I. CALL TO ORDER – On Monday, March 19, 2018 at 6:30 p.m. a Council Meeting was held in the City Hall Auditorium.

II. RECOGNITION OF MEMBERS PRESENT – Mayor Marston Lovell recognized the members of the Council and determined that the Councilors present constituted a quorum. Councilors present: Marshall Archer, Roger Gay, William Doyle, Lynn Copeland, Alan Minthorn, Micah Smart and Nathan Johnston. City Administrator Kevin Sutherland and City Clerk Michele Hughes were also present this evening.

III. PLEDGE OF ALLEGIANCE

IV. GENERAL

A. EMPLOYER SUPPORT OF THE GUARD AND RESERVE

Peter Brunette from the Office of the Secretary of Defense was present this evening to present the “Employer Support of the National Guard and Reserves Patriot Award” to City Administrator Kevin Sutherland of the City of Saco.

Mr. Brunette stated that Mr. Sutherland is an excellent leader and supporter of employee Ryan Pinheiro for the work that he does as a reserve and guards person. Mr. Sutherland goes beyond the call of duty to help support the efforts while Ryan is being deployed or going off to training.

He read the following memo from Ryan Pinheiro: While attached to the 265 CBCS I have always had the full support of the City of Saco and the City Administrator Kevin Sutherland. We have often talked about the potential of me having to go on annual trainings or deployments and he has consistently been fully supportive. Ensuring each time any concerns that I brought up and that I have nothing to worry about and he has said that the city will always have my back. Each time that I mentioned to Kevin that I may have to go somewhere he always says: “good luck and we will see you when you get back”. Kevin went above and beyond during a council meeting and recognized the sacrifices that members children make during their service. He presented all current service members children with a certificate, coin and special recognition. This award showed that he understands that it is more than just the City of Saco losing someone to the mission and he recognizes that the families are in need of this support.

B. CITY HALL PLAQUE – RECOGNITION OF HISTORIC PRESERVATION COMMISSION

Mayor Lovell had a plaque from the Historic Preservation Commission that will be placed here in City Hall to recognize people who have had long standing service to the Historic Preservation Commission.

The initial award recipients are: Donald Uldberg for 8 years of service and Johanna Hoffman who was a long-time Chair of the commission for 11 years of service. Mayor Lovell thanked them for their service to the Historic Preservation Commission.

C. CLARIFICATION OF ROBERTS RULES OF ORDER

Mayor Lovell stated a clarification of his understanding of Roberts Rules of Order.

When I first joined the Council, I was told by Mayor Michaud that a Councilor who disagrees with the motion to be made should not make that motion. In speaking with Mayor Michaud later, I learned the origin of this unwritten rule of order.

I had stated that I believed came from Roberts Rules of Order. I was incorrect and I apologize to the Council for my misunderstanding.

Its origin is in the practice of previous councils. Motions are many times the result of weeks and months of staff work and often Committee, Board, or Commission work. This includes conferences, public hearings, committee motions,
discussions, and votes. When the motion reaches the Council workshop, it often reflects the result of this work, completed by many hands. This is substantiated by the supporting information provided with the motion. As a reflection of that effort, there is almost always a Councilor willing to make the motion. If a councilor feels that he or she cannot support the item, then please let me know and I will ask another councilor to move the item forward. An alternative would be to make a motion to deny the item under consideration which would better reflect your position on the issue.

Though a motion can die due to lack of a second there are occasions when there is interest in discussing the motion. In (the spirit of transparency), the second can be made by stating “I second the motion for discussion purposes only”. This has also been a Council past practice.

I suggest that we continue to follow these past practices as they have served our community well and help insure that the public has a clear understating of each representative’s stand on the issue at hand.

D. International Fair 2018 – Thornton Academy Linnell Gym – May 20, 2018

Mayor Lovell noted that there would be an International Fair at the Thornton Academy Linnell Gymnasium this coming Saturday. The doors open at 1:00 p.m. and the performance begins at 2:30 p.m. It is free to attend and there will be food from all over the world, performances and a DJ and other fun things to do.

V. PUBLIC COMMENT

➢ Stephen Shiman, School Board Representative – We put off the vote on RAD’s until Wednesday evening. I can say that there was a request to school leadership to reduce, to give us an option of RAD’s that are half the total of RAD’s that were originally submitted and there is consideration to those RAD’s in half and maybe consideration to RAD’s in full and that is where it stands.

