

MINUTES
FREEPORT TOWN COUNCIL MEETING #06-19
FREEPORT TOWN HALL COUNCIL CHAMBERS
TUESDAY MARCH 5, 2019

Council Chair Tracy announced that tonight we are pleased to start out with a special presentation which is our Citizen of the Year presentation. She explained that the award is given to a Freeport individual or community group that has substantially contributed to the quality of the town, the well being of its citizens and the reputation of Freeport and has caused immeasurable improvement in the circumstances of a significant number of townspeople. Tonight, we are here to honor a very special citizen and to do that, she introduced Councilor Horne who will be making the presentation. He is Chair of our Special Projects Committee.

Councilor Horne introduced Beth Edmonds and explained that she and her husband, Dan have lived in Freeport since 1978 and from that time forward she has continually shown her commitment to the well being of the town and its citizens. He listed all her accomplishments and was proud to present her with this year's Citizen of the Year Award.

Senator Brownie Carson presented Beth with sentiment from the Maine 129th State Legislature. Also sharing comments were: Council Chair Tracy, Tom Bull, Melanie Sachs and sister Lynn Edmonds. Beth explained that Freeport has been an immense support to her and the town has provided money to build great schools, a great library, make places for people to gather to support other people and always with an open heart. She thanked everyone for giving her the opportunity to do things she has been able to do.

	PRESENT	ABSENT	EXCUSED
John Egan, 38 Curtis Road	x		
Scott Gleeson, 23 Park Street	x		
Eric Horne, 62 Pine Street	x		
Henry Chip Lawrence, 93 Hunter Road	x		
Douglas Reighley, 2 Harbor Ridge Road	x		
Sarah Tracy, 2 Pettingill Road	x		
Tawni Whitney, 56 Baldwin Road	x		

Chair Tracy called the meeting to order at 7:05 p.m. and explained to the public that the Council just concluded the ceremony for Citizen of the Year, Beth Edmonds. She took attendance. All Councilors were in attendance as well as the Town Manager Peter Joseph.

FIRST ORDER OF BUSINESS: Pledge of Allegiance

Everyone stood and recited the Pledge.

SECOND ORDER OF BUSINESS: To waive the reading of the minutes of Meeting #05-19 held on February 26, 2019 and to accept the minutes as printed.

MOVED AND SECONDED: To waive the reading of the minutes of Meeting #05-19 held on February 26, 2019 and to accept the minutes as printed. (Reighley & Gleeson)

VOTE: (7 Ayes)

THIRD ORDER OF BUSINESS: Announcements

Chair Tracy announced:

- There will be a **Public Information Session on Ticks & Tickborne Infections**, on Tuesday, March 12, 2019, 2:30 PM—3:15 PM, Freeport Town Council Chambers. ticks have the potential to be a lot more than a nuisance, since they can carry potentially deadly diseases. Even when these diseases aren't fatal, they can cause a variety of unpleasant symptoms that can require long-term treatment, and ultimately affect one's quality of life.
Presenters: Emer Smith Maine CDC Field Epidemiologist for the Cumberland county district and Kristine Jenkins, District Public Health Liaison
- **Districts 3 & 4 Workshop with the Town Council** will take place on April 23rd at 6:30 p.m. at the Freeport Community Center. The Regular Town Council Meeting will follow the workshop.
- **The Annual Orientation for Board & Committee Members** will be held on Tuesday, April 9th from 6:00 p.m. -7:15 p.m. in the Town Council Chambers. Topics to be covered include the Freedom of Access Act, the Public Notice & Meeting Process and administrative duties of Committee Chairs and staff persons. All Board and Committee members are encouraged to attend this session.

FOURTH ORDER OF BUSINESS: Information Exchange

Mr. Joseph explained that he just received notification from the Sustainability Advisory Board Chair Josh Olins, who is here in the audience, about their hosted talk on March 11, 6:30-7:30 p.m. in the Community Center. The speaker is going to be Lucy Burkett, Truth About the Birds and the Bees, Native Plantings and Gardening to encourage birds and pollinators. It has been a successful program that they started at the first of the year. Free appetizers and refreshments from Maine Beer Company and Wealden Farm, native snacks all around. He encouraged everyone to attend.

Councilor Gleeson announced that the Municipal Facilities Committee met this morning with him, Councilor Whitney and Councilor Egan. They have finalized the rfp for the Bartol Library and will run it by one other individual in town to have a quick review and they are hoping to get it out later this week, possibly on Friday. The final waiting process went really well. They are all in agreement with having a good economic value of weight as well as a diverse use that would benefit the Town. Their biggest hope is that they will get multiple applicants to review. They will see over the next 30 days. FEDC met a week ago and they are also looking forward to working with them to assist in finding a person during this rfp process as well. Everything is Bartol right now but is going well. Chair Tracy explained that this is the former Abercrombie building which is vacant and we are looking for proposals to make use of the building. She asked the Committee to get the word out that we are looking for new and interesting proposals for the use of that space.

Councilor Reighley noted that this morning Traffic and Parking met and they seem to have a very streamlined approach to things now of having one thing pass through a meeting. It is very positive. As a result of this they also had input from Traffic and Parking members to be presented at a joint meeting on Thursday of the Traffic and Parking and Active Living Working Group. The Council can look forward to hearing more about this at the next Council meeting.

COUNCIL MEETING #06-19
MARCH 5, 2019

Chair Tracy reported that the Appointments Committee interviewed candidates for the Planning Board. They had a really strong slate of candidates that were really interesting. The selected nominee is on the Consent Agenda. She was encouraged by the caliber of people who want to volunteer for the Town and appreciate them putting themselves forward to volunteer in these positions.

