

STATE OF MAINE

COUNTY OF YORK

CITY OF SACO

I. CALL TO ORDER – On Monday, April 3, 2017 at 6:30 p.m. a Council Meeting was held in the City Hall Auditorium.

II. RECOGNITION OF MEMBERS PRESENT –Mayor Roland Michaud recognized the members of the Council and determined that the Councilors present constituted a quorum. Councilors present: David Precourt, Roger Gay, William Doyle, Kevin Roche, Alan Minthorn, Eric Cote and Nathan Johnston. City Administrator Kevin Sutherland was also present this evening.

III. PLEDGE OF ALLEGIANCE

IV. GENERAL

➤ 2017 MAIN SPIRIT OF AMERICA FOUNDATION TRIBUTE PROCLAMATION

The 2017 Maine Spirit of America Foundation tribute honors William “Bill” Johnson for his commendable service and dedication to Saco Main Street and the City of Saco.

CITY OF SACO  
OFFICE OF THE MAYOR  
PROCLAMATION

The 2017 Maine Spirit of America Foundation Tribute honors William “Bill” Johnson for his commendable community service and dedication to Saco Main Street

Be it resolved by the Saco City Council as follows:

- WHEREAS, Since his arrival in our community, Bill has been a driving force in working to ensure that our community continues to be a vibrant and welcoming city, and;
- WHEREAS, Bill has, over many years, served our community as a City Councilor, Mayor, Mayor Emeritus, and as a volunteer on countless community boards and organizations, and;
- WHEREAS, Bill was instrumental in the creation of Saco Spirit, now known as Saco Main Street, an organization that has been an essential and critical player in the continuing success of our downtown, and;
- WHEREAS, Bill was integral in ensuring that state level educational opportunities continue to be available to all Saco citizens, and;

NOW, THEREFORE, Be it resolved that I, Roland Michaud, Mayor of the City of Saco and the Saco City Council, hereby recognize William “Bill” Johnson for his outstanding achievements and is awarded the

The 2017 Maine Spirit of America Foundation Tribute

Given under my hand, and seal of the City of SACO, on this 3<sup>rd</sup> day of April 2017.

\_\_\_\_\_  
Mayor  
Roland Michaud



Mayor Michaud also presented Bill Johnson Mayor Emeritus with a plaque with a “golden gavel” on it in honor of his many contributions to community.

## V. PUBLIC COMMENT

- Alec Wall, 504 Flag Pond Road – Regard to the bag issue. Mr. Wall stated that he felt the bag issue was ridiculous. For the city to spend time on plastic bags which end up 99.9% of them end up at the recycling center in Portland. Mr. Wall presented a cardboard cut-out of a fish that he had in a bag and then took the fish out of the bag and put the bag in the fishes mouth. He stated that bags in fish’s mouths just don’t happen. This Ordinance should just be rejected. If you charge people what are the stores going to do with the .5 cents. It is the government that is choosing which bothers the day lights out of me.
- Bill Dunnigan, 469 Ferry Road - Supports the TIF fund. Mr. Dunnigan is in the process of trying to open a café at 9 Beach Street. He supports being able to use a TIF fund to be able to help the sewer abatement fee. There are state fees, Fire Marshall, food licenses, local fees, building permits, business licenses and the sewer abatement fee. Before I even open the door I’m spending \$11,000 out of my pocket. I’m going to invest around \$130,000 just to open this business. It is risky. I don’t know what I’m going to get in Saco. Putting all the burden for the sewer abatement fee on new businesses that have to pick the location of where they are going and if I don’t pick the right location I’m going to spend \$9,500 on a sewer abatement fee. If I find a location that already has a restaurant in it is \$0. There are not that many places in Saco that are like that. So you are basically taking very few businesses and charging them allot of money. Maybe taking some of this money and spreading it out over all the businesses and raising the sewer fees and raise the taxes. I don’t serve, breakfast, lunch and dinner and have liquor licenses that yield all these huge profits. It is just a little café. Some people just come in and buy a coffee and work on their computer. It’s not like a regular restaurant but I’m being categorized like that because I’m 48 seats. If you want small businesses in the city you have to relook at the sewer abatement fee. Your city is more than double the abatement fee that South Portland is. Eleven businesses opened up around us at our other location and that brought property values up. You need to find another way to get the money for this. You need to bring in new business and not deter them to go away because of these abatement fees.

