

**RECORD OF REGULAR MEETING
ELLSWORTH CITY COUNCIL**

DATE: MAY 20, 2019

TIME: 7:00 PM

PLACE: ELLSWORTH CITY HALL COUNCIL CHAMBERS

**CITY COUNCIL PRESENT: BLANCHETTE, FORTIER, GRINDLE,
HAMILTON, HUDSON, MOORE, AND PHILLIPS.**

CITY COUNCIL ABSENT:

**KEY SPEAKERS PRESENT: CITY MANAGER DAVID COLE, TAMMY MOTE,
JENNIFER MERCHANT, DWIGHT TILTON, MIKE HANGGE, LISA
SEKULICH, KELLY HERRICK, BERNIE HUSSEY, MIKE HARRIS, LARRY
GARDNER, DAN HIGGINS, AND HEIDI GRINDLE.**

Call to Order.

Chairman Blanchette called the regular meeting of the Ellsworth City Council to order at 7:00 PM.


Pledge of Allegiance.


All stood for the pledge of allegiance.

Rules of Order.

The meeting was conducted under Robert's Rules of Order and other rules adopted at the November 14, 2018 Annual Organizational Meeting of the Ellsworth City Council. After being recognized by the Chairman, a person may speak not more than three (3) minutes on any one item on the agenda. In addition, the person may speak not more than two (2) minutes in rebuttal.

Adoption of minutes from the following meeting (s) of the Ellsworth City Council:

 *April 15, 2019 Regular Meeting.*

 *May 6, 2019 Special Meeting.*

On a motion by Fortier, seconded by Phillips, it was

RESOLVED to approve the adoption of minutes from the April 15, 2019 Regular meeting and the May 6, 2019 Special meeting minutes.

The final vote was 6 members in favor (Blanchette, Fortier, Hamilton, Hudson, Moore and Phillips) and 1 member abstaining (Grindle).

City Manager's Report.

David Cole, City Manager, noted Harbor Park is now open for the season. Knowlton Park will officially open on May 25, 2019. Last year at the first organized Roadside Cleanup event only 40 bags of trash were picked up. This year during the Roadside Cleanup event there were an estimated 250 bags of trash

Call to Order.

Pledge of Allegiance.

Rules of Order.

Approved - adoption of minutes from the April 15, 2019 Regular meeting and the May 6, 2019 Special meeting minutes.

City Manager's Report.

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picked up; a thank you was extended to the Green Action Team, City staff, and Public Works Department for their involvement in this project. Cole thanked the members of the community who were involved and adopted roads to cleanup during this event. The initial goal was that the event would grow over time and that appears to be happening. Cole announced a Communication Survey has been developed by the Communications Committee and will go live on the City's website tomorrow. This survey can be located on the City's homepage and takes less than 5 minutes to complete. This survey is designed to find out how residents receive information from the City and what avenues work best. Cole invited members of the public to participate, as the City would like to have a broad cross section from the Community to guide future efforts. June 1, 2019 at the Ellsworth Middle School track the Relay for Life event will take place for the American Cancer Society. A group of City of Ellsworth employees have initiated a team called "A City Against Cancer". Cole invited the public to stop by the City to purchase feet in honor of this event. \$400 was raised through a bake sale to benefit this cause.

Committee Reports.

- *Harbor Commission.* Councilor Moore thanked all the people responsible for picking up the trash during the cleanup event. He noted teams of residents in surrounding towns also cleaned up their communities with positive results. Moore noted the Harbor is open for the season. The yearly opening activities at the Harbor were easier and quicker this year because the ice eaters made it possible to leave the docks in all winter. The Army Corps of Engineers has determined there is significant contamination in the soils near the area that needs to be dredged. If there is a dredge, the City will need to determine how the material will be discarded. At this point, the City has collected a little over \$20,600 in revenues from fees.
- *Historic Preservation Committee.* Chairman Blanchette met with the Historic Preservation Committee last week because they are interested in having a Certified Local Government status. Blanchette is the Council representative on that Committee; they were exploring his thoughts on this designation. The way this process and designation was explained, Blanchette felt it was all good and did not see a downside to the status. It would allow for easier access to grants for both the Historic Preservation Committee and citizens who might be interested in having their property listed on a local historic registry. The Committee will

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continue to research this topic and, hopefully by the end of the year, the concept will come before the City Council for discussion.

Citizens' Comments.

There were no citizens' comments this month.

Presentation of Awards.

There were no awards to present this month.

UNFINISHED BUSINESS

There was no unfinished business this month.

CONSENT AGENDA

CONSENT AGENDA: All items with an asterisk () are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items unless a Council member so requests, in which event, the item will be removed from the Consent Agenda and considered in its normal sequence on the Agenda.*

*Council Order #051901, Request of the Deputy Treasurer/Tax Collector to accept payments on tax-acquired timeshare units per the attached spreadsheet and to authorize the City Manager to release said properties through Municipal Quit-Claim Deeds. **

See attachment #1 for a complete list of timeshare units that were sold during the course of the last month.

*Council Order #051902, Request of the City Assessor for abatement of FY 2018 taxes assessed to Rumor Has It Hair Salon, Munis ID# 180293, in the amount of \$35.94 plus interest and fees. **

See attachment #2 for the complete request.

Citizens' Comments.

Presentation of Awards.

Unfinished Business.

Consent Agenda.

Approved - Consent Agenda items as presented this evening.

Approved – CO #051901, accept payments on tax-acquired timeshare units and release properties through quit-claim deeds.

Approved – Council Order #051902, tax abatement on Munis Account #180293.

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*Council Order #051903, Request to appoint David Burks to the Planning Board as alternate member with a term to expire on June 30, 2020. **

See attachment #3 for the complete request.

On a motion by Fortier, seconded by Hudson, it was unanimously

RESOLVED to approve Consent Agenda items as presented this evening.

NEW BUSINESS

Public hearing and action on the applications for issuance for the following licenses:

Finn's Irish Pub, Inc d/b/a Finn's Irish Pub, 156 Main Street, for renewal of a City Class B License (Amusement, Victualer and Liquor) and renewal of a State Restaurant (Class I, II, III, IV) Malt, Spirituous, Vinous Liquor License.

The staff reports the premises are in compliance with required codes and ordinances necessary to issue the requested licenses.

Public hearing was opened.

There were no comments.

Public hearing was closed.

On a motion by Fortier, seconded by Phillips, it was unanimously

RESOLVED to approve the request of Finn's Irish Pub, Inc d/b/a Finn's Irish Pub, 156 Main Street, for renewal of a City Class B License (Amusement, Victualer and Liquor) and renewal of a State Restaurant (Class I, II, III, IV) Malt, Spirituous, Vinous Liquor License.

Ellsworth No. 1, LLC, d/b/a Hampton Inn – Ellsworth, 6 Downeast Highway, for renewal of a City Lodging License.

Approved – Council Order #051903, appoint David Burks Planning Board term to expire 06/30/2020.

New Business.

Approved - Finn's Irish Pub, Inc d/b/a Finn's Irish Pub, 156 Main Street, for renewal of a City Class B License (Amusement, Victualer and Liquor) and renewal of a State Restaurant (Class I, II, III, IV) Malt, Spirituous, Vinous Liquor License.

Approved - Ellsworth No. 1, LLC, d/b/a Hampton

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The staff reports the premises are in compliance with required codes and ordinances necessary to issue the requested licenses.

Public hearing was opened.

There were no comments.

Public hearing was closed.

On a motion by Phillips, seconded by Moore, it was unanimously

RESOLVED to approve the request of Ellsworth No. 1, LLC, d/b/a Hampton Inn – Ellsworth, 6 Downeast Highway, for renewal of a City Lodging License.

Ellsworth RI, LLC, d/b/a Ellsworth Ramada, 215 High Street, for renewal of a City Lodging License.

The staff reports the premises are in compliance with required codes and ordinances necessary to issue the requested licenses.

Public hearing was opened.

There were no comments.

Public hearing was closed.

On a motion by Hamilton, seconded by Hudson, it was unanimously

RESOLVED to approve the request of Ellsworth RI, LLC, d/b/a Ellsworth Ramada, 215 High Street, for renewal of a City Lodging License.

Brian Langley d/b/a Union River Lobster Pot, 8 South Street, for renewal of a City Class C License (Victualer and Liquor) and renewal of a State Restaurant (Class I, II, III, IV) Malt, Spirituous and Vinous Liquor License.

The staff reports the premises are in compliance with required codes and ordinances necessary to issue the requested licenses.