FIFTH ORDER OF BUSINESS: Town Manager's Report

Mr. Joseph reported on the proceedings on the Cousins River Bridge project that he and Councilor Horne have been on the Advisory Committee as well as Andy Spaulding, the Chair of Active Living. This Advisory Committee is comprised of three residents of Yarmouth and three from Freeport. They are meeting with the MDOT and their design contractor in an engineering firm that they are working with on the bridge replacement process. The project has been pushed out a little further, maybe half a construction season or perhaps a construction season, than they thought it would be at this point. They have seen preliminary designs. They were presented with three options at the last meeting. The biggest difference between these options are the alignment left to right of the bridge, the phasing of the traffic and the way it is maintained. One of the options would build a complete bypass with a temporary road around it to maintain traffic. Another option would offset the bridge slightly from where it is now and maintain one lane of traffic and then two lanes of traffic for most of the construction process. One lane would be during the winter months when it is slow and the other one would be directly on center to where the bridge is located now would maintain one lane of traffic only for the whole construction process including the summer season. The preferred alternative without looking at the final cost that everybody in the room agreed on was the method that would have one lane of traffic for the winter time and then maintain two lanes of traffic slightly offset of the current center line. MDOT wants to investigate the one that would be widely offset so it is 17' offset and 9' offset between the two projects. The on-center line option was ruled out because it would be overly costly and also the temporary construction of a road around it had severe wetland impacts and overall complication. Part of what is driving some of these conversations are concerns of abutting business owners in Yarmouth where there would be three businesses within the construction zone which would be the hotel behind the Muddy Rudder, the Muddy Rudder and Day's Take-out. He is sympathetic with the impact that would shut down those businesses at certain times of the year when they are not planning to be shut down. MDOT is balancing some of those concerns in addition to the width of the project, the alignment of the project, the overall cost of the project, the scope of how much it has to get into the river, wetland changes and impacts so there are a lot of moving parts here.

MDOT is analyzing two options at this point in time and will rate them based on cost. We will probably see if one is more convenient but it costs more then we will have to do some hard answering of questions of whether or not it is worth the extra money to minimize disruption with the adjacent businesses and also commuters. Lots of moving parts but MDOT is not near the decision-making point. We are not even at the point where they are discussing cost shares with the Town. All of the designs show some fashion of a dedicated bicycle/pedestrian facility, a dedicated path connected to the bridge. They have not talked with us about cost share although they will do that before the Advisory Group meetings are over. We don't know what portion of the total project they will ask the towns to pay for if it goes forward as proposed. It is likely that there will be something there. MDOT has a finite amount of money to put toward the project. Mr. Joseph cannot comment on the scope and magnitude of that, if it's a few dollars or a million dollars. We don't know at this time. When they do know, they will come back to the Council and it will be the first thing they talk about. We don't have a number in the Capital budget. He will continue to update the Council. He mentioned that construction could start as early as this winter/fall or the year after. They are planning on a winter start but have not committed to which calendar year that project will fall into.

COUNCIL MEETING #06-19
MARCH 5, 2019

Mr. Joseph mentioned that posted roads are in effect and he has been receiving a lot of calls. When road postings are in effect, it is done to protect the road base and is typically done in the spring when the road bed heats above freezing. Heavy loads going across a road when the road bed is unstable in terms of freeze/thaw/water underneath the road from melting snow will crack the pavement easily. The inquiries we get is when a resident sees a heavy truck driving down the road and report it to the Police Department so they can go and ticket those people. Even though the road is posted, vehicles are provided with permits to run over the roads from the Public Works Department at certain times when the road conditions are stable. For example, this week when it is going to be in the 20s and most of the day will be in the zeroes or teens. Those are times when Public Works will be more lenient in issuing permits. It is not a whim. Sometimes we don't know and some people violate that. If anyone has a question, he encouraged them to call the Public Works garage or Town Hall. We can look up to see if a permit was issued during these times.

If there is a situation where someone doesn't have a permit, they would like to hear that too so they can have a conversation with that contractor on the rules.

SIXTH ORDER OF BUSINESS: Public Comment Period – (30 Minutes) (Non-Agenda Items Only)

There were no public comments provided. The Council moved on.

SEVENTH ORDER OF BUSINESS: To take action on the following items of business as read by the Council Chairperson:

ITEM #39-19 To consider action relative to adopting the March 5, 2019 Consent Agenda.

BE IT ORDERED: That March 5, 2019 Consent Agenda be adopted. (Reighley & Lawrence)

Chair Tracy reviewed the items on the Consent Agenda for members of the public.

VOTE: (7 Ayes)

ITEM # 40-19 To consider action relative to the Fiscal year 2020 tax due dates and interest rates.

BE IT ORDERED: That one-half of the fiscal year 2020 committed taxes for real estate be payable on November 18, 2019 with interest at the rate of .74 per month or 9% per annum, to be charged from November 19, 2019 and that the second half of the fiscal year's 2020 committed taxes for real estate be payable on May 18, 2020 with interest at the rate of .74 per month or 9% per annum, to be charged from May 19, 2020.

BE IT FURTHER ORDERED: That the fiscal year 2020 committed taxes for personal property be payable on November 18, 2019 with interest at the rate of .74 per month or 9% per annum, to be charged from November 19, 2019.

BE IT FURTHER ORDERED: That an interest rate of 0% per month or 0% per annum be established for overpayment and/or pre-payment of taxes. (Whitney & Reighley)

COUNCIL MEETING #06-19
MARCH 5, 2019

Finance Director, Jessica Maloy noted she did not have anything to add. This is just establishing what we are able to charge for delinquent taxes and is in line with what the State allows for the maximum delinquency rate.

