

SPECIAL MEETING MINUTES
City Council of the City of Bath, Maine
Wednesday, November 20, 2013
Bath City Council Chambers

Present: Councilors Brackett, Merrill, Paulhus, Lockwood, Eosco, Sinclair, Mitchell, Winglass and Chairman Wyman

Also in attendance were the City Manager – William Giroux, City Solicitor - Roger Therriault and City Clerk - Mary White.

Chairman Wyman led the Pledge of Allegiance and City Clerk White called the Roll.

I. Public Hearing: Bath Iron Works TIF – 6:00 PM

Chairman Wyman: The first item is a Public Hearing on the BIW TIF. We'd like to have everybody, when you come to the podium, limit your talks to five minutes and speak loudly and clearly. All of the minutes of this meeting have to be done verbatim. You need to give your name and your address so that the Clerk can get it down right. Anyone that wishes to speak has to come to the podium. Let's see, what else?

City Clerk White: Anything new.

Chairman Wyman: If we've got a person that has already spoke, we are asking you not to get up and say the same thing over again. Just say Ditto or I concur to save time.

City Clerk White: Yes, five minutes.

Chairman Wyman: Five minute rule. The only time we go over the five minutes is if someone is making a presentation. They get a little longer to speak than someone from the public.

Halcyon Blake: Hi. My name is Halcyon Blake and I live at 12 School Street. I own a business at 12 School Street and I own the building at 12 School Street. I want to make you aware of my feelings concerning the TIF. After attending the open forum held by Bath Citizens for Responsible TIF Action and listening to the panelists, especially Professor Delogue, I have decided that without some very compelling information to change my mind, I do not favor this tax expenditure. I hope as a result of your deliberations and information you may have received directly from BIW, that you all understand all the issues. I hope that you are well versed in the cost to the City such as those that we found happened with the last TIF as well as the benefits of this gift to BIW that is being contemplated. I hope that they have been transparent in showing you, at least the Council, in showing you their books to demonstrate that there is a definite need. I also think it's important to show how much sheltering from the school revenue formula will actually occur to offset the money that we are giving them in taxes. I have yet to see a chart nice and easy for sixth grade minds like mine to understand.

It would feel more responsive if BIW had chosen a top representative of BIW to petition the Council for this vital subsidy. I would be impressed if the President of BIW perhaps had come across the street to come to you with hat and hand and say "We need this. Here's why we need this." Instead they sent young lawyers. I think that this needs to be explained, the necessity telling us what good citizens they plan on being in the future and moving Bath's economic future forward. If you're not yet comfortable answering all of the citizens' questions, I hope that you will table this until you gather the needed information and convey it to your constituents.

I do want to add though, that I know there have been these little rustlings such as "Oh, we're going to have a referendum." I just want to reiterate that as a former Council member and a big proponent of representative government, I think a referendum is a terrible idea. I think that people elected you to represent them, and I

will go along with whatever your decision is because having been in that position, I know that is what our job is and unless we want to go back to a town meeting form of government which I don't think we really want to do if we think about it. That is what that path will lead us to. So, consider it hard and table it if you need to, but think about what everybody is telling you. Thank you very much.

Chairman Wyman: Thank you Halcyon.

Carol Huntington: My name is Carol Huntington. I live at 121 Bowery Street. Many of the Councilors have read my Letter to the Editor, but I want to get it as part of the record. My struggle to pay Bath property taxes is not unique. My mother's side of my family, Warren, has lived in Bath for six generations. I am a licensed clinical social worker and ordained minister. When I returned home to Bath in 2002, taxes on my house were about \$2,300 per year. Now my property taxes are over \$4,000. BIW, owned by General Dynamics, is asking local taxpayers to give them another tax break. Since 1999, BIW has been given 197 million in tax cuts from the State and the City. Since that time, they have reduced their workforce by more than 30%. Bath resident and former BIW employee Jerry Provencher, who as you know, thoroughly researched the BIW TIF and said that BIW has 7.2 billion in net profits over the past four years. My property taxes, water and sewer total over \$7,200 a year or \$600 a month for me. Then, there are mortgage, CMP and heating oil expenses. Forget medical and food. I have been unemployed for seven years since I became disabled as the Manager of Parkview Hospital Social Work Department. I fully recovered from my medical problems four years ago and even with the help of the State Vocational Rehab Department. I have been seeking employment for over four years. I find that as a Head of Household at age almost 68 who supports a disabled spouse, it is almost impossible to make ends meet in Bath on my income from Social Security retirement and a tiny pension from over 34 years of more than full-time church and non-profit employment.

I oppose this new TIF that BIW is requesting and ask two questions of Councilors and make one suggestion. First, regarding the transparency issue, has the City gotten full disclosure and seen evidence of BIW's need for this credit enhancement agreement and could each Councilor address that tonight and your comments so that we would know your positions? Two, given that this proposed development will happen in an existing TIF district where any new tax revenue will already be sheltered, what exactly is the benefit to the City of this credit enhancement agreement? My suggestion is why not take this question of another TIF to a referendum where people can express their opinion privately in a voting booth? I thank you sincerely for the time and your thoughtful deliberations on this complex problem. Thank you.

Josephine LaPlante: Good evening. I'm Josephine LaPlante. My husband John Maskarinetz and I have lived at 11 Marshall Avenue in Bath since 1986. I'm a full-time tenured professor at the University of Southern Maine Muskie School where I specialize in state and local public finance. In the past 28 years, I have conducted countless studies of Maine state and local finance issues and I have been conducting an ongoing study of tax increment financing in Maine. I plan to prepare a report for the Legislature that will go to them and suggest large changes to our law. In 1996 when the State of Maine and the City of Bath were sued by Professor Orlando Delogue and a law firm from Portland over Bath Iron Works first Tax Increment Financing district. I actually assisted then State Economist Laurie LaChance and Assistant Attorney General Paul Stearn with preparation of the State's defense against this suit. The findings for the defendant by justices made it clear that the statewide benefits of Bath Iron Works and its importance as a cornerstone of the Maine economy were concerns that would produce public benefit. Little was said about the Bath deal itself because frankly if I had been asked to help defend just Bath, I would not have been able to do so. The benefit to the City of Bath itself from the Tax Increment Financing deal did not justify the multiple millions of dollars that we needed to spend.

Based on my professional expertise, I recommend strongly that the City not enter into another tax increment financing agreement with Bath Iron Works. There are grave issues at stake here that the great recession and its aftermath made particularly troubling. They relate primarily to equity and to affordability. Bath taxpayers find ourselves in what I can only describe as an Orwellian world where we are all equal unless, of course, you are Bath Iron Works and then you find they are more equal. We had 16 years of multi-million tax rebates. The last speaker gave us a grand total which I believe was 196 million. These tax breaks have

actually been expenditures where we have collected the money and then returned it to the Bath Iron Works. This has produced a tax shift which means that the rest of us have had to pick up the slack that Bath Iron Works was able to pass on to us. This tax shift is particularly troubling because of the nature of the property tax. It is widely known to be a highly regressive tax. It places great hardship on low income and homeowners who are living on fixed incomes. Given Bath's demographics and trends in the social economics of this community, this is a particularly increasingly serious issue.

I'd like to give you just a few quick facts that I think are a really important context for this question. I spent some time and I would like to see that I teach all about public budgeting and how to read public budgets, I spent some time with your public budget and really couldn't find much about the Bath Iron Works deal. Fortunately because of my education, I knew to go to your financial statements so in the most recently audited financial statement which is for fiscal year 2012, Bath Iron Works paid 8.2 million dollars in property taxes to the City of Bath, 39% of the entire amount of taxes collected in 2012. Under the existing TIF agreement, 4.7 million or 57% of the entire tax payment was returned to Bath Iron Works. Only 3.5 million dollars was retained by the City to finance operating and capital spending. If the City had not spent the 4.7 million in order to repay Bath Iron Works under the TIF deal, the amount of property taxes that the City would have needed to be collected in order to finance City spending would have been 4.7 million dollars less. That means we all would have seen...

Chairman Wyman: How much longer is this going to take? You're already over the five minutes...

Josephine LaPlante: It will probably take another couple of minutes.

Chairman Wyman: How long?

Josephine LaPlante: Probably another minute and a half longer, please sir. To put this in perspective, Morse High School's long delayed capital investments could have been paid in one year with money to spare. The best strategy for the City of Bath to reduce its mill rate, to secure its fiscal future and to be in a position to recover the current Governor's proposals to limit or perhaps due away with municipal revenue sharing program, you need to say no to this proposal. The regional statewide benefits of Bath Iron Works are undeniable. The benefits to Bath do not outweigh the inequitable situation taxpayers find themselves in nor do they justify committing Bath's resources for many years when a future is truly uncertain. We may have difficulty financing our own services if a Paleski type ballot measure were to pass.

In closing, I'd like to say that you need to say no. It's the right thing to do for Bath. Thank you.

Tom Watson: Good evening. My name is Tom Watson. I maintain a residence at 1555 Washington Street in Bath. For several years, I have had the honor of representing Bath in the State Legislature and during my service there, I worked on the Taxation Committee and my last term, I chaired the Taxation Committee. I had the opportunity to learn a lot about TIFS and tax credit enhancement agreements from all over the State. The one thing that seems to be missing from this discussion is "What does Bath get out of this?" Other TIFS and credit enhancement agreements that we saw and were presented by DECD and others in Augusta all involved a quid pro quo of some kind. The money was used by the developer for curb cuts, traffic lights, pedestrian crosswalks, parks...things that the City needed, and that's where the money came from and that's where there was, on the one hand, the developer enjoyed the tax break, and on the other hand, the City was able to use the sheltered money and use the money for improvements. I don't see anything like that here.

I would ask the Council to ask one question, primarily and that is what does Bath get out of this? No one questions BIW's value to the state and in fact frankly, the national economy, but we are not talking about that here. We are talking about sheltering or returning property tax money that could very well support your budget. I would ask you to ask "What does the City get out of this?"

I would leave you with one other thought based on my experience with the Taxation Committee. It is a well-known fact around. There is in this state a shipbuilder's tax credit. It happens to apply to any shipbuilder in

the state of Maine who maintains an employment level of 5,000 employees. It is obviously tailored for Bath Iron Works and quite justifiably so. On the other hand, out of the state budget that has cost you \$900,000 to a million a year since that credit has been placed into effect. No one ever talks about it. It may be looked at now because there is a Task Force looking at exemptions in Augusta but I doubt that we will see any change of that so we are already supporting...all of us supporting Bath Iron Works. I would like to know what we are going to get out of this deal. Thank you very much.

John Sunderland: I'm John Sunderland and I live at 1062 Washington Street. I want to do just three points that are a combination of things that were said in the last two meetings – two weeks ago and then tonight. The first point I'd like to address is the question of preferential treatment for the Iron Works. Some of the speakers have complained that BIW is being treated more favorably in this instance than other property taxpayers. I think that's true and we saw an example of it the last time we were here. The first two items on the agenda last time were a request for zoning relief by Bath Iron Works and they were going to get the zoning relief but they were being asked to pay \$200,000 in order to get that relief. The very next applicant was asking for zoning relief – a private citizen – a project that I think is a wonderful idea – but no one asked that applicant to pay anything. So there is preferential treatment and it works both ways. I'd like the City Council to recognize that you did that already. You had an example of requesting an example from BIW that you don't request from other taxpayers. I think there's also been some confusion as to the applicant here – not tonight, but last time we heard a number of speakers conflate General Dynamics with Bath Iron Works. The applicant in this case is Bath Iron Works, which is a subsidiary of General Dynamics but is a separate corporation. The idea was presented that because BIW is profitable as a whole, somehow it will necessarily support BIW regardless of what happens here and regardless of BIW's individual performance as a corporation, and history shows that simply is not true.

There have been a number of examples recently where defense contractors have spun off and closed subsidiaries. Northrup Grumman is closing its Gulfport Mississippi Composite Center in 2014 and impacting 427 jobs – no. 5 defense contractor in the country. Lockheed, which is the number one defense contractor divested specific architects and engineers in 2011. Northrup divested its government consulting unit also in 2011. In 1986, General Dynamics closed its Quincy, Massachusetts shipyard and 6,000 jobs went to zero. In 2011, Northrup spun off its Avondale Shipyard in New Orleans. Avondale was the largest private employer in the state of Louisiana. That yard is scheduled to close after it delivers its last ship to the Navy this year. Unemployment declined from 5,000 to 1,500 and although it's not the United States, BAE, which is the UK's largest defense contractor, announced that it's closing its Portsmouth, England shipyard in 2015, ending 500 years of shipbuilding in Portsmouth, England.