**Inn – Ellsworth, 6
Downeast Highway,
for renewal of a City
Lodging License.**

**Approved -
Ellsworth RI, LLC,
d/b/a Ellsworth
Ramada, 215 High
Street, for renewal of
a City Lodging
License.**

**Approved - Brian
Langley d/b/a Union
River Lobster Pot, 8
South Street, for
renewal of a City
Class C License**

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Public hearing was opened.

There were no comments.

Public hearing was closed.

On a motion by Fortier, seconded by Moore, it was unanimously

RESOLVED to approve the request of Brian Langley d/b/a Union River Lobster Pot, 8 South Street, for renewal of a City Class C License (Victualer and Liquor) and renewal of a State Restaurant (Class I, II, III, IV) Malt, Spirituous and Vinous Liquor License.

Cresswell Investments, LLC d/b/a Airline Brewing Company, 173 Main Street, for renewal of a City Class B License (Victualer, Liquor, and Amusement) and renewal of a State Restaurant (Class III and IV) Malt and Vinous Liquor License.

The staff reports the premises are in compliance with required codes and ordinances necessary to issue the requested licenses.

Public hearing was opened.

There were no comments.

Public hearing was closed.

On a motion by Phillips, seconded by Hudson, it was unanimously

RESOLVED to approve the request of Cresswell Investments, LLC d/b/a Airline Brewing Company, 173 Main Street, for renewal of a City Class B License (Victualer, Liquor, and Amusement) and renewal of a State Restaurant (Class III and IV) Malt and Vinous Liquor License.

Shinbashi Inc. d/b/a Shinbashi Restaurant, 139 High Street, for renewal of a City Class C License (Victualer and Liquor) and renewal of a State Restaurant (Class I, II, III, IV) Malt, Spirituous and Vinous Liquor License.

(Victualer and Liquor) and renewal of a State Restaurant (Class I, II, III, IV) Malt, Spirituous and Vinous Liquor License.

Approved - Cresswell Investments, LLC d/b/a Airline Brewing Company, 173 Main Street, for renewal of a City Class B License (Victualer, Liquor, and Amusement) and renewal of a State Restaurant (Class III and IV) Malt and Vinous Liquor License.

Approved - Shinbashi Inc. d/b/a Shinbashi

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The staff reports the premises are in compliance with required codes and ordinances necessary to issue the requested licenses.

Public hearing was opened.

There were no comments.

Public hearing was closed.

On a motion by Moore, seconded by Grindle, it was unanimously

RESOLVED to approve the request of Shinbashi Inc. d/b/a Shinbashi Restaurant, 139 High Street, for renewal of a City Class C License (Victualer and Liquor) and renewal of a State Restaurant (Class I, II, III, IV) Malt, Spirituous and Vinous Liquor License.

Rockbound Management LLC, d/b/a Twin Hills Cottages of Acadia, 210 Twin Hill Road, for renewal of a City Lodging License.

The staff reports the premises are in compliance with required codes and ordinances necessary to issue the requested licenses.

Public hearing was opened.

There were no comments.

Public hearing was closed.

On a motion by Fortier, seconded by Hudson, it was unanimously

RESOLVED to approve the request of Rockbound Management LLC, d/b/a Twin Hills Cottages of Acadia, 210 Twin Hill Road, for renewal of a City Lodging License.

Restaurant, 139 High Street, for renewal of a City Class C License (Victualer and Liquor) and renewal of a State Restaurant (Class I, II, III, IV) Malt, Spirituous and Vinous Liquor License.

Approved - Rockbound Management LLC, d/b/a Twin Hills Cottages of Acadia, 210 Twin Hill Road, for renewal of a City Lodging License.

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The Mex Inc. d/b/a The Mex, 191 Main Street, for renewal of a City Class C License (Victualer and Liquor) and renewal of a State Restaurant (Class I, II, III, IV) Malt, Spirituous and Vinous Liquor License.

The staff reports the premises are in compliance with required codes and ordinances necessary to issue the requested licenses.

Public hearing was opened.

There were no comments.

Public hearing was closed.

On a motion by Phillips, seconded by Moore, it was unanimously

RESOLVED to approve the request of The Mex Inc. d/b/a The Mex, 191 Main Street, for renewal of a City Class C License (Victualer and Liquor) and renewal of a State Restaurant (Class I, II, III, IV) Malt, Spirituous and Vinous Liquor License.

Susan Scherbel d/b/a Dyon's, 35 Eastward Lane, for renewal of a City Class C (Victualer and Liquor) License and renewal of a State Restaurant (Class III & IV) Malt and Vinous Liquor License.

The staff reports the premises are in compliance with required codes and ordinances necessary to issue the requested licenses and that no delinquent tax or utility bills exist.

Public hearing was opened.

There were no comments.

Public hearing was closed.

On a motion by Phillips, seconded by Hamilton, it was

RESOLVED to approve the request of Susan Scherbel d/b/a Dyon's, 35 Eastward Lane, for renewal of a City Class C (Victualer and Liquor) License

Approved - The Mex Inc. d/b/a The Mex, 191 Main Street, for renewal of a City Class C License (Victualer and Liquor) and renewal of a State Restaurant (Class I, II, III, IV) Malt, Spirituous and Vinous Liquor License.

Approved - Susan Scherbel d/b/a Dyon's, 35 Eastward Lane, for renewal of a City Class C (Victualer and Liquor) License and renewal of a State Restaurant (Class III & IV) Malt and Vinous Liquor License.

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and renewal of a State Restaurant (Class III & IV) Malt and Vinous Liquor License.

Before a vote was taken, Councilor Fortier noted this license was the one the City Councilor worked very diligently with at the first of the year. The City approved an extension for them because there were some outstanding concerns noted by the Code Enforcement and Fire Inspector. Fortier commended the Code Enforcement Officers and Fire Inspector as well as the applicant for working so well together to resolve the outstanding matters for the safety of the people that are in and out of the building. This is a true success story in letting business stay open as they fix the concerns.

A final vote was taken with all members voting unanimously in favor.

Zunilda Ayala Escalante d/b/a Mi Sombrero Mexican Restaurant and Bar, 78 Downeast Highway, for a new City Class C License (Liquor and Victualer) and a new State Class XI Restaurant/Lounge Malt, Vinous, Spirituous Liquor License.

Zunilda Ayala Escalante was present, as it was required by the Licensing Ordinance in regards to new businesses.

Public hearing was opened.

There were no comments.

Public hearing was closed.

On a motion by Moore, seconded by Phillips, it was

RESOLVED to approve the request of Zunilda Ayala Escalante d/b/a Mi Sombrero Mexican Restaurant and Bar, 78 Downeast Highway, for a new City Class C License (Liquor and Victualer) and a new State Class XI Restaurant/Lounge Malt, Vinous, Spirituous Liquor License dependent on all signatures being obtained.

Before a vote was taken, Councilor Fortier asked the Code Enforcement Officer and Fire Inspector to address this license prior to a vote. Fortier felt the motion

Approved - Zunilda Ayala Escalante d/b/a Mi Sombrero Mexican Restaurant and Bar, 78 Downeast Highway, for a new City Class C License (Liquor and Victualer) and a new State Class XI Restaurant/Lounge Malt, Vinous, Spirituous Liquor License dependent on all signatures being obtained.

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needed to be amended, as all of the signatures have not been obtained. Mike Hangge, Fire Inspector, noted the Code and Fire have been working diligently with the applicants to get this license approved and the business opened. The applicants are in the process of cleaning and getting the hoods and equipment repaired. Hangge has spoken with the fire suppression people regarding the hood and found out that has been addressed. The applicants are still waiting for Emera to connect the electricity in the building, which is holding them up the most. Currently, they do not have refrigeration, hot water, and the fan operation cannot be verified at this time. The inspections are on hold until the electricity is connected and all pieces of the fire suppression system can be verified as in working order. The State is also unable to conduct the inspections at this time. The Code and Fire are working closely with the applicants, and the water has been turned on. The hood system will be properly steamed cleaned during the middle of the week following tonight's meeting. JR Anderson and Daughter has been scheduled to complete this task for the applicant. Hangge noted there has been a lot of progress even though they cannot open right now. Fortier noted in order to allow this business to open as quickly as possible following the necessary inspections; he would like to offer the following friendly amendment to the motion: dependent on signatures. The City Council believes and relies on the Code and Fire when they inspect the property in the field and report back that it is ready. He feels he can trust them to sign it when it is ready to be issued and then the applicant is finished and will have a license. This is consistent with past practice and completely within the City Council's authority. The license will not be issued until those conditions are met. Chairman Blanchette noted this is the same situation as the previous applicant and that was a success story. Fortier noted the biggest difference is this facility has been a restaurant before it has already gone through the process of being licensed in the past and now just waiting on Code requirements. If this was a brand new building he may not be as comfortable taking this route. Blanchette asked how the cleaning was being done without hot water. The applicant stated they have been using cold water and bleach. They have also been using a pressure washer and generator; this is allowing for light and limited electricity. The friendly amendment was accepted by Moore and Phillips.