VOTE: (7 Ayes)

ITEM #41-19 To consider action relative to the proposed Capital Program for FY2020.

BE IT ORDERED: That a Public Hearing be scheduled for April 2, 2019 at 6:30p.m. in the Freeport Town Hall Council Chambers to discuss the proposed Capital Program for FY2020.

BE IT FURTHER ORDERED: That copies be distributed equally between the Town Clerk's Office, the Town Manager's Office and the Freeport Community Library for inspection by citizens during normal business hours and the notice be placed on Freeport's local cable channel 3 and the Town's website. (Gleeson & Lawrence)

Finance Director, Jessica Maloy did not have anything to add. This is setting a public hearing. Chair Tracy mentioned that by the time the Council gets to the public hearing, it should be able to get through the Capital Program and have a better familiarity with it and that process will start next.

VOTE: (7 Ayes)

OTHER BUSINESS:

1.) Presentation of 5-Year Capital Program.

Chair Tracy explained that this is the first year of the 5-Year Capital Program and will be our actual Capital Budget when we get all the way to the end. Ms. Malloy generally starts us off with an overview and then we will have several meetings where we will be able to ask questions and we will have our department heads come in and explain items.

Ms. Malloy mentioned that this is the kick-off of the 2020-2024 Capital Planning Process for the Town. As a reminder, the definition of the Capital items we historically have adhered to is defined as an item with a depreciable life of more than one year. These items are commonly \$5,000-\$10,000 in value or greater. They are typically non-routine purchases or projects. If we were to account for these in the General Fund, we would see large swings in the tax rate year over year which is why we established the reserves. The goal of the Capital Planning Process is to ensure that equipment and projects are planned for in advance and we reserve appropriate levels of funding to avoid having to borrow or issue debt and to be proactive in replacement rather than waiting and experiencing down time or increased maintenance costs. It is just maintaining our infrastructure. In summary, 2020 is year one of the plan. We are looking at a total manager proposed Capital Program of just over \$1.1M with \$151,000 coming out of Destination Freeport TIF leaving the other reserves to pick up \$987,000. She gave a comparison, she dropped to the bottom of the screen and explained that five years ago when FY20 first came on the Five-Year Capital Plan, back in 2016, we were at \$2.3M in need at the time that they were projecting and now we have come down to the \$1.137M we are bringing to the Council today.

She showed the unaudited December 31, 2018 Reserve Balances. Typically, we are adequately funded when the reserve balance is in between the low or high benchmark or above the high benchmark. This

COUNCIL MEETING #06-19
MARCH 5, 2019

varies whether it is low or high depending on what is actually in the plan. She used to be able to say that the low benchmark is your five-year amount in that reserve and the high benchmark is the 20% of the twenty-year but it flip-flops depending on how the Capital Projects fall. In Comprehensive Town Improvements, there is more road work that is projected in the five-year plan than we do in total for the 20-year plan. We don't have large road reconstructions every year so your high benchmark is actually the five-year total.

Mr. Joseph advised that the easiest way to think about it is the low benchmark is the lower of the two and the high benchmark is the higher of the five-year average or the 20-year average adjusted for five years. That covers pretty much all scenarios when you look at it that way. He mentioned that Ms. Maloy pointed out the nice little circle of \$762,000 from Comprehensive Town Improvements Reserve. This is something we have noticed the past two years. It was significantly low on benchmarks last year. Since that time, we are all aware that we have had a couple of hits to the capital reserve funding mechanism and we are going to be down a few hundred thousand dollars at least in revenue to Capital Reserves. Those are lease money from the Bartol Building and parking leases which we are expecting a decrease due to the reductions that have happened. The reductions in parking requirements enacted by the Council will be coming into effect in the next couple of weeks. We are expecting over the next 6-12 months the lease of parking spaces, essentially renewals to go anywhere from half to zero of what they had been. That leads us to the fact that neither he nor Ms. Maloy forecasted the \$762,000 number to miraculously fall within those two benchmark numbers the Council is looking at in the next five years. It does not mean that we are in a crisis this year and that we don't have money for Comprehensive Town Improvements but it does mean that what we have in the plan right now for the next five years, we don't have the mechanism to fund it. For the next five years, and also the next twenty years, we are not forecasting that we will be able to have a magic bullet that will make that \$762,000 fall between \$1.6M and \$1.9M.

Councilor Horne asked when the shortfall actually hits, is there a particular year where there is a road project that is coming due where the funds just won't be available or is it spread out over multiple projects? Mr. Joseph advised that he could not give an exact date but if we spend \$300,000 this year, we will refund some of the money into the reserve. It will replenish slowly but it won't go away. Ms. Maloy advised that the critical point is probably going to be in year four of the five-year plan. It will not go to zero.

Chair Tracy explained that some projects may not be able to be funded out of cash. Some towns decide to bond for projects at low interest Municipal bonds. We haven't typically done that but it is not abnormal for towns to do that. She is not saying we should but is just explaining another option. Mr. Joseph noted what is less than normal is having everything saved in cash but he is not saying we should do that either. He feels it saves us money in the long run to have a savings account where we spend our own cash on things as opposed to borrowing. Ms. Maloy noted there are still appropriations that go into reserves that will help balance that. By year four there is still funding that occurs depending on those funding levels and how the allocation is split will determine how soon that happens. In January 1018 she came to the Council and we appropriated just over \$500,000 to Comprehensive Town Improvements and \$100,000 went to Fire. They both had large infrastructure needs coming up in the next 5-7 years. Historically, the savings that have occurred through the Operating Budget typically then puts our Fund Balance above the level of our policy and she comes to the Council and says "we are over 1.5 months allotment of Fund Balance and the recommendation is to move the money into reserves and that has happened 2 or 3 times since she has been here. She said, "let's leave it as a known overage in Fund Balance to help reduce the tax rate." It can go either way.

