

MINUTES
FREEPORT TOWN COUNCIL MEETING #18-19
FREEPORT TOWN HALL COUNCIL CHAMBERS
TUESDAY JULY 23, 2019
6:30 p.m.

| | 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 (arrived at 6:35 p.m.) | | |
| 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 6:33 p.m. and took attendance. She noted that Councilor Gleeson is excused this evening and Councilor Lawrence may be excused. All other Councilors were in attendance along with 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 #17-19 held on July 2, 2019 and to accept the minutes as printed.

MOVED AND SECONDED: To waive the reading of the minutes of Meeting #17-19 held on July 2, 2019 and to accept the minutes as printed. (Reighley & Horne) **VOTE:** (5 Ayes) (2 Excused-Gleeson & Lawrence)

THIRD ORDER OF BUSINESS: Announcements

Councilor Horne pointed out that the **Tree Inventory** is progressing nicely with the State effort. A lot of volunteers have been inventorying trees in the South Freeport Village and in the downtown Village.

Councilor Reighley mentioned that we will be losing two of our recycling containers effective August 1. One is from South Freeport and the other from behind Doherty's Store. Chair Tracy noted that we will be retaining the silver bullet at the Public Works Building and one at the Police Station on West Street. Councilor Egan advised that he appreciates that the Town put up signs advising that those two containers are being removed on August 1. He wanted to make it clear that it is the Town's decision and not the business owner making the decision to remove those two. There has been some negative feedback at the business.

Chair Tracy announced:

- **The Freeport Conservation Commission** is seeking volunteers to join in helping a Maine Conservation Corps crew with replacing bog bridging along the Florida Lake trail system.

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Volunteering is easy and flexible, and no previous experience is necessary, although carpentry experience could be helpful! The team will be onsite 8/20-8/23 and 8/27-8/30 from 7AM-4PM.

Please contact Maine Conservation Corps Field Team Leader, Kevin Rossi, with any questions, and for directions to get to the team: kmrossi444@gmail.com or 248-245-3426. Details are available on the town's website at www.freeportmaine.com.

- The next **Thursday evening summer concert series at Winslow Park** will be on July 25 at 6:30 p.m. and will feature the Lynn Deeves Trio.
- **Nomination Papers will be available July 29th for the November 5, 2019 Municipal Election** for the following offices: Councilor-At-Large, one seat, Councilor-District One, one seat, RSU5 Board of Directors, three seats, Sewer District Trustees, two seats, Water District Trustee, one seat. Nomination papers are due back to the Town Clerk's Office no later than 6 p.m. on Wednesday, September 11, 2019. For more information, call Freeport Town Clerk, Christine Wolfe at 865-4743, Ext. 123 or e-mail: cwolfe@FreeportMaine.com.
- At the **Freeport Community Library**, Freeport Conservation Trust has donated two State Park Passes this year which are available for Freeport residents. Friends of the Library have donated passes to the Portland Museum of Art, the Children's Museum and Theatre of Maine, Maine Wildlife Park and Maine Maritime Museum. For more information, stop by the Front Desk.

FOURTH ORDER OF BUSINESS: Information Exchange

Councilor Reighley advised that a 1½ hours ago a mixed group of Town members and also Councilors met regarding the refugee situation and how we can assist and work towards allowing people to transition from refugees to contributing members of our community. To resolve this there is a deadline of August 15 where these refugees have to be out of the Expo in Portland. We need to focus on finding housing, host families, mentors and people that are able to speak multiple languages so we can communicate. We also need to look at fundraising opportunities so we can target specifics so people will have what they need so they can continue to live here until they are allowed to work, and they will work. Chair Tracy added that this committee is ad hoc. A few people were invited because they expressed interest at the last Council meeting and participating in the committee. She thanked Councilors Whitney and Reighley for participating and the committee will be chaired by our former Town Council Chair Melanie Sachs so it will be ably led. We will be limiting the membership of the committee to 12 people but that does allow for 4 additional members. If anyone is interested in participating with that committee, she encouraged them to contact Johanna Hanselman in the Town Office. We will soon be putting a button on the Town's website that allows people to click and put in their contact information so they can become part of an information blast about what is going on with respect to the Asylum Seekers who are currently residing at the Portland Expo and what the committee has decided to do in terms of supporting those who choose to relocate to Freeport so people can get on a list for volunteering in various capacities once there is a little more organization and structure around the efforts coming out of this community. Good work thus far and we will keep going.

Councilor Egan had a couple of inputs on a topic that the Council has touched on over the past twelve months which is the issue of short term rentals and should the Town consider any language to oversee, govern, regulate or whatever word we want to use for the use of private residential property for commercial activity which is known as short term rentals. One communication in particular was an elaborate draft language for potential Ordinance suggestions which was submitted to him electronically as well as on paper and shared with Nick Adams, the Codes Officer for the Town. He would like to organize

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an Ordinance Committee meeting to workshop that suggested language and invite any Councilor who would like to attend at 7:45 a.m. when they meet to hear what that particular draft language has to say. It is pretty modest, in his opinion, about what it considers what the Town may or may not do with that particular activity. He would like to move it forward to a committee for a workshop. Chair Tracy noted it has been on the Council's radar and we were requested by Councilor Gleeson not to take it up tonight because he wanted to be involved. The intention is to put it on the agenda for the next Council meeting and then say we will move it to Ordinance.

Councilor Reighley advised that Councilor Gleeson will be celebrating his birthday tomorrow.