A final vote was taken with all members voting unanimously in favor.

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Council Order #051904, Request of the Finance Director to write off personal property account balances, per spreadsheet available in the City Clerk's Department.

Kelly Herrick, Tax Collector/Deputy Treasurer, explained the Tax Office has been in the process of cleaning up past due personal property tax accounts. She has compiled a list of delinquent closed accounts, see attachment #4. This list dates back from 1995 to 2011; the City has made multiple attempts to collect these past due charges. At this time, the charges are too old to be submitted to the collections agent.

On a motion by Phillips, seconded by Moore, it was unanimously

RESOLVED to approve Council Order #051904, Request of the Finance Director to write off \$13,889.40 in past due personal property accounts, per the attached documents (attachment #4).

Council Order #051905, Request of the Public Works Director to award a bid for the Harbor Tank Upgrade Project, and authorize the City Manager to sign all necessary agreements.

David Cole, City Manager, noted a suggestion had been made to remove the item from the agenda this evening without prejudice, rather than tabling it. It will hopefully be coming back; however, the City Clerk would like to have it removed this evening rather than tabled. Councilor Fortier rescinded his previous motion to table the request, as a second had not been made prior to Cole explaining the change in request for this evening.

On a motion by Fortier, seconded by Phillips, it was unanimously

RESOLVED to approve removing Council Order #051905, Request of the Public Works Director to award a bid for the Harbor Tank Upgrade Project, and authorize the City Manager to sign all necessary agreements from the agenda this evening.

Public hearing and action on Council Order #051906, the Ellsworth School Budget Resolutions for FY 2020.

Approved - Council Order #051904, Request of the Finance Director to write off \$13,889.40 in past due personal property accounts, per the attached documents (attachment #4).

Approved - Removing Council Order #051905, Request of the Public Works Director to award a bid for the Harbor Tank Upgrade Project, and authorize the City Manager to sign all necessary agreements from the agenda this evening.

Approved - City Council Order #051906: The School

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GARDNER, DAN HIGGINS, AND HEIDI GRINDLE.**

Order Approving State/Local EPS Funding Allocation for Public Education from Kindergarten to Grade 12 for Ellsworth Schools for FY2020.

Chairman Blanchette read into the record: City Council Order #051906,
ORDERED that the City will appropriate for the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act (**Recommend \$8,689,446.00**) and to see what sum the municipality will raise as the municipality's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act in accordance with the Maine Revised Statutes, Title 20-A, section 15688.

Public hearing opened.

There were no comments.

Public hearing closed.

Councilor Hamilton asked Superintendent Higgins to address the balance forward that has been in the School budget for the past several years which has been fairly significant. Hamilton was looking for an explanation on the balance forward because it seems likely there will again be a significant balance forward. Higgins explained during the first budget that was created when Ellsworth School Department withdrew from RSU #24 the initial fund balance that was applied to offset expenditures was \$1.2 million. The School Department has been working over the past five years to reduce the fund balance to approximately 3% of the gross budget, which is the State requirement. One of the challenges is if you apply more to the budget and reduce that fund balance too quickly, you will run into a year subsequent to that where you would either have to reduce your budget significantly or experience a significant tax increase. The School has reduced the fund balance down from \$1.2 million to a proposed \$850,000 this year. Hamilton clarified this is a step to reach the 3% mark; Higgins noted that was correct. Higgins noted the challenge is to manage that over the long term and the multi-year process because each subsequent year in trying to find a way to use more or less of that fund balance to get to that 3%. He noted 3% of a \$21 million dollar budget equals approximately \$600,000 to \$700,000; this becomes a challenge because you do not want to have

**Board
Recommends
\$8,689,446.00.
ORDERED that the
City will appropriate
for the total cost of
funding public
education from
kindergarten to
grade 12 as described
in the Essential
Programs and
Services Funding
Act.**

**RECORD OF REGULAR MEETING
ELLSWORTH CITY COUNCIL**

DATE: MAY 20, 2019

TIME: 7:00 PM

PLACE: ELLSWORTH CITY HALL COUNCIL CHAMBERS

**CITY COUNCIL PRESENT: BLANCHETTE, FORTIER, GRINDLE,
HAMILTON, HUDSON, MOORE, AND PHILLIPS.**

CITY COUNCIL ABSENT:

**KEY SPEAKERS PRESENT: CITY MANAGER DAVID COLE, TAMMY MOTE,
JENNIFER MERCHANT, DWIGHT TILTON, MIKE HANGGE, LISA
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the local impact of the Ellsworth School Department budget fluctuate too much. Chairman Blanchette inquired if the fund balance has ever been at 3% in the past; Higgins stated it has not. The Ellsworth School Department started with a \$1.2 million budget which was made up of funds that came from the RSU as part of the withdrawal terms. The School Department has been slowly trying to reduce that number down to where the fund balance should be at 3%; however, they have not reached that point. Blanchette inquired if the fund balance has been reduced each year over the past five years. Higgins stated it has fluctuated a little bit because the fund balance at the end of the year adjusts by the number of revenues taken in and what is left over at the end of a year. He stated the School Department has had some good fortune that they have been well within the budgeted amounts and there have been some years where tuition revenues have been very strong. Higgins explained while they try to reduce the fund balance each year, they have not been able to reduce further than where it currently is. Higgins explained for example if \$200,000 is added to the fund balance right now, it would be great for this year's budget but the School Department would be starting out that much further behind when they get to next year's budget. Councilor Hudson explained if for four years in a row the School Department puts a chunk of the fund balance into the budget then during year five when there is no more fund balance to use than suddenly it appears like the school is spending more money than they are and the percentage goes up leaving the public wondering about the increase that particular year. What would actually be happening during year five is a lack of fund balance being added to the proposed budget, which leads to a false sense of normality. If too much fund balance is taken away each year and the year fund balance cannot be used, then it will appear like there is a spike in the cost of education. This scenario is not true but that is what the appearance would be as Hudson explained. Hamilton inquired if Higgins was projecting \$850,000 to move forward, based on that number it appeared from the middle of May where the budget reflects the expenditures and the end of the year is a much larger gap than \$850,000. Higgins explained, currently, they are projecting to end this fiscal year with approximately \$1.4 to \$1.5 million; however, he cautioned the Council to remember that the School Department will be using \$850,000 to offset expenditures for the next year. Higgins asked the Council to remember the School Department started at a very high level in 2014-2015. Councilor Phillip inquired whether or not the \$150,000 was removed for the HCTC study from the proposed budget. Higgins stated the budget remains essentially as it was when he presented at the budget workshop. See attachment #5 for the budget as proposed this evening; therefore, the feasibility

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study remains in the budget this evening. Councilor Fortier asked to have an open discussion on the budget as a whole rather than being stuck on one particular piece of it at a time. Blanchette welcomed that discussion at this time. Fortier did not feel the taxpayers could afford the budget as proposed in attachment #5. Fortier would like to see a reduction, see attachment #5A the numbers as proposed by Fortier. Attachment #5A reflects calculating a 2% and 3% increase based on the FY 2019 School Appropriation of \$11,335,191.30. At a 2% increase a 5.25% increase would be approved in expenses and at 3% there would be a 5.78% increase in expenses. Fortier felt this proposed increase was far closer to what the citizens of Ellsworth can afford compared to the proposed increase of 7.8% increase. David Cole, City Manager, explained he has shared this plan as well with the Superintendent; however, at the time his budget was already pretty much together and ready to present. Together, Cole and Tammy Mote, Deputy City Manager, spoke with representatives from the Maine Department of Economic and Community Development which oversees the Tax Increment Financing (T.I.F) program. Cole believes the City has at least \$150,000 in Reserves within the T.I.F program, above and beyond what is budgeted for this year. At the this meeting they were in agreement that a Workforce Development Initiative similar to what is seen by the Ellsworth Business Development Corporation, members of the City Council, and members of the Ellsworth School Department would constitute an economic development initiative which is eligible under the T.I.F Program and under the City's Economic Development T.I.F. Cole was comfortable that the \$150,000 funding could come from that source, be removed from the School Department proposed budget, and still be completed. Hamilton believed this was a good plan in terms of the discussions surrounding the concept of the School budget and the City budget being one very large budget; to be able to identify this and support career technical education within the City for the youth and the businesses it makes sense to complete it this way. He further felt this was an opportunity to build a collaboration between the School and City operations to find different ways to work together and improve not only the education system but also to address the budgets. Cole explained the way this concept was presented to the State was the funds would be used to identify training needs, market driven by the employers and businesses in the area, what programs are needed for training, and what facilities would be needed to accommodate that. These funds could not be used to build a school; however, they can be used to bring together the School, the private sector, and the community to develop an initiative. Cole stated that would allow the \$150,000 burden to be removed from the School budget. Hudson also noted through the

