

Council Agenda Item #1: Roll Call

The Caribou City Council held a regular meeting Monday, August 13, 2018 at 6:00 p.m. in Council Chambers with the following members present: Mayor David Martin, Philip McDonough II, Joan L. Theriault, R. Mark Goughan and Hugh A. Kirkpatrick. Deputy Mayor Nicole L. Cote and Timothy C. Guerrette were absent and excused.

Dennis L. Marker, City Manager was present.

Department Managers and Staff: Michael Gahagan, Police Chief; Scott Susi, Fire Chief; Gary Marquis, Supt. of Parks & Recreation; Anastasia S. Weigle, Library Director; and Hope Rumpca, Library Director effective August 14, 2018.

Christopher Bouchard of Aroostook Republican and Spectrum covered the meeting.

Council Agenda Item #2: Pledge of Allegiance

The Mayor led the Pledge of Allegiance.

Council Agenda Item #3: Public Input

- Timothy Doak – RSU #39 Supt. of Schools – Mr. Doak provided an update on the RSU 39 new school project. Only one bid, from Bowman Construction, for the project and that bid was slightly \$12 million over the proposed budget. Since then the RSU, architects, State of Maine, and Bowman Construction have worked together to reduce the amount of the bid. The Maine Department of Education has agreed to fund this project an additional \$4.8 million. On the 16th, the RSU will hold a public hearing concerning the additional funding, plus a referendum election will be held September 6th to accept the funding. To save money, construction will not continue through the winter.

Councilor Goughan asked several questions about bonds, change orders, and how a citizen could follow this project. Supt. Doak briefly explained how the RSU is handling their bonding needs. He further commented that this is a state project and that only about 5% is local.

- Lyndon Keck – Senior Principal at PDT Architects – explained how project's bills are reviewed and paid. At least three different organizations review pay requisitions.

Mr. Keck briefly explained the change order procedures. He noted that there is a link on the RSU's webpage that allows individuals to follow the construction process. He further offered that there are monthly building committee meetings that are open to the public.

- Mark Bouchard – RSU #39 Business Manager – Bonds will be sold in November 2018 through the State of Maine bond bank. The RSU has procured bond anticipation notes (BANS), so there would be some operating money to get started with the project. The first BAN was for \$4.2 million and was with Katahdin Trust Company. Key Bank won with the lowest interest rate for a \$16.1 million second BAN. The entire amount for the rest of the project will be paid out of the proceeds of the November 2018 bond sales.

The total cost of the school project is \$53 million.

In 2018, there are eight schools being built in Maine

Council Agenda Item #4: Declaration of Potential Conflicts of Interest

None of the Councilors declared any Conflicts of Interest.

Council Agenda Item #5: Consent Agenda

- a. Minutes from City Council Meeting held July 9, 2018
- b. June 2018 Financials
- c. July 2018 Financials
- d. Liquor License for Jade Palace at 30 Skyway Drive
- e. Liquor License for Bike Maine Event on September 8, 2018
- f. Notice and approval of RSU #39 Election on September 6, 2018

Motion made by P. McDonough, seconded by J. Theriault, to approve Consent Agenda A-F with the addition of appointing Jayne R. Farrin Warden and Kalen Hill Deputy Warden for the September 6th election and to set 8:00 a.m. as the time to open the polls for the September 6th election. (5 yes) So voted.

Council Agenda Item #6: Bid Openings, Awards, and Appointments

There weren't any bid openings, awards, and appointments.

Council Agenda Item #7: Formal Public Hearings

There weren't any Formal Public Hearings.

Council Agenda Item #8: New Business & Adoption of Ordinances and Resolutions

- a. Discussion and Possible Action Regarding Property Use Agreement with Aroostook County Genealogical Society

Library Director Anastasia S. Weigle reviewed the proposed agreement with the Aroostook County Genealogical Society (ACGS). The ACGS and the library have had a relationship since the days that Diane DuBois was the Director. In 2013 or 2014, ACGS's materials and items started to be stored at the library. ACGS and the library work collaboratively. The proposed agreement is to make official the relationship between the two organizations, plus allowing the library to become a repository for ACGS.

Motion made by P. McDonough, seconded by J. Theriault, to approve the agreement regarding Housing of Aroostook County Genealogical Society Research Materials at the Caribou Public Library as presented. (5 yes) So voted.