➢ John Harkins, 4 Christopher Terr. - I’ve been here about 4 years now coming to most of the meeting. I want to express concerns about some of the things on the agenda. Are we going to be able to speak at the workshop later on? Mayor Lovell stated that he didn’t believe so and that Mr. Harkins should feel free to communicate with him or the council once you have heard what is going on in the workshop. There will be a public hearing as stated in the Charter once we are through with the series of workshops. This evening on the agenda you are being asked to approve $10,000 on the evaluation of the City Administrator. I believe that we have had at least three sessions to discuss his contract and I would suggest that you add an agenda item this evening to discuss this item and to reject it at this time. Another area that we are opposed to is spending a rather substantial amount for training. I think we could avoid allot of this extra training that goes on provided that we hire people with the right credentials. We have $46,0000 requested just for training. Also, I notice that we are asking for another mid-year increase for some personnel this is I believe in addition to the $20,000 change that was provided earlier this year and the shuffling that goes on and off. A major concern is the power of the council. The power of the council has to approve the appointments and dismissal of personnel. We should follow this procedure. Our group is very much interested in policies, procedures, processes and communication with the public. This evening I understand we have a list of reports and we would like to have these reports shared with the public. I can tell you that the public has very little knowledge as to what is going on. Senior citizens don’t rely on computers, they rely on voice and television to see what is happening. We have been down this road a number of times and we wish that the council could insist on this. Mayor Lovell stated that the $10,000 on the evaluation is a workshop item and what we do is before any item gets moved to the agenda we workshop it. The report will be in the minutes. I have included it in the general section so that the City Clerk will add them to the minutes. If there is interest in getting a printed copy of the minutes I’m sure we can make a request to the city and they could print a copy once the minutes have been approved by the council.

➢ Report from the City Administrator
MEMORANDUM

TO: Mayor and City Council
FROM: Kevin L. Sutherland, City Administrator
DATE: March 19, 2018
RE: Administrative Update

I wanted to provide a brief update on a handful of items that have been requested by members of Council. If there are specific items that Council wants more detail on, please let me know and we can look to include as part of future Council workshops.

MDOT traffic study
I assume this request is in reference to the Saco Route 112/I-95 Exit 36/I-195 Area Transportation Study. The Request For Proposal was recently awarded to TY LIN early March. The Kick-off staff with the traffic engineers will occur later this month. The study will not be complete until March of 2019.

Fire Department Study
The organizational assessment of the Saco Fire Department was delivered to Council on March 5th. We’ll look to gather further questions for the consultants at the March 19th workshop and will have a presentation from Municipal Resources on April 2nd.

Tree cutting ordinance update
Staff have not been given directive to look into moving forward with this. Please refer to the goals Council set in December.

Blasting ordinance update
Going before the Planning Board on March 20th

Plastic Bag Ordinance update
First Reading on 19th, Public Hearing on the 2nd, 2nd and Final on the 16th
Unit 91
Dunham Group has a couple of interested parties, but no set offers yet. IOTA and Rivergate are working together on the heating and cooling unit. Engineering will require an easement over two of the parking spots. Mezzanine repairs are almost complete – waiting for Spring.

Saco Island East (clear cut tree removal penalties):
Please see the Press Release on the City’s website.

DPW relocation location status
City staff are in communication with Property owners, we are exploring our options, and have begun moving forward with land value appraisals. Further detail could be set as an executive session item.

Approved bond projects
Staff have been working to develop a timeline on the approved improvements. Some of the design work has already started and finance anticipates we’ll be getting the bond monies in May. Most of the actual project work is being done by Public Works. Good questions during the department’s budget presentation.

Database of CZA, and TIF/DDD reportable items for compliance
Waiting on next Director of the department. Likely project work for interns.

Update on proposed DDD from state
Administration is working TIF Council to finalize DDD. Should have revision submitted to the state by the end of this week and an answer by end of the month.

Calendar of Council meeting and key vote dates for work/vacation planning purposes
The Budget Calendar of meetings can be found on page 7 of the budget book or slides 42 and 43 in the budget presentation for March 19th.

Annex remodeling plans
Council has recently been updated and will be further discussed on the 19th.

EDC Projects succession plans
Since the Departure of the Economic Development Director, I have reviewed the book of business and contacted all current project leads/applicants. Many of the projects have been delegated to the appropriate staff. We are utilizing a piece of software called Basecamp to track progress and assign tasks to each other. This has been a very effective and efficient addition to organization.

ED & Planning Director’s candidate search

With the departure of the Economic Development Director, I’ve spent some time in consultation with community members, staff, and other community managers about how Saco should look to re-staff this critical position.

I would look to hire a Director of Planning and Development (DPD) to oversee both components of the organization. This would start the decrease in number of direct reports to my office (reducing span of control) and creating a position which would be afforded some time to focus on the big picture and be in a management position.
What does this mean for the City Planner as a direct report to the City Administrator? If you’re not aware, our Planner, Bob Hamblen has announced his intent to retire in June. Last month, I received confirmation from Council to move some money to hire his replace early and allow this new person to train under him. I would propose that this first hired position be the DPD who would spend the next few months learning the community by working with Bob through to his retirement and then have this person look to hire an associate planner under them. It is my sincere hope that the downtown development district will be in place soon (more on that as part of agenda item 4), the new DPD would also have the opportunity to hire another individual to serve as an economic development specialist.

Thus, creating two positions to serve in these much needed roles. Below is an organization chart of what I am looking to propose. I met with the EDC today and shared my thoughts on this. They were supportive of the concept. Any feedback you have would be appreciated. I will be posting the position by the end of the week.

![Organization Chart]

### P&R Dir 1st 30-day report
Ryan Sommer is working on a reorganization of the department, learning the programs, and getting the Advisory Board back on track. Council will have an opportunity to hear about all the great things happening in SPR when they present their budget on April 9th.

### Ad Hoc Group timeline, next meeting
Is this in relation to the Joint Sub-committee with Biddeford? With budgets, we’ve been unable to find time to get together. We will have to meet in April to give a recommendation for the Combined Assessment Department. That contract is coming to end. I would recommend that we continue this collaborative initiative. It does save the tax payer is staffing costs and creates a regular contact with Biddeford staff.