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discussions it was very clear the City's plan or vision is not to take over this project. This is envisioned to be a collaborative project where the City is hopeful the Ellsworth School Board, the Ellsworth Superintendent, business leaders, members of the City Council and EBDC members will all work together to help facilitate this plan and move this project forward. Hudson wanted to ensure it was understood this was not a hostile takeover situation but rather just a creative way to fund the initial startup of this project. Cole noted it is also a way to take the financial burden off general taxation. Fortier noted historically this concept was successful during the Ellsworth Elementary Middle School construction project. Fortier provided a brief background on how that project was successful through a collaborative manner following some learnable moments that could be applied to this project to make the experience better. Fortier noted at the time of a motion he would like to suggest the reductions be made to the additional local items and not impact the other line items and reduce the bottom line to either 2% or 3%. Fortier believed there were only two changes required and then Higgins can plug the figures in where it works best for the School Department. Higgins appreciated what the Council would like to do, he came prepared to discuss all of these issues and more. He wanted to be sure it was understood what the School Department is advocating for. He noted the \$150,000 came about through a process where the School Department was approached by EBDC and they were willing participants of the concept as a School Board and certainly if the City Council's action is to approve a budget that is \$150,000 less than what has been provided, he would still like an opportunity to advocate for what is remaining in the budget because the survey can be removed particularly if it is going to be funded through another means. Higgins stated there are items within this budget that are absolutely necessary to have as the community is growing. Over 50 additional students have been enrolled this school year more than was anticipated a year ago at this time. There have been significant increases with housing units within the community. Also, people moving here for opportunities are enrolling their children into the school system. Higgins stated what they are asking for is absolutely needed for the school department to continue being attractive with quality programming, and a partner with the City Council in the economic, growth, and development of the community. Hamilton inquired in terms of the numbers if the overall proposal was a 1.7 million dollar increase. Higgins agreed without any change the proposed budget including adult education would be \$23,043,356.26 which is an increase of \$1.671 million or 7.82%. Hamilton stated that is over the budget for last year and currently the School Department is expecting to end this year with a surplus of \$1.5

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million. Higgins clarified that of which \$850,000 is targeted toward offsetting expenditures for next year. Hamilton stated if the School Department is underspending the current year budget by \$1.5 million and then on top of that expecting \$1.7 million which is approximately a \$3 million increase over the current year budget. Hamilton was trying to understand how the numbers work moving forward. Higgins explained by looking at the proposed expenditures that is one piece of the puzzle. The School Department is advocating within the budget that was provided to the City Council as to what the School needs to continue operation of the School System next year, reflecting the needs they have. For example, they are looking at increasing the enrollment at Ellsworth High School by 50 students, which requires additional positions to support that increase as well as additional positions are required to support transportation needs because there are more students in the schools. The budget also reflects needs in the area of dealing with a significant spike in mental health needs and behavioral needs. There were many more items Higgins could list pertaining to the fund balance. He reiterated that the School does not have that money just sitting there with an ability to use \$1.5 million. They started with a fund balance that was applied to the proposed budget of \$1.2 million and the School Department is slowly trying to work it down in a responsible fashion so they avoid fluctuations in what taxpayers are being asked to support. The other piece Higgins added was if historical school budgets were looked at over the last three years; since 2016 when the Department of Education came up with less money for education the School Department had a budget that increased 2.2% on the expenditure side. Over the last three years, FY 2017 the budget increased 2.64% on the expenditure side and had a zero % increase in local appropriation, FY 2018 the budget increased 1.76% on the expenditure side or .48% increase locally, and the current year budget increased 3.43% on the expenditure side and 1.93% on the local side. Over the past three years, the School has not accounted for a significant increase in the tax base. Three of the four budgets have come in at less than 2.7% on the expenditure side; he stated the School historically has not asked for funds they do not need. This happens to be a year where the needs are significant. Many of the needs are significant because the number of students has increased and needs for students have increased as well. Hudson inquired what the increase for Special Education cost was for this coming year; Higgins stated the costs increased by approximately \$170,000 or 4.8%. The bulk of that increase is due to ½ of a new behavior interventionist. Higgins earlier had mentioned the concern with behavior within schools tying in closely with the mental health issues. The budget also includes four new Ed Techs to accommodate

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the needs of incoming students. Hudson pointed out this takes into account the needs that have been identified and does not address the needs that have not been anticipated yet. Fortier noted there are 22 full-time employee positions being added this year including bus drivers and techs. Higgins reviewed the added positions and calculated this number to be just under 20 new full-time employees. Some of the positions are converting from grant funded to being funded directly through the budget. Higgins stated each position is being added because of a specific need. Fortier noted Higgins is the expert concerning this budget. Fortier believes if Higgins says they need this funding he believes him; however, he cannot sit through this process as a City Councilor and tell City staff they cannot get items they need without striking a balance within the School budget and City budget. Hudson felt at some point it has to be the School's turn. The City Council will need to stop kicking their needs and issues down the road by putting some money into that program as well. This budget is for our children, and our future employees. This is a huge part of the Community. This will encourage or discourage people from coming to Ellsworth; the schools have to be the jewel in our crown according to Hudson. Hamilton stated he is wrestling with the balance forward. He struggles with ending the School year underspending \$1.5 million. Hamilton noted at some point what is allocated should be used to meet the needs and not keep moving funds forward because it costs more each time you do that. Hamilton was considering if there are some of these needs that are out there why not utilize more of the fund balance this year and he noted they are looking at potentially seeing an increase in the State share as determined by the State Legislature. Hamilton asked why not take advantage of funds that exist and not push that onto the taxpayers. Higgins stated they have been working to do that. They could easily add \$200,000 to the fund balance. Higgins stated they have been right sizing the budget for the past five years. They have been working on creating a more specified and specific budget each year. Higgins stated he would be concerned adding the \$200,000 to this budget would have an impact next year or the year after where too much has been used for this particular year or next year and a point will be reached where there is a significant increase to the tax base the year after. Higgins noted 49% of the increase is due to increased staffing. 35% of the increase is due to the facilities, \$150,000 covers the study at HCTC (possibly will be funded in a different line item) and \$133,000 is a new roof at HCTC (which has been being patched for the past five years), and \$58,000 is budgeted for the high school gym which has not been replaced since a year or two after it was constructed in the 90's (it needs to be refinished, sanded, and repainted). Higgins noted there are pieces within this

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proposed budget for staffing and maintenance which has been deferred as they can while making sure they have an appropriate plan moving forward. Hudson suggested in moving forward it would be very helpful to gain support for the School Department with more interaction and communication between the City Council and the School Board including Higgins. Hudson explained the City Council meets with the City Department Heads on a regular continuous basis so that the Council is very familiar with what the shortages are where the costs are, and what is happening on a week to week basis. This form of communication makes it easier to deal with expenditures, figure out plans to solve issues or just to understand the reasons why certain decisions were made to address the situation. Hudson explained with the School it is only discussed at budget time and people who have not been immersed in the School Department and gone through this process their minds cannot fully digest the expenses and impacts of the budget. Hudson felt it would be easier for the City Council to understand and help the School Department move forward with the budget process based on a stronger more consistent relationship. Councilor Moore agreed with Hudson it would help the Council better understand exactly what goes into the School Department's requests for funding and how they reached those numbers. Higgins explained the School Board meets monthly, has several standing committees, and stands ready to meet with the City Council when invited. Higgins noted he understands he has a standing invitation from Cole; Higgins said the Council could invite him to a Finance Committee meeting anytime. He stated the School has provided the City Council with all the information they can. Moore stated then the City Council will invite Higgins and the School Board to the Finance Committee meeting or Moore suggested maybe sometime Higgins could invite the City Council. Higgins noted there are no surprises in the budget being proposed this evening. Hamilton appreciated the discussions in terms of future years and looking at the impact next year. However, when he sees some of the items such as the \$133,000 for a roof, the lighting expense, and \$50,000 + for the flooring, those are items in the budget that are going to be paid out of this next year's budget moving those forward those are expenses that will not be in next year's budget. Hamilton noted those expenses just mentioned plus the \$150,000 study for HCTC adds up to approximately \$440,000 of expenses that are being covered in this budget the way it is presented that will not show up in the budget next year. In terms of moving forward, he thinks sometimes a risk is taken by using a little more of the fund balance to achieve the goal of lowering the tax rate and maintaining the budget so that those needs can be met and then next year the \$440,000 is not there. There is a chance there will be