Chair Tracy reported that she attended a meeting this morning at the Harraseeket Inn. It was a workshop headed up by FEDC. They have taken seriously the charge by the Council to explore next steps for the Downtown. It was a charrette format attended by people who either own businesses in Freeport or own commercial properties in downtown Freeport. There was a lot of discussion and the Council will have a report from FEDC. One of the discussion points was barriers to development and that addressed in a brainstorming fashion a list of things that were mostly focused around how the Town is structured which presents obstacles to downtown development. She will be putting together a list of what came out of that and circulating it so the Council will be aware of it. We may decide to take some of that up or we may decide to wait but we should be aware that there are things we could be doing better to help the downtown thrive. There was also a lot of positive focus on how do we draw people to Freeport and having some sort of event that will draw people but also diversifying the uses in downtown Freeport so that it is a live/work/play environment and not just the stores and everything closes when they close. It was a good discussion and she expects a report will come to the Council. She wanted the Council to know that FEDC has done a really nice job working on that and that process is ongoing. They have also interviewed a lot of other business leaders and stakeholders that were not present at the meeting prior to that event and will continue to do so.

FIFTH ORDER OF BUSINESS: Town Manager's Report

Mr. Joseph reported:

- The Public Works Department has completed the Main Street bricklaying project and it looks great. The project consisted of rebuilding approximately a block and a half area, specifically the sidewalk on the south side of Main Street, northeast of Bow Street.
- The Public Works Department is also getting ready to overlay Poland Road and Carriage Road. These projects will be scheduled within the next two-four weeks. A precise schedule has not been set yet as these projects are weather dependent. If you have any questions about the schedule, you can contact the Public Works Department at 865-4461 and they may be able to give you a more accurate estimate of when these projects will take place.
- He thanked both the Fire Department and Library personnel who worked together over the past weekend. Due to the weather, specifically the high heat index, a decision was made to activate a cooling center at the library during a time when the library is usually closed. The cooling center was open for eight hours on Saturday and eight hours on Sunday. It was a great decision, as evidenced by the heavy use of the cooling center on Saturday. Sixteen people used it on Saturday and one person used it on Sunday. Fire and Library personnel responded on very short notice and provided a very worthwhile resource for Freeport residents. In the future, a cooling center may be

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opened when the heat index exceeds 100 degrees. Chair Tracy added that when we have the sign, we can put it up and people will know.

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

There were no public comments provided so the Council moved on.

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

ITEM # 118-19 To consider action relative to adopting the July 23, 2019 Consent Agenda.

BE IT ORDERED: That July 16, 2019 Consent Agenda be adopted. (Egan & Lawrence)

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

VOTE: (6 Ayes) (1 Excused-Gleeson)

ITEM # 119-19 To consider action relative to Special Amusement Permits. **PUBLIC HEARING**

BE IT ORDERED: That Special Amusement Permit applications for the following businesses be approved:

Cadenza, 5 Depot Street, Freeport
Gritty McDuff's, located at 187 Lower Main Street, Freeport
Harraseeket Inn, 162 Main Street, Freeport
Buck's Naked BBQ, 568 US Route 1, Freeport
The Lobster Cooker, 39 Main Street, Freeport (Horne & Reighley)

MOVED AND SECONDED: To open the Public Hearing. (Lawrence & Reighley) **VOTE:** (6 Ayes) (1 Excused-Gleeson)

There were no comments provided.

MOVED AND SECONDED: To close the Public Hearing. (Lawrence & Reighley) **VOTE:** (6 Ayes) (1 Excused-Gleeson)

VOTE ON BE IT ORDERED: (6 Ayes) (1 Excused-Gleeson)

ITEM # 120-19 To consider action relative to amendments to Chapter 43, Public Peddlers' Ordinance, Article II-General Provisions, clarifying license issuance timeline and procedures to be used in addressing abandoned, relinquished or forfeited locations. **PUBLIC HEARING**

MOVED AND SECONDED: To open the Public Hearing. (Lawrence & Reighley) **VOTE:** (6 Ayes) (1 Excused-Gleeson)

There were no comments provided.

MOVED AND SECONDED: To close the Public Hearing. (Lawrence & Reighley) **VOTE:** (6 Ayes) (1 Excused-Gleeson)

BE IT ORDERED: That amendments to Chapter 43, Public Peddlers' Ordinance be approved. (Lawrence & Horne)

Chair Tracy noted that the Council has the Public Peddler Ordinance in front of them and this has come up because there has been some discussion as to whether someone has abandoned their spot. We have 4 or 5 public peddler spots in Freeport and it is an auction process and there is really no guidance in the existing Ordinance when someone is not actually occupying a spot and whether it can be abandoned. We also asked for language to allow the Town Council to have discretion to modify locations of public peddlers when they are already assigned upon showing a good cause. Mr. Joseph advised that that language is in Section 43. 203 and read it into the public record. Chair Tracy noted that this basically encapsulates the process that the Town Clerk was intending to use anyway and has used in past situations informally. She explained that the Council may well be relocating a location seeing as there are two locations that are very close selling the exact same product which makes no sense. The Council will not do that tonight but will wait to see how everything pans out.

VOTE: (6 Ayes) (1 Excused-Gleeson)

ITEM # 121-19 To consider action relative amendments to the Chapter 2, Administrative Code, Section 614, Traffic and Parking Committee including comprehensive revisions to the charge of the committee and changing the name and purpose of the committee from Traffic and Parking Committee to Complete Streets Committee. **PUBLIC HEARING.**

MOVED AND SECONDED: To open the Public Hearing. (Whitney & Reighley) **VOTE:** (6 Ayes) (1 Excused-Gleeson)

Chair Tracy mentioned that our Town Engineer will be giving a short presentation on what Complete Streets are. This is changing the Traffic and Parking Committee to the Complete Streets Committee. This has been an ongoing effort to re-evaluate the charge of the Traffic and Parking Committee. There was some discussion on whether Traffic & Parking should be merged with Active Living. At this point it is not going to happen. The charge for Traffic and Parking has been broadened to take into account all modes of traffic in our community. She mentioned that we did ask for a brief presentation on what it means to have complete streets since that is the nomenclature we are using for this committee.