### Committee appointment current and future vacancy list
At this moment in time, I know there are still three openings on the Parks and Recreation Advisory Board. I will ask the City Clerk to prepare an update for a future message to Council.

### City and Department Summary Budget Reports Monthly/YTD
Attached are the numbers as of February 28th – this type of reporting is very easy to pull on a monthly basis and my projections thru February for end of the year shows a conservative $850,000 surplus (this takes into account the costs of the recent snow storm events – overtime, salt, etc.).

Now that the Finance Director has a solid six months on the job, we can begin looking at the type of reporting the Council wants to see on a quarterly basis.

### Grant applications summary wins, losses, and in progress
This item will be presented as part of Administration Department’s Budget Presentation on March 26th.
Monthly Dept. Executive Summaries: projects, P&P revisions, other time-consuming items
Something we can look to do quarterly? A department each month as part of workshop? Possibly a discussion at a future workshop about expectations from Council.

Final Marketing Plan Executive Summary
This item will be presented as part of Administration Department’s Budget Presentation on March 26th.

Impact Fee Report requested by the last Council
Staff are in review of what has been developed by interns last summer. I’d rather bring this to Council’s attention after the Downtown Development District is approved.

### General Fund Budget Update

<table>
<thead>
<tr>
<th>Department</th>
<th>FY 2017 Actual</th>
<th>FY 2018 Adopted</th>
<th>FY 2018 Budget</th>
<th>FY 2018 Actual</th>
<th>% Budget Spent</th>
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<td>Solicitor</td>
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<td>Supported Entities</td>
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<td>865,169</td>
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<td>Transfers</td>
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<td><strong>54,745,873</strong></td>
<td><strong>34,335,500</strong></td>
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<table>
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<tr>
<th>Revenue</th>
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<td>Cable Television Franchise</td>
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<td>4,144,132</td>
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<td>41,910,980</td>
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<td>Sale of City Assets</td>
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<td>State Assistance</td>
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<td><strong>52,525,244</strong></td>
<td><strong>40,864,229</strong></td>
<td><strong>81.9%</strong></td>
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</tbody>
</table>

| Operating Income            | 1,535,682      | 0               | -2,220,629     | 6,528,729      | 13.6%          |
VI. CONSENT AGENDA

Mayor Lovell stated that there was concern on the part of one councilor associated with an appointment to the Conservation Commission and the councilor has talked about abstaining from the vote. Councilor Minthorn is concerned with the appointment of Eduard Chenette to the Conservation Commission and his relationship there so I would like to ask if any councilor is interested in making a motion to recuse and if there was no motion to recuse that would permit Councilor Minthorn to vote on the entirety of the consent agenda.

Councilor Copeland moved, Councilor Johnston seconded to require Councilor Minthorn to recuse. The motion passed with four (4) yeas and three (3) nays – Councilors Doyle, Gay and Archer.

Councilor Smart moved, Councilor Copeland seconded to approve Consent Agenda items #A and #B as follows:

A. Minutes – Move to approve the minutes for: January 29, 2018, February 5, 2018, February 20, 2018, March 5, 2018 and March 12, 2018;

B. Confirmation of the Mayor's Appointments to the Conservation Commission – Be it Ordered that the City Council confirm the Mayor’s appointment of Eduard Chenette and Ryan Gorman to the Conservation Commission as full members for three-year terms ending on March 19, 2021. Further move to approve the order.

The motion passed with six (6) yeas and one (1) abstention – Councilor Minthorn.

VII. AGENDA

A. BUDGET PRESENTATION FROM CITY ADMINISTRATION AND SCHOOL SUPERINTENDENT

Kevin Sutherland City Administrator thanked all the staff for patience with the redesign of the budget book and some of the processes to hopefully make this as transparent, clean and simple as we can. What we have to share with you tonight, over the next month or so and in those budget books are highlights of those meetings. We will be able to debate and discuss allot of challenges that we face as an organization and community.

Finance Director Glenys Salas presented the power point presentation of the FY2019 Budget. She noted that after reading the complete FY2018 budget book a couple of times that tonight’s presentation is a result of all the notes and ideas that she took as part of the readings. Hopefully everyone will find the adjustments and changes as helpful as she found them to be for herself.

School Superintendent Dominic DePatsy presented the school portion of the FY2019 Budget.
Budget Book
- 6 Sections
  - 1. Introduction & General Information about Saco
  - 2. Fiscal Summary (General Fund)
  - 3. Capital and Asset Program (General Fund)
  - 4. Department Budgets (General Fund)
  - 5. Supported Agency Budgets and Other Budgeting Units (General Fund)
  - 6. Special Revenue Funds
- Water Resource Recovery Funds budget will be supplied as an insert to the budget by April 2nd
- School Budget final recuse + RADs will be supplied as an insert to the budget after final School Board approval