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two more projects to take the place. Higgins explained he has asked the Facilities and Maintenance Director to revise the facilities and maintenance plan. The projects that have been described this evening are projects that have been put off. Higgins clearly stated there have been no safety or health concerns caused by deferring these projects; however, they can only be put off so many times. For example, the roof at HCTC could have been replaced 5 years ago. A lot of money has been saved by not replacing it at that time and only patching; however, now it has reached the point it needs to be done. There are other projects that will replace this one in future budgets. Higgins explained the presentation he was prepared to give addressed the fact that there are a lot of things in this budget but there are a number of things that are not in this budget because they have not reached the high priority level. There are still parking lots that need to be paved as well as the expansion and resurfacing of the parking lot at HCTC has not survived the budget process the past 5 years. Those are approximately \$80,000 projects. They may not be the \$440,000 level of projects coming up but could be between \$275,000 and \$300,000 for the next level of needs. Hamilton stated as he has with the City budget the key is getting out in front of and understanding what the capital needs are; not knowing what that amount is, not having any idea of what those items are and not knowing what the 5 year plan might be, makes these discussions involving one time issues a game of guessing. This process makes it difficult to make those decisions; Hamilton agreed with Hudson that more communication is needed so that the Council is able to look down the road collectively. He thinks there are places the City could leverage resources so that it is one budget; for Hamilton that is a missing piece. He has no idea what is on the horizon for next year. He is only looking at those projects slated for this year and trying to figure out if there is a way to achieve what Higgins wants and reach that balance. Higgins stated they could provide that information; however, he cautioned the Council to keep in mind that the School Board does an outstanding job in managing the resources and managing the fiscal responsibilities. The information definitely exists and is happy to provide it. Hudson was concerned Higgins may have misinterpreted or misunderstood what the Council was talking about concerning the communication piece and having the information. She was clear that in no way was this an attempt to try and manage what Higgins and the School Board are doing. It is only an attempt to glean additional information so the City Council is better prepared for what the School Department will be asking for so that it is not sticker shock. This will help have buy in from the City Council because they can watch the evolution and understand what is happening. Higgins clarified that is not how he was interpreting it, he is not

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looking at the City Council as trying to micromanage the School Department. He knows that is not how it works; as long as he has been here there has been a great relationship between the School Board, Superintendent, and City Council. They are happy to meet and provide any information the City Council wants with regards to the School budget operations; it is a matter of simply being invited. He has had that conversation with Cole earlier in the year. Councilor Phillips noted Higgins can decide what he wants to do with the funding and what gets done and what needs to be completed. He understands the process is trying to be done logically and efficiently; however, there are a fair number of positions within this budget. The City Council is at the point of weighing what the School Department has presented with what the City side has presented, which together has an estimated impact of over a mil increase to the tax rate. There have been a number of discussions concerning the expansion of the City; however, the City Council has to be responsible for making it affordable to live in the City and some of the pain will unfortunately include cuts to the City and School budgets. There will have to be some give and it will be up to Higgins what he does with the bottom line. Phillips is not considering taking a huge amount away from the School budget but rather a small amount, and even with that the School has a substantial increase in expenditures. Phillips noted the approved budget will go out to a public vote, in all likelihood whatever is presented at that point will be approved and then returned to the City Council to make final decisions based on the validated School budget amounts on the Municipal budget. Decisions are being made on the Municipal side to keep the mil rate affordable as well. Fortier asked Higgins if the Councilors are correct in thinking if the City Council would like to reduce some funding it would be removed from the Additional Local and out of the Total Budget only and everything else can stay where it is. Higgins stated his understanding is if the City Council would like to approve a budget that is less money than is presented. For example, if the \$150,000 for the HCTC feasibility study is cut, it would come directly out of the Additional Local Funding. Cole noted the Additional Local Funding is controlling everything else; all other numbers would have to fall into line. Fortier clarified whatever is removed from Additional Local Funding would also come out of the bottom line. Higgins noted if they reduce funding, the School would have to go back and may have to adjust other lines if the funding impacted something other than the feasibility study. Fortier stated he is only advocating for the feasibility study to come out because the City Council has a funding source in mind for that. Fortier is proposing a number to come out and Higgins will decide what that does. Higgins agreed and Fortier clarified that was okay. Fortier noted if

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Augusta was providing the Municipalities with the 55% EPS, 100% of appropriate special education dollars (Federal and State), and the City's revenue sharing dollars the City would not be facing budget reductions. Hamilton asked if there is a reduction in the budget, does Higgins have the ability to increase the fund balance or is that something the City Council is required to do as part of this process. Higgins stated the City Council will essentially set the bottom line. Then the School Board will go back and determine how the bottom line is achieved. Cole noted this has happened before. Higgins noted the specific question is could the School add \$20,000 to the fund balance and the answer is yes they could. Hamilton clarified, "so "you" could rather than cut "you" might decide to use the fund balance to continue with those items". Higgins stated that would bring us back to the previous question, we would have to balance that because as we all know that is not a single year piece, protocol wise yes they could. Fortier questioned his understanding, of the use of fund balance in the budget, if "we" agreed to \$850,000 "you" have the right to go back and take \$1.1 million. Higgins stated his understanding is whatever the City Council votes to approve this evening is going out to the voters; so long as "we" don't expend above and beyond that, well "we" can't. Cole noted the School Board allocates it from there. Higgins confirmed that was correct. Cole noted that is an option to the School Board to adjust those figures; that has happened in the past. Phillips noted it is still a bottom line. Higgins noted that is the law. Blanchette noted there will be four separate votes to take on the first four items. Blanchette asked Higgins, for instance, the number in the first item, where the school recommends \$8.689 no matter what the bottom line is that number will stay \$8.689. Higgins stated it is important to note that is the amount of money the City is required to raise in order to receive full state subsidy. Blanchette clarified that has nothing to do with the number the School will take away from the meeting tonight that the City approves. Higgins confirmed that was correct. Hudson noted it does factor into it because if the City does not approve that amount out of taxation then the School does not receive the State funding. Cole stated that was correct and that historically the City has paid well in excess of that amount. Higgins explained if the Council voted to pay half of that figure out of taxation, the School would only receive half of the State subsidy.

On a motion by Moore, seconded by Fortier, it was unanimously

**RESOLVED to approve City Council Order #051906: The School Board
Recommends \$8,689,446.00. ORDERED that the City will appropriate for the**

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*total cost of funding public education from kindergarten to grade 12 as described
in the Essential Programs and Services Funding Act.*

*Order Approving Non-State Funded School Construction Debt Service For
Ellsworth Schools For FY2020.*

Chairman Blanchette read the following information into the record:

City Council Order #051906: ORDERED that the City will raise and appropriate for the annual payments on debt service previously approved by the legislative body for non-state-funded school construction projects, or non-state-funded portions of school construction projects in addition to the funds appropriated as the local share of the school administrative unit's contribution to the total cost of funding public education from kindergarten to grade 12. The School Board Recommends \$99,092.32

Public hearing opened.

No comments.

Public hearing closed.

There was no discussion prior to a motion being made.

On a motion by Phillips, seconded by Fortier, it was unanimously

RESOLVED to approve City Council Order #051906: ORDERED that the City will raise and appropriate for the annual payments on debt service previously approved by the legislative body for non-state-funded school construction projects, or non-state-funded portions of school construction projects in addition to the funds appropriated as the local share of the school administrative unit's contribution to the total cost of funding public education from kindergarten to grade 12. The School Board Recommends \$99,092.32

Order Raising And Appropriating Additional Local Funds For Ellsworth Schools For FY2020.

**Approved - City
Council Order
#051906: ORDERED
that the City will
raise and
appropriate for the
annual payments on
debt service
previously approved
by the legislative
body..... The
School Board
Recommends
\$99,092.32**

**Approved - City
Council Order
#051906: ORDERED**

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GARDNER, DAN HIGGINS, AND HEIDI GRINDLE.**

Chairman Blanchette read the following information into the record:

City Council Order #051906: ORDERED that the City of Ellsworth raise and appropriate \$2,957,399.74 in additional local funds, which exceeds the State's Essential Programs and Services allocation model by \$2,957,399.74 as required to fund the budget recommended by the school board?