The point is that BIW will continue to exist only so long as it can remain financially competitive on its own merits, not the merits of its parent. We've also been asked what does Bath get from BIW in return in this matter. The implicit suggestion of course, is that BIW is getting a freebie from the City of Bath. I know the City Council has been informed of all of the broad support that BIW provides this city and to this community, and by far the largest taxpayer in the city. It also has a history of supporting all kinds of organizations in the City of Bath. It gives hundreds of thousands of dollars per year to the local United Way. It provided \$75,000 to the Fields for Our Future campaign. It provides tens of thousands of dollars per year to the Maine Maritime Museum, jobs for Maine and grads at Morse High School, the YMCA, Main Street Bath, Patten Free Library, Habitat for Humanity, along with a number of smaller but still significant contributions to organizations like the Chocolate Church, Midcoast Hospital and numerous others. I would submit that there is not another citizen, corporate or otherwise in this community that provides the level of support to the fabric that makes this community what it is than Bath Iron Works. I would suggest that we review the relationship between Bath and BIW as a partnership. BIW provides support to our community in many ways – some financial, some not financial. It is asking Bath for help for one part of its efforts to cut its costs and remain competitive. I don't think anyone is arguing that the results of this TIF alone would enable them to win a ship contract or to be more competitive but the company is, as a broad measure, attempting to control its costs in many ways. This is one small piece of that.

I would ask the Council to view it as a partnership, recognize the benefits that the Iron Works provides to the community, and provide some measure of assistance in return for those benefits, and that measure of benefits would be to support this TIF in one fashion or another. Thank you.

Bruce Gagnon: Good evening. My name is Bruce Gagnon and I live at 212 Centre Street in Bath. I have to say I am just a little bit confused by this gentleman's statement just a moment ago. I believe he said no one is saying that Bath Iron Works will be more competitive if they get this, but then he went on to say something else. I would venture to remind you that people from Bath Iron Works have been making that as a case from the start, that this tax increment financing would make them more competitive in the long run so there seems to be a little confusion there.

I've been doing more research about corporate tax breaks in recent days. I found a study called Mega Deals Issued Last June. The study identified 200 state and local corporate subsidy awards across the nation of 75 million dollars or more each. The cumulative cost of these deals, says the report, is more than 64 billion dollars. The report indicates that this corporate giveaway trend is escalating. The report says that since 2008, the average number of mega deals per year has doubled compared to the previous decade. For deals in which job projections were reported, the study found that the average cost per job was \$456,000. That indicates that the corporations are substantially gaining from these deals while the taxpayers are losing big time. In our case, BIW is not promising a single new job will be created in return for the tax break they request. The latest big deal everyone is talking about is in Seattle, where the company is threatening to move its manufacturing of its new 777X airplane to an anti-union state in the south unless they get big tax breaks from the state of Washington and major health care and pension concessions from the machinists' union. Union leaders were quoted as calling the deal to reject the Boeing proposal by a 67% opposed majority.

The state of Washington has voted to give Boeing the largest corporate tax break in U.S. history just in recent days. The tax breaks are expected to be worth 8.7 billion dollars and would run through 2040. Despite this record tax subsidy, Boeing is still not committing itself to keep that airplane in Washington State. And guess what? Boeing has not been paying any corporate taxes in recent years. Federal taxes – zero. Back in 1998, the Phiser Corporation was awarded some 60 million dollars in grants and various incentives by the state of Connecticut in exchange for promises to maintain research and development sites in two locations – Groton and New London - and boost employment significantly. These tax breaks were to last for 10 years. At nine years and nine months into the tax cuts, Phiser announced that they were moving more than 4,000 jobs out of the state. The people in Connecticut feel betrayed. I learned this story when I was going door to door in our City. Let me now read these words to you and see if you can guess where they come from. "In this day of shrinking budgets, we need every bit of help we can to keep our shipyard competitive and bring it back to being known as America's shipyard. Tax exemptions are needed because if they are not granted other locations might offer the company a better incentive to move to another area." Those words are from Pascagoula, Mississippi and are from news stories that Ingalls Shipyard must have more tax breaks to remain in that community. This is truly a race to the bottom of the barrel as tax payers are squeezed on the left and on the right. It's no wonder, when I was helping take flyers door to door in Bath; virtually every person I spoke with was opposed to tax giveaways to BIW. I heard over and over again that people were going to have to sell their homes because they couldn't afford to pay property taxes anymore. Not only taxpayers get squeezed by these corporate subsidies, but workers do as well.

Chairman Wyman: How much longer is this going to take?

Gagnon: About a minute. The Boeing workers in Seattle are refusing to go along with the program. Workers at BIW are seeing their health care being cut and continuing layoffs at the shipyard or forcing many workers to do the jobs of two to three others. Something is wrong with this picture. I am still eager to hear how Council members feel about this whole issue. Throughout this process the Council has not publically asked many questions or given much indication of their thinking. For democracy to function properly, we must have a freewheeling and open discussion. I am one who thinks taking this tax subsidy to public referendum is a good idea. I don't think we've had much transparency from BIW and not enough give and take questioning. Thank you very much.

Bill Lent: I am Bill Lent, 28 York St. The only thing I want to say, taking this to another level, is that based on some of the arguments here and some of the articles I've read in the newspapers – if I were a business that had thousands of good jobs and I were thinking about where to take it, I'm not sure it would be Bath right now, based on some of these arguments. I don't think that is where we want to go. I think we want to be a town where we are supportive of companies that have and bring good jobs. Thank you.

Howard Waxman: 945 High St. I want to address the last speaker and Mr. Sunderland. What they say is that we've got to help the company with its bottom line. We have to help the company. Workers should help the company by taking a wage freeze and by giving back their health care benefits. The town should give them a tax break to help with their bottom line. Help with their bottom line. Do they need it or do they just want it. Everybody wants to pay less taxes. Don't we all want to pay less taxes? Yeah. It's a very American thing to do. Do they need it? Do they NEED it? They want it. Do they NEED it? Thank you.

Karen Johnson: Councilors. My name is Karen Johnson. I live at 237 Washington St. My husband and I have only been here for a couple of years and we love Bath. It's a wonderful place to be. I think, in making your deliberations here, and given all the good work that Bath Iron Works, through that list of donations and this and that, and the good things that they've done and the fact that they are a big asset to this community, one thing that occurs to me is that a sizable proportion, as I understand it, of the employees at Bath Iron Works do not live in Bath. Correct me if I'm wrong about that, but that is my understanding. Also, for a lot of the reasons that other people spoke about what is it that the people in Bath are getting out of this. Bath Iron Works is another citizen, just like the rest of us. We all pay our taxes. We are glad to pay our taxes. We bellyache about it, but we're glad to have the services that we have in Bath. Bath Iron Works is just one more citizen. What makes Bath Iron Works more deserving of a tax break than me? You know, I could use the tax break, too. Why are we selecting one of our corporate citizens, as determined by the Supreme Court, to receive a tax break? I have yet to hear any good reasons why we should do that. Thank you.

Art Jensky: Good evening. My name is Art Jensky. I live at 44 Pearl St. Just a couple of comments, thoughts I have and comments on some things that have already been said. The last couple of weeks I have been trying to do as much research as I can, and what it has done is generate more questions than answers. In terms of the comment about BIW contributing to the community, my guess is that if you took BIW's contribution as a percentage of their revenue it would probably be much less than the average person sitting in this room right now. Number two, I've seen many, many studies, academic and business on line which brings into question the assertion that TIF's and CEA's are needed to bring new businesses to communities. It just doesn't happen in the real world. Number three, contrary to what was said at the forum the other week, I spoke to Joel Johnson afterwards, and I asked him 'Do TIF's and CEA's affect the mil rate?' He said no. I said are you sure? He said no. If you do a little research, and I can give you all the references that you want, you will find that in most cases, if not all, a TIF or CEA does affect the mil rate. It raises it. You can go to your own Exhibit E, on the papers that were handed out for the meeting, and you can see mil rate increases. One of them is a dollar. On a house that is evaluated at \$200,000 that's another \$200 a year that the taxpayer is paying. And finally, I think the really fundamental issue here is not about the numbers, it's not about the arguments for BIW – pro or con- it's an issue of what everybody can recognize as fairness, and justice, and the right thing to do. I would strongly urge you, if there any questions in your minds about this issue – table the vote. Take some more time if you need it. Engage with the community a little more. I think it's a good thing to do. Thank you.

Brian London: Good Evening! My name is Brian London. I live at 1286 High St. Listening to many of the speakers; I noticed that many of the topics are pulling away from the City's issues. Instead they are moving to a larger debate about corporate greed and evil large businesses. Although these are wonderful topics to debate, they don't contribute to our issue today. We're here to discuss whether this TIF is beneficial to the City of Bath. To analyze this, I'd first like to share with you a quick anecdote. I was born and raised in Bath and I told myself, as many young folks do, that I will never work at the shipyard. Everybody goes to work at the shipyard. And I wanted out. To be honest, I didn't understand why anyone could work somewhere for their entire career. And now after four years of working at the shipyard, I understand why. BIW builds warships. A warship is a massive undertaking that cannot be accomplished by a small business. It takes

millions of dollars and thousands of men and women to design, fabricate, and test these vessels. The support structure behind the effort is extremely complicated. Every inch of the ship has been designed with a goal and with a specific purpose in mind. Even the color of a certain pipe is going to tell a sailor exactly what that pipe is transporting. This not easy. Every day is filled with challenges. Recently BIW is facing its most difficult challenge yet – reducing cost. As many have mentioned, budget cuts in the Navy has limited funding for new vessels which in turn limits the funding for BIW. In order to keep providing these vessels, BIW needs help. This help is already coming in many forms. Each and every day hard working citizens of Bath and surrounding communities pass through those gates and get down to work. Individuals and small teams across the yard have submitted thousands of suggestions as to how we can improve our business. They do this, not to gouge the city taxpayers, they do this because they have pride in what they do and they want to keep doing it. I've been fortunate enough to spend my time with many departments and I can promise you there is no evil man behind the curtain looking to make a quick buck. Instead there are thousands of men and women proud of what they do and proud to be the best shipbuilders in the world. That is why they come to work every day and stay for 30 years. As a taxpayer who recently moved back to Bath, I am excited that the improvements at BIW are going to bring us additional tax dollars. As a BIW employee, I am proud to help contribute to the success of the City of Bath by successfully building ships. I thank you for supporting this measure and looking forward to helping our business at BIW and our City.

Brad Walfield: Good Evening! My name is Brad Walfield. I live at 75 Winship St. and also have a property in Ward 4. I previously said a couple of weeks ago that I support this. The only comment that I wanted to add is over the past few weeks I've heard a lot of people say what does BIW do for the City and what are the employees and the company. I wanted to share a couple of things on top of being a taxpayer at BIW and providing a lot of salaries – a couple things they do. Having raised two kids that went through the Bath school system, it seems like it's an endless amount of bake sales and auctions and going door to door raising money for a lot of things - most parents can relate to that. I just wanted to say that BIW is always first in line to help and one of the things I've experienced firsthand is they often don't want their name put out there, but they're willing to give and they do in a lot of different areas. I'm going to give you a couple of examples : One is when we did the Fields of the Future they were first in line with a very generous donation in which actually really motivated the whole campaign to get that project going. Secondly, I had an example, my daughter , a lot of things get cut in the school budget , the extra things that are really the good things, and you know one of the things my daughter had the opportunity to do when she was in the Bath Middle School, she went up to Camp Kiev where they teach leadership and good risk taking, good life skills, and they spent a week up there overnight and it was a tremendous experience for her, and I don't know, a life changing, you know it was a great thing for all these kids. And all of them, the whole grade, went up for a week overnight and people may not know that, but that was a grant from BIW. All kinds of things, I think the gentleman who spoke earlier listed a whole bunch of things, but that's just one example. You know probably a lot of people don't know about, but it was a great week for my daughter and many others. Odyssey of the Mind is another thing that the Bath kids benefit from here and BIW employees give to that. My son in Odyssey of the Mind got to go to Ohio and probably wouldn't have gone to Ohio, they actually won the state tournament, were able to go to Ohio. And they were able to fund that trip by contributions by BIW employees. You know without BIW they don't have that. And that's people that didn't know what Odyssey of the Mind was and didn't know most of the kids who went. And the same thing goes for Project Graduation, year in and year out. You know, people who come in the gates of BIW open their wallets in the morning and give to these things so we benefit tremendously so, thank you.

John Maskarinetz: My name is John Maskarinetz. I live at 11 Marshall St. in Bath and I'd like to echo the fact that BIW employees are exceedingly generous with their donations and individual donations to the students of Bath. I work at Morse H.S. so I can say for sure that that's the case. I would just like to quote a few facts please. In 2012 the mil rate in Bath was \$17.90 per \$1,000. Without the repay of BIW it would have been closer to \$16.00 per \$1,000 so that modifies what was brought up earlier. I think that the benefits that BIW brings to the State are immeasurable, but Bath is a very small city and I think, like Boeing, and other large businesses, that BIW should be going to the State to ask for more tax breaks-from the State and not from such a small community as ourselves. Thank you.

