

**REGULAR MEETING MINUTES
CITY COUNCIL OF THE CITY OF BATH, MAINE**

Wednesday, February 4, 2015 6:00 PM

City Council Chambers, Bath City Hall

Present: Councilors Brackett, Page, Paulhus, Rogers, Wyman, Bauer, Mitchell, Omo and Madame Chair Eosco.

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

Madame Chair Eosco led the Pledge of Allegiance and City Clerk White called the Roll.

Presentation of a plaque to Former Councilors David Sinclair, Meadow Merrill and Carolyn Lockwood, for their years of service to the City of Bath.

Madame Chair presented each Councilor with their plaque and thanked them for their service to the citizens of Bath and stated it had been a pleasure serving with them.

Presentation by John Voorhees, Chairman-Board of Directors, regarding the annual report for the Bath Customs House.

Mr. Voorhees gave recognition to the two members of the Board that had passed away last year, and gave an overview of past and future plans for renovations to the Customs House and the following letter to the Councilors.

**OLD BATH CUSTOMS HOUSE, INC.
ANNUAL REPORT**

January 30, 2015

The Board of Directors of the Customs House was saddened with the loss in 2014 of long time Board Members, David Desmond, and Chairman, Daniel Donovan. Their untiring efforts and guidance over the years have been instrumental in the successful operation and maintenance of the facility.

Pamela Allen was elected to succeed Director, David Desmond, and John Voorhees has succeeded Director, Daniel Donovan, as Board Chair. The by-laws provide that the board may select a successor in the case of a vacancy and that process has been initiated with the hopes of finding a suitable board member in the near future.

Significant work and improvements have been done at the building since our last report.

- New natural gas boilers went online last November. Fuel costs were calculated to be 35% less than the previous heating season.
- Copper gutter (80') damaged by winter ice was replaced with the assistance of insurance funds.
- New front garden was replanted around the 'Lincoln' tree.
- The failed retaining wall at Commercial Street was replaced by Bath Public Works and the parking lot was subsequently paved.
- Granite steps at the front and north side entrances underwent total restoration.

The Board expresses its deep appreciation to the City Council, the City Manager, and City Planner for the continuing support needed to make capital improvements.

Directors continue to meet on the third Wednesday of each month. Peter Flynn, CPA, continues to provide audit services. All available space is rented and all rents are current.

I, and the Board, look forward to another year of service to the City and the Customs House.

Respectfully submitted,



John W. Voorhees
Chairman

John W. Voorhees, Chair
Andrew C. Perry – Lawrence M. Dawson – Pamela Allen
Beverly Henrikson, Secretary

Presentation by Anne Hershberger, Bath-Tsugaru Sister City Exchange Program Coordinator regarding this year's program.

Anne Hershberger, Coordinator for the Bath/Tsugaru Sister City Exchange Program addressed the City Council and gave a brief slide presentation regarding the Sister City program. She stated that her connection to the program is that she lived in northern Japan approximately two hours from Tsugaru about 10 years ago and said that she loves Japan and being able to share about it. She gave a summary of the history of the program, which started with Shariki Village. The Bath-Shariki Sister City Program was started in 1993, changing to the Bath/Tsugaru City Exchange Program in 2006. 2015 signified some important milestones, with this friendship going on for 125 years, the 25th year for the Exchange Program, and the 20th year for the Maine Aomori Sister State Program.

Ms. Hershberger stated that this is the biggest Exchange Program in the State of Maine. She explained that the Exchange shares the best of a rural village experience rather than that of a big city like Tokyo. She then shared a typical daily schedule of events that would happen while there and the experiences from feedback from the participants about what they enjoyed the most while there. A large amount of time is spent involved with the local schools and various activities there.

Ms. Hershberger then explained the significance of the Cheseborough Cup and said that this is the second major reason after the Nebuta Festival for when they time the trip when they do. They have been attempting to swim the distance between Bath, Maine and Tsugaru, which is 6300 miles and as of last summer, they are half-way there. The program has added two days in Tokyo to the itinerary so that participants can experience the difference between the rural life and being in one of the most densely populated cities in the world. She said that if traveling is not an option for someone, she encouraged people to consider being a host family and summarized what would need to be provided to do this. Ms. Hershberger then shared a timeline of what is taking place until the Exchange occurs and concluded by sharing some contact resources to get more information for the program.