The School Board recommends \$2,957,399.74 for additional local funds and gives the following reasons for exceeding the State's Essential Programs and Services funding model by \$2,957,399.74. This amount is needed to cover the School Department's expenses that are not recognized or fully funded by the State's funding model: Facilities/Maintenance costs, Special Education costs, Technology costs, Transportation costs, Professional Development costs, and System Administration costs.

Blanchette noted the City Council can make an adjustment to the number. Councilor Fortier suggested having a motion made first and then he would offer an amendment to change the amount.

On a motion by Phillips, seconded by Moore, it was

RESOLVED to approve City Council Order #051906: ORDERED that the City of Ellsworth raise and appropriate \$2,521,530.22 in additional local funds, which exceeds the State's Essential Programs and Services allocation model by \$2,521,530.22 as required to fund the budget recommended by the school board.

The School Board recommends \$2,521,530.22 for additional local funds and gives the following reasons for exceeding the State's Essential Programs and Services funding model by \$2,521,530.22. This amount is needed to cover the School Department's expenses that are not recognized or fully funded by the State's funding model: Facilities/Maintenance costs, Special Education costs, Technology costs, Transportation costs, Professional Development costs, and System Administration costs. Approved 2,521,530.22, see attachment #5B.

Fortier noted attachment 5A contains two different scenarios as provided by the City Finance Department. This reflects a 2% increase in School appropriation from last year and a 3%. Fortier suggested since a majority of the School Department's

that the City of Ellsworth raise and appropriate \$2,521,530.22 in additional local funds, which exceeds the State's Essential Programs and Services allocation model by \$2,521,530.22 as required to fund the budget recommended by the school board.

**RECORD OF REGULAR MEETING
ELLSWORTH CITY COUNCIL**

DATE: MAY 20, 2019

TIME: 7:00 PM

PLACE: ELLSWORTH CITY HALL COUNCIL CHAMBERS

**CITY COUNCIL PRESENT: BLANCHETTE, FORTIER, GRINDLE,
HAMILTON, HUDSON, MOORE, AND PHILLIPS.**

CITY COUNCIL ABSENT:

**KEY SPEAKERS PRESENT: CITY MANAGER DAVID COLE, TAMMY MOTE,
JENNIFER MERCHANT, DWIGHT TILTON, MIKE HANGGE, LISA
SEKULICH, KELLY HERRICK, BERNIE HUSSEY, MIKE HARRIS, LARRY
GARDNER, DAN HIGGINS, AND HEIDI GRINDLE.**

money is tied up in people, based on Fortier belief the employees negotiated a 3% +/- wage increase. His intention is not to set them behind; he would like to make a friendly amendment to change the amount in the total additional local funds to the figure given in attachment #5A. The figure provided is \$2,521,530.22, this would give the School Department a 5.78% increase in the expense budget over last year. This is down from the approximate request of a 7.68% increase. This will essentially reduce the local share by \$435,869.52 in that one line item. Phillips accepted that amount as a friendly amendment; Moore seconded the friendly amendment. Councilor Hamilton stated just to put it in context, out of that the \$150,000 was all discussed to be moved out of that number and funded through a different source. This will reduce the reduction down to approximately \$286,000. Hamilton advocated that his personal opinion would be the School Board really look at the fund balance and consider the use of it based on the information provided regarding the needs. Hamilton stated it is ultimately for the School Board to decide. Fortier noted he believed at the end of the Orders, there is a place to amend the revenue stream if the Council was so inclined to allow them to use another \$200,000 in Fund Balance to offset. Dan Higgins, Superintendent, indicated there was not an item within the Orders that considers that. If this happens, it would leave approximately \$85,000 to be cut from the proposed budget of \$22 million.

A vote was taken on the above motion with all members voting unanimously in favor.

Order Approving Total School Operating Budget for Ellsworth Schools for FY2020.

Chairman Blanchette read the following information into the record:

City Council Order #051906: ORDERED that the City of Ellsworth will authorize the School Board to expend for the fiscal year beginning July 1, 2019 and ending June 30, 2020 from the school administrative unit's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act, non-state-funded school construction projects, additional local funds for school purposes under the Maine Revised Statutes, Title 20-A, section 15690, unexpended balances, tuition receipts, state subsidy and other receipts for the support of schools. School Board Recommends \$22,829,278.91

Approved - City Council Order #051906: ORDERED that the City of Ellsworth will authorize the School Board to expend for the fiscal year beginning July 1, 2019 and ending June 30, 2020 from the school administrative unit's

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HAMILTON, HUDSON, MOORE, AND PHILLIPS.**

CITY COUNCIL ABSENT:

**KEY SPEAKERS PRESENT: CITY MANAGER DAVID COLE, TAMMY MOTE,
JENNIFER MERCHANT, DWIGHT TILTON, MIKE HANGGE, LISA
SEKULICH, KELLY HERRICK, BERNIE HUSSEY, MIKE HARRIS, LARRY
GARDNER, DAN HIGGINS, AND HEIDI GRINDLE.**

Dan Higgins, Superintendent, stated this amount will need to be reduced. Councilor Fortier indicated he has the number to be recommended.

Public hearing was opened.

There was no discussion.

Public hearing was closed.

On a motion by Fortier, seconded by Phillips, it was unanimously

RESOLVED to approve City Council Order #051906: ORDERED that the City of Ellsworth will authorize the School Board to expend for the fiscal year beginning July 1, 2019 and ending June 30, 2020 from the school administrative unit's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act, non-state-funded school construction projects, additional local funds for school purposes under the Maine Revised Statutes, Title 20-A, section 15690, unexpended balances, tuition receipts, state subsidy and other receipts for the support of schools. Council Approved: 22,393,409.39 see attachment #5B.

Order Appropriating And Raising Funds For Adult Education For FY 2020 As Required By The Maine Revised Statues, Title 20-A M.R.S.A. §8603-A (1).

Chairman Blanchette read the following information into the record:

City Council Order #051906: ORDERED that the City of Ellsworth appropriate \$214,077.35 for Adult Education and raise \$214,077.35 as the local share; with authorization to expend any additional, incidental, or miscellaneous receipts in the interest and for the well-being of the adult education program.

Public hearing opened.

There were no comments.

Public hearing closed.

contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act, non-state-funded school construction projects, additional local funds for school purposes.....tuition receipts, state subsidy and other receipts for the support of schools. Council Approved 22,393,409.39.

Approved - City Council Order #051906: ORDERED that the City of Ellsworth appropriate \$214,077.35 for Adult Education and raise \$214,077.35 as the local share; with authorization to expend any additional, incidental, or miscellaneous

**RECORD OF REGULAR MEETING
ELLSWORTH CITY COUNCIL**

DATE: MAY 20, 2019

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HAMILTON, HUDSON, MOORE, AND PHILLIPS.**

CITY COUNCIL ABSENT:

**KEY SPEAKERS PRESENT: CITY MANAGER DAVID COLE, TAMMY MOTE,
JENNIFER MERCHANT, DWIGHT TILTON, MIKE HANGGE, LISA
SEKULICH, KELLY HERRICK, BERNIE HUSSEY, MIKE HARRIS, LARRY
GARDNER, DAN HIGGINS, AND HEIDI GRINDLE.**

On a motion by Phillips, seconded by Hudson, it was unanimously

RESOLVED to approve City Council Order #051906: ORDERED that the City of Ellsworth appropriate \$214,077.35 for Adult Education and raise \$214,077.35 as the local share; with authorization to expend any additional, incidental, or miscellaneous receipts in the interest and for the well-being of the adult education program.

Order Raising Local Funds for Food Service in the Ellsworth Public Schools for FY2020.

Chairman Blanchette read the following information into the record:

City Council Order #051906: ORDERED that the City authorizes that the sum of \$151,101.15 is hereby raised for All Other Expenditures (the Food Service Program) for Fiscal Year 2019-20; and that the Ellsworth School Department is authorized to expend any unexpended balances, and additional, incidental, or miscellaneous receipts in the interest and for the well-being of the food service program.

Public hearing opened.

There were no comments.

Public hearing closed.