Explanation of Budget columns

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2016 Actual</th>
<th>FY 2017 Actual</th>
<th>FY 2018 Adopted</th>
<th>Directive Budget</th>
<th>RAD</th>
<th>REC</th>
<th>Recommended Budget</th>
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<td>30,000</td>
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<td>250</td>
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<tr>
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<td>3,665</td>
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<td>500</td>
<td>1,650</td>
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<td>2,150</td>
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<tr>
<td>Overtime</td>
<td>385</td>
<td>308</td>
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<tr>
<td>Supplies</td>
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<td>1,816</td>
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<td>Trav/Train</td>
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<td>6,217</td>
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<td>374,751</td>
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RAD: Requests Above Directive

Explanation of Budget columns

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<tr>
<th>Category</th>
<th>FY 2016 Actual</th>
<th>FY 2017 Actual</th>
<th>FY 2018 Adopted</th>
<th>Directive Budget</th>
<th>RAD</th>
<th>REC</th>
<th>Recommended Budget</th>
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<td>250</td>
<td>0</td>
<td>0</td>
<td>250</td>
</tr>
<tr>
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<td>400</td>
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<td>72,205</td>
<td>374,751</td>
</tr>
</tbody>
</table>

RAD: Requests Above Directive

Fiscal Year 2019 Budget
Mission Statement

The purpose of the annual budget is to ensure sufficient funding for the City of Saco’s best-in-class services while simultaneously ensuring the sustainable future growth of the city.

Primary Challenges in Fiscal Year 2019

- Strained City Services
- Best-In-Class City Services
- Unfunded State Mandates & Insufficient Subsidies
- Population
- Property Values
- Tax Revenue

Sustainable Cycle of Municipal Growth

- Strong Infrastructure, Safe Neighborhoods, Great Schools, etc.
- Population
- Best-In-Class City Services
- Property Values
- Tax Revenue

City Council Directive

- Cover $1.5 million of school growth, including unfunded state mandates
- Hold the line on the Mil Rate

Directive Budget

- City Services Still Strained
- Best-In-Class City Services
- State Mandates Fully Funded
- Population
- Property Values
- Tax Revenue

Recommended Budget

- Leverage the Mil Rate to cover school growth, including unfunded state mandates
- Maintain City efforts, including contracted increases
- Eliminate the strain on City services
Meet Critical Needs
- Meet critical needs & restore city services to full capacity
- $1.54 Increase in Mil Rate
- $0.37 Increase in Mil Rate
- Other funding sources
  - Eliminate excise rebates
  - Adjust City Hall fees to reflect inflation costs
  - Adjust dumping fees so transfer station is self-sustaining
  - Bring compliance inspections in-house

Meet Critical Needs
- Meet critical needs & restore city services to full capacity
- $1.54 Increase in Mil Rate
- Other funding sources
  - Eliminate excise rebates
  - Adjust City Hall fees to reflect inflation costs
  - Adjust dumping fees so transfer station is self-sustaining
  - Bring compliance inspections in-house
How Did We Get Here?

- **Savings**
  - 30% Savings in Fuel Costs
  - Zero increase in utilities thanks to energy efficiency initiatives
  - 50% Reduction in printing costs
  - Negotiated School Appropriation
- **New Revenues**
  - More robust use of existing funds
  - Targeted fee and excise adjustments
  - More careful analysis and projection of property tax revenues

---

### The Numbers

<table>
<thead>
<tr>
<th></th>
<th>Directive</th>
<th>Recommended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018 Mil Rate</td>
<td>2019 Mil Rate</td>
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<tr>
<td>City</td>
<td>$7.75</td>
<td>$7.50</td>
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<tr>
<td>School</td>
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<td>County</td>
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<td>$0.60</td>
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<tr>
<td><strong>Total</strong></td>
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<td><strong>$19.38</strong></td>
</tr>
</tbody>
</table>

Cuts to the Mil Rate on the City side are partially refunded through targeted fee adjustments elsewhere.

---

### Recommended Budget

**Change vs 2018**

- **1.87%**
- **$0.37**
- **$84.00**

**Homeowner Impact**

**Requests Above Directive**

- All of the requests above the Directive Budget have been compiled into the budget book and are prioritized as follows:

**Priority 1**

- Maintenance of Effort RAD = RADs that are needed in order for the city to sustain its services.

**Priority 2**

- Critical Need RAD = RADs that will resolve current strain on city services due to past budget cuts, i.e. Short-staffing in the Fire Department.

---

### Summary of Budgeted Expenses Over Time

- **2016**
- **2017**
- **2018**
- **Directive**
- **RAD**
- **Rec**
- **Budget**

---

M:\2018\cm_2018_03_19.docx  3/27/2018  Page 11 of 22
School Budget Overview
Fiscal Year 2019

What Makes Up Our $38.4 Million Dollar Budget

Where Is the Increase Represented?