## VI. CONSENT AGENDA

Councilor Minthorn moved, Councilor Doyle seconded to approve consent agenda items #A and B as follows:

A. MINUTES – Be it ordered that the City Council approve the minutes of March 20<sup>th</sup>. Further move to approve the order.

The motion passed with seven (7) yeas.

## VII. AGENDA

### A. ADDITION OF CHAPTER 171, SINGLE USE BAGS – (SECOND & FINAL READING)

Single-use plastic bags have an adverse effect on the environment. Because the City is a coastal 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.

The current proposal is to add “Chapter 171 – Single-Use Plastic Bags” to the City of Saco’s general code, which would not allow a business to provide a single use plastic bag. The City’s goal is to discourage single-use bags and to encourage the use of reusable bags. We recommend the implementation of a monetary fine system for violations of Chapter 171, should the proposal be approved and go into effect.

The Council reviewed this item at the February 21, 2017 workshop and held the first reading on March 6, 2017. The public hearing was held on March 20, 2017.

Councilor Minthorn moved, Councilor Gay seconded “The Saco City Council hereby ordains and approves the second and final reading of the document titled ‘City of Saco Code Amendment: Chapter 171 - Single-Use Plastic Bags’.” The motion passed with seven (7) yeas.

**“City of Saco Code Amendment:  
Chapter 171 - Single-Use Plastic Bags,”**

**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.

**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, but not plastic film.

**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.

**B. FY2017 BUDGET AMENDMENT #2 – (SECOND & FINAL READING)**

In the City March 6<sup>th</sup> [Administrative Update](#), the City Administrator provided an update for the Route 112 Bypass to Maine Turnpike Exit 36 (and all information related to this can be found [here](#)).

The city has reached out to the Maine Turnpike Authority (MTA) about the traffic issues on Industrial Park Road and Route 112, asking them to investigate options to alleviate traffic issues on these roads.

While MTA’s board has not yet met, a tentative agreement has been reached where MTA and Maine Department of Transportation (MDOT) will collectively contribute 80% towards an engineering feasibility study and are asking the local government to contribute a 20% match. The engineering study is estimated to cost \$180,000 – \$200,000, putting Saco’s portion at no more than \$40,000. Financial participation will give the city the opportunity to have final say in the location of a bypass.

The City Council held the first reading on March 20, 2017.

Councilor Doyle moved, Councilor Precourt seconde “The Saco City Council hereby ordains and approves the second and final reading of Budget Amendment #2 FY2017.” The motin passed with five (5) yeas and two (2) nays – Councilors Roche and Gay.

**CITY OF SACO  
BUDGET AMENDMENT REQUEST FORM  
REVENUE & APPROPRIATION  
AMENDMENT #2 FY2017**

<i>Date</i>	<i>Department</i>
<b>March 15, 2017</b>	<b>Administration</b>

Name of Account	Account Number	Current Budget 2016-2017	Received to Date	Adjustment Request	Amended Dept. Total
Draw On Fund Balance	10350/300800	\$(636,019)	\$0	(\$15,208)	(\$651,227)
North Street Traffic Study	10170/300721	\$0	\$0	\$24,792	\$24,792
Admin Contracted Services	10372/500428	\$0	\$0	\$15,208	\$15,208
Use of Assigned Fund Balance	10170/300721	\$0	\$0	(\$24,792)	(\$24,792)
<b>Net change</b>				<b>\$0</b>	
Notes:					
Finance Director certifies that funds are available:					
Signature: <i>Cheryl Fournier</i>				Date: 3/15/17	
Comments: The City is over on their fund balance policy.					
<b>Approved by City Council</b>			<b>Date:</b>		

**C. DEVELOPMENT DISTRICT AND TAX INCREMENT FINANCING GUIDELINES**

The City of Saco’s existing Tax Increment Financing Guidelines were adopted by the Saco the City Council on June 19, 1997 and readopted without Amendments on August 1, 2005. Since then there have been several changes and enhancements to Maine law relating to DEVELOPMENT DISTRICTS - [Statute: 30-A M.R.S. §§ 5221-5235](#) also referred to as Tax Increment Financing (TIF) Districts.