Mr. Joseph mentioned that the Council Chair brought up a good point and it is not just bonding. We actually have three mechanisms and one Ms. Maloy just described which is essentially excess Fund

COUNCIL MEETING #06-19
MARCH 5, 2019

Balance at the end of the year, if we underspend our budget which we always strive to do. We try to get Department Heads to spend as little as possible. To give them credit, they do not go out and spend every last dime because it is going to go away at the end of the year. There is a chance that it will be recovered if the Council agrees and we can put it in the reserve funds to be used for long-term projects. He gives them full credit in that regard. Option 2 is bonding which the Council Chair mentioned. He already mentioned the Cousins River Bridge but there are two potential projects at Exit 20 and Exit 22 and we are not anywhere near the discussion of whether there is going to be a Municipal portion or cost share. Those are two large things in Comprehensive Town Improvements that would be targeted out of that Fund. It might be appropriate for large projects to put them to bond which involves putting the question to the voters if the project should be approved for a long-term bond. We will have to look into the interest rates and the market at the time and what it will cost to borrow the money and the length of time. Option 3 which deserves consideration, is whether or not we appropriate money during budget each year to be raised from taxes to go into reserves. So, savings not from excess or revenue sources like leases, ambulance revenue, building leases could be used but essentially say, we are going to raise x hundred thousand dollars through taxation this year and put it into a reserve fund. That gets to the point that we are just trying to even out the budget. We set a rational amount each year that we can stomach and save it. It would avoid a fifty-cent hit on the tax rate by doing ten cents every year for five years.

Mr. Joseph explained that reserves are savings accounts. We have this big cost coming up and we need to sock aside x thousand dollars a year. When they were started years ago, we said we have to buy a \$50,000 fire truck, let's save \$2,000 a year for 25 years or something like that. That has evolved today in capital planning programs which we do and pretty much every other city and town in the state does. Those are the three ways we can get around that problem and he does not want to make it sound like this is a crisis. He wanted to raise the yellow flag at this time. It is not the end of the world but it means that there may be a tax impact to a lot of the decisions we are making. In the next 3, 4 or 5 years, we may have to make decisions, not this calendar year, but in a couple of fiscal years, that will affect the tax rate for Capital Planning Processes. It is not a red flag. He would call it a yellow flag.

Councilor Reighley asked for a comparison of tax rates of the neighboring towns so we can see where we fall. Mr. Joseph advised that he could provide one now but the problem is everyone is adopting budgets and then they change their tax rates. It will be the current year and not moving forward.

Councilor Egan asked Ms. Maloy what is the capacity of Council authority for moving reserve amounts around? Ms. Maloy advised that there is capacity there. She assumes he is looking at the Rescue line. The Rescue Reserve typically has an earmarked source for their reserve. It is based on the NET runs and the billing revenue which is why that reserve is greater than the other ones. That has been designated by Council in the past as a specific restricted reserve but those appropriations can certainly be amended by Council. The policy currently stipulates that anything that comes in above a certain threshold due to NET runs and billing or emergency billing gets put specifically into the Rescue Reserve to replace the Rescue units. Councilor Egan asked if there is precedent for Council re-allocations? Ms. Maloy advised that there haven't been any re-allocations since she has been here but it is the prerogative for the Council to do so. Mr. Joseph advised that it is completely within the legal authority of the Council to do so. He feels in the next couple of years he will bring some recommendations to the Council on how to re-allocate revenues. Moving accounts around does not get us to the point where we will have enough money to meet our long-term 20-year obligations or even some of the five-year obligations in here but it will help close some of the gaps. Councilor Egan advised that he wants to look at this before recommending any tax increase.

Councilor Horne asked what are the assumptions Mr. Joseph makes on the revenue side for future income? Mr. Joseph noted that it is tax revenue, motor vehicle registrations, State Revenue Sharing, and

COUNCIL MEETING #06-19
MARCH 5, 2019

we will see them more in the Operating Budget discussion. These are fairly predictable. The ones that go away in the middle of the year obviously can't be predicted. When they are there and behaving as they should, we see trends that are fairly stable like Rescue revenue, some real estate leases. Ms. Maloy explained that the operating impacts being referred to, the Council hears about those when she comes mid-year and says we have done our audit and this is where we ended up. We have excess fund balance and the recommendation is to transfer that money to reserves. Those are where those fluctuations fall out. Mr. Joseph noted that everything is connected and we have a bunch of pockets. You are essentially taking Operating Revenue and if you decide to move it into reserves, you are saying move it over here to spend next year as opposed to putting it back and using it to pay down the tax rate next year or something like that. There are a lot of good points that have been raised.