Mr. Bliss provided handouts to the Council. Councilor Reighley explained that the Traffic and Parking Committee has been in existence for 30 years or so. At the time it served a purpose for the Town, but it is now time for the Town to make a change and be reflective of how we can focus on the future of our community and modernize and include all forms of transportation for people to use in Town and we will consider all forms of transportation in Town. He was honored to serve on this committee and working with the Active Living Committee in the development of this. We have two members of the Traffic and Parking Committee here with us tonight who may speak.

Mr. Bliss introduced himself and recognized Chair of the Traffic and Parking Committee, Doug Leland, and the Chair of the Project Review Board, Geralyn Campanelli. Before the Council there are some Administrative Code changes and a rebranding of the Traffic and parking Committee. Rather than reacting to issues, they are starting to look at issues both in the rear-view mirror and looking forward.

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He mentioned some significant projects coming down the pipeline such as bridge rehabilitation work and he wants to get ahead of them. He explained that a Complete Street provides safe, comfortable and convenience for all users, including accessibility users, transit, automobile, pedestrian and bicyclists. A complete street usually has a policy and an implementation or project plan that prioritizes projects to be built around town. A complete street completes a network of roads. All streets have a context and he offered to get into that more. Complete streets combines social, economic and environmental all together in one. In the engineering world, he thinks of it as the triple bottom line. Complete Streets incorporate landscaping, and raised median street scaping which thankfully was approved in the Capital Budget this year. He displayed slides and explained that they start to build on top of each other. These complete streets have to incorporate businesses as well as pedestrians and bicyclists. He provided examples from his toolbox. When funding comes from PACTS to repave our downtown, they will look at the crosswalks to make them user friendly. This is probably 3-5 years out. He mentioned the refuge islands and that they are desirable in protecting people crossing the road. He offered to answer questions for Councilors.

There were no questions from Councilors. Chair Tracy noted this is the third time they have seen these amendments so it doesn't reflect a lack of interest. It reflects familiarity.

Peter Anzuini of South Freeport mentioned that in Mr. Bliss' presentation he did not hear the component of private property so if the complete street is District One, that is one conversation. If it is District 2 or 3, it might be a different conversation about where we are. It would be helpful to understand the component we are charging this group to look at. Councilor Horne asked Mr. Anzuini if he meant private property in terms of what land is being used for the complete streets. Mr. Anzuini noted that South Freeport Road is a perfect example since there is a right-of-way and in that right-of way currently there is no sidewalk. A complete street would have a way for people to walk. If you tried to put in a sidewalk, you would get into a real mess with regards to private property rights. Chair Tracy noted that those kinds of questions will be handled on a project by project basis but Mr. Leland can talk about the philosophy of the committee as it is envisioned at this point.

Doug Leland, Chair of the Traffic and Parking Committee, explained that Complete Streets is a more comprehensive way of looking at our transportation infrastructure to make sure we are addressing safety and connectivity within town, that we are making all of our public transportation accessible, whether it is people on bicycles, pedestrians, motorists or transit users. It is primarily about safety and accommodating all users of our streets. In terms of how that translates into Freeport, he read the last piece of the Ordinance into the public record. It covers all of Freeport. As for South Freeport Road and private ownership, he explained that he would pass it along to someone else but those types of issues come before the Traffic and Parking Committee now. There are DOT regulations that come into play in terms of what can and what cannot be done and what the rights-of-way are. South Freeport Road is a good example in that the effort that was taken to make that route safer for all users, was not to widen the road which could have gotten into property ownership issue but it was to narrow the lanes with the same amount of pavement. That is the way Complete Streets is approached. There is no singular solution. You take a look at what you have and how you can adjust and accommodate the objectives of safety primarily.

Andrew Arsenault of Route One South asked if this committee is considering re-adding on-street parking back into the downtown. It was taken away years ago in favor of parking lots and now we don't have much demand for on-street parking in the downtown. He feels it would be nice if we had some on-street parking downtown. He feels it would be nice if both sides of Route One South had a good width. On the northbound lane, there is an 8-foot shoulder but it is not as wide on the southbound lane. In places it is and places it isn't. It would be nice when they are talking about Route One South if both sides of the road could have a safe width. Chair Tracy mentioned it is duly noted. She is aware that street parking has come before Traffic and Parking and probably will continue to come to Traffic and Parking but now it is the

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Complete Streets Committee. She is confident it will be addressed in the committee.

MOVED AND SECONDED: To close the Public Hearing. (Reighley & Horne)
VOTE: (6 Ayes) (1 Excused-Gleeson)

BE IT ORDERED: That amendments to the Chapter 2, Administrative Code, Section 614, Traffic and Parking Committee including comprehensive revisions to the charge of the committee and changing the name and purpose of the committee from Traffic and Parking Committee to Complete Streets Committee be approved. (Reighley & Horne) **VOTE:** (6 Ayes) (1 Excused-Gleeson)

Chair Tracy thanked Mr. Leland for single handedly reformed this committee and also helped to reform the Shellfish Commission. He has done the heavy lifting when it comes to Ordinances that need attention in town. She appreciates his attention to detail and his willingness to dig in and make it happen.

Councilor Horne echoed what Chair Tracy said. He served with Mr. Leland on the Shellfish Commission and also on this go-around when we were thinking of merging the two committees. He thanked Mr. Leland for all his hard work. He is doing great service to the Town and great work.

Councilor Reighley made a comment to the whole committee in that they did a great job in hearing out and offering great suggestions that were incorporated going through. Geralyn Campanelli is probably the one that will create the Complete Streets Bible that we will be able to look at as well. He is looking forward to that. Chair Tracy added that Geralyn is responsible for the four signs in the middle of our crosswalks in Town.

ITEM # 122-19

To consider action relative to setting a public hearing for an amendment to the Commercial IV (C-IV) Zoning District of the Freeport Zoning Ordinance.