C. Consent Agenda 6:22PM

***1)** Minutes of the previous Council Meeting on January 7, 2015. (Motion to Accept as Presented)

Councilor Wyman made a motion to accept the Consent Agenda as presented. Councilor Mitchell seconded the motion. All were in favor of the motion.

D. Time Devoted to Residents to Address The City Council 6:23 PM

Edward Wyman of North Bath addressed Council regarding the truck traffic still occurring on the North Bath Road by heavy trucks carrying loads. He stated there are still many trucks crossing these roads and wondered what the City had worked out regarding the cost of repairs to these roads.

City Manager Giroux explained that the 10-year Excavation Project was completed but there was a new Pit Refill Project with sludge from BIW being done. He said the City would not be compensated for repairs to the roads due to this project being done under an agreement between the City and H.C. Crooker & Sons. Mr. Giroux also stated that it wasn't just Crooker's trucks crossing these roads as there were other reasons for large hauling trucks to be on these roads.

Scott Davis gave an update on progress regarding the Refill Project by Crooker being done at the Taggart's Pit. He stated that because of this being a grandfathered project, the City cannot recoup any reimbursement for road repairs.

E. Petitions & Communications 6:42 PM

2) Huse School Offer Letter of Intent

The Letter of Intent is on file with the agenda materials in the City Clerk's Office.

The Szanton Company President Nathan Szanton explained that the company is a multi-family housing development company based in Portland. He gave a brief overview of the make-up of the company and housing projects. Mr. Szanton invited anyone interested in seeing their properties to come and tour them or to visit their web site to learn more about the company.

Mr. Szanton stated that the company was interested in doing a historic tax credit financed adaptive reuse of the John E. Huse School Property into mixed income apartments. He stated that because this project would be done under a TIF the Secretary of the Interior Standards for the Rehabilitation of Historic Properties would ensure that the building would be brought back to his original form. Mr. Szanton reported the project is proposing adding a new wing onto the original building. The original building would have 32 apartments and the new wing would have 22 apartments and the tenants would represent people from different walks of life and income. He explained the screening process that prospective tenants would go through and pointed out that this process provides excellent tenants. He stated that this project complies with the City's Comprehensive Plan and the Bath Housing Assessment.

Mr. Szanton addressed the parking concerns. He stated they understood the concerns of people regarding parking situations during games at the Recreation Department baseball fields, swim meets at the Bath Area YMCA and services at Saint Mary's Church. After an engineer's study done for the site, it was concluded that there are enough spaces on-site to accommodate residents and guests up to 68 spaces with a possibility of renting spaces at Saint Mary's or the ballfields. He stated that a study of the traffic flow at their Biddeford project which is 20% larger than the proposed Huse School project was done and found that during peak times the Huse School Project could handle the flow. Mr. Szanton stated that they would like to maybe rent spaces from Saint Mary's and the ball fields. When the study of the Huse School property is completed they will return and update Council on the findings.

Jennifer Doyle of 4 Dike Road asked about the traffic flow, where parking would be located and how the project would impact traffic flow in the neighborhood and swim meet parking.

Andy Jackson, a Project Manager for the Szanton Company, addressed location of parking spaces on the project lot and traffic flow.

Amy Cullen, a Project Manager and President of the In-House Management Company (Saco Falls Management) for the Szanton Company, addressed the effects on area parking lots during swim meets and services at Saint Mary's Church.

3) Taxes Twice a Year

A copy of the email referred to in this summary is on file with the agenda materials in the City Clerk's Office.

Chairman Eosco stated that the City had received an e-mail from a local realtor asking the City to allow people to pay their taxes twice a year as opposed to once a year. She asked Finance Director Juli Millett to address the Council and talk about where that is with the Staff and to summarize the request.

Juli Millett said she also received a copy of the e-mail and that the realtor had come to speak with her as well. She explained that taxes are currently paid once a year on October 15th and said the realtor was proposing that the tax payments be paid on October 15th and April 15th like local adjoining towns such as Brunswick and Topsham. She said that the realtor's concern is that new young homeowners have to bring

a lot of money to closing because they have to pay the full real estate tax by 10/15. The realtor was informed that this request would need to go to the City Council as the entity who would make that decision.