Dan Dowling: My name is Dan Dowling and I am president of Local S6 of the International Association of Machinists and Aerospace Workers of America, commonly known as the shipbuilders. I represent approximately 3,200 members of the productive work force from the guys who actually make the ships. Now one thing that I'm fairly sure of is that BIW, or General Dynamics if you want to go to that level. Either way they don't create anything. All this wealth that everyone's been talking about for the last several weeks comes at the price of my members and the members of my sister unions laboring every day to create that wealth. Now I've heard the question asked: What does the City get out of it? And I don't pretend to have an answer to that. What I would know is, what is it that the company, or more particular, what is it the workers at BIW are going to get out of it because as I understand it this is all about if the company does its expansion for the extra large, ultra hall, or the right-side up hall as they call it. I would know what burden is that going to put on the City of Bath because I've sat through a few hearings now and I haven't heard the answer to that question. Perhaps somebody could enlighten me or perhaps the Council could get around to it when they do their deliberation, but I do know the cost. It's human cost. It comes from the labor of the individuals who work in there every day. I understand how the tax thing works, but I also understand how the stockholders work as well. They provide the money, they create the facility, the managers that I argue with everyday create the opportunity for us to work and provide our property, our labor, to create this wealth. So that would be my question, I have many, but I'll stick to that one. I know time is short. What is the theoretical burden that adding this structure is going to put on the City of Bath? Thank you.

Susan Lubner: Hello, I'm Susan Lubner. I like calling myself a citizen of Bath. Thank you for listening and for all that you do. I'm wondering if you all have given much thought to this article, or reviewed this article that was in the Times Record a week ago on November 13. Clearly in the article, it stated, and it's information saying in reviewing past TIF agreements between BIW and the town from 2007 to 2012, BIW received more in tax breaks than expected and the City of Bath received much less tax breaks than expected. Our Assessor said that may even out somewhat in the future; he said that may even out. There is also the possibility that the same scenario may continue where, with this new TIF arrangement My question has to do with how can we guarantee, that if this new TIF agreement goes through, it won't due a turn on its head a little more, where BIW is getting more than expected and the town is getting less than expected. I also have just a couple of other points. I don't know if someone has addressed this yet, but given that BIW's proposed development will happen in an already existing TIF district, any new tax revenues from BIW are already sheltered from State evaluation. Therefore, this will have no effect on school aid or county taxes. It's already happening, whatever money that comes from BIW taxes – they're already sheltered and it's not going to affect school aid in any way. And I think my major point that I really want to speak about... when I was going around town and I was leafleting door to door, a lot of us were really shocked at the number of abandoned houses in town. So that's a serious issue for me; and then there's this issue group has just recently gotten together to discuss homelessness. So that's like coming more to the surface in this area. And we also know, I know people spoke tonight, that there is a number of people in this town that are on very, strong fixed incomes. And then there is poverty, food insecurity in the State of Maine, and I 'm sure there is some of that likely in Bath. Someone is food insecure if they don't have access to enough food to insure adequate nutrition. Maybe Bath is a little more balanced place, but I'm sure that Maine itself ranks first in New England in food insecurity. So these are issues that are very real in this town. So my question is "Do you as a Council think it is basically fair and just to the citizens of the area to be giving another tax break to a billion dollar corporation considering these issues. I realize that the tax money would not directly go to some of these issues because of the sheltering formula, but clearly there are creative ways to work on these issues of homelessness, housing, fixed incomes, I mean there is economic development that could occur, property tax to be looked at. Really I want to know if you want to be supporting a corporation that is already doing quite well and do you want to keep furthering this disparity between, people don't want to hear this, the haves and the have nots, but there is quite a lot of that. So I actually ask that you reject this TIF proposal in its entirety. Not compromise, but reject the whole thing. Now Bath Iron Works is already getting over \$4 million back from the town. Thank you. And I hope you all do what's best for this town. Thanks.

Chairman Wyman: Anyone else?

Dave Wetherbee: My name is Dave Wetherbee, resident of Bath, live at 11 Seekins Dr. Been here 29 years. I'm here because back in the early '80's I got laid off from a shipyard in the Midwest. I was talking to Mr.

Dowling and it turns out my brother and him went to the same school many years ago. I made a decision in 1981 to go back to school because I liked shipbuilding. Also, I had a brother here who had been here in the Navy and he said he loved the City of Bath. You'll like it. So I said OK. So I went back to school, went to Michigan and 1984 moved here and I've been here 29 years. Lived in the south end and the north end. Next to Hyde School. That's the guy who started BIW about 125 years ago. I guess, to me, I think Bath has been a strong, BIW, a strong thing in this town. I walked outside here, you look at these pictures, we are a city of shipbuilding. I'd like to see it continue. Some have argued about employment. Well it's nice to say it's probably facts, I'm sure it's facts, that employment has gone down. Why? Because our nation is not buying as many ships. You know 400 or 500 years ago, this place down here they are building a replica, we've been building ships here for 400 years. There is something that happened last year that I hope people recognize as unique. Probably the first time in 200 years there wasn't a major ship in the water. I've been at BIW 25 years. Most of the time there has been one, two, three or four ships. There were zero ships in the water. We now have a ship in the water. It went in the water about a month ago. You know, we have, the things that were built back in the early '90's; we made an investment, and the City made an investment to put ourselves in a position to build more ships. Did we get as many? Well the customer didn't buy as many. But, when they're building the one thousand, people realize this; it was going to be split between us and Ingalls. But because of the facility investments they made and the partnership here, when it came time, we got more of that work. Anyone knows right now we are getting work that Ingalls had. You heard the story they closed down a composite facility – yes they did. And if you talk to those people at Ingalls, which I have, they were hoping to have that work. They didn't get it because we're in a position to do it. Talk about other items. There is a shipyard up in Luzanne ? Quebec – they built sonar domes for this shipyard and Ingalls for a number of years. They went bankrupt a couple different times. We're now building them here. I was at a meeting today with the mechanics talking about and they're planning on building it better next time. To me everyone talks about it, I've seen people laid off; I've got friends who've been laid off 2 years ago. It's all about these 5,000 people here who work hard. It's the mechanics who are adding the value. I believe this proposal we're proposing will help us build more ships in the future. Everyone's talked about for the present and the past. As a historian, that's great stuff. I've got more books on shipbuilding than you want to know. I could probably drop the whole wall over there. But, I'm looking to the next ten years. When I came here we had one crane. It could lift 200 tons. We got five of them right now. We've got a dry dock we didn't have. I think this is something that gears us to the future. Thank you very much for your time. I appreciate it.

Gerald Provencher: My name is Gerry Provencher. I live at 15 Winslow Ct. I've tried to make some editing, while I've been sitting there.... to try to help with the time here so I hope it goes smoothly. If I had my druthers, BIW would withdraw their proposal in its entirety. I base that primarily on that there have been no facts presented at any venue that I am aware of identifying the specific need on the part of the Iron Works. Since this thing started and my involvement in it, I've had many conversations around town with stakeholders of Bath. I've talked with people in BIW management, salaried employees, production workers, City staff and councilors, small business owners, property owners, and average folk on the street. I started out with a perspective of my own and every conversation I had added different perspectives. By the time I was done, and thinking about what I wanted to say tonight, I had before me a picture of the City I had not anticipated and my remarks moved in a different direction than I had started out. Bath Iron Works, a corporation centered in Bath and a wholly owned subsidiary of General Dynamics, has been here for more than a century. Looking forward, they need to modernize and achieve higher efficiencies and reduce costs. They want to compete both in the defense arena, but also in the commercial arena. BIW wants to be recognized as a company that charts its own course and seeks progress in diverse markets. This will be no easy task. Defense contractors are not driven by the same needs as commercial companies. The industry, as a whole, is not incentivized to minimize cost. I have more details about that if you want to ask questions. I'm not going to include them right now. BIW employees, a recognized highly skilled workforce, where production workers and many in management have an average of over 20 years of shipbuilding experience, are to a large degree disheartened by the lack of input afforded to them over the past decades. Shipbuilding is a complex and dangerous environment. The entire workforce has ideas about safety, health, the efficiency and productivity that the Yard would benefit from. Residents of Bath have supported BIW for the past century with skilled workers. They recognize and appreciate that Bath Iron Works is an economic driver. However, by a significant margin BIW is viewed as an appendage of General Dynamics showing little

concern for the welfare of the City as a whole except as a source for those skilled workers. City government has tried to play a middle ground balancing the needs and wants of the Yard with the needs of the City as a whole. Surrounding the City concerns are outside influences from the State, the defense industry, the state of the economy, and the federal policies that affect all of the above. Used as a whole, the dynamic picture resembles a number of circles spinning independently with occasional overlapping junctures. If this picture is accurate, and I think it is, the future does not look very promising. Bath needs new jobs. Both BIW and General Dynamics have stated numerous times that defense spending will continue to decrease. In both the short and long terms that means fewer jobs. Maximizing efficiency and productivity gains at BIW is a necessity if we want to succeed in commercial markets cannot be achieved in this picture that I have described. The question for all of us is what to do, how to move forward. As I look at the picture as a whole, what I saw was a significant opportunity for the City of Bath and BIW. The opportunity is a chance to bring relevant pieces together and work in unison to create a vibrant community surrounding a creative and successful company. What are the relevant pieces? The Iron Works is a successful company with a significant backlog of work. They have a highly skilled workforce. BIW 's new president, Frederick Harris, lists among his top priorities safety, efficiency, and productivity. Residents want to support the Yard and create new jobs. City staff and Council want to facilitate moving forward together. Looking back a little bit, in 1993, at the end of the Cold War, the federal government formed a commission to look at converting the U.S. economy from a war economy to a peace economy. This effort lost steam after 9/11 when the country launched itself into war mode once again. Today, coming off of two decades of war, one of which is widely recognized as unnecessary, the country is once again seeking to return to a peace time economy. This will divert funds from defense spending to other national priorities such as infrastructure, transportation, and energy.

Chairman Wyman: How much longer, Gerry?

Provencher: A couple of paragraphs. Once again the concept of an economic conversion is taking hold. Communities and states around the country are forming partnerships to plan the way forward. I passed around a folder with my complete statement and also some supporting documents to all of you. A copy of an Act recently passed in Connecticut along, with some major labor resolutions supporting it, are an example of that kind of partnership somewhere else. Given the context of this evening, I'm not going to go into more details at this podium. In closing I would like to make a couple of points: I believe that Bath is in a unique position to seize an opportunity that is presenting itself in locations around the country. We can create a model of how a community and a large corporation, specializing in industrial manufacturing, work together and build a future. I challenge all stakeholders in this issue to sit down together and come up with a vision for Bath and BIW moving forward together. Thank you for your time and attention. I'll take any questions if you have them. And I think we need to do this before anybody else talks.

Matt Ball: My name is Matt Ball and I live at 1161 Washington St. and I spoke here last time and I wasn't planning to speak again, but I felt compelled to for a number of reasons. One of which, I am a young lawyer at BIW and I was not sent here to assuage you, I assure you. In fact Dan Dowling reminds me everyday I'm just a labor rep with a law degree so I'm not sure I even qualify as a lawyer under that stature. I want to step away from what has clearly become an ideological argument and share with you a personal story. When I met my wife, I was living in Indiana and she was from Maine. She brought me to Maine to meet her family up in the unorganized territories and we drove in up over Route 1 and as we came up the coast we entered Bath and I looked to the left and saw what I envisioned as the quintessential New England small town and to the right I saw this magnificent shipyard. And without any prompting, I said to my wife "I could live in Bath." I can assure you that if I had drove up Route 1 and looked to the left and seen this small town and seen a shuttered shipyard to the right my comments would have been "I would never live in Bath." I'm one of those people that bought one of those houses that no one was living in. I'm raising my family here in Bath. The long term success of this shipyard and the ability of this city to recognize the value of that shipyard and to help that shipyard do whatever it can to encourage more people like me and others to drive up Route 1 and say "I'd like to live in Bath" – that's what this is about, that's the human side of this vote that is often missed when we're having these ideological discussions. Thank you.

Chairman Wyman: Is there anyone else?

Millie Bernier: Good Evening! I'm Millie Bernier, I live at 22 Pine St. and I am not prepared tonight to speak, but I feel, also, compelled. I am not as eloquent as the previous speakers, but I want to say that Bath is a small city and we need every one of our tax dollars to survive. Our infrastructure needs help, our roads need fixing, and our sewer system needs fixing. We need every tax dollar we can get. Thank you.