Revenue Sources

<table>
<thead>
<tr>
<th>Revenue Type</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor Vehicle Excise</td>
<td>3,358,500</td>
</tr>
<tr>
<td>State Revenue Sharing</td>
<td>1,137,871</td>
</tr>
<tr>
<td>Recreation Department Fees</td>
<td>920,184</td>
</tr>
<tr>
<td>Homestead Exemptions</td>
<td>803,136</td>
</tr>
<tr>
<td>Transfer From Ambulance Fund</td>
<td>720,000</td>
</tr>
<tr>
<td>Rapid Renewal Excise Taxes</td>
<td>610,800</td>
</tr>
<tr>
<td>Building Permits</td>
<td>377,678</td>
</tr>
<tr>
<td>State Bete Program</td>
<td>290,039</td>
</tr>
<tr>
<td>Cable Television Franchise</td>
<td>274,860</td>
</tr>
<tr>
<td>Transfer From Economic Development</td>
<td>270,000</td>
</tr>
</tbody>
</table>

2018-2019 Preliminary Proposed School Budget

- Current Proposed Budget - $38,418,408
  - Increase of $2,870,147 from FY
- Reviewing RAD list of 20 items totaling $1,163,823
  - Explanation of the importance of these RADs located on our website
  - Final RAD List Detail (Right click to open hyperlink)
- Received $11,464,226 in State Subsidy
  - Increase from PY of $328,587 (not including Pre-K funds)
- Required Local Tax increase of $1,391,045 over PY
  - This is a result of Saco’s Town Evaluation increase and State MIL Rate change.
Strategic Initiatives for 2019
Preventing future pressure on the Mil Rate

Sustainable Cycle of Municipal Growth

Potential Breakdown
Costs Increase Faster than Population or Property Values

Critical Cost Pressures
School Appropriations  
Health Insurance  
Solid Waste Tipping Fees
Strategic Initiatives for Fiscal Year 2019

- School Cost Pressures
  - Lobby the state to restore school funding levels to 55%
  - Investigate savings in benefits costs
- Investigate cost savings on health insurance and other benefits
  - Work with our Unions to gain flexibility
  - Go to market to get a better deal for our tax payers
- Put together a committee to investigate options for mitigating increases in solid waste

Return Lost Revenue to the City of Saco

- Get more from our TIF Partners
  - TIF Fund balances total $2 million and are growing annually
  - Many TIF contracts are so restrictive that the money in the balance is not being spent
  - New economic development puts pressure on costly City Services
  - Update existing TIF contracts to get a better deal for the City
- Get more from the State
  - Watercraft Excise Tax adjustment would bring in $250K and affect 0.76% of Tax Payers in Saco
  - Return State Revenue Sharing to Mandated Levels - $1.5 Million

Budget Calendar

- March 26, 2018 - Budget Presentations
  - City Clerk
  - Human Resources
  - Police
  - Administration
  - Finance
  - Revenue
- April 2, 2018 – Budget Presentations (After Regular Meeting)
  - Fire
  - Information Technology
  - Public Works
  - Capital Program & Debt Service

Budget Calendar (Con’t)

- April 9, 2018 – Budget Presentations
  - School Department
  - Parks and Recreation
  - Assessment
  - Planning & Econ Dev
  - Building Inspection
  - Building Maintenance
- April 17, 2018 – Budget Presentations (after regular meeting)
  - Water Resource Recovery
  - ShuttleZoom
  - Dyer Library
  - Saco Main Street
- May 7, 2018 – Discussion on Budget Amendments
- May 14, 2018 – Special meeting to vote on the FY 19 Budget
B. CONTRACT ZONE APPLICATION – 445 MAIN STREET – (PUBLIC HEARING)

Applicant Lise Ouellette makes application for a contract zone for the property at 445 Main Street that would allow up to four apartment units to be established on the 2nd and 3rd floors of the existing building. The real estate office would remain in use on the first floor.

In the R-1b zone, multi-family dwellings are not allowed; two-family dwellings are, as a conditional use. However, the applicant’s primary issue is density. The parcel is 12,197 s.f. in area. A two-family in the R-1b zone requires 10,000 s.f. per unit, so only a single residential unit would be possible. The applicant seeks approval for up to four units, and is proposing a minimum lot area per dwelling unit of 3,000 s.f. per unit, as stated in the draft agreement.

The Planning Board made a positive finding on each of the four standards for a contract zone, and forwards a positive recommendation for the contract zone as proposed.

Councilor Smart moved, Councilor Minthorn seconded to open the Public Hearing of the document titled, “Contract Zone Agreement By and between Lise D. Ouellette and the City of Saco,” dated December 5, 2017.

There were no public comments.

Councilor Smart moved, Councilor Minthorn seconded to close the Public Hearing and further move to set the Second and Final Reading for April 2, 2018. The motion passed with seven (7) yeas.

Contract Zone Agreement 
by and between
Lise D. Ouellette and the City of Saco

December 5, 2017

THE CITY OF SACO HEREBY ORDAINS:

I. That the Zoning Ordinance of the City of Saco, dated January 2, 1985, and amended through July 17, 2017 is hereby amended by adopting this contract zone agreement by and between the City of Saco and Lise D. Ouellette (Applicant).

1. The Applicant owns the property at 445 Main Street (Subject Property), a 0.28 acre parcel (12,197 square feet).
2. Said property is identified as Tax Map 33, Lot 25 on City of Saco tax maps.

3. Said property is in the R-1B zoning district. The property is also located in the Saco Historic Preservation District.

4. The building on the property is used as an office, which is a conditional use in the R-1b zone.

5. The Applicant proposes to maintain the existing office use on the first floor of the building. The Applicant proposes to “…rehab the 2nd and 3rd floors into apartments, which would allow us to reach its potential.”