Ms. Weigle extended her thanks to the Council for allowing her to serve as Director of the Caribou Public Library. The new Library Director Hope Rumpca was introduced to the Council.

- b. Discussion and Possible Action Regarding Purchase of Property Located at 153 River Road

Council reviewed and discussed the proposed Purchase and Sale Agreement between Sandra Theriault and the City for the real estate identified as 153 River Road for \$25,000. The City's assessed value is \$19,600. Discussion as to why the offer is 28% over assessed value. The Theriaults are utilizing the City's offer of \$1,000 a month rental assistance. In negotiating the proposed purchase and sale agreement, the Manager considered this monthly expense and the cost of an appraisal. Councilor Goughan

questioned whether the City followed a “process” in determining an amount to offer the Theriaults.

Motion made by J. Theriault, seconded by P. McDonough, to approve the proposed Purchase and Sale Agreement between Sandra Theriault and the City for the real estate identified as 153 River Road for \$25,000. (3 yes, J. Theriault, D. Martin, P. McDonough, 2 no, RM Goughan, H. Kirkpatrick) Motion failed.

Motion made by Mayor Martin to table Council Agenda Item #8:b. Motion died for the lack of a second.

Motion made by H. Kirkpatrick, seconded by P. McDonough, to offer Sandra Theriault \$21,500 for the real estate identified as 153 River Road. H. Kirkpatrick amended his motion to \$20,600 and P. McDonough amended his second to \$20,600. (4 yes, J. Theriault, RM Goughan, H. Kirkpatrick, P. McDonough, 1 no, D. Martin) So voted.

c. Discussion and Possible Action Regarding Purchase of Property Located at 163 River Road

Motion made by J. Theriault, seconded by P. McDonough, to approve the proposed Purchase and Sale Agreement between Toni G. Fournier and the City for the real estate identified as 163 River Road for \$61,000. (5 yes) So voted.

d. Discussion and Possible Action Regarding Abatement of Taxes for Property Located at 557 Access Highway

The Board of Assessors has granted a partial abatement of 2017 taxes by reducing taxes owed from \$2,321.59 to \$1,295.13. The amount owed for 2016 is \$1,110.65. The total requested abatement is \$3,315, which includes all taxes, interest and administration costs. If the abatement is approved then the owner Crystal Fulton plans to clean up the park and remove the 20 dilapidated trailers. Discussion. Ms. Fulton is unable to obtain a demolition permit or remove the trailers unless the taxes are paid.

Motion made by P. McDonough, seconded by J. Theriault, to deny the abatement request. (4 yes, J. Theriault, RM Goughan, H. Kirkpatrick, P. McDonough, 1 no, D. Martin) So voted.

e. Discussion Regarding 2017 Financial Audit Report

A representative from Felch & Company summarized and reviewed the 2017 Financial Audit for the City.

- A clean opinion
- Assets of \$9.3 million with Total Assets of \$29.5 million. Total Liabilities of \$2.9 million. With a Net Position or Net Equity of \$26.6 million with \$7.6 million of that is currently unrestricted.
- Total Departmental Expenses of \$15.5 million, with Program Revenues \$4.3 million resulting in a Net Cost of \$11.3 million. Those Net Costs were supported by General Revenues of \$11.5 million resulting in an increase of the Net Position of just under \$200,000.
- Information on the City’s General, Section 8 Housing Program and Non-Major Funds was reviewed. These total \$9.3 million.
- Decrease in the Fund Balance of \$134,000.
- The City’s Fiduciary Funds total \$174,000.

- The Auditors didn't note any findings of material weaknesses or internal control or noncompliance findings

The Felch representative answered Councilor Goughan's questions about Capital Reserve Accounts and leases. Councilor Goughan has additional questions and will send them to Felch & Company.

The Mayor moved down to Council Agenda Item #8:j.

- j. Discussion and Possible Action Regarding Credit Enhancement Agreement with Caribou Senior Housing, LLC.

Manager Marker noted that the Credit Enhancement Agreement (CEA) would be the final instrument that is necessary to implement the Tax Increment Finance District associated with Hilltop School. The program still needs to be approved by the State of Maine. The draft CEA has 95% being returned to developers and 5% being retained by the City.