Attached is a revised set of Guidelines for the City of Saco’s Economic Development Commission and the City Council to consider. These revised Guidelines reflect the status of current statutes and set forth a path to greater utilization of Development Districts to maximize the retention of local property tax revenues within Saco for appropriate and allowed uses within our community as well as continued utilization of Credit Enhancement Agreements when and where circumstances warrant such use.

This matter was discussed in Workshop sessions with the Saco City Council on December 19, 2016, January 9, 2017, and January 17, 2017. The matter was also reviewed by the Saco Economic Development Commission on January 4, 2017. Exhibit Item 1 below has been updated to reflect the input provided at the aforementioned meetings.

Councilor Minthorn moved, Councilor Doyle seconded “The Saco City Council hereby ordains and approves the

document titled ‘Development District and Tax Increment Financing (TIF) Guidelines’ dated April 3, 2017.’

AMENDMENT #1 – (P. #9 Footnote #1) - Councilor Cote moved, Councilor Doyle seconded to amend the paragraph by deleting the words “Super Majority” and replacing it with “five (5) votes of the City Council”. The motion passed with seven (7) yeas.

AMENDMENT #2 – (Page #4 Roman numeral #i) - Councilor Cote moved, Councilor Johnston seconded to add “the Economic Development Commission”. The motion passed with four (4) yeas and three (3) nays – Councilors Doyle, Roche and Minthorn.

Economic Development Director William Mann noted that effectively the Council collapsed 3 items into 2 items so when we amend it we will essentially eliminate the middle item and change the first item to up to \$25,000 will require EDC approval and anything above will require Council approval.

Mayor Michaud had an editorial comment on the structure of the document. On page #4 you have “Commercial/Industrial Development Projects” I would suggest this be revised to show “grant approval process” because this really follows a grant approval process to be laid out. Add the wording in just to make the document clearer.

Mayor Michaud called for a vote on the main motion with the amendments. The motion passed with seven (7) yeas.

#### **VIII. COUNCIL DISCUSSION AND COMMENT**

- Councilor Precourt – Impact Fees – This is something we really need to address in order to get commercial development throughout the city. We have been complaining about it for awhile about how the impact fees are hammering business potentials in this area. This need to be address somewhat expeditiously. City Administrator Kevin Sutherland noted that just by passing those guidelines you gave us a way to help create a grant program to offset those costs. Councilor Precourt noted that the user fees are another form of fees as well. City Administrator Kevin Sutherland provided 2 scenarios based on the TIF guidelines that were just approved: 1) Restaurant – End up with \$11,000 in local fees/expenses. The way this is written that food establishment they could get up to 80% of that local expense covered with their future district value and 20% they have to cover. So now you have made it an incentive to come to the Saco Downtown. 2) Large scale Commercial/Industrial Project with a \$10 million budget they have \$900,000 in local expenses the maximum grant would be \$750,000. So the developer is still responsible for some portion of it and responsible for any future dollars but it is paid for from the future tax dollars. So within 3 years you have already recovered that and every dollar beyond that will go right back into the community.
- Councilor Roche – Budget Discussions - Fellow Councilors should look at the restrictive cash and look at the fund balances and how they have grown. Try to understand when sitting down with city officials where that comes from. I did witness on TV on Mondays’ Council meeting about the money that was carried over encumbrances that was focused on June rains that delayed projects into July but that is not what I was talking about. June rains is minimal compared to the money that was discussed in the encumbrance account that was still in there and in the budget numbers going into the start of this calendar year. I want to spend the time this week to understand the balance sheet and city down with the city and try to understand more of this because it is not about June rains.

#### **X. ADJOURNMENT**

Councilor Minthorn moved, Councilor Doyle seconded to adjourn the meeting at 7:32 p.m. The motion passed with unanimous consent.

Attest: \_\_\_\_\_  
Michele L. Hughes, City Clerk