Lori Fleming: Good evening! I'm Lori Fleming. I live on North St. and I know the work on this issue has demanded a lot of time and a lot of focus and a lot of extra meetings, like tonight. I appreciate your efforts very much and I also sincerely thank those who came to our forum last week. I feel there was a lot of good discussion, a lot of good information there and I hope it was helpful to you. Among the many tidbits and incites with the recommendation that a municipality ask corporations seeking a tax deal for full disclosure, to open their books, expose profit and loss, financial protections for development, show exactly how the rebate for tax dollars help the corporation stay afloat, or in BIW's words, stay competitive. Whether they were for or against this, all of the panel analysts at the forum agreed that this was essential. I would like to ask the Council to address this in your remarks later. I wonder if BIW has been as forthright with you as you and as we deserve. I wouldn't label myself an activist, though I've been known to knock on doors and make phone calls during election time. What got me here today and so involved in this issue is the financial pillaging of the average American that has gone on in this country for the last few decades. In the 1970's my dad was a union man. He could afford a new car every few years if he wanted to, he had a nice suburban house, full health and dental coverage for his wife and his kids. We were very comfortable and most blue collar workers at that time had some level of job security and earned good wages and benefits in exchange for hard work. Over the years labor has lost its leaders and union has become a dirty word. While it's become acceptable for CEO's to make millions of dollars a year in salaries and perks, they can destroy a financial institution or corporation and are sometimes, eventually pushed out the door, but with a golden parachute worth millions of dollars. Poor them! This goes on while the salaried worker has their wages and benefits constantly squeezed and they do the work of two or even three people. I've heard that complaint actually from BIW workers who do not complain out loud. Yesterday I read that a Walmart store in Ohio is holding a food drive for their own employees. A sign on the bins collecting the food reads, "Donate Items Here so that Associates may Enjoy Thanksgiving Dinner". Walmart is a type of company that goes into communities, asks for TIF's and tax deals fattening their bottom line while putting mom and pop stores out of business and paying their employees something near minimum wage. There has also been a war on adjusting the minimum wage regularly to keep up with inflation, I might add. Walmart's top CEO's make obscene amounts of money, yet some of their employees can't afford Thanksgiving dinner. The new tax refund deal on the table for BIW equates to something in the range of \$130 to \$250,000 a year depending on how you break it down over the years. It is equivalent to a \$3.7 million tax rebate for BIW over a 24-year period. At the last City Council meeting, we were talking about a deal that was over \$6 million for the same period. So we've gone from discussing a 50 % tax return deal to a 29% return. Originally, as I understand it, BIW asked for a 75% return of taxes to which the City pretty quickly said no. What does this tell us? It might tell us that the critical need expressed by BIW at previous meetings was not exactly the truth. It might tell us that this sum, as little as a \$135,000 for some years of the TIF is something that helps the bottom line, but does it really help BIW stay competitive? That's basically one manager's salary for one year. It is not an amount that will save the shipyard. I will close by saying that this proposed CEA deal, this credit enhancement deal, _____stay competitive in a multi-million dollar industry smells an awful lot to me like corporate welfare. If they get a credit enhancement deal tonight, if for no other reason that they want it, it's not that they need it, someone at BIW will likely get a nice Christmas bonus as a thank you for helping their bottom line, not....

Chairman Wyman: How much more do you have?

Lori Fleming:I dare say for helping them stay competitive. Thank you for listening. I look forward to hearing your thoughts this evening before you vote.

Chairman Wyman: Is there anyone else?

Dixie Stedman: I am Dixie Stedman and I live at 100 North St. here in Bath. A lot of the conversations have been very general in nature and I object to the fact that it seems to stray so often from what we are trying to discuss here. But I am going to do the same thing in response to one of the earlier comments about the need for some of these other issues in town such as the item of food insecurity. I want to mention that tomorrow morning in the shipyard beginning at five o'clock and lasting for a couple of hours there is a collection going on called Feed the Hungry challenge. It initially was undertaken by one individual five years ago and has now grown to a lot of people who help him. Together they create a large collection of cash and food items that they distribute to five communities representing the demographics of where all the employees come from. It is an effort that takes place not because of the company, necessarily, but because we work there and we have the ability to do it. There are a lot of people with good ideas that can work together and have a general interest in all the communities they represent.

John Kolsolfus: My name is John Kolsolfus, 225 North St. I do have to admit that when I drove up Route 1 looking for a home it was wasn't BIW that appealed to me it was for Bath. There were other reasons that encouraged me to stay in Bath. I have a lot of friends that work at BIW and I certainly would not them affected in any way by any response or retaliation and I also recognize the competitiveness of that field, building war ships. Though I have to step out on a limb here. I wonder who we are building warships for or against, but ... Still I'm very grateful there is this opportunity for many people. I'm also very moved by the employees who support so many causes. But I do have to wonder about a multi-billion dollar company that's asking for a tax break in a city that's also having its employees contributing to Bath issues. And finally I have to wonder about BIW's contribution at the same time it's asking for a TIF – it's announcing its layoffs again just before the holidays when most of those who are laid off will be supported, and should be, by the State - so by Bath residents in the end. Thank you.

Chris Gauvin: Good Evening! My name is Chris Gauvin and I live at 18 Stacey St. I don't usually do this – it's kind of a first time for me. I'm here in the City of Bath because of Bath Iron Works. I pay taxes in Bath because of Bath Iron Works. I'm from Kennebunk. The reason I am here is because of Bath Iron Works. A lot of people have said, what has the city of Bath gained here? They are gaining the additional revenue the City is getting from this project. They are also gaining people like me who are contributing to workforce and America's defense and also the people who buy pizza at Mario's, the people who buy burrito's at Mateo's, people that buy charitable donations for all these kids for their schools and programs. There is a lot to gain here; there is some to lose for the City of Bath from a revenue, but there is so much more to gain – of what could be. Thank you.

Chairman Wyman: Anyone else?

Ryan Dean: Good Evening! I live at 1472 Washington St. which I moved to in July with my wife. I've been working at BIW since graduating from college seven years ago. We bought a house in Bath because I work at BIW. There's likely no way I would have moved here aside from that. And the reason we like to live here is because it is a wonderful place to be. But without the draw of BIW I think you would have trouble getting people here to support the tax base. I certainly sympathize with all the issues people have discussed but I think we need to focus on the issue at hand and ask what the Council can do to work with the company and the people of Bath to do something that benefits everyone. I'd also like to counter what was said earlier about defense contractors not having an incentive to improve on their costs. Most of our contracts, all but one now, are fixed price incentive contracts and those are things where we have a target cost to hit and for every dollar that we come under that target cost, we get some of that and some goes back to the government. So we are certainly incentivized to reduce cost, and we do that every day with the employee suggestions and all the other initiatives they have. This is only a part of it, but hopefully a part that will help us go forward and help people like me to have an opportunity to come and live in this wonderful city and start a life here. Thank you.

Chairman Wyman: Anyone else?

Andrew Moskevitz: My name is Andrew Moskevitz, 93 Bluff Rd. I 'm hearing a lot of people talking about corporate welfare, giving Bath money that belongs to the City of Bath. I find it funny that people use this because we aren't giving money back to BIW; we're taking less from them. One of the problems that we have here – if we can't make it without this money as a City that tells me we are spending too much money as a City. So, if tax rates have increased in this country since its founding, and continuing to do that will not help our economy and people who think taking this money from Bath is going to decrease anything doesn't understand that companies don't just say, "Oh, I've got to pay more taxes, now I'm just going to take that out of my profit, they're going to pass those costs along to the federal government or if your costs become too high you close. Just remember this is not our money to take. It's ...Bath Iron Works locates itself in the City of Bath at its pleasure and this money does not belong to us. Thank you.

Gary Anderson: Gary Anderson, 2 Weeks St. I had five minutes here to read, but I'm not going to do that. I'm a little confused, listening to a lot of people speaking pro and con, is there some point tonight that we're going to hear from each of you, your explanations as to why this makes sense for the people of Bath because I'm confused why this is a good deal. And I can tell you there are many people who share that opinion. I called the paper about this because I couldn't find it, but it was in plain sight on Monday's front page. The Times Record ran a poll, I guess over the weekend, and it was 66 to 25 against giving any TIF. From my going door to door, one after another, the public sentiment is against this, not matter what....

Chairman Wyman: Are they all Bath residents?

Gary Anderson: Yes, Ward 1. I went door to door - homeowners in Ward 1.

Chairman Wyman: The reason I ask that is because we got 400 plus emails this past week from people all over the State of Maine, which has nothing to do with the City of Bath.

Gary Anderson: Well, again I have to say in honesty, this poll in the Times Record – I don't know how many of those were in the City of Bath either and that's a good point. It seems to back up what I've said is that everybody I've spoken to is against this and if it makes sense to you ...it confuses me. I would like to hear an explanation from each one of you as to why this is a good deal for the City of Bath fiscally and not theoretically and not broad political philosophizing, but simply explain it to me as a taxpayer why this makes financial sense to you. I'm just wondering if that's going to happen. So, I'm confused because I've heard nothing from City Council, but apparently the two newspapers have reported the 50-50 has been changed, but we've heard nothing official. Has an offer been made to BIW? Have they accepted it? Are they going to refuse it outright? Cutting to the chase, BIW has never answered the question, and I haven't heard it asked from your side, but it has been asked from this side, "Would they build these improvements without public assistance?" That's a simple enough question deserving of a simple, straight forward answer. I would really like you to ask that question of BIW and have them explain it. It's been asked repeatedly this evening. Once again, at some point, I think the citizens deserve to hear from each one of you, individually, as to what your thoughts are to this point, what you're for, what you're against, and why you think this is a good deal. Thank you for your attention once again. Thank you for proposing a major reduction in BIW's desire for another tax break – that's true and if it's been reported accurately. The difficulty of that decision, weighing a request by Bath's largest tax payer against your concern about what is best for all taxpayers is certainly appreciated on my part. While I'm asking, I want to hear more from you. Thank you very much.

Chairman Wyman: Anyone else?

John Fitzgerald: Thank you. John Fitzgerald with Bath Iron Works. First I appreciate being called a young lawyer earlier this evening. That is the most wonderful thing I've been called in a while. I'll be brief. You've heard from me before. Will we build it without a TIF? Well, we answered that question in 2010 when we came before the Planning Board and the City Council with a proposal to build a similarly large structure which ultimately we could not build. We didn't ask for a TIF that time. In 2008 when we built the building we didn't ask for a TIF; we were able to build the building and that created the Wing Farm revenues which have created revenues for the Wing Farm District infrastructure there and there's been questions about what

does BIW contribute to the City? What does the City get out of this? I've answered those questions. I've provided you with information with respect to our charitable contributions, which are not insignificant, not something we run up the flagpole. Our investment in the shipyard has taken our taxes from \$2.2 million per year to \$4.2 million per year. We're in a very difficult economic environment as you all know; in an era where we need to cut costs; we are gambling by saying we are going to invest, which actually increases our costs and we're doing that, and a thousand other things, that we can improve our productivity. It is by no means a certainty that we will build this. It is something that is under serious consideration. There are a lot of factors that go into that – the cost of it. Obviously it's a big factor. So as far as need, I've addressed that. We need this because we need a building that we believe will help us along with a thousand other initiatives that will help us become more competitive. We need it because we were under bid to the tune of tens of millions of dollars. This isn't padding anyone's bottom line and, you are correct, a TIF of virtually any amount is not going to close that competitive gap. What will close that competitive gap is the effort we're undertaking to improve our efficiency – build it better, stronger, and faster and cheaper because the bottom line is price- the price on which a winner is awarded more work. This is about building ships in Bath, Maine and Bath Iron Works will be here-the question is are we going to have the work, the ships that employ the people here in Bath. That's what we're trying to do. We've competitions in front of us in the future. We're going to work extremely hard between now and then to get ourselves in a position to win that work, but the most recent barometer on that was we lost and that, from a cost perspective, we were not close. So again, thank you for your time. I appreciate your deliberations and if you have questions, I am willing to answer them.

Chairman Wyman: Anyone have any questions for John?

There were no questions.

7:25PM Chairman Wyman closed the Public Hearing

II. Order - Approving Authorization BIW Tax Increment Financing District (FY 2014) 7:25 PM

CITY OF BATH, MAINE COUNCIL ORDER

Amending the Wing Farm/Enterprise Municipal Development Tax Increment Financing Development Program

WHEREAS, the City of Bath (the "City") is authorized pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, to designate specific areas within the City as the Wing Farm/Enterprise Tax Increment Financing District ("the District") and to adopt a development program for the District (the "Development Program"); and

WHEREAS, on February 6, 2008, the Bath City Council (the "City Council") designated the District, consisting of two separate non-contiguous parcels of land, the Bath Iron Works (BIW) Tract and the Wing Farm Tract and adopted a Development Program for the District (the "Original Development Program"), which received the approval from the Department of Economic and Community Development (the "Department") of the State of Maine on March 21, 2008; and

WHEREAS, the City desires to adopt this First Amendment to the Original Development Program (as amended, the "2013 Amended Development Program") in order to:

(i) increase the percentage of captured assessed value of real property improvements retained in the District; (ii) authorize a credit enhancement agreement with Bath Iron Works ("BIW"); and (iii) include certain additional Public Improvements described below to be financed through the 2013 Amended Development Program; and

WHEREAS, adopting the 2013 Amended Development Program will help to create new employment for the citizens of the City and the surrounding region; improve and broaden the tax base of the City; and improve the economy of the City and the State of Maine; and

WHEREAS, the City Council has held a public hearing on November 20, 2013, upon at least ten (10) days prior notice published in a newspaper of general circulation within the City, on the question of amending the Original Development Program in accordance with the requirements of 30-A M.R.S.A. § 5226; and

WHEREAS, the City Council has considered the comments provided at the public hearing, both for and against the adoption of the 2013 Amended Development Program, if any; and

WHEREAS, the City desires to amend the Original Development Program and adopt the 2013 Amended Development Program; and

WHEREAS, it is expected that approval will be sought and obtained from the Department, approving the 2013 Amended Development Program;

NOW THEREFORE BE IT ORDERED AS FOLLOWS:

Section 1. The City Council hereby finds and determines that:

- a. At least twenty-five percent (25%), by area, of the real property within the District, as hereinafter designated, is in need of rehabilitation, redevelopment or conservation or is suitable for commercial uses as defined in 30-A M.R.S.A. § 5223(3); and
- b. The total area of the District does not exceed two percent (2%) of the total acreage of the City, and the total area of all development districts within the City (including this proposed District, but not including the City's Downtown TIF District) does not exceed five percent (5%) of the total acreage of the City; and
- c. The original assessed value of all existing and proposed tax increment financing districts (including this proposed District, but not including the City's Downtown TIF District) does not exceed five percent (5%) of the total value of equalized taxable property within the City as of April 1, 2007; and
- d. The pursuit of the 2013 Amended Development Program will generate substantial economic benefits for the City and its residents and the surrounding region, and will contribute to the betterment of the health, welfare and safety of the inhabitants of the City, including stimulating new employment opportunities, a broadened and improved tax base and economic stimulus, and therefore the adoption of the 2013 Amended Development Program constitutes a good and valid public purpose. The City Council has considered all evidence, if any, presented to the Council with regard to any adverse economic effect on or detriment to any existing business and has found and determined that such adverse economic effect on or detriment to any existing business, if any, is outweighed by the contribution expected to be made through the adoption of the 2013 Amended Development Program.
- e. To the best of the City's knowledge, the aggregate value of municipal and plantation general obligation indebtedness financed through the proceeds of any tax increment financing districts within Sagadahoc County do not exceed \$50 million.