On a motion by Phillips, seconded by Fortier, it was unanimously

RESOLVED to approve City Council Order #051906: ORDERED that the City authorizes that the sum of \$151,101.15 is hereby raised for All Other Expenditures (the Food Service Program) for Fiscal Year 2019-20; and that the Ellsworth School Department is authorized to expend any unexpended balances, and additional, incidental, or miscellaneous receipts in the interest and for the well-being of the food service program.

receipts in the interest and for the well-being of the adult education program.

Approved - City Council Order #051906: ORDERED that the City authorizes that the sum of \$151,101.15 is hereby raised for All Other Expenditures (the Food Service Program) for Fiscal Year 2019-20; and that the Ellsworth School Department is authorized to expend any unexpended balances, and additional, incidental, or miscellaneous receipts in the interest and for the well-being of the food service program.

Approved - City

**RECORD OF REGULAR MEETING
ELLSWORTH CITY COUNCIL**

DATE: MAY 20, 2019

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PLACE: ELLSWORTH CITY HALL COUNCIL CHAMBERS

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HAMILTON, HUDSON, MOORE, AND PHILLIPS.**

CITY COUNCIL ABSENT:

**KEY SPEAKERS PRESENT: CITY MANAGER DAVID COLE, TAMMY MOTE,
JENNIFER MERCHANT, DWIGHT TILTON, MIKE HANGGE, LISA
SEKULICH, KELLY HERRICK, BERNIE HUSSEY, MIKE HARRIS, LARRY
GARDNER, DAN HIGGINS, AND HEIDI GRINDLE.**

Order Authorizing Expenditure of Grants and Other Receipts for School Department Programs.

Chairman Blanchette read the following information into the record:

City Council Order #051906: ORDERED that in addition to amounts approved for the Fiscal Year 2019-20 School Operating Budget, the School Board be hereby authorized to expend such other sums as may be received from federal or state grants or programs or other sources during the fiscal year for school purposes, provided that such grants, programs or other sources do not require the expenditure of other funds not appropriated for the School Operating budget.

Public hearing opened.

There were no comments.

Public hearing closed.

On a motion by Phillips, seconded by Moore, it was unanimously

RESOLVED to approve City Council Order #051906: ORDERED that in addition to amounts approved for the Fiscal Year 2019-20 School Operating Budget, the School Board be hereby authorized to expend such other sums as may be received from federal or state grants or programs or other sources during the fiscal year for school purposes, provided that such grants, programs or other sources do not require the expenditure of other funds not appropriated for the School Operating budget.

Order Authorizing Disposition of Additional State Funding for Public Schools for FY2020 in the event of an increase.

Chairman Blanchette read the following information into the record:

City Council Order #051906: ORDERED that in the event the Ellsworth School Department receives more state education subsidy than the amount included in its budget, the School Board be authorized to use all or part of the additional state subsidy to increase expenditures for school purposes in cost center categories

Council Order #051906: ORDERED that in addition to amounts approved for the Fiscal Year 2019-20 School Operating Budget, the School Board be hereby authorized to expend such other sums as may be received from federal or state grants or programs or other sources during the fiscal year for school purposes, provided that such grants, programs or other sources do not require the expenditure of other funds not appropriated for the School Operating budget.

Approved - City Council Order #051906: ORDERED that in the event the Ellsworth School Department receives more state education subsidy than the amount included in this budget, that any

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HAMILTON, HUDSON, MOORE, AND PHILLIPS.**

CITY COUNCIL ABSENT:

**KEY SPEAKERS PRESENT: CITY MANAGER DAVID COLE, TAMMY MOTE,
JENNIFER MERCHANT, DWIGHT TILTON, MIKE HANGGE, LISA
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GARDNER, DAN HIGGINS, AND HEIDI GRINDLE.**

approved by the School Board, increase the allocation of finances in a reserve fund approved by the School Board, and/or decrease the local cost share expectation, as defined in Title 20-A, section 15671-A(1)(B), or local property taxpayers for funding public education as approved by the School board.

Public hearing opened.

There were no comments.

Public hearing closed.

Councilor Fortier suggested he move that the wording be amended to state ORDERED that in the event the Ellsworth School Department receives more state education subsidy than the amount included in this budget, that any additional state subsidy the School Department receives shall be submitted to the City Treasurer to reduce local property taxes. Fortier recalled this is what the City Council did last year. Councilor Hudson noted the suggested motion lays out all of the options available to the City Council and then there is discussion by the City Council on how they would like to handle it. Hudson was clarifying that the wording was not incorrect; she was just verifying the wording Fortier offered was just the option he wanted. Hudson noted there were other options within the proposed motion that the City Council could discuss. Fortier stated that was his motion and would either be seconded or die for lack of a second. Moore seconded the motion.

On a motion by Fortier, seconded by Moore, it was

RESOLVED to approve City Council Order #051906: ORDERED that in the event the Ellsworth School Department receives more state education subsidy than the amount included in this budget, that any additional state subsidy the School Department receives shall be submitted to the City Treasurer to reduce local property taxes.

Hudson felt it might be a good discussion to have for the City Council to look at some of the projects that are not funded. Perhaps, that is a way of funding some things outside of next year and so on as they get additional state revenues that were unanticipated. She offered that once the budget is passed and everyone is good with the numbers and everything has been completed; it would be a way to cut out

**additional state
subsidy the School
Department receives
shall be submitted to
the City Treasurer to
reduce local property
taxes.**

**RECORD OF REGULAR MEETING
ELLSWORTH CITY COUNCIL**

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**CITY COUNCIL PRESENT: BLANCHETTE, FORTIER, GRINDLE,
HAMILTON, HUDSON, MOORE, AND PHILLIPS.**

CITY COUNCIL ABSENT:

**KEY SPEAKERS PRESENT: CITY MANAGER DAVID COLE, TAMMY MOTE,
JENNIFER MERCHANT, DWIGHT TILTON, MIKE HANGGE, LISA
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GARDNER, DAN HIGGINS, AND HEIDI GRINDLE.**

some of these things the City Council finds difficult to include in budgets each year and makes it fluctuate. Hudson felt it was a good opportunity to take some money that was not expected and fund some items. This could have been done with the money last time and taken care of the roof and then that would not be on the list now. Fortier felt if the roof is paid for out of this funding it does not help the taxpayers. Hudson noted the taxpayers will have to fund that project anyway. If this budget is passed without it, the taxpayers will have to come up with the funding next year or a year after that. Fortier indicated he understood the argument Hudson was making; however, he was looking out for the taxpayers. Councilor Hamilton voiced his concern without knowing what the School Board will decide in terms of some of the reductions and whether or not they will keep those expenses in place by using the fund balance or not; it makes it hard for him to then determine where these expenditures go. He would be happy if there was a middle ground that allowed for some dialog down the road opposed to in this moment to craft a motion that includes that option. Hudson stated there is a possibility of approving a hybrid and then have those discussions when and if there is money that come back. Dan Higgins, Superintendent stated notwithstanding Fortier's motion noted if the State were to come forward with additional State subsidy the intent of the School Department would be if "we" were going to look to or want to increase expenditures it would not be without conversation with the School Board and then the City Council. Higgins understanding right now is the only chance of seeing any additional money would be on the CTE line. There is still a bill sitting on the appropriation table that might result in approximately \$28,000 on the CTE subsidy line. Higgins cautioned the City Council that the CTE is a new topic this year in terms of funding and a separate fund balance must be maintained for that. It is likely that additional funding would have to be used to offset CTE expenditures, which would in turn reduce the tax burden. Higgins stated if there was additional money that could be used by the School Department it is a conversation that would involve the City Council. Hudson felt \$27,000 or \$28,000 in the School system would have a bigger impact than splitting up that same amount of money between every resident on their tax bill. Fortier's intent was to have that money for the GPS model funding not the special CTE; that is a separate bill and State Statute. Higgins noted that would be sent to the School separately within the 279 and reflected separately on the CTE line. Higgins clarified with regards to the proposed motion, in a previous year when the School Department received additional subsidy, it went to reduce the additional local line. Instead of sending money back to the Treasury, it simply reduced what the School Department was getting. Fortier agreed that was

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HAMILTON, HUDSON, MOORE, AND PHILLIPS.**

CITY COUNCIL ABSENT:

**KEY SPEAKERS PRESENT: CITY MANAGER DAVID COLE, TAMMY MOTE,
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GARDNER, DAN HIGGINS, AND HEIDI GRINDLE.**

fine and viewed it as a bookkeeping exchange. Higgins noted either way it reduces the tax burden. Cole noted one year a combination was approved. Higgins noted it happened in two separate years: one year it directly reduced the local assessment and another year there was a \$38,000 item that needed to be funded and the Council said to use that additional funding and they would keep the remaining funds for tax reductions. Fortier agreed with that information and stated he could see that happening again if the need is there. Chairman Blanchette recalled approving the same concept last year and it seemed to work out very well. Hamilton noted reductions have been made within the budget. The Council is looking at increases across the board and has made some reductions before it goes out to the voters. At this point, the voters have the right to reject the budget and say that the Council did not cut enough or they may approve the budget knowing what is in the budget. Hamilton stated he agrees with Hudson if the additional subsidy is \$28,000, it would serve a greater purpose in some of those areas of needs at the School. Then it would be putting it back into the City's general fund in this case. However, Hamilton maintains he would hope there is a process to look at any additional subsidy received and have a better discussion on this topic. Hudson reminded the Council that is one option on the motion as provided to create a hybrid where it is figured out later. Councilor Moore was hopeful that if the motion passed as stated and money was added to the treasury, and then an emergency came up that required that amount of money at the School the City would forward that money back to them. Fortier noted it would be appropriated from fund balance. David Cole, City Manager, noted the three options in the past have been: give it to the School, reduce taxes, or carry it forward to next year as a reserve to go toward next year's budget. Hudson inquired if there was an option to create a hybrid; Cole noted those three options can be combined in any manner the Council would like.