BE IT ORDERED: That a public hearing be scheduled for August 6, 2019 at 6:30 pm in Town Council Chambers to discuss an amendment to the Freeport Zoning Ordinance pertaining to a new use of “Subdivision – Commercial Open Space” and specifically permitting the use on the Commercial IV (C-IV) Zoning District); a relatively small zoning district on the west side of 295, and abutting Desert Road and the railroad.

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.(Whitney & Reighley)

Mr. Joseph explained that this is setting a public hearing for the next Council meeting. Caroline Pelletier, our interim Town Planner will be in attendance. This is a small district and there are five buildable parcels there, one of which is the Town Highway Garage and another is the DOT/Freeport yard that is along Desert Road. This was proposed by developers and pertains to a piece of land currently owned by L.L. Bean, Inc. that the developer has a purchase and sale agreement on. There is a proposal to put residential condominiums on that land. It was broadly supported by the Planning Board and the members who voted on it were in favor of it. Some were not at the meeting. They found that it was consistent and concentrated development in the commercial area and away from the rural areas of town and in an area close to the

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District in accordance with the Comprehensive Plan. This amendment would allow additional density and residential use in the C-4 District for that development to happen. Mr. Joseph oriented the area for Councilor Horne. Chair Tracy requested that the roads be superimposed for the next meeting and Mr. Joseph agreed.

VOTE: (6 Ayes) (1 Excused-Gleeson)

ITEM # 123-19 To consider action relative to a Power Purchase Agreement (PPA) proposal from Revision Energy.

BE IT ORDERED: That the Power Purchase Agreement from Revision Energy be approved. (Lawrence & Horne)

Chair Tracy noted that the Council has received a lot of information on this in the past week. Mr. Joseph passed out documents that had been received after the packets were sent out. Chair Tracy noted that the Council has a proposal from Revision Energy dated July 1, 2019 which is an overview of the long-term Power Purchase Agreement and also some of the financial information associated with that. The Council also was provided with information regarding renewable energy credits, also known as RECS. At the last meeting she requested information on the price of purchasing RECS in addition to the power that was provided for in the Power Purchase Agreement which she will talk about later. The Council has that pricing and we recently received the Draft Power Purchase Agreement, called a Solar Power Purchase Agreement that came in yesterday and was circulated. Finally, we have the report from Competitive Energy Services which was provided to the Sewer District who is also considering a similar power purchase agreement for this facility and this represents the Competitive Energy Services assessment of the various options on behalf of the Sewer District but some of that information can be used for our purposes if we so choose.

Councilor Egan mentioned there are experts in the room that can correct him should his explanations fall off the rail. He is excited that the Council has an opportunity tonight to vote on an action to “go solar”. This is a phrase that is coming up more and more in Maine. As a municipality we can join communities such as Portland, South Portland, Belfast, Waldoboro and probably another ten other utility districts and schools that have decided to use opportunities in the marketplace both from the utility prospective and the financial prospective to offset almost all of their entire electric load with renewable generation. Keep in mind that these types of projects are a virtual replacement of electricity. The electricity that we are potentially agree to purchase in the Power Purchase Agreement is being generated remotely and sent up to the grid and we are paying for that generation to go up to the grid and then we are receiving a credit on our bill that we will continue to get from the utility and on that bill will be a credit for the generation we paid for. The significant economic difference in this proposal compared to others he sees is the considerable favorable difference between what we are paying for the generation to go up to the grid and the credit we are receiving for it when it comes back on our bill. In this proposal it is almost five cents a kilowatt hour and nearly 40 percent. That is a compelling financial incentive for us to consider and we would be saving that delta on our bill every month for, at a minimum, eight years. If we decide to get out of the PPA contract and purchase the array at that time, the minimum savings is approximately \$152,000 savings a year. That is a savings to the Town that we have not spent a dime to accomplish. We are signing this contract with no Capital cost. It is an energy purchase agreement and we are agreeing to purchase energy produced in the future with no Capital cost up front. Another way to look at it is to look at the electric bill which is part of the Town’s budget and in our community, it is a worthwhile significant number to be looking at, we are going to offset that with renewable generation for the first eight years we are paying for some of that. If we take the opportunity in year eight with the Freeport Sewer District, we would no longer have to pay that PPA. All of that generation credit showing up on our bill would offset

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nearly all of our electric expense. That is free energy and a dramatic savings to the Town that we could then use elsewhere. It is a budgeted item that we could reallocate. We will be taking an operational budget item and using it to buy down a Capital cost in eight years. There is some complex financing that goes on behind that. There is a third-party investor who will monetize or maximize the tax benefits that are available for renewable generation. Those benefits are not available to a municipality. We don't pay federal income tax so we can't take those kinds of things. That is a way for the tax benefits to help buy down the Capital cost in the year we elect to purchase it. The terms in the agreement that have been laid out give us a guarantee of 25 years of this purchase agreement. The delta between what we are paying for the energy and the credit we are getting might rise up and down a little bit over that 25 year period but it is nearly certain to be a favorable delta for the Town so if we decide never to buy the solar array, and just keep in the lease of the power purchase agreement, we are still going to be saving money and that could add up to over \$700,000 over the 25 years. It is not an insignificant number for a municipality to consider saving. While he does this work in his day job, he doesn't have an active loan application for this particular array from the investor partner, it is likely he will so he will recuse himself from voting on this action tonight but he wanted to be able to explain it. He is excited for it to happen but wanted to take himself out of the vote because there is a decent job in his day job he will be factored in and part of the financing opportunity for the structure that is behind this PPA. He didn't feel it was appropriate to vote on something when he is potentially on the other side of the transaction. He added that there is a relatively unique window and he is sensitive to the fact, buy now before the sale is over, but there is a feeling of that, but in a sense there is a real truth around those parameters and that the decisions made by the investor who is proposing to offer these terms through this PPA to the Town and the Freeport Sewer District, were made sometime ago before there was a lot of certainty on what the new legislation is that was passed by the Maine Legislature a couple of months ago that allow for in the larger sense, much more renewable energy generation in the State and enhancements to promote it. The opportunity here is relatively unique in the delta between what we are paying through the PPA and the amount of credit we will get on our electric bill. That doesn't happen very often and it is not likely to be that sweet for us if we were to miss this opportunity and try something else on another site with another partner at another time. He can't promise that potentially there could be a better deal but certainly this one is compelling from his experience in financing these kinds of things in the past ten years.