6. The R-1b zone allows a Two-Family Dwelling as a Conditional Use. In the R-1b zone each dwelling unit requires 10,000 square feet of lot area. Given the existing lot area, a single dwelling unit would be possible, but no more.

7. The owner submitted a request in 2013 for an amendment to the Zoning Map to rezone the Subject Property and the abutting Great American Realty parcel at 439 Main Street from R-1b to B-2d, as the Subject Property abuts the B-2d zone to the north. The B-2d zone allows two-family or multi-family units at 4,000 square feet of lot area.

8. The Planning Board reviewed this request, and rather than extending the B-2d zone further south along Main Street, the Board suggested that a contract zone may better address both the Applicant’s and the City’s goals.

9. Recognizing the limitations of the parcel, and the requirements of the Zoning Ordinance, the Applicants hereby make application for a Contract Zone that would allow the proposed residential units to be established and co-exist with the established office use.

II. This contract amends the Saco Zoning Ordinance as follows:

This Contract Zone, specifically and exclusively for the parcel at 445 Main Street, would allow the Applicants to maintain the existing Office use on the first floor, and also to establish up to four residential units on the second and third floors of the existing building, subject to the following conditions and restrictions, as provided for in Section 230-1405 of the Saco Zoning Ordinance:

a. The Applicant may establish no more than four (4) residential dwelling units on the second and third floors of the existing structure.

b. For the purpose of meeting Minimum Lot and Yard Requirements as stated in Table 412-1 of the Zoning Ordinance, the Minimum Lot Area per Dwelling Unit for the Subject Property shall be 3,000 s.f. per unit.

c. The site currently functions with fourteen (14) parking spaces. Table 708-2 of the Zoning Ordinance requires one (1) space for every 250 s.f. of floor area for an office use. The first and second floors of the building total 3,856 s.f. of floor area, thereby requiring sixteen (16) parking spaces. Notwithstanding Table 708-2, the changes proposed for use of the building shall be allowed based on the existing fourteen (14) parking spaces.

d. The applicant shall incorporate Section 230-708.C(10) of the Zoning Ordinance into the site plan review application in order to identify and reserve an existing landscaped area that may be converted to parking should the need arise, as determined by either applicant/owner or Planning Board.
e. Section 230-707-4 of the Zoning Ordinance limits a sign in a residential district to four square feet if one-sided, or two square feet per side if two-sided. Notwithstanding Section 707-4, the Applicant may maintain the existing business sign for Berkshire Hathaway Home Services N.E. Prime Properties as a conforming sign. However, said sign shall not be grandfathered in the case of a future change in the use of this property.

f. The Applicants shall adhere to all other applicable provisions of the R-1b zoning district, of the Historic Preservation District, and of the City of Saco Zoning Ordinance and Subdivision Regulations.

g. All details included in the submitted application materials are hereby incorporated into this contract by reference. The proposed use shall be operated substantially in conformance with these materials.

h. Minor changes may be approved by the staff of the City of Saco. Any changes determined by the staff to be "major" shall be submitted to the Planning Board for review. If it is determined that the changes constitute a change in the contract, then the developer shall also be required to obtain City Council approval of the changes.

i. Upon approval of this contract by the City Council, the Applicants shall submit materials required for site plan review to the Planning Office in order that the project may be reviewed by the Planning Board. Failure of the Applicants to secure site plan approval from the Planning Board within one year of the approval of this Contract by the Saco City Council shall render this Contract null and void. In the event that permits or approvals are delayed due to circumstances beyond the control of the Applicants, this one year deadline may be extended by one year upon written request to the City Council.

j. This contract and its provisions shall specifically and exclusively apply to the Contract Zone request submitted by the Applicants. Approval of this Contract Zone is in part based on the financial and technical qualifications of the Applicants as submitted to the City. A change in ownership prior to completion of the terms of this Contract may necessitate review and approval by the City Council. Determination of such shall be made by the Planning Office.

k. Failure of the Applicant to initiate the creation of up to four residential units as described in application materials for this Contract Zone within two (2) years of the date of approval shall render this Agreement null and void. Said two year period may be extended for a period of one (1) year upon written request to the Planning Office prior to termination of said two year period.

l. Breach of these conditions and restrictions by the developer shall constitute a breach of the contract, and the developer may be required to apply for a contract modification. Failure to apply for, or to obtain a modification shall constitute a zoning violation, subject to enforcement action.

III. Pursuant to authority found in 30A M.R.S.A. Section 4352 (8), and the City of Saco Zoning Ordinance, Section 230-14053, and by vote of the Saco Planning Board on December 5, 2017, and the Saco City Council on _______, 2018, the following findings are hereby adopted:

A. City Tax Map 33, Lot 25 is a parcel of an unusual nature and location, for the following reasons:

1. The residence at 445 Main Street is a historically significant structure located in the R-1b zoning district and the City’s Historic Preservation District.
2. The residence was identified as the Paul Sands house as part of the City’s historic resources survey in 1995. The Second Empire-style structure was built around 1860, and the exterior retains much of its historic character.

3. The Subject Property abuts the B-2d zoning district to its north. Among the permitted uses in the B-2d zone are Offices, and Dwellings above the first floor in a mixed-use building.