Councilor McDonough's employee question was answered by one of the developers in the audience. Councilor Goughan expressed his displeasure and concerns with the section that allows the developers to sell plus Section 11.11 *No Obligation to Build Project* and the original value being set at "zero". The property value of "zero" was also questioned by Councilor Kirkpatrick. Councilor Theriault clarified that if the developers don't build then the developers will have a property tax obligation for the current building's value. Councilor Kirkpatrick suggested that a timeline be added to Section 11.11. One of the developers commented that they have worked on this much needed project for four years and have determined that the only way for it to work is to use Hilltop and for there to be a TIF. It is their goal to work on the project this winter.

Councilor Theriault commented that this type of facility is needed and people are wondering when it will be ready.

Councilor Goughan spoke in opposition to the proposed Credit Enhancement Agreement. Further, Councilor Goughan commented that it was difficult to get accurate information on the Hilltop TIF and during the last eight months on Council, he hasn't received any historical information on the TIF. He supports CEAs that start off strong and gradually diminish to zero during the term of the agreement to accomplish helping investors during the first five to ten years. This CEA starts out strong and ends strong during the entire 30-year period of the agreement. He encouraged other Councilors to reject this proposal for a more sustainable agreement for Caribou's future.

Motion made by P. McDonough, seconded by J. Theriault, to approve the Credit Enhancement Agreement with Caribou Senior Housing, LLC. as presented. (3 yes, J. Theriault, D. Martin, P. McDonough, 2 no, RM Goughan, H. Kirkpatrick) Motion failed.

- f. Discussion and Possible Action Regarding Bi-weekly Payroll Implementation

Finance Director Grant provided in writing his concerns with implementing bi-weekly payroll. One major concern are the current collective bargaining agreements. The City doesn't know what the savings would be for bi-weekly payroll. Councilor McDonough expressed his frustration that the Council was never informed that bi-weekly payroll wasn't implemented back in 2015/16 and noted once the unions signed off on bi-weekly payroll that is should have been done.

Motion made by H. Kirkpatrick, seconded by P. McDonough, to implement bi-weekly payroll effective January 1, 2019. (5 yes) So voted.

g. Discussion and Possible Action Regarding Property Acquisition Policy

Motion made by J. Theriault, second P. McDonough, to accept the draft Property Acquisition Policy for the City of Caribou, July 10, 2018. (5 yes) So voted.

h. Discussion and Possible Action Regarding Property Lease with Beaupres Construction

Since 2016, Jacob Beaupre, doing business as Beaupres Construction, has been leasing space in the 60 Access Highway building. The current lease expires August 25, 2018 and Mr. Beaupre has requested a renewal of the lease.

The proposed lease would have Mr. Beaupre paying approximately \$1,200 a year. Councilor questions were answered by the Manager.

Motion made by H. Kirkpatrick, seconded by P. McDonough, to accept the lease, with Jacob Beaupre d/b/a Beaupres Construction, as written. (5 yes) So voted.

i. Discussion and Possible Action Regarding Airport Hangar Lease Terms and Rates

The City Manager explained the proposed airport hangar fees schedule and hangar lease agreement. The Airport Advisory Committee has reviewed the hangar lease agreement. Discussion about the fees and having an automatic increase every other year based on the CPI. Discussion.

Motion made by P. McDonough, seconded by J. Theriault, authorize the Airport Manager (i.e. City Manager) to enter into hangar lease agreements on behalf of the City and to establish the monthly fee for hangar leases:

Hangar	Monthly Fee	Hangar	Monthly Fee
A1	\$120	C3	\$160
A2	\$120	C4	\$160
C1	\$175	C5	\$175
C2	\$170	C6	\$170

Transient pilots needing short term hangar space.

Hangar	Fees Based on Specified Lease Terms		
	Night	Week	Month
B Summer-April through October	\$20	\$100	\$300
B Winter-November through March	\$40	\$150	\$350

(5 yes) So voted.

k. Discussion and Possible Action Regarding Initiative for Senior Tax Credit Program

Early in the year, the Mayor suggested that the City create a tax credit program for seniors. This program would increase the City's mil rate by approximately ½ a mil and would cost around \$175,000. The Mayor wants to see a question about this on the November ballot. The question would be a non-binding advisory referendum. Councilor McDonough stated that the Council is the legislative body and there isn't any need to obtain citizens' okay. Councilor Goughan would like to see a formula that would have the tax credit up to an amount; such as, up to \$500 tax credit.