Councilor Reighley thanked Councilor Egan for the time, effort, expertise, research, following through, moving the issue forward. It has been a great benefit to him and his fellow Councilors. He appreciates all that he has done. Councilor Horne agreed with Councilor Reighley but had a question. Chair Tracy suggested bringing to the podium Nick Sampson and Steve Hinchman, who have been representing Revision Energy. Nick has been serving as the project consultant and Steve is the attorney for Revision and has been involved in negotiating the PPA.

Mr. Sampson mentioned they understand that this has been an extremely fast turn-around for the Town and the District and they appreciate the Town and District working on such a tight timeline and making this possible tonight. He provided brief updates on the project. As of last week, the Sewer District's Board approved the project and Revision received the conditional use permit from the Fairfield Planning Board for the installation. They are excited to be on track for the 2019 installation with those updates. If approved tonight, it will allow them to stay on track by taking the next step which is procuring some of the major system components. They ran a few different savings scenarios with four different utility escalators. They always assume a 2.5% escalator but they ran through three other cash flows. He offered to hand them out. He knows there are questions about the investor aligned climate capital and Steve works directly with them so he has insight into ACC and their relationship with them if there are any questions.

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Chair Tracy put context around the escalators. The schedule tells us over the 25 years of the life of the PPA, and also if we choose to extend that, what the payments are for the PPA and it also estimates what the offset would be that we get through net energy billing. The utility escalator is one of the assumptions that is factored into the amount we have as a credit and it basically means it assumes one of the rates that go into the credit offset like either the T and D part or the Supply part, she guesses the T and D part is increasing over time, such that the credit you get to offset is also increasing over time. Councilors can see in the corner on the left-hand side says Utility Escalator is 2.5%. Mr. Sampson agreed. Chair Tracy noted that what Nick is saying is an assumption and maybe the T and D rate for CMP doesn't go up over time. Maybe it stays the same over time so the credit we are getting wouldn't go up by 2.5%, it would just stay. Nick said they ran different scenarios assuming different increases in T and D rates which would affect our credit or our offset on our bill. Mr. Sampson agreed and explained why they land on the 2.5% escalator.

Chair Tracy explained that a worse-case scenario is that the utility rates don't go up over time and you don't assume that the credit we get also goes up. You could assume that it stays the same and our savings over time would be slightly different and Revision has brought that and that is what they are going to hand out. This reflects one picture of possible savings. It is forecasting. To better understand what the possibilities are, we now have a range. The worse case scenario is if the utility rates went down for some reason and it is not likely to happen but they could go down and the savings could academically be less. Councilor Egan pointed out to the Council that it is the far-right column that says cumulative revenue underneath the three titled PPA with early buy-out, that is the tabulation of Town savings once we own it. The column immediately to the left of that that says Revenue under Term PPA, that is if the investor still owns the array so that is an escalator of what the revenue is to the investor through the PPA.

Mr. Hinchman explained that the term PPA Annual Revenue column reflects the savings to the Town, not the investor. Starting in Year 8 if you buy the array, now you are not buying the energy from the array. You are just paying the operating cost so now your savings are more than double. More discussion followed.

Chair Tracy pointed out that in looking at these numbers under all the scenarios, the Town saves money. There is no scenario in which the Town loses money. It is just a question of how much the Town saves and these are assumptions, not a guarantee, but based on different forecasting and modeling even if we were still to go 40 years on the PPA, we would still cumulatively save over those 40 years, \$149,000. We would never lose money on that. It is important to understand the various scenarios that are possible.

Councilor Horne mentioned that in the proposal it said that the Town needs to add a liability insurance rider. Chair Tracy was not sure why the Town would need insurance. Mr. Hinchman explained that the idea is that somebody gets hurt at the facility and they will sue all of us. The requirement for liability insurance on the Town side is reflecting that everybody needs to be covered with an insurance policy. It is in Fairfield. We have no security and no control. It is all on the Town's risk. They don't believe it is an appropriate requirement for them. He feels the Town could ask the investor to change that provision. The bank here will be the USDA Utility Service and he believes the bank will want to have all the participants to have liability coverage. Mr. Joseph explained that the general liability is marginal to zero cost because we are insured as Town operations. He is not sure that participating in a PPA is one of the boxes we check on our General Liability Insurance renewal. If we were to cover the property, there is a direct cost to that based on property value and they charge us a rate for that.

Mr. Hinchman mentioned he could be wrong and that once the array is not on Town property there is no reason to have a Town-liability insurance coverage requirement. Mr. Joseph's understanding is that the Town could be open to a claim for some type of negligence but it would have to be based on the fact that

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we did something through our participation in this that led to somebody getting injured on not our property. He is comfortable that we do things every day that have a much higher threshold than that just in our operations. If we are talking about when we buy it, we would be talking about a property insurance at the value of the array and our insurance company would calculate that we are insuring a million dollar asset or whatever the value is at the time and they would charge us for coverage. Mr. Hinchman offered to look into that and see if he can create savings if it is not necessary.

Chair Tracy pointed out that the PPA will be negotiated and we would hire Counsel to help us negotiate the PPA. Obviously, the framework is there but we have all of the data to look through but she did it at light speed. She anticipates that we will be asking those kinds of questions like, "Why this, why that?" If we were to approve this tonight, we would be delegating negotiation to the Town Manager and potentially the Town Attorney as well as any other Councilor interested in participating in that. If it didn't materially change or the risk materially change, she believes it would generally be authorized to move forward. If something were to pop up, then it would come back to the Council.