Councilor Gleeson looked back to 2016 and we had a lot of headwinds. We have been hit as far as Revenue Sharing which started way back and we have had NET which caught us on our heels a little bit when we had Parkview shut down. For now, we have the loss of revenue from Bartol and lease spaces. We are talking about a half million dollars difference and it is really out of our control. Some of these we may get back with Bartol. Mr. Joseph pointed out the fact that he is here talking about something of concern four years in advance should tell us that we are planning in advance and it is a good thing. In the past there was a responsible attention paid to budgets and long-term planning. Because of the work that has been done by people before us, we are in a position where we are worrying about what will happen four years from now. There are cities worried about what is happening this year and asking why is our tax rate going up by \$1.50. This is the whole point of the Capital Program is that it lets us cushion and plan for changes years in advance. Ms. Maloy pointed out that we will be debt free, bond free in 2023 but Mr. Joseph noted there has not been a new bond where we actually borrowed money and agreed that we are virtually debt free compared to other municipalities. He pointed out the Trend Chart and explained it. He gave credit to Ms. Maloy and the Department heads. They put their heads together with him and they responded well and stepped up to get to this level. It's been a real team effort.

Councilor Reighley explained his relationship with GPCOG allows him to listen in on Councilors from various towns who are pulling their hair out trying to plan one year of a budget. Mr. Joseph mentioned that we should be concerned but not be panicked. We may get to the point by adjusting some of these long-term Comprehensive Town Improvement costs by either pushing them off, rethinking or looking for other sources of revenue where we can get that \$1.6M and \$1.9M benchmarks down to a point where we can fund them but it will take a lot of effort. They are road projects, bridge projects.

Ms. Maloy explained the reserves:

Police Department – we are looking at \$110,000 for K-9 SUV and changeover equipment, New patrol SUV and changeover equipment, Special Enforcement Boat and Motor and Bullet-proof Vest Replacements

Fire Department –

Rescue Unit - \$285,000 – Rescue 5 Replacement, Office/Dormitory Improvements

Public Works - \$150,000 – Truck Chassis Replacement (Single Axle, Plow & Wing) (Truck 9)

Solid Waste/Recycling - \$17,000 – Replace Bulky Waste Containers

Comprehensive Town Improvements - \$220,000
Paving Public Works Rear Parking

COUNCIL MEETING #06-19
MARCH 5, 2019

Concord Gully Brook Watershed Restoration
Percy, Pownal, Pratt Road Reconstruction (not the State owned portion) Need to have a discussion with State officials and Griffin Road as well.
Replace 2 Culverts

Councilor Egan asked does the proposed work for this coming fiscal year get us into compliance with the violation that we have of the impaired water shed right now or do we have more years of doing reparations? Mr. Joseph mentioned that this is the start. We are in negotiations with the EPA right now on the issuance of that permit. Early indications are that this is the tip of the iceberg in terms of watershed reparations. They are asking more work than this be done. They are compromised for various reasons. They are asking that the towns take steps to identify each of the failures of the watersheds such as bacteria, chloride, and impervious cover. That is not finalized. We are in negotiations with the other fourteen communities in the area, the federal government and the State. Councilor Egan noted that we are spending Capital dollars to fix an urban impaired stream.

We have two urban impaired streams, Frost Gully and Concord Group and there are various reasons why they are considered impaired. We would be implementing best management practices to try to address each of the impairments. Chair Tracy noted there is a dollar price tag associated with each failure And each cause.

Municipal Facilities - \$83,550

Town-wide Computer Upgrades
Town-wide Furniture
Voting Booths
Digitization of Files
Stain/Paint Exterior of Library Siding
Revaluation Reserve Fund

Councilor Egan asked about a modest consideration for work done on soil upgrades on Hunter Road Fields. Mr. Joseph noted he has had conversations with the RSU5 about possibly sharing some of those upgrades and he doesn't think they will rise to capital level in either of the budgets. We are in the preliminary stages of that. We may see a small operating adjustment in one of the departments to compensate for that. He and the School District do not believe it will get into the \$10,000 range. This is for reseeded and medium-term fixes as opposed to big picture fixes.

Cable - \$58,600 - HD Equipment Replacement – LED Lighting, Channel 14 Equipment and other improvements

Boards, Committees - \$62,575 – Florida Lake Bog Bridge Replacement and PPI Grant Match Rt. 1 South Bike/Ped Trail (memo in packets)

Destination TIF Village Improvements - \$151,000

8 Sidewalk Ramp detectable panel replacements
Sidewalk – School St -SW side, Main to Middle St. (4,500 sq. ft.)
Freeport Economic Development Corp. Appropriation

Ms. Maloy noted the Council will be having its next workshop in two weeks followed in one month by the Public Hearing. Chair Tracy requested that Councilors please review the Capital Plan and e-mail any questions to Peter Joseph, Ms. Maloy, a Department Head if applicable and her. They will collect and get the answers and Mr. Joseph will then e-mail all the answers out to the entire Council so it will be

COUNCIL MEETING #06-19
MARCH 5, 2019

operating with the same information. We will be starting to meet with Department Heads and to the extent that a Councilor knows he or she has a question, it would be helpful to ask it of the Department Head in advance so they come armed with the information and describe it to you as opposed to saying "I'll go back and get it to you." That is the ideal way to approach this but understand if someone has an epiphany on the dais and you are welcome to ask questions then, too. Chair Tracy asked for a written copy as well as an electronic copy.

2.) Discussion regarding Recycling contamination concerns Town Engineer, Adam Bliss

Chair Tracy explained that this was a discussion that was started last week. We had a pretty lengthy discussion about upcoming issues with respect to the collapse of the recycling market and increases in recycling charges, regular contamination particularly at certain single-sort recycling sites in Freeport. We asked our Town Engineer, Adam Bliss to come back to us with some proposals so Councilors do have a memo that they just received tonight called Recycling Contamination. It has options on Page 3. She feels this is important and suggested going over it at a high level and then get into discussion with additional questions.