Section 2. Pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, the City Council hereby amends the Wing Farm/Enterprise Municipal Development Tax Increment Financing Development Program and adopts the 2013 Amended Development Program, all as more particularly described in the 2013 Amended Development Program presented to the City Council and such 2013 Amended Development Program is hereby incorporated by reference into this vote as the Development Program for the District.

Section 3. Pursuant to the provisions of 30-A M.R.S.A. § 5227, the percentage of the increased assessed value to be retained as captured assessed value in the District is hereby established as set forth in the Development Program.

Section 4. The City Manager, or his duly appointed representative, is hereby authorized, empowered and directed to submit the proposed 2013 Amended Development Program to Department for review and approval pursuant to the requirements of 30-A M.R.S.A. § 5226(2).

Section 5. The foregoing adoption of the 2013 Amended Development Program shall automatically become final and shall take full force and effect upon receipt by the City of approval of adoption of the 2013 Amended Development Program by the Department, without requirement of any further action by the City, the City Council, or any other party.

Section 6. The City Manager, or his duly appointed representative, is hereby authorized and empowered, at his discretion, from time to time, to make such revisions to the documents adopting the 2013 Amended Development Program as he may deem reasonably necessary or convenient in order to facilitate the process for review and approval 2013 Amended Development Program by the Department, so long as such revisions are not inconsistent with these resolutions or the basic structure and intent of the Council in adopting the 2013 Amended Development Program.

Section 7. The City Manager be and hereby is authorized and directed to enter into the credit enhancement agreement contemplated by the 2013 Amended Development Program, in the name of and on behalf of the City, such agreement to be in such form and to contain such terms and provisions, not inconsistent with the 2013 Amended Development Program, as the City Manager may approve, the City Manager's approval to be conclusively evidenced by his execution thereof.

Chairman Wyman – WHEREAS, the City of Bath (the “City”) is authorized pursuant to Chapter 206 of Title30-A of the Maine Revised Statutes, as amended, to designate specific areas within the City as the Wing Farm/Enterprise Tax Increment Financing District (“the District”) and to adopt a development program for the District (the “Development Program”); and

WHEREAS, on February 6, 2008, the Bath City Council (the “City Council”) designated the District, consisting of two separate non-contiguous parcels of land, the Bath Iron Works (BIW) Tract and the Wing Farm Tract and adopted a Development Program for the District.

Councilor Lockwood - I make a motion to waive the reading.

Councilor Winglass - Second

Chairman Wyman – Motion made and seconded to waive the reading. All those in favor. (Raise of hands. All in favor of motion.) Motion to put this on the floor.

Councilor Winglass – so moved.

Councilor Mitchell – Seconded motion. (raised hand)

City Manager – You want it on the floor first.

City Clerk – I think that is what we are doing.

Chairman Wyman – He seconded it.

City Manager – Do we have a second?

Chairman Wyman – Yup.

City Clerk – I think it is on the floor.

City Manager – Shanna, do you want summarize, just outline the TIF and I think there is some confusion about what's on the floor. It's the 25 year, 50/50 TIF is on the floor at this point in time.

Shanna Mueller – Good evening everyone. My name Shanna Cook Mueller I am with the firm Bernstein Shurr and I am representing the City of Bath through this process. What's on the floor currently is a Council Order that is 3 pages long and the reason it's that length is because it goes through some requirements in the TIF Statue, State TIF Statue, that are required if you are going to amend a TIF. So that is why the reading was waived. What it essentially says that the City Council approves the development program document that has been in the Council packets and has been available to the public since the public hearing notices published and that proposal outlines additional projects that the City can spend TIF revenues on from this TIF District and in addition a credit enhancement agreement is authorized to be executed between the City and Bath Iron Works that would provide 24 years really because that hits us up against the maximum term of this TIF District of 50% reimbursement on the new increased assessed value that will result going forward and that is the proposal that Bath Iron Works has brought to the Council. Over recent weeks the staff and I have decided that the Council should also at least consider an alternative and that alternative was also included, a description of that alternative was included at the end of the development program and made clear that Bath Iron Works has not changed their proposal and yet the staff and I feel as through the Council should consider an alternative that consists of rather than a 24 year 50% reimbursement to Bath Iron Works a 15 year credit enhancement agreement where the first 10 years are 50% reimbursement to Bath Iron Works and the 5 additional years after the first 10 would provide a 40% reimbursement to Bath Iron Works. But what is on the floor now is BIW's proposal of 24 years for 50% so if you want to consider alternatives you would need to amend the motion that is on the floor.

Chairman Wyman – Councilor Eosco

Councilor Eosco – I make a motion to amend and Shanna do you have that wording you could share with Mary so she can get.

City Clerk – You read it.

City Manager – You have it Mary.

City Clerk – Yes I do.

Councilor Eosco - I propose to amend the Council Order to add a Section 8 Which shall read, The City Manager is directed and authorized to make necessary revisions in the 2013 Amended Development Program to reflect the following terms for the credit enhancement agreement with Bath Iron Works: 50% for 10 years and then 40% for an additional 5 years relating to real property increment added after 4/1/2013 in the BIW tract.

Councilor Brackett – Second that.

Chairman Wyman – Brackett

City Manager – Preliminary

Chairman Wyman – Discussion

Chairman Wyman – Any public comment?

City Manager – I think we've done that.

City Manager – It's time for the discussion.

Chairman Wyman – Councilor Eosco

Councilor Eosco – I wasn't really planning on leading on this but that has been months in the coming and I have to say it's a unique position for those of us who are sitting here listening to all of this. I have heard everything and I take everything to heart and I respect the people who emailed us even if its one line "I support it" "I don't support it". I didn't necessarily appreciate the 400 emails from away. I think that this is an issue for Bath and I represent people in the City of Bath but I hear that, I hear, hear both sides and I have lost sleep of this and stay up at night thinking about it. I attend the forum and I think that there was interesting information there. It's a complicated issue there is no doubt about it. I think that we what we need to be focusing on is what is proposed here tonight. We can't be looking back to the 90's to the TIF that was done then. There is so much involved in that. A lot of us didn't live here then. I certainly never thought I'd be on a City Council. Never thought I would be moving back to my hometown being involved the way I am. This is where we are today and taking all of this information I know that we have been very quiet but we're listening. We've been hearing this and it's like you're in the middle of a tug-of-war. I think what we need to be coming to tonight is a middle ground and we're probably going to leaving tonight and no one is going to be happy but we need to find some place where it is going to work for everyone. I grew up in this City and I know the fears the peaks and valleys of our dependency on Bath Iron Works. It's very scary. My mother worked there, my neighbors worked there. There are times where we didn't know who was getting pink slips. It's a very scary thing to have all of our eggs in such a big basket over there and I for one am not ready. I want to give them all the support that we can without hurting what we need to take care of on the City side. We have symbiotic relationship with the Iron Works and yes there are a number of people from Bath that work there and a number people from Bath that do not work there and I have heard that's why other people from the State should be weighing in because we are sheltering this money. Well, I think that if we are sheltering this money the State is able to give us more money for the schools or we are getting more on the tax side on the county side but we are supporting this incredible business over here and it scares me to think that that I don't think anything would happen next year or 5 years from now but 10 years down the line, 20 years down the line I don't know what would happen to the great little City if we didn't have that employment. I don't know what would happen to the State of Maine if we did not have BIW. It's a very emotional topic for a lot of us. I think there a lot of benefits that we do get from BIW and I want add..., I wrote down some of the questions that were asked tonight because I feel like this is our one chance to really talk about things. I think there's confusion about how that sheltered money is spent and I hope I am explaining this well but that money that we will be shelter which different from the CEA. That money will go towards specific projects and we have an example of some of those projects in here. We can use it for some of our roads which takes up to 29%, correct me if I'm wrong, on certain roads that go to BIW that are heavily used. We don't need to use money from the General Fund to improve those roads we can use this TIF money that is being sheltered from the State so that we can improve our roads because their being so heavily used. That's just one example. We have different TIF's that are being used for different things and if you stay later we are talking about some of the other TIF's for BIW and other places in the City and the improvement that have been done or that on the slate to be done to help the City with economic development that's not coming out of our General Fund. Which hopefully will be attracting young families, to be coming and being a part of our City. I can't answer the need for BIW. I think they have done that for themselves but they need to stay competitive. That's in my mind and we can't talk about things that we talk about in Executive Session that has come up a lot lately and no we haven't seen their books. I don't think that's something that any of us are privy to but we do have information about Mr. Fitzgerald was very clear that they were under bid by millions and millions of dollars and that's transparent to us but their not part of General Dynamics yes it's their parent but I'm just afraid that they could shake them off like a flea and we don't know that for a fact but it has happened in other communities and it could happen here and I don't and I' afraid to think what would happen if they weren't competitive. Will they build it anyway, I don't know. I wish I had a crystal ball to answer some of these questions but we don't have that and I wish we did. A crystal would be very useful but we don't, we won't know that. So those are some of my thoughts. I'm sure I'll have more to add later if there's a moment for it but I feels good to be able to talk about it after hearing everything and you know no decision is made right now we're just in discussion but this is where I'm feeling at this point after months of listening.

Chairman Wyman - Meadow

Councilor Merrill – I appreciate everyone coming and sharing their concerns on both sides of the issue. I want to make an attempt to answer Gary Anderson’s questions, in my ward, my neighbor. Why it makes financial sense, if financial sense and that’s still something I’m weighting to and I’ll continue weighting it as the other Councilors give their thoughts but I think the first thing I want distinguish is there is a difference between General Dynamics and BIW and we all know General Dynamics is making lots of money. I wish I was making money the way they are but we also have to remember or I need to remember that the reason they’re making that much money is because they’re only keeping the assets that are making them money and so I don’t think that we can look at that as any guarantee that they are going to want to throw lots of money into our little shipyard. Maybe, maybe not that’s something I can’t answer but I think I want to keep those two entities somewhat distinct in my mind. When I think about the shipyard and what it means to this community, I think of a friend whose daughter was selling you know sort of imported you know household products decorating items at a store downtown she graduated, grow up here and had no where else to go but now she is getting paid training at the shipyard in the welding department and she’s got a career ahead of her. I think of a police officer in my neighborhood that stopped me on the street this week and spent about 10 minutes talking about why the police force needs a raise and I happened to ask him and what do you think about giving BIW back some of it’s tax money and he said absolutely give it to ‘em and I thought, my gosh, I thought where is the money for your raise going to come from. So people are hurting. They’re afraid that the shipyard will go. They recognize the value of the shipyard in our community but we all have to come up with this tax money somewhere and when I think of a neighbor who is also a business owner someone who’s struggling to pay her taxes, someone who’s struggling to make a go of it with her business and you know when I asked her what do you think she said you know let them have the break give them the money because she recognizes the value of the shipyard to her business and to our neighborhood and to our community. So it’s a big issue you know I am not an economist, I have spent my lifetime studying tests but I am listening to the voices of the people in my neighborhood and the people who live here and how the shipyard affects them. I think we also want to consider the generosity of the shipyard to Bath in terms of weighing that against the money that they are asking for. It does benefit us to have a friendly relationship with the shipyard and I would hate to see us living in an environment when that wasn’t there. You know when I first came to Bath, I came here right out of college for a job at the newspaper and I ended up writing about Bath Iron Work when Buzz Fitzgerald was there and I remember the excitement and respect that people for Buzz and I’d like to think that when his son standing here he is coming to us with that same integrity. You know I can’t look their books. I can’t analyze their information. I don’t think we can judge the shipyard based on the number of people who have been laid off because it is a matter of trying to survive in a very difficult financial time for all of us and I would hate to see this City go through more difficult time then it already is. I also don’t want to make a decision based on fear. I think it is in the shipyard’s best interest to survive. You know my family has gone through hard financial times when you’re up against something like that you work twice as hard and I fully believe that’s what they are doing. Will this tax benefit solve their problems? Probably not but you know I can’t help thinking that if we take away if it ends up being you know maybe about \$150,000 a year of a tax benefit from this latest proposal. I can’t help thinking that they could just easily take that money another way. So that if we were to go ahead and tax them for their full assessed value you know it would just be coming out of our schools, Jobs for Graduates Program, it would be coming from their donations and their charitable giving to the City. Ultimately, my concern is for my neighbors so as I have been weighing this I keep asking myself you know what is the best decision for them. I think having the supportive relationship, I wouldn’t call it a partnership necessarily but a supportive relationship is what would benefit everyone most. So I guess I’m still a little undecided but I’d to hear from the others.