Chair Tracy is not opposed to the agreement but has taken upon the role of being the counter point because she feels it is important for us to understand what we are entering into. It is still a 25-year agreement and there is savings associated with this agreement but we should know what we are buying.

When we started this, we were contemplating entering into some sort of arrangement for renewable energy for a couple of reasons. One was to stabilize electricity costs and another was the attributes of having renewable power powering the Town. There is no question that this agreement stabilizes our energy costs. We know it will be fixed over time. That is accomplished. In order to buy renewable power, however, we would have to purchase RECS. This PPA does give us the option to purchase RECS but it is not in this PPA schedule and savings. The REC cost is not built into these numbers when we talk about savings.

It would change the numbers here but there are different kinds of RECS. If we were to buy the RECS generated by this solar facility located in Fairfield, those RECS are incredibly desirable and can be sold in Massachusetts for lots of money. The investor has said that yes, you can buy them from this facility but we would need to know at the outset whether the Town wants the RECS from this facility. Mr. Hinchman clarified that the Town could add a purchase of RECS for one year, two years or any number of years at the outset and negotiate that price today or the town could say it wants to buy years one or two and then look at the REC market at the end of year two and determine if we want to buy additional years. The Town would be looking at today's rates if it buys at the outset and then would wait to see what the REC market does in a future year. Obviously, there would need to be notice and a purchase prior to a date certain each year in order for the investor to know they are selling the Town the RECS or if they are putting them in the market. The REC market has bounced around in the last twelve months.

Councilor Horne asked if the RECs on our project can be sold in any state or are they transferable to any state market. Mr. Hinchman advised they can be sold in Massachusetts, Maine and under certain conditions, Rhode Island and Connecticut. The Maine REC prices are depressed historically because Maine allows Biomass and Massachusetts does not. Maine RECS have been selling for ½ of a cent per kilowatt hour or less so considerably less than a Massachusetts REC. He explained what a REC is created and what they are used for.

Chair Tracy mentioned that under the structure of this PPA, what we are buying is the power from this solar facility but the investor is keeping the green attribute, the REC. The investor is saying he will sell it to us but we will have to pay extra for it and if we don't want it, that is fine, he will sell it somewhere else but if we choose not to buy the RECS from this facility, we have another option but if we don't buy any

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RECS, we are not buying solar power. We are buying power from a solar facility but we are not buying green power. The Public Utilities Commission will say don't represent that you are consuming renewable power if you don't retain the green attributes. It matters in terms of what we are buying. The other option we have is that we could buy RECS from other places. We could buy Maine RECS which are cheap and it would make our power green again. We could buy Texas wind RECS which are incredibly cheap and it would make our power green again so we don't have to buy RECS from this facility. These RECS are worth a lot because they come from a solar facility and can be sold in Massachusetts for a lot of money. The market rate to us would be quite high but there are cheaper ways to do that if we decided that the green attribute is important to us.

Councilor Lawrence asked if we buy the facility in eight years, would we get to keep the RECS. Chair Tracy advised that if we buy the facility, we would own the RECS unless we sold the RECS off. We are just talking about before we buy the facility. She wanted to make sure that the Council understands that.

Mr. Joseph noted if we buy the facility after year seven and the Town owns the RECS and if the Town elects to sell those RECS, the Town would make money off of it. If we chose to keep them for virtually free power being green at that point. Mr. Hinchman advised that the Legislators intended the Town to sell the RECS. He provided some examples of colleges. He feels they are giving the Town the most cost-effective deal they have been able to put on the table. They advocate the Town going ahead and selling its RECS and buy cheaper RECS somewhere else until your system is paid for and then keep them. He suggested paying down the system of original cost as fast as possible. He mentioned that almost everybody selling RECS is selling them in the Massachusetts market. The Maine REC prices should start to tick up. They rely on REC brokers that know everything about the REC market to get the best prices. He noted that long-term REC contracts are valuable because then you have certainty over prices. The most that is out there is for 2 or 3 years. If the Town wants to buy the RECS, a longer-term purchase will get it a better deal.

Chair Tracy noted we have the option to buy out the contract and then own the solar facility. We are really only getting one-third of the output of this facility. The Sewer District has voted to take two-thirds of the output so functionally we are tied to them in that decision. There is a formula in the PPA about what the price will be at that time. The estimated buyout on the PPA rate schedule and savings is just an estimate. It will be determined by a formula. Should the Sewer District decide it doesn't have the capital to buy out the facility with us, we are not buying out our portion of the facility. We are attached at the hip with them and vice versa. Mr. Hinchman pointed out that the Town or the District can buy the system on behalf of both parties. The Town could buy the whole system and sell two-thirds of the energy to the District under the PPA terms of the District which are identical in the PPA terms for the Town. He recommends that the Town Attorney and the District's attorney save money by using the same attorney. Chair Tracy noted that the capital outlay is greater than the estimated buyout here because we are buying more of the facility. Mr. Hinchman agreed that the capital outlay is greater but the savings are much, much greater because the Town will be selling the energy to the District.

Mr. Joseph mentioned that the Sewer District has not committed to prioritize buying out at year eight. It has not been part of the conversation. They can't predict what will happen in eight years. Their debt load is pretty high. Councilor Horne asked when communities buy their systems, do they usually bond lease. He is confident a lot of towns don't have \$500,000 sitting around. Mr. Hinchman advised that almost every community that is able to buy their project, is buying it because the sooner you buy it, the greater the lifetime savings. Some are raising money in advance by annual set asides in their budget that they can then use to buy the system outright.

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Chair Tracy asked what happens if the Sewer District defaults and for some reason go AWOL. They have a PPA similar to ours. She learned that it doesn't cause our contract to be terminated so it is independent in that respect.