B. The proposed rezoning is consistent with the Saco Comprehensive Plan, based on the following goals:

Chap. 5. B. The Local Economy -- While the goal of the City is to accommodate good quality commercial development in appropriate locations, the City is also interested in discouraging commercial use in inappropriate locations. Therefore, it is a policy of the City to avoid the location of commercial activities within residential neighborhoods except for strictly regulated home occupations, day care, or others with minimum impact. In addition, the City discourages the establishment of commercial enterprises along major streets except in those areas specifically designated for commercial use in the land use policies.

Within the built-up area of the City, residential neighborhoods often abut commercial areas. The City should restrict the expansion of commercial activity into established residentially zoned neighborhoods, should limit the use of residential streets for access to commercial activities, and should require buffering along the transition from commercial to residential use.

Chap. 6 Land Use Goals and Policies
Commercial Development 25. The City’s policy should be to resist designating other areas along the City’s major streets for commercialization. Even within those areas designated for commercial development, the City’s development standards should control the number of access points along these arteries to maintain their capacity to move traffic as safely and efficiently as possible.

C. The proposed use is consistent with the existing uses and permitted uses within the original zone. The original zone is the Residential-1b (R-1b) zone, a high density residential district “...designed for areas which are predominately single-family residential in character.” (Zoning Ordinance, Section 405-1.)

Among the permitted and conditional uses allowed in the R-1b zone are single and two-family dwellings, offices within existing buildings, accessory apartments, community living uses, churches, daycare centers, elderly congregate housing and bed and breakfast establishments.

Examples of uses in the vicinity of the subject property include Keller Williams Realty, Harbor View Lending, and Active Chiropractic (439 Main St.), Rite-Aid (461 Main St.), Thornton Academy (438 Main St.) and the Paul Hazelton House (7 Smith Ln.), as well as single-family and multi-family dwellings. The property abuts the B-2d zone along its northerly property line.

D. The conditions proposed are sufficient to meet the intent of Section 230-1403. Contract Zoning, of the Saco Zoning Ordinance.

IV. Based on the above findings, conditions and restrictions, the City Council hereby incorporates this Contract Zoning agreement into the Saco Zoning Ordinance by reference. By signing this contract, both parties agree to abide by the conditions and restrictions contained herein.

Adopted by the Saco City Council on _____________, 2018.

by ____________________       by ____________________

Kevin L. Sutherland            Lise D. Ouellette, Broker
City Administrator             Berkshire Hathaway/Home Services,
                                NEPTI
                                Applicant

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C.   **BUDGET AMENDMENT #12 FY2018 – STAFF DEVELOPMENT – (FINAL READING)**

One of the eight primary goals identified by the Council for the next two years is to “Review, Fund, and Develop a Strategic Recruitment, Retention, and Succession Plan.”

City Administration is committed to working with the Mayor and City Council to develop a strategy that includes an employee training program as one way to enhance retention. City Administration has identified several leadership training opportunities and is asking Council to support the utilization of the unassigned fund balance to launch this effort.

This item was discussed in the February 20th Workshop.

This initial action would have no impact on the property tax.

Councilor Copeland moved, Councilor Minthorn seconded “Be it Ordered that City Council approve the second and final reading of ‘Budget Amendment #12 FY2018’.” Further move to approve the order. The motion passed with seven (7) yeas.

<table>
<thead>
<tr>
<th>Name of Account</th>
<th>Account Number</th>
<th>Current Budget 2017-2018</th>
<th>Received to Date</th>
<th>Adjustment Request</th>
<th>Amended Dept. Total</th>
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<tbody>
<tr>
<td>Draw On Fund Balance</td>
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<td>$(31,000)</td>
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<td>Human Resources</td>
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<tr>
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<td><strong>Net change</strong></td>
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<td>$0</td>
</tr>
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D.   **BUDGET AMENDMENT #13 FY2018 – FINANCE AND HR – (FINAL READING)**

The City of Saco has experienced staffing and organizational changes in Finance and Human Resources. These unexpected expenditures have been charged to the Administration Department in the interim, artificially straining the Administration budget. City Administration is requesting to have the City Council allocate $46,800 from the Unassigned Fund Balance to offset these expenses.

This item was discussed in the February 20th Workshop.

Councilor Minthorn moved, Councilor Gay seconded “Be it Ordered that City Council approve the second and final reading of ‘Budget Amendment #13 FY2018’.” Further move to approve the order. The motion passed with six (6) yeas and one (1) nay – Councilor Doyle.

<table>
<thead>
<tr>
<th>Name of Account</th>
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<th>Received to Date</th>
<th>Adjustment Request</th>
<th>Amended Dept. Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Draw On Fund Balance</td>
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<td>$(809,870)</td>
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<td>$(46,800)</td>
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<td>Finance - overtime</td>
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<td><strong>Net change</strong></td>
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E.   **AMENDMENT TO CHAPTER 171 – SINGLE USE PLASTIC BAGS – (FIRST READING)**

In April of 2017, the City Council added Chapter 171 – Single-Use Plastic Bags to the City of Saco’s general code. Businesses was given six months to comply with the ordinance. During that time, it became apparent that clarity in the Reusable bags definition was required.
In September of 2017, the Council supported the Administrators decision to use section 106 and not enforce the ban on the reusable bags with plastic content until a revision to the ordinance was made by Council.