Chairman Wyman – Councilor Brackett

Brackett – I appreciate the feed back from the first few Councilors that’s good to hear and certainly I’ll echo that this decision has weighed heavily on all of us and still does. I do take to heart all the comments that I hear and all the emails that I get maybe not the 400 but rest of them listen to and interesting reading the editorials in the newspaper. Unlike, Mari I did not grow up here my wife and I moved here 17 years ago so business owner for 17 years, home owner for 16 years, raised 3 children they are all now grown, more schools and good experiences there. I do understand taxation in Bath. Since 1997 when we bought our

house our taxes have more than tripled and that is not insignificant and we have heard that from citizens here. So I get it. I get that. I also get that this whole TIF thing is complex. Before being on Council, I heard the TIF 96 or 97 when the Land Level was built, we were pretty new to town then so I heard it discussed but couldn't have defined it for you but certainly this exercise has caused me to dig in and better understand it we have some counseling and had some good reading and I do understand it now. Public input has been important. BIW's input has been important. There's been a lot of folks talking about BIW books. We're not going to be privy to that. I think Councilor Eosco eluded to have we been privy to some things in Executive Session yes, we certainly have that as far as BIW's competitiveness or lack thereof and what they are up against. I have never been to the shipyard in Mississippi I was stunned to learn that it is 10 times the size. Anyway that said there is a lot to be proud of with BIW. I've gotten frustrated a couple of times I have heard it in this room tonight and I've read it about people saying that BIW has not been as generous lately and that's simply not true. It doesn't take very much time to find out differently. They're a very responsible and gracious corporate citizen. They don't toot their own horn a lot but they're out there. So when I weigh the whole thing we're discussing now a change to the initial 50/50. It's working in the right direction. You know in the end it has to be our decision. It is difficult. Again I applauded Councilor Eosco I have to. It's frightening to think about what the mid-coast region would look like in Bath without BIW. They pay about 4 million dollars in taxes as we sit now. I think we are heading in the right direction. BIW is a good partner, call it what you want to, but they are necessary for the City to continue growing. The competition is tough it's a very complex issue with the government the way it is. We have a gridlock Congress, Sequestration, the uncertainty there. We talked about the number of ships going to be built. Lots of uncertainties there. I think be hooves us to work with and I think we're doing that. Again revising the number here so I think we're heading the right way as a Council or at least that's my opinion.

Chairman Wyman – Councilor Sinclair

Councilor Sinclair- I don't think you are going to hear from a single one of us tonight that is going to say that this has been an easy process or that casting our individual vote is an easy decision. I know that it hasn't been for me. I too appreciate all the input that we have had from the public. I actually really enjoyed the 400 plus emails that we got from people around the State. I think it's an important element of a participatory democracy and would far rather get 400 or more than get 0 which is what we typically get in terms of input on decisions that are before this body. So I was happy to see that personally. I love the Yard. When my family first started coming to Bath, I have only lived here for 15 years, but when my family first started coming to Bath I was a kid. I was 8 or 9 years old and we were living in Vasselboro at the time. The only reasons I was excited to come to Bath were two. First, there was a little hobby shop, I don't know if any of you remember it, but there was hobby shop here on Front Street and I loved going there because my brother and I could get our little dungeons and dragons. The other reason was because I was so darned excited as a kid to see the Yard as we came across the bridge and just shear scale and aw that was and is to this day very impressive to me. Well, last year I happened to win one of the auction items at one of the Main Street Bath events. The item I won was a tour of the Yard. It was a tour for 2. I took my best friend from law school and Mr. Demartini and Mr. Fitzgerald, you know what a good time we had because you were such gracious hosts and spent such a long time with us. I got more opportunity to talk with some of the employees at the Yard on that day and it just reaffirmed all the positive feelings that I have always had about the place and particularly about the people that work there. In some ways, I questioned the relevance of the information we were getting on both sides of the ledger about how much they did, how much BIW as a family did or did not contribute to charitable things around the City. I think they contribute a great deal. I think the majority of that contribution comes from the employees and I suspect that those folks if they have the means to do so will make those contributions no matter where they worked, but it's a good question whether they would have the ability to do that if they weren't working at BIW. I appreciated hearing both Councilor Eosco who mentioned the, I think you said something about, striving for a compromise and Mr. Brackett you mentioned that you felt we were moving in the right direction. I agree with that for my purposes even the latest proposal put forward doesn't quite get us there. I still have a couple of concerns and a couple of things I hope that when it comes to voting the Chair will entertain a couple of amendments from the floor so that we might see if we could get a little bit more broad acceptance of people on the Council for whatever we do end up voting on. I am going to wrap up pretty soon, I promise. I had a couple of things that have been pressing on me with respect to this issue and the first is the current Chairman and I spent some 8 or 9 months just last

year with the leaders of the other communities that we are joined with in RSU #1. Talking about the fairest way to divide the costs of educating our children and we thought we were going to get huge push backs on our proposal to switch to a cost per level. There wasn't that big a push back on that, frankly. The real push back came, the real push back was engendered by the fact that Bath does shelter so much value through TIF's and the feeling in those 4 other communities was wow, that's really, really category unfair to each and everyone of the tax payers in our communities. We talked about the importance of raising the employment picture for the whole region, if we're worried about the employment picture for the whole we have got to worry about the entire picture for the whole region and that includes equity in the allocation of costs for our schooling. TIF's or more accurately CEA's move us away from that equity. So I have concerns about that and I want, I want to prove to those other communities that were bargaining in good faith when we were working with them on that. The other problem I've had is I just, I fundamentally don't buy the central premise that some how this CEA in whatever form it gets passed will make the Yard more competitive. Because I don't think you make a business more competitive giving them a leg up and in the same way you don't make a sprinter more competitive by letting her start a 100 yards down the lane or using a fixed stop watch. I don't think you make the entity more competitive. I think instead you make it more dependent. So I have real concerns with that but I, there are points at which I could support a CEA but we're not there yet. I'm sorry I went over my allocated time.

Chairman Wyman – Councilor Lockwood

Councilor Lockwood: I'm not going to repeat what some of the Councilors said, but I will take a little bit of time on something that really hasn't been discussed here and may be irrelevant, but I don't think it is. Talked about competitiveness, I think there is another layer of competitiveness ... I work with the Department of Labor, we study people who live and work in Maine, not in my bureau, but in our department. One of the things that's really frightening in Maine is that we are losing our workforce. BIW's workforce is aging out rapidly. We also need to be competitive in attracting workers to come work at the shipyard and this facility will make it dry, and warm, and safe, and clean and that's one of the reasons I am supporting it. The Department of Labor meets with larger companies all the time to do forecasts on who is going to be around to do the work. How do we attract them from other places? From Dan Dowling's 3,200 people we want to be able to fill those positions, some of the executive positions, we want people to be able to move up. It's a really important thing, not just in competitiveness in getting the contact, but also attracting the work force that can do the job well enough to get more contracts. There has been a lot of talk about people in this room and at past meetings having generations of family working at the shipyard. And I'd like to see generations of families continue to work at the shipyard. I worked at the shipyard as a designer for one year on the DDD 1000. I'm very proud to have done that; it was a very good experience for me. I learned a lot about the industry. I also work at the Department of Labor with federal grants all the time. There's been a lot of discussion well they have money here, let's move it over here. You can't do that. It's now how it works. So, I think it's a great thing that we have BIW here buying abandoned houses, working for Habitat for Humanity, doing food drives, all the things that someone complained BIW maybe wasn't concentrating on. There's also been discussion it's the employees not the yard – what's the difference! It's all the same. Without the employees we don't have the yard, without the yard we don't have the employees. I don't see the difference. The benefits to the City of Bath are, I can't count them, I worked for the City of Bath in community development. I learned everything that was going on. BIW is doing a ton of things that people were not aware of because they did not want to be known for these things. That wasn't why they were doing it. They were doing it because they are a good citizen to Bath. And I also think that the amount of money that BIW is asking for and that we renegotiated amongst ourselves, that's on the table now, it's not just about the money, it's about the community support. Also, working with federal grants and grant writing, that it's not just about your need and what you're giving back to the City, it's how the City supports the entity. No one wants to invest in a company if the community doesn't want them there. That's not positive. So I've been thinking about this a lot. I've been supporting it. I don't want to look at the corporate welfare. I don't want to compare BIW to Walmart. These are irrelevant. The 400 e-mails to me were ... did your group a disservice. So, I will be supporting this TIF. I would've actually liked to have been hired, to be honest. If you guys want transparency, that's my argument. That's all.

Chairman Wyman: Any other preliminary Council comment?

Councilor Paulhus: Mr. Chairman. I'll try not to repeat too much, but this has been a big issue once again. It seems like this year we've had a lot of big issues going on. But I've been thinking about this quite a bit, talked to people quite a bit about this, looking at different ways you know....I think, because right now we're on an amendment for this proposal....I think it is going in the right direction. In the original proposal 50-50 in 25 years, that I think was probably not the best deal for the City, but I think where this amendment is in the right direction. But I'm willing to listen; we're not done discussing this amendment. But I'm willing to listen more to see where ...if the numbers will change or not or what other people might have to say. I've grown up in Bath most of my life, except for the few years I can't remember. And I've lived right next to BIW the whole time. I just recently moved into a family house that's been in our family for six generations and look out the window and you can see the crane in the Yard. I haven't had too many family members, in most recent generations work there... I know a lot of people I went to school with and their families that work there and they're all good people. I want to commend all the people that spoke because I think this has been a great discussion. I definitely thought about things I wouldn't have thought about without this discussion. I think the forum... I did attend that. I think I saw most people (gestured to audience) there. There were things there that I didn't think of and was interested ...but, I think a lot of people these days think in black and white and sometimes we can't always do everything in black and white. I know in politics, especially these days, the word compromise is a dirty word, but that's what our government, that's what we're here to do is to take different sides and come together in the middle. Usually, nobody likes what comes out of it, but I think that's where we need to move towards, and I think at least this proposed amendment is doing that. Whether that's the final one, I don't know, but I think that's where we do need to go and that's where the help from the public and everybody else and listening to people has benefitted. So, I guess, that's my preliminary thoughts right now.

Chairman Wyman: Councilor Winglass.

Councilor Winglass: So thank you everyone for coming down here and sharing your thoughts with us numerous times. It's been enlightening and I appreciate it. These are the types of things that help us when we go into, where we are now, discussing and deliberating. And this being an important issue as I think one of the reasons that it's brought out the numbers that it has as opposed to some of things that are not quite as, monetarily, important anyway as this TIF. I think as Mari alluded to that none of us were on the Council in '97 other than maybe Bernie. So that 100 percent deal probably wasn't too good, but again, the fact they built the land level I think one of the reasons we're still here debating what's the next step. There is no ships being built as shipyards that slide down ways, that's the way they were doing it before, and we were the last to make that improvement. So I think this is the same type of a project in that allowing this facility to expand and be built will allow the shipyard to continue making best in the world Naval war ships and I think that I didn't hear a single person say that they weren't proud of or glad that the yard is here in town. There's a little discussion about , and there always is about corporations, I mean you can bring Walmart into anything and I think almost everybody , except for the billions of people that shop there, um, but this, the yard is such a unique employer to this state and so important, we're actually incredibly lucky it's located in our small little City. It's one of the jewels and it's certainly one of the reasons that most of us, rather we want to admit it or not, it affects all of us. It affects our taxes, it does. But I think it actually affects them in a good way. This proposal, the current proposal, we're talking about new money here; this is the only thing we are talking about as far as this project. It adds money to the City budget, it doesn't take away any, so I can't figure the math any other way. The original proposal is for an additional \$6,363,360 over the 24 years. That's a fact. Now we're looking at something that staff's been working on and we're considering and that was a 50-50 deal for 24 years. But, this new thing we're looking at is 15 years, as you heard, 10 for 50 and five for 40 and the numbers shift quite dramatically, in my mind, to \$9,014,760 for the City over the time of the TIF. \$9 million and the yard gets \$3.7 million. And again, what's that also bring with it? It brings us our employer, our main employer, surviving , maybe, which the numbers aren't here but there's giant payroll numbers connected to all of this. As well as subcontractors that go in and out of there. There are so many numbers that are missing from these numbers that are nothing but add to everyone's bottom line here. And the fact that some of this money is sheltered and it does save us money on the general fund to pay for roads and sewer

upgrades, other necessary infrastructure – that’s real money that we have a town that’s a beautiful city, in my opinion and I’ve lived in other towns and cities in Maine. They don’t hold a candle ...you want to see a town that lost their main employer? Go over to Wiscasset. That town has a nuclear waste dump in it and no money. That’s just one. There are plenty of paper mill towns, same deal. Like Carolyn said, there’s not a lot of jobs in this state. We are last in the country, last, and (interruption in audience –“tell me about”), I know and it’s unfortunate and it shouldn’t be that way, but those are 5,000 good paying jobs over there and I know a lot of those people, a lot. Over a 1,000 of them and I know their families and they’re good people and I don’t know anyone over there who takes their job lightly or who has malicious intent. They’re all just like you and me, they’re just happy to have a good job. And they’d like to keep it and that’s what we are trying to decide here. What can we do to help? So I see this as an opportunity and it’s been an exercise in attempting to bring a balance to a corporation, to a citizenry, and through this city government body to try to make this thing work. Whoever said it, we’re probably going to walk out of here and say you know I wish we could have done something better , you know, or you shouldn’t have done that at all, I wish we didn’t have to listen to that guy talk, but you know somebody elected me so that’s why I’m sitting here. Until I’m not elected then, you know, the next person can sit up here and have all this fun. I think I’ll leave it at that for now.