Mr. Joseph noted that he would want some authorization that he would be authorized to do it after legal review by the Town Attorney. He noted that the Town Attorney is not the Counsel for Revision that drafts the PPA but our legal firm provides general counsel on matters for Revision. They would need a waiver of release from Revision to work on this on our behalf. They have said that generally Revision has not had a problem with that but we have not done that yet. We would both need to formally approve it. Phil, our Town Attorney, does no work for Revision but regularly reviews PPAs for several clients that Revision has been on the other side of. We could decide to go somewhere else if that is an issue. He wants to be cautious to not have it come back for another meeting. He is hearing there is negotiation on the part of the REC purchase and that should be laid out in the motion. He wants to be clear that this is a policy minded decision that needs to be made by the Council, not staff, the attorney or Revision.

Chair Tracy pointed out that she would not support buying RECS from this facility because they are too expensive. She would not be in favor of that. She would like to see in a separate action the cost of the RECS lined up against the analysis so we could see how it affects our savings but not part of the PPA agreement. Councilor Egan feels we have time to do that. Mr. Joseph mentioned that we will need to determine what we do with the potential savings if we go forward, whether to save it for the future purchase of the system, whether to reduce our budget by 40% for the electricity savings next year. That would have to be decided before this goes into the grid in December. Chair Tracy feels the decision needs to be made before this Council turns over with a different Council. It makes sense for the same body to make the decision relative to the agreement about what we are going to do about this agreement. We don't have to decide it tonight.

Councilor Reighley clarified that if we are voting on this tonight, we are just approving what has been presented. We are not signing any contract. What we are doing is moving this forward so we can stay on the timetable. Mr. Joseph advised that the RECS piece is a policy decision and he does not want to negotiate it. The decision of whether to buy RECS from this project or not would have to be negotiated with the seller but Mr. Hinchman advised that the Town can negotiate and price the RECS in the PPA now and you can also leave it that you have the option to buy RECS at market rates at any time in the future. This Council can later this fall, or the next year or the year after can negotiate to buy RECS at any time. You do not have to make a REC decision today but they will leave the option to acquire RECS but not the obligation. Mr. Joseph withdrew all his concerns about RECS. We will take care of that in the future.

To Councilor Reighley's point, Chair Tracy explained we might modify the Be It Ordered tonight. She provided the language which Councilor Reighley was willing to amend his motion to what Chair Tracy just read.

BE IT ORDERED That the Power Purchase Agreement from Revision Energy be approved subject to the successful negotiation and execution of the agreement by the Town Manager in consultation with the Town Attorney and Council Leadership. Furthermore, the Council delegates authority to negotiate the Power Purchase Agreement to the Town Manager. (Reighley & Lawrence) **ROLL CALL VOTE:**

Mr. Hinchman recommended that the Council authorize the Town Manager and the Town Attorney to work with the District so the PPAs are identical. Chair Tracy appreciated him bringing it up but feels there is no delegation needed. They have that authority anyway.

Reighley – Yes and thanked Councilor Egan for his hard work on this. We have come to the point where it is the right time to make a decision.

Whitney – Yes, she feels privileged that she is here in the final steps of all the hard work that has been done.

Horne – Yes, it is time and probably overdue and he appreciates Councilor Egan’s input on this. It will be interesting to see the energy market as they evolve. There is a lot more renewable energy coming on line. He is glad we left the RECS as a separate piece.

Lawrence – Yes, we looked long and hard at buying RECS but he would not be in favor of buying RECS at this point.

Egan- abstained

Tracy – She is in favor of the Be It Ordered and negotiating the Power Purchase Agreement. She intends to be active in that but is disappointed that we didn’t end up with a solar array in Freeport. From a financial prospective she feels it is a really good opportunity and will provide the Town savings over the long term. It is a very prudent financial move so she supports it but wishes we could have found a way to get a project in our town. For the moment she feels this will preclude us in the near term from doing other options. Maybe at some point it will make sense and she wanted to put that on the record. It is consistent with our ongoing efforts to look at our costs and reduce where we can and these are substantial savings and for that reason, she does support it and appreciates Revision bringing us the opportunity and feels it will be a good project for Freeport.

Gleeson – Excused.

ITEM # 128-19 To consider action relative to appointing _____ to fill a vacancy on the RSU5 Board of Directors until the next annual election on November 5, 2019.

BE IT ORDERED: That _____ be appointed to fill a vacancy on the RSU5 Board of Directors to serve until November 6, 2019.

Chair Tracy noted that we would table this item. We were notified a week ago that RSU5 Board member from Freeport, John Morang, is resigning and his position will be open until November when there can be an election. The process is that the Town Council actually appoints a person who will fill the vacancy. This week we received notice of interest from someone willing to fill that vacancy for the intervening months which is why it went on the agenda. In the meantime, we got questions if this had been adequately published and questions of whether there are other people interested. It is appropriate to take a pause and open this up and make sure we are doing it properly. We will make people aware of the opportunity to be nominated to fill this position until November. We would like to have any expressions of interest provided to the Town Manager, Peter Joseph by Thursday , August 1st by Noon and then we would like people who are interested to attend our next Town Council meeting which is Tuesday night, August 6th where we will take short statements of interest and then the Council will make a decision based on those statements of interest. It may be that we don’t have any interested people but it is important to give people the opportunity to express if they are interested.

MOVED AND SECONDED: To table Item 128-19 to the August 6th meeting. (Reighley and Horne) **VOTE:** (6 Ayes) (1 Excused-Gleeson)

Mr. Joseph suggested putting on the record that it would be best if they e-mailed the Town Clerk who would be putting together the packets on Thursday. He will put it out in the notice but people are free to contact him. Chair Tracy noted that she would be working with the school to make sure that they know it was adequately noticed.