A final vote was taken on the above motion was 5 member voting in favor (Blanchette, Fortier, Grindle, Moore and Phillips) and 2 members voted in opposition (Hamilton and Hudson).

Council Order #051907, Request of the Wastewater Treatment Plant Superintendent for authorization to obtain engineering services from Woodard and Curran pertaining to the potential upgrades to the Water Street pump station and collection system.

Approved - Council Order #051907, the proposal by Woodard and Curran and authorize the Finance Director to

**RECORD OF REGULAR MEETING
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HAMILTON, HUDSON, MOORE, AND PHILLIPS.**

CITY COUNCIL ABSENT:

**KEY SPEAKERS PRESENT: CITY MANAGER DAVID COLE, TAMMY MOTE,
JENNIFER MERCHANT, DWIGHT TILTON, MIKE HANGGE, LISA
SEKULICH, KELLY HERRICK, BERNIE HUSSEY, MIKE HARRIS, LARRY
GARDNER, DAN HIGGINS, AND HEIDI GRINDLE.**

Michael Harris, Wastewater Treatment Plant Superintendent, requested approval on an engineering contract to be awarded to Woodard and Curran in the amount of \$27,500. This contract would look at either upgrading the Water Street Pump Station or doing work to remove excess flow from the collection system around the Pump Station. This project is being driven by a Notice of Violation from the Department of Environmental Protection (DEP). The Water Street Pump Station during period of heavy snow melt and rain combined (approximately once a year or once every other year) has a situation where the manhole adjacent to the station will overflow. This is caused because the station is pumping as much as it can but it has too much flow and is getting overwhelmed. When this happens, it is reported to the DEP; the Department has recently come back and required a solution for this problem. Harris explained this is the first step in trying to create a path forward. See attachment #6 for the complete request and proposal from Woodard and Curran. Once the best option for the City is determined the plan for financing the project can be worked out. David Cole, City Manager noted this was part of the City's submittal to the DEP regarding the first step in remedying this situation. Cole noted this is not an optional project; this has been discussed at Finance Committee meetings. The attached proposal (attachment #6) has been brought down to the basic work involving issues along Water Street. There are other needs but this proposal focuses on that concern and the best way to solve those. The project is currently estimated at \$1.3 million no matter which option is decided on; either less inflow, secure pipes or more pumping power is needed.

**withdraw \$27,500
from the Wastewater
Capital Reserve
account to fund the
project.**

On a motion by Fortier, seconded by Hudson, it was unanimously

RESOLVED to approve Council Order #051907, the proposal by Woodard and Curran and authorize the Finance Director to withdraw \$27,500 from the Wastewater Capital Reserve account to fund the project.

Council Order #051908, Request to approve a sidebar agreement between the City of Ellsworth and the Ellsworth Highway Department Unit, Local #327, Massachusetts and Northern New England Labors' District Council to allow an upgrade to a current highway worker position to be a crew leader.

Lisa Sekulich, Public Works Director, explained she would like approval on the upgrade of a current highway crew position; this would not mean an additional crew member. This would just be an upgrade to a position. The request is driven

**Approved - Council
Order #051908,
Request to approve a
sidebar agreement
between the City of
Ellsworth and the
Ellsworth Highway
Department Unit,
Local #327,
Massachusetts and**

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HAMILTON, HUDSON, MOORE, AND PHILLIPS.**

CITY COUNCIL ABSENT:

**KEY SPEAKERS PRESENT: CITY MANAGER DAVID COLE, TAMMY MOTE,
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GARDNER, DAN HIGGINS, AND HEIDI GRINDLE.**

by two factors; 1) this position will be tasked with organizing and dispensing the crews throughout the day and assisting the Highway Foreman and 2) succession planning as the current Highway Foreman will be retiring in the near future. See attachment #7 for the complete request, position description, and Side Agreement signed by the Laborers' Local Union #327 Business Manager. Sekulich would like to get at least, if not multiple employees, some training and knowledge before the retirement happens. David Cole, City Manager, noted it involves a \$2.00 differential over the highest class; this is a manageable sum of money. The Union has approved the terms of the Side Agreement.

**Northern New
England Labors'
District Council to
allow an upgrade to a
current highway
worker position to be
a crew leader
position.**

On a motion by Hudson, seconded by Phillips, it was

RESOLVED to approve Council Order #051908, Request to approve a sidebar agreement between the City of Ellsworth and the Ellsworth Highway Department Unit, Local #327, Massachusetts and Northern New England Labors' District Council to allow an upgrade to a current highway worker position to be a crew leader position.

Before a vote was taken, Councilor Fortier noted all of the Union contracts will need a sidebar note as the State has now adopted Indigenous People Day instead of Columbus Day. The contracts currently list Columbus Day as a holiday so that will need to be up-dated within all of the contracts.

A final vote was taken with all members voting unanimously in favor of the above motion.

Council Order #051909, Request of the City Manager for approval of matching funds for an EID Grant from the Northern Border Regional Commission to support improvements to the Water Street Wastewater Pump Station and Collection System.

David Cole, City Manager explained a \$500,000 grant has been applied for through the Northern Border Regional Commission. See attachment #8 for the complete request. This grant can only be applied for once a year; the grant applications will be reviewed shortly. A commitment from the City Council is required for the matching funds in the estimated amount of \$800,000. In the past, the City Council has approved similar commitments to be funded from future financing. Cole noted

**Approved - Council
Order #051909,
Request of the City
Manager to commit
up to \$800,000 as
matching funds for a
\$500,000 grant from
the Northern Border
Regional
Commission to
support
improvements to the
Water Street**

**RECORD OF REGULAR MEETING
ELLSWORTH CITY COUNCIL**

DATE: MAY 20, 2019

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**CITY COUNCIL PRESENT: BLANCHETTE, FORTIER, GRINDLE,
HAMILTON, HUDSON, MOORE, AND PHILLIPS.**

CITY COUNCIL ABSENT:

**KEY SPEAKERS PRESENT: CITY MANAGER DAVID COLE, TAMMY MOTE,
JENNIFER MERCHANT, DWIGHT TILTON, MIKE HANGGE, LISA
SEKULICH, KELLY HERRICK, BERNIE HUSSEY, MIKE HARRIS, LARRY
GARDNER, DAN HIGGINS, AND HEIDI GRINDLE.**

this is a mandatory project that will have to be completed and it would be fiscally responsible to fund this project at only \$800,000 rather than the entire estimated project cost of \$1.3 million. Cole noted the grant approvals are expected in August and the agreements will not be in place until September or October. Construction will likely not take place until next year. The funding will come out of the sewer rates and sewer revenues opposed to general taxation.

On a motion by Phillips, seconded by Grindle, it was unanimously

RESOLVED to approve Council Order #051909, Request of the City Manager to commit up to \$800,000 as matching funds for a \$500,000 grant from the Northern Border Regional Commission to support improvements to the Water Street Wastewater Pump Station and Collection System. Funding for this match will come from future financing of the project.

Adjournment.

On a motion by Hamilton, seconded by Moore, it was unanimously

RESOLVED to approve adjournment at 8:49 PM.

A TRUE COPY

**ATTEST: _____
HEIDI-NOËL GRINDLE**

**Wastewater Pump
Station and
Collection System.
Funding for this
match will come
from future
financing of the
project.**

**Approved -
Adjournment at 8:49
PM.**