



Thursday, June 10, 2021
CITY COUNCIL MEETING/BUDGET WORKSHOP #3

Meeting Begins: 6:30 P.M.
CLICK THE "VIDEO" LINK TO ENTER THE MEETING.
Regular Meeting Location: Zoom
<https://zoom.us/j/94322599202>
Or iPhone one-tap :
US: 19292056099
Or Telephone:
US: 1 929 205 6099
Webinar ID: 943 2259 9202
International numbers available: <https://zoom.us/u/aAz482hpA>

A. OPENING OF THE MEETING

Subject **1. Roll Call**

Meeting Jun 10, 2021 - CITY COUNCIL MEETING/BUDGET WORKSHOP #3

Category A. OPENING OF THE MEETING

Access Public

Type

POSITION PAPER OF THE CITY MANAGER

Subject **2. Acceptance of Minutes**

Meeting Jun 10, 2021 - CITY COUNCIL MEETING/BUDGET WORKSHOP #3

Category A. OPENING OF THE MEETING

Access Public

Type Action, Minutes

Recommended Action Motion to accept the minutes from June 1, 2021 meeting.

Minutes [View Minutes](#) for Jun 1, 2021 - CITY COUNCIL MEETING

File Attachments DRAFT - 06-01-21 Minutes.pdf (77 KB)
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B. PETITIONS & COMMUNICATIONS

Subject 1. Official Results of the School Budget Validation Referendum election, held June 8, 2021

Meeting Jun 10, 2021 - CITY COUNCIL MEETING/BUDGET WORKSHOP #3

Category B. PETITIONS & COMMUNICATIONS

Access Public

Type Information

POSITION PAPER OF THE CITY CLERK

The City Clerk will share the official results of the School Budget Validation Referendum for FY22, from the election held on June 8. This information will also be posted on the City's website.

C. APPOINTMENT CALENDAR

Subject 1. ORDER #160-18/19 – Board of Appeals, District Two (Lewis), to fill an unexpired term which expires July 23, 2021. Postponed since March 26, 2019. Passage requires majority vote.

Meeting Jun 10, 2021 - CITY COUNCIL MEETING/BUDGET WORKSHOP #3

Category C. APPOINTMENT CALENDAR

Access Public

Type Action

Recommended Action Motion to postpone.

POSITION PAPER OF THE CITY CLERK

Robert Whyte resigned from the board effective March 19, 2019.

Subject 2. ORDER #77-19/20 – Comprehensive Plan Implementation Committee, resident members (Lewis, Dhalac). Postponed since October 29, 2019. Passage requires majority vote.

Meeting Jun 10, 2021 - CITY COUNCIL MEETING/BUDGET WORKSHOP #3

Category C. APPOINTMENT CALENDAR

Access Public

Type Action

Recommended Action Motion to postpone.

POSITION PAPER OF THE CITY CLERK

With Ordinance #8-19/20 in effect (as of October 15, 2019), the Council must now select and appoint seven (7) residents to the Comprehensive Plan Implementation Committee. Interested residents may apply online at www.southportland.org or at the Clerk's office.

District One

Councilor Morgan

October 2019, then for 3 years (October 2020-October 2023) -
appointed Peter Stanton on 2/4/2020

District Two	Mayor Lewis	October 2019; then for 3 years (October 2021-October 2024)
District Three	Councilor Pride	October 2019, then for 3 years (October 2020-October 2023) - appointed Jessica Stafos on 2/18/2020
District Four	Councilor Caricchio	October 2019; then for 3 years (October 2021-October 2024) - appointed Barry Lucier on 2/11/2020
District Five	Councilor Dhalac	October 2019; then for 3 years (October 2019-October 2022)
At-Large	Councilor Bruzgo	October 2019; then for 3 years (October 2019-October 2022) - appointed Robert Foster on 1/28/2020
At-Large	Councilor Henderson	October 2019; then for 3 years (October 2019-October 2022) - appointed Kathleen Egan 01/07/2020

Subject **3. ORDER #80-19/20 – Transit Advisory Committee, resident member (Pride), for a term ending October 1, 2023. Postponed since October 29, 2019. Passage requires majority vote.**

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Category C. APPOINTMENT CALENDAR

Access Public

Type Action

Recommended Action Motion to postpone.

POSITION PAPER OF THE CITY CLERK

With Ordinance #8-19/20 in effect (as of October 15, 2019), the Council must now select and appoint seven (7) residents to the Transit Advisory Committee. Interested residents may apply online at www.southportland.org or at the Clerk's office.