Chairman Wyman: Councilor Mitchell

Councilor Mitchell: Yes, I had a 15-minute speech all written out. However, the rest of the Council has stolen all my thunder so I am going to keep it short and sweet. I think our counter proposal, we’re moving in the right direction for the citizens of the City of Bath and for BIW and I hope the direction we’re moving tonight we can work it into something that can be acceptable for most everybody. Thank you.

Chairman Wyman: I suppose you want my two cents worth. I am kind of partial to BIW. I started out at BIW with a \$1.56 an hour and I put 36 years in there. And I’ve been on the Council for 19 years. We put on these workshops and absorb all the information we get and I think we got a good deal going, even better with what’s being proposed tonight. And I’m in favor of the TIF.

Chairman Wyman – Any more preliminary Council comment and this is an Order is there any public comment.

I’m Susan Paluska I live on Webber Avenue and I’ve paid taxes for the last 20 years. I have never been to a meeting of this sort and so I’m hearing you come to end of it. I guess. After your disclosures, if you will and I’m wondering if what’s next. There was from a number of people a suggestion and I was going to get up and do the same thing but other people had stolen my thunder, about a referendum. Is this anything that can come into the discussion. No, your shaking your head no.

Councilor Winglass – It’s unlawful.

Shanna Muller – I’m the City’s TIF attorney and I just want to talk about the referendum issue. The TIF statute requires that TIF’s and TIF amendments be approved by a municipality’s legislative body. In the City of Bath, your Charter dictates that the Council is that legislative body. So referendum would not pass a TIF or a TIF amendment in Bath. So that’s sort of the short answer.

Susan Paluska – I understood from someone that you could have a non-binding referendum that would just serve to inform the Council of the general stand that the citizens’ the tax payers were taking on this issue. Is that not possible? Non-binding.

Shanna Muller – You know I have never seen that done personally. The Council would need to support that decision to do some kind of non-binding referendum and then you would have to take a vote at some point to say you know whether you pass the TIF amendment or not. It would be outside of the legal process authorized under the statute. I’m not saying it’s not possible.

Susan Paluska – OK. So, if what you are saying maybe is that if the Council.

City Manager - You shouldn't keep going back and forth

Susan Paluska – I'll sit down.

Shanna Muller – I think right now what's on the floor is a motion for an amendment to the Council Order approving a TIF amendment and if the Council wants to discuss this concept of referendum at any point. I think you know you can do that to in the context of what's on the floor.

Chairman Wyman – Is there any final Council comment?

Councilor Merrill – I would just like to address the idea of having a non-binding referendum. That was talk I'd heard among people in Bath and I called the City Manager today and asked him about that and I also talked to another City Councilor and my understanding is that would be sort of a four month process that we would be looking at and it would cost the City additional money and you know quite honestly I do believe that we have heard from people and I'll be very honest because I come at this with a very open mind and also and also real sympathy for people including my own family who struggle to make ends meet and who struggle to live in Bath. I have many times looked on the Maine real estate listings and compared tax rates in some of the smaller towns. So it's something that I very much relate to when I hear your stories but I don't think put out a referendum even in a non-binding way is the right way to move forward with this. I think that the shipyard deserves for us to make progress and I think that we did delay at least to give I think perhaps an additional month to solicit public input you know this is the second workshop that we have held in my memory and we're listening and I heard very strong opinions on both sides and it's not just from people who have money saying yes let's give the shipyard more money. I've heard from struggling people saying let's give the shipyard the money. So, I just want to say that, you know, I have been listening carefully and I don't think that delaying this through a referendum would be a good benefit to any of us at this point.

Chairman Wyman – Councilor Eosco.

Councilor Eosco – I just want to say I concur with Councilor Merrill on that topic.

Chairman Wyman – Is there any other final Council Comment?

Chairman Wyman – Councilor Paulhus

Councilor Paulhus – Mr. Chair, so I just want to make sure that, like so right now we're talking about the amendment that was proposed.

Councilor Lockwood – Councilor Eosco's.

City Manager – You are not voting on the TIF yet.

Councilor Paulhus – Right.

City Manager – Shanna, they're voting on what would amend the language and then you would have to vote on the TIF.

Councilor Paulhus – OK. Just wanted to make sure that's what we're doing.

Chairman Wyman – All those in favor of the amendment. That's unanimous.

VOTE on Amendment:

YEAS: 8

NAYS: 0

Amendment passed. Unanimous

City Clerk – We now have an amended Order.

City Manager – It's a preliminary amended Order.

Chairman Wyman – Now all those in favor of the amended Order?

City Manager – No, No, preliminary discussion of the amended Order would be appropriate for the Council.

Chairman Wyman – Is there any preliminary Council comment on the amended Order. Councilor Sinclair.

Councilor Sinclair – Before we rush to a vote on the amended Order. I appreciate that you took a few seconds to get another round of input because I did have a couple of other suggestions I wanted to make. To see what level of support there is on the Council as we went around and each Councilor spoke. I think no fewer than 5 Councilors touched upon the importance of retaining employment in the area as one of the reasons why he or she was in favor of the TIF and it is exactly in that spirit in that vein that I offer an amendment to create a new what would now be Section 9 after the Section 8 that Councilor Eosco just added through amendment a Section 9 saying that the percentages specified in the new Section 8 are maximum rebates to BIW but that in any year in which the employment level at the Yard dips from where it is presently. They would not get that rebate. I don't have it written down. I had hoped to talk with Shanna about it before hand. She practices in this area I don't. Since we're paying her, she might as well do the wording, but I think the intent is clear or if it's not, I'm happy to help clarify the intent.

Shanna Muller – So if it dips below where it is today?

Councilor Sinclair – Yes.

Shanna Muller – In other TIF's where jobs are a factor, there is usually a process whereby the company at some periodically, usually annually, submits a statement of what their full time equivalency is as of a certain date. So you know that's probably how it would be implemented. But,

Councilor Sinclair – That employment certification date. For each of the years of the.

Shanna Muller – Yup. So I guess the question is, what is the date that you want to start that and as of what date employment can they not fall below and then I'm a little unclear about what the maximum rebates to BIW component of your amendment.

Councilor Sinclair – Well, I'd initially been thinking of offering it. The reason why I said maximum at first with respect to figures in Section 8 was initially thinking that if they're employment slipped but it only slipped but it only slipped a little then maybe then they have actually earned a graduated portion of those percentages specified. That's why I first called them maximum percentages. But the why I ended up phrasing though it came out more that they get it or they don't get it. If they maintain the current employment they get it. They don't get it if they decrease employment. I would love to see this amendment take hold so if there are councilors that who would support it in one form but not in another it would be really help to know that so that we could put forward the version that likely more likely to pass then to fail.

Councilor Paulhus – Mr. Chair. So you put forward the amendment do we have a second on it yet?

Councilor Sinclair – I haven't heard one.

Shanna Muller – I mean I can give it a shot with wording here. Although we have left the date and the Council can delegate working those details out to the City Manager, but in any year the employment levels for BIW dips below today's fulltime equivalence they do not receive any percentage reimbursement for that year.

City Manager – So that's in essence is the motion?

Shanna Muller – Yes.

Chairman Wyman – Second?

In audible speaking.

Councilor Merrill – I'll seconded it so there can give a discussion.

Chairman Wyman - Any Council comment?

Councilor Brackett – I just, it makes me very, I understand where you are going. It makes me very uneasy for the government to start interfering in a business like this. I'm going to have to think on this one. It just, it bugs me. I don't. I do understand what you are saying and I, it probably because of some of the '97 TIF results, I'm guessing, I'm uneasy with it. We're meddling where we have no expertise. That is employment numbers for a business. I'm very uneasy with that.

Councilor Merrill – With just initial thoughts or that it is to City's benefit to have more workers at the Yard than fewer. So I'm sort of in that vein of thought. It sounds like a good idea. I'm not sure that I would want to base it upon the current level of employment, knowing that the Yard has so much flexibility and that it's a naturally occurring thing it's not just a downward trend. That perhaps we would pick a percentage to get the employment numbers dropped to more than 5% that they might lose the City's tax benefit. I do also share concerns where this is not an area in expertise (inaudible) in terms of business.

Chairman Wyman – Councilor Lockwood.

Councilor Lockwood – I think you are getting into very muddy water here. I'm if you take a percentage that they loss and correlate that for the unemployment rate in the County and City nationally. Do you do that, is that seasonally adjusted. Where are you going with that? I think this is very muddy waters, very subjective. Working with employment work force data, you can make it do whatever you want. I don't. I would not support that, at all. I think that is not our bailiwick.

Chairman Wyman - Councilor Eosco

Councilor Eosco – It seems to me that if they got, if they were below a desired number of employees that's where they would probably when they would need the money the most because things are looking so dire. So it's an interesting idea but it just doesn't make sense to me.

Chairman Wyman – Councilor Paulhus

Councilor Paulhus: Thank you, Mr. Chairman. I'm kind of in the middle as well. I think I like the idea that the Councilors...Sinclair...of some sort of having something there that would – you know – BIW is doing well with the employees. Again, I'm not an expert on language of this type or anything but you know, I think it's a good thing that we're even discussing it. That's an important thing right now. I'm not sure – maybe this is not the particular way it's worded or anything like that. Maybe it's not the best way, so I like the sentiment. I'm just not sure it's the right way or the best way to move forward. If there's other ideas and stuff, I'm interested in hearing. I'm very open.

Chairman Wyman: Any other comments on the amendment? Councilor Winglass?

Councilor Winglass: Hi. I think we're getting a little bit off track with the amendment. I hear what

Councilor Sinclair is attempting to amend, but I also agree with Councilor Lockwood that this may not be our area to expand this amendment into this TIF agreement. I see this project as opportunity and with the opportunity, whether the numbers at the Yard fluctuate – and I think we all would agree that they do. They're up and they are down. To take away when they are down and back when they are up. Maybe they're going to go quite a bit higher with the help of this new piece. Again, with the lack of a crystal ball, and knowing that this is already a complex issue, I'm...you know, there's seasonalities, and you have to understand the shipbuilding processes that – things go like this. They have to lay off and then they go in and hire designers. Then the pipefitters come in. It's just the way that the nature of the business works. So, I think we'd be doing a disservice by imposing something like this on a private company again. Somebody's mentioned that – Steve.

Chairman Wyman: Councilor Sinclair?

Councilor Sinclair: Maybe it's a little unfair for me to give initial comment on an amendment that I proposed, but I just want to quickly answer a couple of the concerns that other Councilors voiced. We wouldn't be exerting any influence over the corporation at all. All we would be exerting influence over is exactly what we are supposed to exert influence over, which is the City's purse strings. We've all noted that the presence of them as an employment engine is crucial to the success of the City. So it makes sense that we reward them to an extent that they do that, but it also seems to make sense that we would take away a little bit of that extra support we give them if they have not given the City that benefit. Mr. Fitzgerald stood at the lectern and he said "We're not planning on building this building to have it empty. We want to have more employees." The City Manager would be free to work with BIW on figuring out – "What is your normal trough of employment on an annualized basis?" "What's the date on which you're likely to have the fewest employees given regular need throughout the year?" Tell us, and we'll use that as the employment certification. I'm not suggesting at all that we change how they try to do business. They apparently have been doing a great job of doing business. I'm suggesting that we put a little bit of strength and incentive into this extra benefit that we are talking about giving them.

Chairman Wyman: Councilor Lockwood?

Councilor Lockwood: You just said the word "incentive", Councilor Sinclair. Incentive would indicate a bonus over and above what's been agreed to – not a punishment. We've not agreed to, but I see it as a punishment rather than an incentive. An incentive is a bonus, not a taking away, philosophically.

