

City of Ellsworth Special Council Meeting Minutes

Date: Tuesday, October 6, 2026

Time: 6:00 PM

Location: City Hall Council Chambers

1: Call to Order: Chair Patrick Lyons called the Special Meeting of the Ellsworth City Council to order at 6:00 PM.

2. Council Order #100600: Award of Contract for Merrill Lane Extension (Hancock County Judicial Center) Project: Public Hearing and action on request of the City Manager to award the contract for the Merrill Lane Extension (Hancock County Judicial Center) Project.

City Manager Charlie Pearce:

- Framed the meeting as both a specific project authorization and a strategic review of past municipal accomplishments (e.g., Moore Community Center, TIF redesign, ordinance reform, Parks & Rec department establishment, track, library, fire engine replacement) as well as critical ongoing priorities (finance reconciliation and optimization, work plan authorization).
- Reviewed the historical context of the Hancock County Judicial Center: The State Judiciary originally purchased land in a neighborhood zone on Surry Road. Due to significant community concern, the Council directed outreach, resulting in an RFP that yielded 9 candidate sites. The community and Council aligned on the Wardwell parcel on Merrill Lane ("East Side Ellsworth") adjacent to the rail trail.
- Explained that the City entered into a land swap agreement (Option C, passed 6-1 on Jan 7) committing the City to construct road access off a signalized intersection.
- Recommended prioritizing housing development (55+, workforce, affordable) in the area and suggested scaling back or pausing major long-term administrative commitments (Thriving Communities / High Street corridor redesign, Village Partnership Initiative) to protect staff capacity, advocating that generational investments be submitted to public referendum.

Public Works Director Mike Harris:

- Outlined project scope: a 1,225-foot long road with a 66-foot public right-of-way.
- Detailed City staff contributions to date: Highway, Wastewater, and Water crews performed utility stubbing (100 ft sewer, 12-inch water main, insertion valve, storm water catch basins) over 4 nights at a total cost of ~\$52,000 (434 staff hours, ~\$35,389 materials/equipment), saving approximately 4x commercial contractor costs.
- Built the temporary 3-week construction access road following clearing and grubbing.
- Highlighted a \$415,000 state reimbursement agreement secured from the State Judiciary for traffic movement permit and intersection improvements.

- Summarized remaining scope for the permanent roadway: ledge blasting, 9 soil underdrain filters, storm water drainage, 12-inch water main with 3 hydrants, 8-inch sewer main, electrical/conduits, two-course asphalt paving, sidewalks, curbing, and a stream retaining wall, with a target completion date of October 1, 2027.

Deputy City Manager Sara Devlin:

- Provided a detailed financial accounting of expenditures to date totaling \$606,462.20. Breakdown includes \$465,941.21 in consultant/professional fees (\$251,000+ for land/easements, \$159,000 for preliminary road design, plus legal and developer agreement fees) alongside \$30,000+ in Public Works/utility labor hours and ~\$110,000 in materials.
- Detailed the procurement process: RFP released via OpenGov; 4 proposals received September 3. One proposal was deemed non-competitive. Staff met with the 3 lowest proposers on September 23 and issued an amended RFP on September 24 for best and final pricing.
- Evaluated in-house construction feasibility (\$2.1M+ direct in-house costs including \$558,000 in overtime/12,000 staff hours, plus electrical/blasting/paving) and determined contractor management was significantly more cost-effective and operationally sound.
- Recommended awarding the construction contract to lowest amended bidder RF Jordan for a not-to-exceed amount of \$1,633,545 (under the \$1.75 million bond allocation).

Chief Financial Officer Chris Nemeth:

- Evaluated the financial structure under the 20-year bond (\$1.75 million allocation at 4.668% interest on a level principal schedule), projecting average annual debt service at ~\$113,000.
- Presented conservative financial modeling showing that with 40 lots built out over 14 years at a 17.45 tax rate, the project becomes self-funding by Year 3 and generates over \$800,000 in net value capture over time.
- Identified potential cost-mitigation options: pending state reimbursement bills, surplus bond proceeds, county cost-sharing, developer impact fees, and unallocated Beckwith Hill TIF funds (~\$150,000 in early years).

Community & Economic Development Director Twila Fisher:

- Emphasized how infrastructure access removes barriers to long-term housing and commercial development in the Central Corridor TIF District.
- Reviewed implementation tools: Credit Enhancement Agreements (CEAs) via the newly enacted TIF Committee, federal housing grant programs (CDBG/HOME), and capturing 100% of new assessed value in newly enacted TIF districts to prevent losing 64 cents of every tax dollar to state formula shifts.

Public Hearing & Public Comments:

- No members of the public stepped forward or offered comment.

Council Discussion:

- Councilor O'Halloran expressed strong disapproval, stating that the State originally purchased property where no city action or taxpayer dollars were required. He argued that

taking on over \$3 million in total debt places an undue burden on taxpayers and puts the city in the real estate business, calling it "a sad day for the City of Ellsworth".

- Councilor White countered that Ellsworth citizens explicitly requested that the Council prevent the Judicial Center from being built on Surry Road, commending the Council and city staff for stepping up to make hard, proactive decisions.
- Councilor N. Smith stated that change is inevitable and expressed pride that Ellsworth is actively shaping development through strategic planning and unlocking urban core land for housing and commercial growth.
- Councilor M. Smith commended city staff, noting that a 100-year generational investment in a needed judicial center will pay for itself over time and praised awarding the contract to a local firm.
 - **Motion:** Move to award the contract for the Merrill Lane Extension to RF Jordan for a not to exceed amount of \$1,633,545, as recommended by staff, and authorize the City Manager to execute the contract and related documents.
 - **Moved by:** Councilor N. Smith; **Seconded by:** Councilor White
 - **Result:** Passed 4-1-1 (Councilor O'Halloran opposed and Councilor Shea abstain)

3. Adjournment:

City Manager Pearce provided brief closing remarks acknowledging local landowners, regional partners, city staff, legal/engineering consultants, and state representatives, the Council entertained a motion to adjourn.

- **Motion:** Move to adjourn.
- **Moved by:** Councilor N. Smith; **Seconded by:** Councilor White
- **Result:** Passed Unanimously