Adam Bliss, Transfer Station Director mentioned that this was talked about at last Tuesday's meeting and the action items taken away from that meeting were:

1. To develop options on how to address contamination in the silver bullets, not with curb side collection.
2. To develop some costs associated with those options and look back at what we have historically paid for recycling contaminated fees. He has all that information.

Before launching into options, he wanted to address the contaminated recycling fees question. 1) is an update. Ecomaine started evaluating and reporting contamination on May 14, 2018 so our data goes back about eight months now. When we started getting hit with fees was January 1, 2019 so we have not been paying fees prior to 2019. The other piece of that is how much do we pay for curb-side collection contaminated fees? He gave a number of around \$10,000 at the last meeting. We don't have a year's worth of data so he is predicting that it is \$5,000 to \$10,000. He does have the months of January and February 2019 and one of those months was not a kind number. It was almost \$1,000 for just the contaminated fee for curb side (private haulers). He mentioned that it would not be accurate to multiply one month times twelve because there are seasonal fluctuations, holiday, summer, etc. Since we started being charged, January was \$989 for private hauler and February was \$500.

Chair Tracy's comment on that is that we need to get our Ordinance in place immediately. Mr. Joseph advised that he has it cued it up to be on the next Council agenda to set a public hearing on it so as long as we are good to go ahead. He assumed he would get that direction tonight. \$10,000 is expected if we let it run for the year without doing anything. Chair Tracy mentioned that by the time we talk about it next time, it would be good to know from our Town Attorney whether we can retroactively apply costs starting from January 1, 2019. Mr. Joseph agreed.

Mr. Bliss advised that the other action was to develop a little table of options. Councilor Horne suggested thinking outside of the box and come up with a table. Put some thought in it – pros and cons and Chair Tracy reinforced that with some rough costs. He referred to the table containing ten options. He provided some focused recommendations with the focus being the removal of the two highest contaminated container sites. The reasons are that we have two locations that generate a lot of trips and a lot of contamination and the presentation he gave last week supports that recommendation. The two sites he is recommending are Doherty's Market and West Street, which is the Public Safety location. There are a lot

COUNCIL MEETING #06-19
MARCH 5, 2019

of conflicts with people dropping off recyclables with Public Safety vehicles let alone the maintenance of windblown litter, etc.

Chair Tracy asked Mr. Bliss what his top recommendations are. He explained that he tried to order these from the highest recommendation to the lowest which is do nothing. Do nothing is not a good option. There are no pros. Costs will increase and carries an annual average of \$10,000 cost. The highest recommendation would be to remove two of the contaminated containers which he just mentioned. Option 2 would be to remove all container sites and somewhat related to that would be to remove all and relocate one or more to the Transfer Station. That is a more involved discussion because it means we would have to change our operating hours slightly such as go to six o'clock one night a week or open it up on a Tuesday and also adding a staff person. What he has not mentioned is that all our trips to ecomaine carry an average of \$100 a trip charge. At present we pay zero dollars to tip a load for the transportation. For the four silver bullet recycling container sites alone, it costs \$60,000 just in transportation charges.

Chair Tracy mentioned that from our conversation last time, the incentive for going to a single-sort recycling container like the one we have at the Transfer Station that actually compacts, so when you are transporting, you are actually transporting more recycling. If we were to go that route, she asked Mr. Bliss what would our annual transport costs be and weight? Mr. Bliss did not have that prediction but can give her a baseline. We bring one compacted container from the Transfer Station every other week so that is 26 trips per year and is a relatively low cost for the Transfer Station. Mr. Joseph advised that typically the silver bullets are hauled two or three times a week per each location which is eight to twelve hauls per week through our town for the four locations. There are four tons in a fully compacted container from the Transfer Station and maybe one-half to one-ton average per silver bullet so at least five times the weight per haul so one-fifth of the trips for the same amount of weight. We could essentially save five times if we compacted it instead of using silver bullets.

Mr. Bliss advised that there is precedent among other communities such Portland, Augusta, Manchester and Yarmouth staff has received direction from their Council to remove silver bullets. While it has not happened yet, that is the direction they are going. The precedent to remove silver bullets is because of this contamination problem.

Chair Tracy explained the process she is envisioning is to have Mr. Bliss get out the most important points and then to start talking. We are going to talk about some near-term action and probably talk about another discussion point for some higher-level drastic actions that the Council wants to take but she doesn't think we should take them tonight without notice to the public.

Mr. Bliss ruled out what he thinks should be crossed off the list. That would be do nothing, reducing opening sizes, installing security fencing and cameras because it is a relatively high Capital cost and he feels won't be effective. A fence still provides a dumping ground and security cameras at \$2,000-\$5,000 per camera, and go back and review hours and hours of footage to identify a violator for a small fine, the cost benefit analysis just does not make sense and there is no guarantee you will see a license plate to make an identity. Mr. Joseph mentioned the cost problem to us to install a \$60,000 solution or even a \$20,000 solution we should be looking at something more cost effective to fix a \$10,000 problem.

Chair Tracy wanted to provide another perspective. Yes, with respect to the contamination that is a \$10,000 or \$15,000 problem, but what has become clear over the course of this discussion is that for the cost of approximately \$60,000 a year we are transporting empty steel buckets down to Ecomaine that could be more efficiently transported and we are doing that, not only as a free service to our residents, but as a free service to all the surrounding towns who might be commuting through our town borders plus we

COUNCIL MEETING #06-19
MARCH 5, 2019

are subsidizing the private haulers for curb-side pick-up. At a cost to our taxpayers of a significant amount she thinks we need to have a policy and values discussion about yes, it is important to recycle; yes, we have to figure out how to encourage it but also, we need to have a realistic discussion about what this community wants to do with respect to subsidizing things that people maybe should be helping with.