Chairman Wyman: Any more Council comment? Would you read the amendment back?

Shawna Mueller: Do you have it, Mary?

City Clerk White: No.

Shawna Mueller: OK. I'm reading it for a good reason, then.

City Manager Giroux: Maybe if the attorney would read it, and then give her the paper copy that you're reading from.

Shawna Mueller: I'd be glad to. And Councilor Sinclair, if I may add some delegation language to the City Manager on some of the details. The motion is to add Section 9 of the Council order that any years that employment levels dipped below today's full-time equivalent, they do not receive any percentage or incentive as reimbursement for that year and to delegate the details of that arrangement to the City Manager.

Chairman Wyman: Now we can vote?

City Clerk White: If they want to.

Chairman Wyman: All those in favor of that amendment? All those opposed?

VOTE on Amendment:

YEAS: Sinclair

NAYS: Brackett, Merrill, Paulhus, Lockwood, Eosco, Mitchell, Winglass
Amendment failed. 1-7

City Clerk White: I think it failed.

Chairman Wyman: Then they can vote on the....

City Manager Giroux: Unless there are more amendments.

Chairman Wyman: Are there any more amendments?

City Manager Giroux: Or more discussion.

Chairman Wyman: No more amendments?

Councilor Sinclair: I'll try one more (amendment) and then I promise I will give up. In the newly created Section 8, I propose that we strike, and I don't have the language in front of me, but I propose that we strike all of the language dealing with the 5-year period during which they, if it's passed, would get a 40% rebate. So, in other words, it would create a 10-year 50% TIF and nothing thereafter.

Shawna: It would create a

Councilor Sinclair: My move was to strike the 5-year 40%

Shanna Mueller: OK got ya! OK!

City Manager Giroux: So in essence it would be, I'm sorry, not to interrupt, you are looking for a second; in essence it would be a 10-year, 50% TIF

Councilor Merrill: Seconded. I'd like to ask what the full benefit would then we'd be giving BIW, with that amount.

City Manager Giroux: Give her just a minute, she's got that program this week with her... Shawna you're doing a great job!

Councilor Sinclair: That'll be \$2.5 million; projected to be \$250 a year .

City Manager Giroux: Yeah. She'll give you a number in a minute. In the meantime, the Council could have a preliminary discussion, maybe.

Chairman Wyman: Is there any preliminary discussion on the amendment?

Councilor Paulhus: Yes I have a question to you, Councilor Sinclair. Why 10 years and not 15?

Councilor Sinclair: My goal in the amendment was twofold: 1) I wanted BIW amendment to be short so it would be easy to understand and wouldn't require a lot of wordsmithing; 2) I wanted to lessen the amount of tax rebate in aggregate that would be going back to BIW over the life of the CEA.

Councilor Paulhus: I understand you're taking away the 5-year, again through you ...Mr. Chairman, so you're OK with the 50-50 between BIW and the City for over that 10-year period?

Councilor Sinclair: The initial 10 years, that would be unchanged by the amendment I put forward.

Shanna Muller: Has there been a second on this?

Chairman Wyman: Yes, Councilor Merrill seconded it.

Shanna Mueller: Just to clarify the language of the motion, correct me if I get it wrong, I think the motion is to strike the language "and then 40% for an additional five years in Section 8 of the Council order" and the 10-year 50% total amount of projected revenues that will be reimbursed to BIW and that scenario is \$2.65 million. (Repeated for Council)

City Manager Giroux: Because we've been working in these rounded numbers, she's working with what we think are the projected numbers which are never right, but they are the projected numbers.

Shawna: And they're never right because we don't have all that information in the crystal ball that everyone has been talking about.

City Manager Giroux: We don't have the tax rate.

Councilor Merrill: I would support that because I think it honors the concerns of folks who are struggling to pay their taxes although it won't offer immediate relief but like Councilor Winglass said, this will be bringing more money into this city by going forward if that indeed happens. From my understanding, it was very important for the shipyard to get that 50% or rebate at the get-go. This would give them as well as improved efficiency and better work conditions and hopefully over that decade – a decade is a long time – to allow them to move forward in a constructive way where they wouldn't need additional support from the City.

Chairman Wyman: Councilor Winglass.

Councilor Winglass: I just think that part of what you just said, Councilor Merrill, is an assumption and that is if they build and I think one of the things is that this discussion revolves around and I haven't really heard any of us not say that we would like to see this project built. My inclination is to allow the greatest possibility for... to see that happen and yet retain as much of the new money for the City, and I would almost disagree that although 10 years is a long time in some senses, I think that the plan of building that unit over there would involve a lot more than a 10 year life span and so I think that the money – about a million dollars more – would be a little bit more significant to allow for this project to hopefully, in my opinion, be built. I think it could make a difference and so, I am kind of inclined to not support the change.

Chairman Wyman: Any other Council comment? Vote on the amendment? Can you repeat the amendment?

Shanna Mueller: Sure. The motion is to strike the language "and then 40% for an additional five years" in Section 8 of the Council order.

Chairman Wyman: All those in favor of the amendment? All those opposed to the amendment? It's defeated.

VOTE on Amendment:
YEAS: Merrill, Sinclair
NAYS: Brackett, Paulhus, Lockwood, Eosco, Mitchell, Winglass
Amendment failed.

Chairman Wyman - Are there any more amendments? All those in favor of the main motion? All those opposed?

VOTE on Amended ORDER:
YEAS: Brackett, Merrill, Paulhus, Lockwood, Eosco, Mitchell Winglass
NAYS: Sinclair
Order passed. 7-1

III. Order - Approving Authorization BIW Tax Increment Financing District Budget (FY 2014)
 8:44PM

Councilor Winglass made a motion to waive the reading of the Order. Councilor Mitchell seconded the motion.

ORDER
APPROVING AUTHORIZATION
BIW TAX INCREMENT FINANCING DISTRICT BUDGET (FY 2014)

Be It Hereby Ordered By the City Council of the City of Bath that nine hundred thirty-four thousand seven hundred thirty-five and 00/100 (\$934,735) be and hereby is authorized to be spent from the Tax Increment Financing District Development Program Fund Project Costs Accounts from the fiscal year commencing July 1, 2013 and terminating on June 30, 2014 for the following purposes:

TIF REVENUE	
INCREMENT	<u>\$940,966</u>
TRANSFER IN FROM RESERVE	
TOTAL REVENUE	<u>\$940,966</u>
 EXPENSES	
DEBT SERVICE	\$654,435
CONTRIBUTION TO BATH LOCAL DEVELOPMENT CORPORATION	\$137,500
CONTRIBUTION TO MAIN STREET BATH	\$28,000
ECONOMIC DEVELOPMENT PROJECTS ACCOUNT	\$82,500
TRAIN STATION/TROLLEY FUNDING-TRANSFER	\$22,300
HISTORIC MARKER PROGRAM	<u>\$10,000</u>
 TOTAL	 <u>\$934,735</u>
 SURPLUS	 <u>\$6,231</u>

Councilor Winglass made a motion to put this Order on the floor for discussion. Councilor Lockwood seconded the motion.

City Manager Giroux explained that this is the old BIW TIF and that the largest portion of this Land Level TIF had been spent years ago on City infrastructure. Giroux stated that the Main Street portion of this TIF has not increased and the City flowers had only increased \$1,000 in 7 years.

VOTE on ORDER:

YEAS: 8

NAYS: 0

Order passed unanimously. 8-0

IV. Order - Approving Authorization Wing Farm Tax Increment Financing District Budget (FY 2014) 8:46 PM

Councilor Lockwood made a motion to waive the reading of the Order. Councilor Mitchell seconded the motion.

VOTE on Waiving Motion:

YEAS: 5

NAYS: 3 (Merrill, Paulhus, Sinclair)

Waiving Motion passed. 5-3

**ORDER
APPROVING AUTHORIZATION
WING FARM TAX INCREMENT FINANCING DISTRICT BUDGET (FY 2014)**

Be It Hereby Ordered By the City Council of the City of Bath that one hundred seventy-eight thousand two hundred sixty-nine and 00/100 (\$178,269) be and hereby is authorized to be spent from the Tax Increment Financing District Development Program Fund Project Costs Accounts from the fiscal year commencing July 1, 2013 and terminating on June 30, 2014 for the following purposes:

REVENUE

INCREMENT \$227,599

TOTAL REVENUE \$227,599

EXPENSES

DEBT SERVICE PAYMENT \$178,269

TOTAL EXPENSES \$178,269

SURPLUS \$49,330

City Manager Giroux stated the last two TIF largely just carry debt service.

VOTE on ORDER:

YEAS: 8

NAYS: 0

Order passed unanimous. 8-0

V. Order - Approving Authorization Downtown Tax Increment Financing District Budget (FY 2014)
8:49 PM

Councilor Mitchell made a motion to waive the reading of the Order. Councilor Winglass seconded the motion.

VOTE on Waiving Motion:

YEAS: 5

NAYS: 3 (Merrill, Paulhus, Sinclair)

Waiving Motion passed. 5-3

**ORDER
APPROVING AUTHORIZATION
DOWNTOWN TAX INCREMENT FINANCING DISTRICT BUDGET (FY 2014)**

Be It Hereby Ordered By the City Council of the City of Bath that one hundred fifteen thousand nine hundred seventy-eight dollars and 00/100 (\$115,978) be and hereby is authorized to be spent from the Tax Increment Financing District Development Program Fund Project Costs Accounts from the fiscal year commencing July 1, 2013 and terminating on June 30, 2014 for the following purposes:

REVENUE

INCREMENT \$120,878

TOTAL REVENUE \$120,878

EXPENSES

DEBT SERVICE PAYMENT \$115,978

TOTAL EXPENSES \$115,978

SURPLUS \$4,900

Councilor Eosco made a motion to put the Order on the floor for discussion. Councilor Mitchell seconded the motion.

City Manager Giroux stated this TIF was largely used for debt service payment for the Waterfront Park Project, sidewalks and lighting around the hotel and for future paving of the downtown streets once the gas hookups to buildings has been completed. Councilor Winglass asked that this paving not be left open ended as the streets really need to be paved. Mr. Giroux stated that he would City Planner and the Public Works Director on coming up with a date for paving.

VOTE on ORDER:

YEAS: 8

NAYS: 0

Order passed unanimous. 8-0

VI. Ordinance - Changing GA Maximums (2014) per State of Maine (first passage) 8:51 PM

Chairman Wyman read the following Ordinance:

ORDINANCE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BATH THAT THE CODE OF THE CITY OF BATH, ADOPTED FEBRUARY 2, 1977, AND SUBSEQUENTLY AMENDED, BE FURTHER AMENDED AS FOLLOWS:

CHAPTER 8A. GENERAL ASSISTANCE

Delete appendices to the Ordinance dealing with maximums allowances and replace with newly attached allowance summary sheets, schedules and appendices, Appendix A – Total Allowed GA Maximums effective as of July 1, 2013, and Appendix B – Food Maximums effective as of October 1, 2013.

A copy of these maximums are on file in the Bath City Clerk's Office with the agenda materials for the 11/20/2013 Special Council Meeting.

Councilor Winglass made a motion to put this Ordinance on the floor for discussion. Councilor Eosco seconded the motion.

Finance Director Juli Millett explained that these maximums are set by the State and these are the only two the changed from last year and that is why they are being brought forward.

ROLL CALL VOTE Ordinance:

YEAS: Brackett, Merrill, Paulhus, Lockwood, Eosco, Mitchell, Winglass

NAYS: Sinclair

Ordinance passed. 7-1

Chairman Wyman set the Public Hearing for second passage for December 4, 2013 7:32PM.

Councilor Paulhus made a motion to go past the 9:00 PM Rule. Councilor Mitchell seconded the motion.

VOTE on Motion:

YEAS: 6

NAYS: 2 (Merrill, Winglass)

Motion passed. 6-2

City Manager William Giroux asked that the following be removed from the discussion in Executive Session: Title 1 M.R.S.A. Section 405(6)(E) Consultations between the Council and its attorney concerning the legal rights and duties of the body or agency and Title 1 M.R.S.A. Section 405(6)(F) Discussions of information contained in records made, maintained or received by a body or agency when access by the general public to those records is prohibited by statute. Chairman Wyman amended the agenda to remove the Titles from discussion.

Councilor Brackett made a motion at 8:56 PM to go into Executive Session to discuss Title 1 M.R.S.A. Section 405(6)(C) a discussion or consideration of real or personal property permanently attached to real property or interests therein or economic development., Councilor Paulhus seconded the motion. All were in favor of the motion.

Councilor Paulhus made a motion at 9:15 PM to come out of Executive Session. Councilor Mitchell seconded the motion. All were in favor of the motion.

The meeting adjourned at 9:15 PM with a motion from Councilor Brackett and a second from Councilor Mitchell. All were in favor of the motion to adjourn.

Attest:

Mary J. White, City Clerk

Please note: These minutes are not recorded verbatim. A DVD recording of the meeting is available for review in the City Clerk's Office during regular business hours and on www.townhallstreams.com.