Ms. Millett said that she also looked at the finances of how that could affect the City of Bath and how that would affect what the Finance Director does on a daily basis. She explained that currently the City has to take out a TAN (a tax anticipation note) and reminded the Council that the fiscal year runs from July 1 to June 30. Those taxes are paid October 15th, so before October 15th the City has bills that it needs to pay and often, the City has run out of last year's tax payments by then. The City takes out a TAN, which the Council approves in June and is usually about a 3 million dollar TAN. In the last two years, the City has had to take out 2 million, so about a million the middle of August, and a million in September. If the City was only to get half of their taxes on October 15th and not get the other half until April 15th, the City would have a lot of expenses in between that time that would be due, so her anticipation is that the City would not be able to pay off that TAN like we do today. The City would then have to borrow even more money because the biggest expenses are the School, which we pay in 12 equal payments so by the time the second payment came in from people's taxes, the City would have already paid the School for 10 months. Ms. Millett said that the other thing the City of Bath does in how it does their financing is the budget is approved and then big projects are done in October, November and December, which is when they go out for the financing. The financing is done so that there are equal annual payments. She noted that most of the annual payments are due between October and December. She explained that it was planned that way because that is when the City has its money. She stated that her big concern is that if they went to a two-payment tax bill, the City would have to borrow on a TAN to pay their debt payments. Ms. Millett said that currently a TAN is taken out in August or September and it gets paid back when the City gets its tax payments on October 15th, so there is not a big payment taken out for very many months. She explained that if the City did this, they would not be able to pay off the final TAN until April 15th, when they could have as much as 5 million dollars built up, a TAN that would be carried for about five months. The difference is the City could be paying as much as 20 to 40 thousand dollars in interest. She said she understands where the realtor is coming from but because the City has been on this system and has one large taxpayer, we build our finances around getting that money once a year.

Madame Chair Eosco said that she had discussed this with the City Manager and noted that it was also pointed out that this would involve refinancing, which takes time and money. She said that they can continue to look into it and felt that it was a very interesting question. She felt that it was a very valid question but suggested that based on the Finance Director's research, it might not be a good fit as to how Bath is set up.

Councilor Mitchell asked if this could be set up as a workshop so that they could study it some more. She asked if this is something the Council would like to do.

Councilor Omo said that he would like to hear from the public on this issue, whether it is done as a workshop or just put on the agenda and invite people to come. Madame Chair Eosco said that the workshop would be to get more information for the Council and said that would be the way to get it to the public.

City Manager Giroux pointed out that this was being looked into because it seemed to make sense but it has been revealed that it would be saving money for a few closings a year, but would end up costing the taxpayers a lot more money. Councilor Omo said that if he wondered if citizens felt like it would be more convenient for the majority of them in addition to people buying new houses. City Manager Giroux noted that the taxpayers could also pay their taxes monthly through the Tax Club. Councilor Rogers concurred with Councilor Omo and said that if they could sit down and formulate a plan of how to get from Point A to Point B, looking at the need to do refinancing and restructuring debt service and noted that they don't have it laying out on a timeline in front of them. He questioned whether it would be something that would take two or three years to adjust or 10 years to adjust and said that is why he would like to see a timeline of how long it would take to get from Point A to Point B and to see what the pitfalls and the advantages are so that they could then come back and make an informed decision.

Chairman Eosco observed that the Finance Director certainly has some work to do and suggested that with refinancing, it looks like the rates are going to start going up again. Finance Director Juli Millett pointed out that a lot of the debt, being municipal bonds, is only callable at certain times and said that Councilor Rogers had made a good point in that some of that debt can't be called for at least five years and explained that you just can't refinance municipal debt at any time. Councilor Rogers said that it could also be bundled and they could do several at one time, which Madame Chair Eosco observed they had done in the past. Councilor Rogers felt that these would be good options to discuss in a workshop. Councilor Paulhus said that he is also curious about this, especially how it works for the other towns that have been doing it and also agreed with Councilor Omo that citizens should be able to weigh in on this issue by either calling, e-mail or coming to the meeting to hear more about it. He felt that this is something that should be looked at more in depth and agreed that some type of timeline would be a good thing to have.