Councilor Reighley mentioned that at the South Freeport Village Store, there are about 64 tons that gets picked up there in 100 plus trips so there is maybe 1,500 lbs. in the container whereas the Transfer Station transports about 8,0000 lbs. in 26 trips. Councilor Horne asked if in the history of Ecomaine where we have profited from the recycling markets and actually gotten head of the game? Right now, we are not making money, we are spending it. Mr. Joseph mentioned he can look at the rate but the overall burden on Freeport has been much less in the past because we were charged less. We have never net made money off Ecomaine but there have been tons of operating revenue at Ecomaine that has offset their costs due to recycling.

Councilor Horne explained that residents are using these facilities and if they continue to do so and if the market corrects, he would hate to leave on the table years of education and investment in a system that has worked in the past and may potentially work in the future. Chair Tracy did not want to minimize the environmental value of recycling and understands that if we were to take away the silver bullets, some people would say, forget it, I am not recycling. Mr. Joseph added that when the prices come back up, the changes that have been made in terms of contamination, meaning overseas buyers have really choked down on what they will accept, 2.5% for China purchasing recyclables, he doesn't see that ever going back to, oh we will just take 10% of contaminated recycling. Everything Councilor Horne has said is right but we still need to address the contamination issue and then if we do that, we will be in a much better position when the markets do rebound. Ecomaine as a whole will profit more and will have more profitable sources of where to sell their recycling. He does not see the contamination standards loosening in the near future. It has been a globally escalating concern. Councilor Horne felt this made sense but it also told him we should up our game. We should figure out a way to recycle in a way that will work.

Mr. Bliss pointed out that he has identified a lot of these issues. One way to up our game, like other communities, is to direct people to the Transfer Station where there is a controlled, monitored system that works. In reviewing the data, it is actually a little less than 2% when he removed two incorrect coded trips so the contamination level is down to 1% which is remarkable. To make that happen, you could use the same container but increase trip frequency. To do that we would really need another staff person and it may come as a shock to the Operating Budget to address this problem, but when you consider \$60,000 for trip charges alone for the four container sites, that offsets that position. Mr. Joseph mentioned that it could be reduced to \$10,000-\$20,000 in hauling fees if it was compacted. Mr. Bliss advised that removing the two container sites at Doherty's Market and West Street would save \$33,000 just in transportation costs.

With any change, there will be some unintended consequences. Maybe people will go to private hauler or maybe instead of stopping at the Police Station on their way to Portland, they stop at Hunter Road. We could see Hunter Road go up if we don't do anything there but we would certainly see Public Safety go down.

Councilor Reighley mentioned the Transfer Stations has manpower and they can compact but it is not the same silver bullet out there. If we were able to do the same type of container at the Hunter Road facility, and if we did the same type of container at the South Freeport Village Store, we could effectively eliminate the others because it is travel time distance and equal to get to these places from Doherty's Store and the Transfer Station but you still have to have someone push that lever. Mr. Bliss explained that he has spent a lot of money for containers but has not addressed the contamination or the behavior change

COUNCIL MEETING #06-19
MARCH 5, 2019

at those sites. Mr. Joseph added that they each would have to be staffed and you cannot have a user running the compactor and have someone fall into it while it is running.

Councilor Hone asked if Ecomaine has the possibility of simplifying what they take in? Right now it is pretty complicated and it is difficult to educate the public there are multiple things that you can or cannot recycle. Is there any effort to make it easier and reduce the number of categories down to a couple? Is there is a way for the Sustainability Committee to do outreach on that basis?

Josh Olins, Chair of the Sustainability Committee explained that ecomaine's policy and if they change what they are accepting, they are reluctant to make too many changes because every time you shift things it confuses people and then you lose people. It could be seen as an engineering problem, too because they may not be changing what they are asking for, the machinery is European and very sensitive to and there are areas around the world that do zero sort where things like wet table scraps are left in the container and separated in one move. These are engineering problems that will take care of themselves. Mr. Joseph mentioned the possibility that the error rate might remain very low. Ecomaine is very concerned about that and is trying to respond to that without shocking all the member communities. They have all raised their hands and said they would be willing to go out and spend sometime out there but it is tricky to pick the most efficient days on a good warm summer day when everybody is doing their recycling but he stands by what he said in the past. We can only educate part of this mess. It is just where we are. Some of it will be solved with engineering and some of it will be education and hopefully some will be solved by technology with everybody having an app and being able to look up at what is recyclable and what is not. He is confident that a lot of folks not on the committee would be glad to help out, too.

Suki Rice of Hunter Road and the Sustainability Committee advised that the Sustainability Committee would like to work with the Council on this problem. She received from Mr. Joseph the January contamination rates and it confirmed what Mr. Bliss brought. Other than curb side and Transfer Station there are a lot of similarities between the four silver bullets. South Freeport's is the best but otherwise, There is just 1% difference between the silver bullets so if you are thinking about removing one, she would want to ask why remove one versus another? As a Hunter Road resident, in five minutes, she can get over to the Transfer Station so she doesn't have to use the Hunter Road site. Whereas if she lived on the Lunt Road or Grant Road, clearly getting to the Transfer Station is going to be a hassle. She asked the Council to leave the silver bullets in the places that are further away from the Transfer Station so people can do their recycling. That is the number one thought that she has.