The revisions being proposed have been reviewed with businesses and business representatives and all agree that these changes will ensure compliance as the ordinance intended.

The Council reviewed this item at its March 5, 2018 workshop.

Councilor Minthorn moved, Councilor Gay seconded “The Saco City Council hereby ordains and approves the first reading of the document titled ‘Amendments to Chapter 171 - Single-Use Plastic Bags,’ and further move to set the Public Hearing for April 2, 2018.” The motion passed with seven (7) yeas.

“Amendments to Chapter 171 - Single-Use Plastic Bags”

(changes are underlined in document)

Chapter 171. Single-Use Plastic Bags

Section 171-101. Purpose:

It is in the best interest of the residents of the City of Saco (City) to protect the environment and natural resources of Maine by prohibiting the distribution and use of single-use plastic bags. This ordinance intends to encourage the use of degradable resin bags and/or reusable shopping bags in businesses.

Section 171-102. Findings:

Single-use plastic bags have an adverse effect on the environment. Because the City is an oceanside community with a river as a natural border, both aquatic and wild life are affected by the environmentally hazardous plastic bags. Research has shown that production and disposal of petroleum based products can injure or poison animals, disrupt habitats, and leach into ground water. Additionally, chemical by products can cause harm to humans, pets, and livestock.

Sec. 171-103. Authority:

This proposed Ordinance to be adopted pursuant to the City’s home rule authority pursuant to 30-A MRS Section 3001, et seq.

Section 171-104. Definitions:

ASTM International means the former American Society for Testing and Materials. It is now called ASTM International.

ASTM Standards means the standards related to single or reusable bags.
  • ASTM 5208 is the standard for UV exposure of photodegradable plastics
  • ASTM 5272 is the standard practice for outdoor exposure testing of photodegradable plastics
  • ASTM 5338 is the standard for determining aerobic biodegradation of plastic materials (requiring oxygen)
  • ASTM 5511 is the standard for determining anaerobic biodegradation of plastic materials (does not require oxygen)
  • ASTM 6400 is the standard for labeling of plastics designed to be aerobically composted

Business means any business that has or requires a business license with the City.
Degradable means a compound that breaks down into simpler compounds by stages.

Emergency food or other goods provider means a facility operated by a non-profit or governmental agency that provides goods to residents for no charge.

Degradable resin means a solid or highly viscous substance that is typically convertible into polymers.

Plastic means an organic or petroleum derived synthetic organic solid that is moldable.

Plastic film means any organic or petrochemical film less than 1 mil in thickness.

Retail business means any business that sells consumers goods and has or requires a retail business license with the City.

Reusable bag means a bag with consumer carrying handles that is specifically designed and manufactured for multiple reuse and is made of cloth, fiber or other machine washable fabric or regularly disinfected but not plastic film less than 1 mil in thickness.

Single-use plastic bag means a bag with consumer carrying handles made from plastic, which also may or may not be intended for a one time use. These bags fall under the category of plastic film.

Section 171-105. Single-Use Plastic Bag:

A business, as defined above, may not provide single use bags made of plastic for any purpose. A business may provide a non-petroleum based bag that meets one or more of the aforementioned ASTM standards, such as:

- a paper bag
- a reusable bag as defined
- a bag made from degradable resin compounds

If a retail business chooses to not provide a bag of any kind, a sign that measures at least 3 inches by 5 inches near the point of sale and at least 10 inches by 14 inches at entrance door must be posted stating bags will not be provided.

Customers are allowed to bring into a business and use their own bags, including plastic bags, without the business being in violation hereof.

Section 171-106. Exemptions:

Exemption from these limitations herein is made for emergency food or goods providers.

The City Administrator may exempt other businesses during major City emergencies or disasters. The exemption will end when the emergency or disaster has ended per the City Administrator.

Section 171-107. Violations and Enforcement:

The City Administrator, or his/her designee(s), shall have the primary responsibility for enforcement of this Ordinance. If the City Administrator or his/her designee(s) determines that a violation of this Ordinance has occurred, he or she shall issue a written warning to the business that a violation was found. Subsequent violations of the Ordinance shall be subject to the penalties set forth below.

A violation of the ordinance is based on the availability of plastic bags in a business.

Violations of this Ordinance shall be punishable by fines as follows:

- A fine not exceeding $250 for the first violation in a one-year period;
- A fine not exceeding $500 for the second and each subsequent violation in a one-year period.

Each day that a violation occurs will be considered a subsequent violation.
Section 171-108. Effective Date:

The provision of this ordinance shall become effective 30 days after its enactment. Notwithstanding the preceding, the City Administrator is authorized to delay any enforcement of these provisions for up to a period of six (6) months so that local businesses may cost-effectively eliminate existing inventory of plastic bags, and secure replacement of an acceptable biodegradable alternative.

Section 171-109. Severability:

If any part or provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the Ordinance, including the application of such part or provision to other persons or circumstances, shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this Ordinance are severable.

VIII. COUNCIL DISCUSSION AND COMMENT

There was no discussion or comments this evening.

IX. ADJOURNMENT

Councilor Gay moved, Councilor Johnston seconded to adjourn the meeting at 7:48 p.m. The motion passed with seven (7) yeas.

Attest: ________________________________

Michele L. Hughes, City Clerk