Councilor Bauer asked if collecting some of the money in April would eliminate the need for a TAN in August. City Manager Giroux responded negatively and said that April is later in the fiscal year. He said that it could be July 1 and in the fall but didn't feel that most people would see this as an improvement. City Solicitor Therriault pointed out that the City will have the same amount on the books on June 30, regardless of when those payments come in because they've been spent the same way. Councilor Wyman asked if this would have any effect on the banks and credit unions that have escrow. Councilor Rogers said that they are set up to handle whenever the bills come in and doesn't make any difference to them. City Manager Giroux said that it wouldn't affect them but would be a problem for the City because some of those payments would not be coming in until April, which would include BIW. He said it would exacerbate the problem of the amount of money that would be due under the Tax Anticipation Note. Madame Chair Eosco inquired if it would make a difference if this would only apply to residential properties. City Solicitor Therriault suggested that could be problematic to treat taxpayers differently and said that would have to be looked at very carefully. Madame Chair Eosco pointed out that there are already some workshops set up but felt that this was a good question and that there would be some good thought around this. She thanked Finance Director Juli Millett for the work she has already done and encouraged the Councilors to contact her with any other questions they may have so that she could do the research prior to presenting to the Council rather than hitting her on the spot with anything new.

Councilor Rogers read the following and asked for a moment of silence in remembrance of the late Gilbert C. Robinson a former Call Captain with the Bath Fire Department:

"I would like to ask that we take a moment to recognize Call Captain Gilbert C. Robinson of the Bath Fire Dept., who just passed away on Saturday, January 31st. He joined the Bath Fire Dept. as a volunteer firefighter on May 1, 1969. He loved the Fire Dept. and the City of Bath. Over the course of his tenure, he earned the rank of Lieutenant on Engine 2 and then Captain of Engine 4. He traveled to Cascais, Portugal, a sister fire department of Bath, and assisted with programs teaching children fire safety in schools as well as training the firemen in updated firefighting procedures. He retired from the Fire Dept. in December of 2003, after 35 years of service."

F. City Managers Report 7:25 PM

Mr. Giroux reported that the Wastewater Study had been completed and is scheduled for a presentation at a Workshop for Council on February 18th at 6:00 PM.

G. Committee Reports 7:27 PM

Councilor Bauer reported that she had attended her first Patten Free Library meeting and said they were a very active group.

Councilor Omo reported that he had attended his first Bike and Pedestrian Meeting and said that it is wonderful how much work is going into promoting walking and biking in this region. He stated that State

Senator Linda Baker attended the meeting and reported to the group that the State is considering registering bikes as many think that they should be taxed but he felt that it was more for education and ability to outreach to people.

H. Unfinished Business 7:29 PM

There was no unfinished business taken up at this time.

I. New Business 7:29 PM

4) Appointment 2 members to the Bath Housing Authority Board of Directors for 5-year terms to end February 2020.

Councilor Mitchell, on behalf of the Appointment Interview Committee, nominated Catherine Powers and Storrs Bigelow for these positions. All were in favor of the nominations.

J. Councilor Announcements 7:31 PM

Councilor Bauer thanked the Public Works plow truck drivers for the many hours they are putting in with trying to keep up with all the snow and the great job they are doing. All agreed.

Madame Chair Eosco thanked the pumper guys that came last weekend and volunteered to shovel out over 100 fire hydrants for the City. She reported that Bath had been listed as number 29 of 50 Best of Small Town Downtowns in America.

Councilor Omo made a motion at 7:34 PM to go into Executive Session to discuss the following: Title 1 M.R.S.A Section 405(6)(C) Discussion or consideration of real or personal property permanently attached to real property or interests therein or economic development. (Huse School Property) and Title 1 M.R.S.A Section 405(6)(A) discussion Personnel Matter. Councilor Bauer seconded the motion. All were in favor of the motion.

Councilor Wyman made a motion at 8:56 PM to come out of Executive Session. Councilor Mitchell seconded the motion. All were in favor of the motion.

The meeting adjourned at 8:57 PM with a motion by Councilor Wyman, seconded by Councilor Paulhus. All were in favor of the adjournment.

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 by appointment. You can also view them on Townhallstreams.com for up to a year.