Under state statutes there are only four acceptance methods to assist tax payers.

1. Tax clubs
2. Tax credit for seniors that volunteer for the municipality.
3. Senior tax deferral
4. Local homestead exemption for seniors (for both homeowners and renters)

Discussion. Councilor Kirkpatrick would like to see this as a larger project or campaign. He pointed out that Caribou has been designated as an AARP Age-Friendly Community. The City should encourage reverse snowbirds, which are individuals that want to summer in Caribou. Discussion. A decision about placing this on the November ballot needs to be made by September 7th.

The Mayor polled the Council about placing this out to vote: Theriault supports placing it out to vote, Goughan not in its current state, Mayor supports placing it out to vote, Kirkpatrick wants to know more information about the cost to implement it. No action was taken.

l. Discussion and Possible Action Regarding Change Order #3 for Airport T-Hangar Project

Change Order #3 is for \$2,900 for the installation of a 40-foot utility pole and primary lines from North Main Street to a utility pole. Zero additional day will be added to the construction schedule.

Motion made by P. McDonough, seconded by J. Theriault, to approve Change Order #3 for Airport T-Hangar Project for \$2,900. (4 yes, J. Theriault, RM Goughan, D. Martin, P. McDonough, 1 no, H. Kirkpatrick) So voted.

m. Discussion and Possible Action Regarding City Manager Annual Performance Review

Three Councilors have submitted City Manager Annual Performance Reviews. Councilors Goughan and Kirkpatrick have completed the review, but they haven't been turned in. The City Clerk offered to collect the two reviews and turn them into HR.

Motion made by P. McDonough, seconded by J. Theriault to table the City Manager Annual Performance Review to September 10th Council Meeting. (5 yes) So voted.

There was discussion as to whether this topic could be held in Executive Session.

Council Agenda Item #9: Reports of Officers, Staff, Boards and Committees

- On the ballot this fall there will be two Council, one RSU board member, and Jefferson Cary Board positions available. Nomination papers are due in the City Clerk's Office by 5:00 p.m. Friday, September 7th.

- On Wednesday morning, August 15th the Clerk's Office will not be able to produce certified copies for some vital records.
- Special RSU 39 Referendum Election will be held Thursday, September 6th. Absentee ballots are available until Friday August 31st at 4:30 p.m. Evening hours will be held Thursday, August 31st from 5 to 7 p.m. to update voter registrations and absentee ballots can be issued at the same time.

Council Agenda Item #10: Reports and Discussion by Mayor and Councilors

- The State will not be doing any work on High Street during 2018. Discussion.
- Councilor Kirkpatrick asked Manager Marker questions about the latest Cary Medical Board meeting. The Mayor suggested that his questions should be brought up to the Board directly.
- Councilor Goughan mentioned that Channel 8 scroll is stuck on one slide.
- A brief River Road update.

Council Agenda Item #11: Executive Session (May be called to discuss matters identified under Maine Revised Statutes, Title 1, §405(6))

a. §405(6)(C) Real Estate & Economic Development

7:38p.m. time in: Motion made by P. McDonough, seconded by RM Goughan, to enter executive session under 1 MSRA §405(6)(C) to discuss real estate and economic development. (5 yes) So voted.

9:01 p.m. time out.

No action taken.

c. §405(6)(E) Pending Litigation

9:01 p.m. time in: Motion made by P. McDonough, seconded by J. Theriault, to enter executive session under 1 MSRA §405(6)(E) Pending Litigation. (5 yes) So voted.

9:30 p.m. time out.

Motion made by H. Kirkpatrick, seconded by J. Theriault, to move that the City get out of the litigation pertaining to opiate manufacturers and distributors. (5 yes) So voted.

b. §405(6)(D) Labor Contracts and Proposals

9:31 p.m. time in: Motion made by P. McDonough, seconded by J. Theriault, to enter executive session under 1 MSRA §405(6)(D) Labor Contracts and Proposals. (5 yes) So voted.

10:20 p.m. time out.

No action taken.

Council Agenda Item #12: Next Regularly Scheduled Council Meetings – August 15th Workshop at the Wellness Center and September 10th in Council Chambers.

Council Agenda Item #13: Adjournment

Motion made by P. McDonough, seconded by J. Theriault, to adjourn at 10:20 p.m. (5 yes) So voted.

Jayne R. Farrin, Secretary