dignitaries, and celebrities to celebrate the birthdays of the Mr. and Mrs. Bush. Southern Maine Aviation and the Sanford Seacoast Regional Airport became the face and impression of our City. By all reports the efforts of Southern Maine Aviation to accommodate all needs of the pilots, planes, and passengers was remarkable.

As the City Manager and on behalf of the City of Sanford, I am sending our City's appreciation of the work and services that are Southern Maine Aviation. Our City and our Airport could not have a better FBO and partner now and into the future. Thank you.

Sincerely,

Steven R. Buck  
City Manager, Sanford



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Date: (Filing No. S- )

**JUDICIARY**

Reproduced and distributed under the direction of the Secretary of the Senate.

**STATE OF MAINE  
SENATE  
127TH LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to S.P. 430, L.D. 1203, Bill, “An Act To Address the Detrimental Effects of Abandoned Property”

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

**'Sec. 1. 30-A MRSA §3106-A** is enacted to read:

**§3106-A. Municipal authority to manage abandoned properties**

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Property defects" means the conditions that, in the judgment of the municipality, contribute to blight as a result of the continued lack of care, maintenance or security of a property.

B. "Responsible parties" means the owner or owners of record.

**2. Municipal authority.** In accordance with this section, the municipal officers or the officers' designee may regulate the care, maintenance and security of property determined to be abandoned under subsection 4, if the responsible parties fail to address the property defects after notice and an opportunity to comply. The municipality may recover its costs from the responsible parties. The authorities established by this section may not be construed to replace or supplant any municipal authority to provide for basic necessities under Title 14, section 6026-A or address dangerous properties under Title 17, chapter 91, subchapter 4. Municipal action under this section may not be interpreted to bestow any responsibility on the municipality to safeguard or otherwise preserve or protect abandoned property.

**3. Notice of foreclosure; designation of representative.** When initiating a foreclosure action on a property, a foreclosing mortgagee shall notify the municipality where the property is situated and designate an in-state representative responsible for the property.

**COMMITTEE AMENDMENT**

1           **4. Determination of abandonment.** Before a municipality may initiate corrective  
2 action measures to address property defects pursuant to this section, either a court or the  
3 municipal officers must have determined that the property has been abandoned according  
4 to the evidence of abandonment described in Title 14, section 6326, subsection 2,  
5 paragraph A, C, D, E, F, G or H.

6           A. The municipal officers shall provide notice to the responsible parties and hold a  
7 hearing before making a determination that a property has been abandoned. The  
8 notice of hearing must:

9                   (1) State the scheduled date, time and location of the hearing; and

10                   (2) Inform the responsible parties that, upon a finding of abandonment, the  
11 municipality may require the responsible parties to correct any property defects  
12 within 30 days of the issuance of a notice to correct or, if a permit is required to  
13 correct property defects, the municipality may require the responsible parties to  
14 promptly seek a permit and to correct the defects within 30 days of the issuance  
15 of the permit.

16           B. A hearing under paragraph A may be held no less than 7 days after receipt or  
17 publication of the notice.

18           C. An order issued by the municipality determining that a property is abandoned may  
19 be combined with the notice to correct set forth in subsection 5.

20           **5. Notice to correct.** Upon a finding of abandonment, the municipal officers may  
21 give written notice to the responsible parties to correct identified property defects. The  
22 municipal notice to correct under this section must:

23           A. Identify the property defects;

24           B. State the municipality's intention to take appropriate preventive or corrective  
25 measures to address the property defects;

26           C. Identify the measures the municipality will take if the responsible parties have not  
27 remedied the property defects identified within 30 days of the notice to correct;

28           D. State the municipality's intention to subsequently recover the municipality's  
29 direct, legal and administrative costs from the responsible parties; and

30           E. Inform the responsible parties of their ability to avert the municipality's actions by  
31 remedying the property defects as identified in the notice.

32           **6. Notice process.** A notice required to be given under this section is governed by  
33 the following.

34           A. Notice must be hand-delivered or mailed by certified mail, return receipt  
35 requested, to the responsible parties. Notice is sufficient if the signed receipt is  
36 returned or the certified mail is returned as refused by the recipient.

37           B. If the address of the responsible parties cannot be determined with reasonable  
38 diligence, the notice is sufficient if it is published twice consecutively in a daily or  
39 weekly newspaper having general circulation in the municipality in which the  
40 property is located.