TABLED:

MOVED AND SECONDED: to untable Item #110-19. (Reighley & Lawrence)
VOTE: (6 Ayes) (1 Excused-Gleeson)

ITEM #110-19 To consider action relative to the following Victualer Licenses.

BE IT ORDERED: That the following Victualer Licenses be approved pending receipt of State food license and/or Police Chief approval and/or Fire Chief approval and/or Code Enforcement approval and/or receipt of Real Estate and/or Personal Property taxes and/or payment of license fee:

3. South Freeport Village Market, 97 S. Freeport Road

Chair Tracy advised that there was a question as to whether this particular business satisfied the criteria which is in our packets. Mr. Joseph cautioned that his information is current as of Thursday. Chris Wolfe was out today so he doesn't know if anything was done today. The specific issue was that the South Freeport Village Market had a conditional State Food License that was valid through July 18th. One of the conditions that had to be met to extend that was a Serve Safe Certification that was still outstanding. They had done a renewal for the year but hadn't done all the terms of it so the State only issues a conditional license for a short period of time. He understands that the Town Clerk has been in contact with the owner of the store who is out of town for a family emergency for a big chunk of the past two to three weeks. The interesting part of the Ordinance explains you can deny a license for various reasons. While none of those exist, the Ordinance allows you to issue conditional approval and if you move forward on this, it is one avenue you could take to make the issuance of a license upon the applicant obtaining a valid State Food Service license. He is not sure the owner plans to do that but it would put the ball completely in their court. The Town Clerk would not issue the Victualer's License until they receive the permanent Food Service License from the State of Maine and it has to be obtained annually. We have no reason to think it might fail but at this point, he has not done so. He read portions of the Ordinance into the public record.

Councilor Reighley noted it has been a vacant building with a lot of interest in it. The owner has maintained a selling price that really doesn't warrant what it is worth. He is confident that something will happen.

MOVED AND SECONDED: That the Council move forward with the approval of the Victualer's License conditional upon the establishment obtaining proper State Food Licenses. (Horne & Reighley) **ROLL CALL VOTE:** (5 Ayes) (1 Nay-Tracy) (1 Excused-Gleeson). Chair Tracy explained that she voted no because she feels we should not require a different standard for this market than we do for other Victualer's licenses for businesses.

OTHER BUSINESS:

1. Discussion regarding Food Truck provisions in the Freeport Zoning Ordinance

Councilor Reighley explained that Food Trucks are a viable part of growth in Portland as well as across the country. They provide some flexibility in a menu what may be served in any community. In prior discussions before Council, restaurants came and were not happy with any change regarding food trucks because they thought they could be losing revenue from them. In talking with the Planning Department and the Codes Officer they are finding that the system we have right now doesn't benefit anybody. A food truck has to get an event license for one day and they have to do that each time they come. One of the ways he felt we could regulate this and would actually be a benefit to the town is by businesses that have victualer's licenses would be able to bring in food trucks as long as they obtain the State License for preparation of food and they maintain that record on file for themselves. The \$30 fee we collect for an event, costs more to collect the money in time. This all goes under the Victualer's license which means that the restaurateur can actually control who is coming to their location and he feels it becomes a win/win situation. He would like to move this to the Planning Committee for their look at the item and before moving it to us. He mentioned that this has been brought to him by businesses interested in increasing their business. Businesses can live with this. This gives a little more control but protects the rights to the restaurants in town. He mentioned that a food truck could sell hot dogs in front of Desrosiers to change the variety since Desrosiers doesn't sell hot dogs. More discussion followed.

Mr. Joseph is looking at the Zoning Ordinance and five years ago we allowed food trucks as an accessory use to artisan food and beverage in several districts. It was based on the Portland model. Right now the Ordinance does not allow them as a use anywhere else unless part of a special event. In 2014 it was quite the discussion and it probably will be again at the Planning Board level if it comes back up. The administrative part of it is a hassle both for the applicant and for the staff. You can do it for a month or four or five days. There are pretty strict standards for what a food truck has to have in place and he explained some of them.

Chair Tracy mentioned she is not opposed to the Planning Board looking at this but is concerned because we have much bigger fish to fry at the Planning Board. We have an outdated Comprehensive Plan, etc. and we are farming a lot to the Planning Board. We don't have a Planner right now. While she is not opposed to it, she feels it has the potential to become a big thing and the question is do we want our Planning Board spending time on it.

Councilor Reighley asked if FEDC could create some language. He feels it is in the interest of FEDC to bring more business into town. Chair Tracy noted they don't have the power to change language and we could ask our Town Attorney or a bunch of people that could do it. Mr. Joseph explained that anybody could come up with the language and propose it to the Planning Board and explained the process.

Councilor Reighley asked if it would be fair to not consider this as a priority item before Planning but as scheduling allows and at least moving it in that direction. Councilor Home is not in favor or against. We are going to be hearing from FEDC soon about ways to revitalize the Town and if they have heard this issue from constituents in Town. He is open to listening to more of this but doesn't feel it is a high priority from what he is seeing. Chair Tracy understands the value and is not opposed to having a discussion but would like the Planning Board to be focusing on bigger issues but we have big planning issues going on and it is not the best use of their time right now.

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MOVED AND SECONDED: To move the discussion of food trucks and placement and operations with the use of Victualer's licenses be forwarded to the Planning Committee for their creation of an Ordinance change to the language. (Reighley & Tracy) **ROLL CALL VOTE:** Reighley – yes, Whitney – yes, Horne-No, Lawrence -yes, Egan – yes, Tracy -no. Gleeson-Excused.

Chair Tracy noted that we will see what happens in the discussion.

MOVED AND SECONDED: To adjourn at 9 p.m. (Reighley & Horne) **VOTE:** (6 Ayes) (1 Excused-Gleeson)

Respectfully submitted,

Sharon Coffin, Council Secretary