When she looked at what was going into the silver bullets that was making them contaminated, the vast majority of it was big black plastic bags and the bags probably had garbage in them. She did not realize that she could not take her recycled stuff, put it in a black bag and stuff it in the silver bullet. It only had cans and plastic but it gets thrown out with the garbage because anything with a black bag gets sent over to the contamination rate. She feels this is an education problem or people are using it to save themselves a dollar of dumping it in the garbage. Ecomaine would really like to see education ramped up. For her, before doing anything radical such as removing silver bullets, she would like to give education an aggressive effort.

Chair Tracy explained that the Council has a couple of options tonight. We could take this and have another discussion but we should have a public hearing on it. We should get community input before doing anything. She is sure there are a lot of people who would be interested in weighing in. She is open to process suggestions.

COUNCIL MEETING #06-19
MARCH 5, 2019

Councilor Egan suggested scheduling a public hearing for taking input on a plan and that we have Options 1 and 5 on Mr. Bliss' list as options we can do. Councilor Horne suggested adding a #11 which would be to leave the containers in place and pursue an aggressive education campaign.

Mr. Bliss explained that black trash bags are prevalent. Ecomaine is aware of this and they are doing some spot monitoring to see what is in the bag. He has not received any information back from them on that. He noted that yes, Freeport has been a leader in recycling but we have been close to the top of the list in contamination as well.

Mr. Joseph heard that the ones easily identified as a bag full of cans that clink when touched, they are able to open those up and process them. If something is a mystery bag that looks like it contains trash, they are not sorting through to see what is what. The really obvious ones are being dealt with and it is safe to assume that some of the black bags are full of recyclables but if it clinks and it sounds like it is a bunch of bottles, they will open it up before they throw it into the burn pile. Mr. Bliss advised that they are not removing contamination. They do not have the horsepower and he is not aware that they are pulling out 10%. For the record, he mentioned that we are talking about wood scraps, metal scraps, rubber rafts, transmissions. It is all over the board.

Councilor Horne suggested that maybe we could make it part of our education initiative is that we make it one of the goals to find out what our problem actually is. If it is true that we can't educate out of it, then we review our options. Chair Tracy asked him what is the time frame he proposes for the education campaign. He would give it six months or maybe a year but he really doesn't have an answer for that.

Councilor Reighley asked if we can put a question on our Town website asking, do you understand what recycling is? Do you understand where you can go for information? This would be to get a poll of our citizens so they can have input even before we have a public hearing. Mr. Joseph explained that he does not have a good technically-controlled way to do that. Anything beyond a survey monkey will be a challenge for him.

Councilor Horne suggested that in the next four months we are going to open up the bags and randomly sample what is in our containers. Councilor Reighley offered to go to Ecomaine with Councilor Horne and spend a couple of hours sampling what is in our containers. Mr. Joseph explained that he is confident that what we are getting is good information. He would like to be sure to have a precaution in place like a waiver signed saying that diseases you pick up, etc. is not going to be a liability to the town. It is within our realm to do this.

Councilor Egan mentioned that we are underestimating the Freeport residents and feels that the people who are recycling want to recycle and they will continue to recycle

Chair Tracy noted the Council just had a discussion during the Capital Budget on how our reserves are low and here we are shipping one-fifth full by weight containers two to three times a week and it does not seem to be a good use of town resources regardless of the good environmental purpose of recycling. At some point when something comes to maturity, there needs to be a discussion about what is the change in the substantive activity and there can be a discussion about that and she feels the Council should be having that discussion. Mr. Joseph agreed it is a great point because hundreds of gallons of diesel fuel is burnt trucking down to Ecomaine. Councilor Horne asked if it makes sense to open up the Transfer Station for more hours? Chair Tracy suggested having a discussion that allows for public feedback on these options. She is sensing that just going into an education campaign for six months without doing any of the other things does not address all the issues we raised. Her instinct is to set it for public hearing and she suspects the people that will be involved will be pro-recycling. That is a little problematic but that is

COUNCIL MEETING #06-19
MARCH 5, 2019

how it goes. Mr. Joseph pointed out that the person who drives by from Lewiston on their way to Portland and throws their garbage in our container, and we have no idea who they are, is not going to show up to ask us to keep the service.

Chair Tracy advised to put this on the agenda for the next meeting in two weeks. She wanted to have a fast link put on the website saying a recycling discussion or something that allows people to get some information. We should probably put up the recycling contamination memo and it would be good to have a one pager on the efficiency issue that the silver bullets are not compacted versus the one at the Transfer Station. She doesn't think it is fully captured in this memo because it just came up tonight.

Mr. Joseph suggested that Mr. Bliss provide what it costs per ton and aggregate all the hauling fees for each of the silver bullets and divide by the total number of tons processed and then compare it to the compactor. Chair Tracy wanted this done most fairly and accurately to represent that. She did not want to shade it one way or another.

Josh Olins pointed out that he loves how the Council is bringing up the carbon footprint of the half empty trucks going back and forth, but if we are calculating like that, we should also consider the carbon footprint of hundreds of cars driving across town to the singular location and he could not possibly calculate that. Mr. Joseph noted that he is absolutely right but the end result of his mind of logic is that by far the most efficient way of gallons burned and greenhouse gas emissions is curb-side and that is the number one pollution source. If you think a truck that drives 70 miles does the work of probably several thousand miles of vehicle trips to the Transfer Station. Mr. Bliss noted it is more efficient to make one trip to the Transfer Station one time per week rather than bring a car and let it idle two or three times a week to the container sites. Chair Tracy noted the Council is not going to solve it tonight.

MOVED AND SECONDED: To adjourn at 9:10 p.m. (Reighley & Horne)
VOTE: (7 Ayes)

Respectfully submitted,

Sharon Coffin, Council Secretary