District One	Councilor Leighton	Term ending October 2023
Greg Lewis	Mayor Lewis	Term ending 10/01/2024 - appointed 3/10/20
District Three	Councilor Pride	Term ending October 2023
Max Wibby	Councilor Caricchio	Term ending 10/01/2024 - appointed 01/14/20
Becky Johnson	Councilor Dhalac	Term ending October 2022
Gabe Faulkner-Macklin	Councilor Bruzgo	Term ending October 2022 - appointed 8/18/20
John Ripley	Councilor Henderson	Term ending October 1, 2022 - appointed 2/4/2020

Subject **4. ORDER #119-19/20 – Board of Assessment Review, District At-Large (Bruzgo) for a term that expires December 31, 2023. Postponed since January 7, 2020. Passage requires majority vote**

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Category C. APPOINTMENT CALENDAR

Access Public

Type Action

Recommended Action Motion to postpone.

POSITION PAPER OF THE CITY CLERK

Susan Hasson's term ended 12/31/19.

Subject **5. ORDER #178-19/20 - Civil Service Commission, District Two (Lewis), for a term that expires March 1, 2025. Postponed since March 5, 2020. Passage requires majority vote.**

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Category C. APPOINTMENT CALENDAR

Access Public

Type Action

Recommended Action Motion to postpone.

POSITION PAPER OF THE CITY CLERK

Caroline Hendry's term has ended. This appointee must be from District 2.

Subject **6. ORDER #203-19/20 - Long Creek Watershed Management District Board of Directors, private participating landowner, for an unexpired term that expires February 14, 2022. Postponed since May 5, 2020. Passage requires majority vote.**

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Category C. APPOINTMENT CALENDAR

Access Public

Type Action

Recommended Action Motion to postpone.

POSITION PAPER OF THE CITY CLERK

Mike Vail from ON Semiconductor recently notified the Long Creek Watershed Management District ("LCWMD") that he is resigning from LCWMD's Board of Directors effective April 30, 2020. Mike is one of the seven directors appointed to LCWMD's Board by the City of South Portland. Specifically, Mike was appointed as one of four "private Participating Landowners or representatives of private Participating Landowners whose Parcel is located within the City of South Portland."

The LCWMD is seeking a replacement for Mr. Vail. Interested residents should submit their application on the City's website [at this link](#) or at the City Clerk's office at City Hall. All applications and nominations received will be forwarded to the Council for consideration. This is a Council appointment.

Subject **7. ORDER #61-20/21 - Open Space Acquisition Committee, District At-Large (Bruzgo), for a term that expires October 1, 2023. Postponed since September 15, 2020. Passage requires majority vote.**

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Category C. APPOINTMENT CALENDAR

Access Public

Type Action

Recommended Action Motion to postpone.

POSITION PAPER OF THE CITY CLERK

This committee is currently seeking resident members. Interested persons should submit an application.

Membership:

There may not be more than 3 resident members from any one voting district.

A quorum shall consist of seven (7) members, at least six (6) of whom shall be voting members.

Subject 8. ORDER #89-20/21 - Arts & Historic Preservation Committee, District Four (Caricchio), for a term expiring October 20, 2023. Postponed since October 20, 2020. Passage requires majority vote.

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Category C. APPOINTMENT CALENDAR

Access Public

Type Action

Recommended Action Motion to postpone.

POSITION PAPER OF THE CITY CLERK

Jon Godin has resigned.

Subject 9. ORDER #152-20/21 - Civil Service Commission, District Four (Caricchio), for an unexpired term that expires March 1, 2022. Postponed since February 9, 2021. Passage requires majority vote.

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Category C. APPOINTMENT CALENDAR

Access Public

Type Action

Recommended Action Motion to postpone

POSITION PAPER OF THE CITY CLERK

The unfortunate death of Louis Maietta, Jr. has caused a vacancy on the Civil Service Commission. This vacancy must be filled by a resident of District 4.

Subject 10. ORDER #156-20/21 - Economic Development Committee, District Five (Dhalac), for a term that expires March 23, 2024. Postponed since February 9, 2021. Passage requires majority vote.

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Category C. APPOINTMENT CALENDAR

Access Public

Type Action

Recommended Action Motion to postpone.

POSITION PAPER OF THE CITY CLERK

Bruce Bennett's term ends 03/23/2021. He is not seeking reappointment. Per Council Rules, this item is appearing on the Council agenda 90 days prior to expiration.

Subject 11. ORDER #165-20/21- Arts & Historic Preservation Committee, District Five (Dhalac), for an unexpired term that expires October 20, 2022. Postponed since March 2, 2021. Passage requires majority vote.

Meeting Jun 10, 2021 - CITY COUNCIL MEETING/BUDGET WORKSHOP #3

Category C. APPOINTMENT CALENDAR

Access Public

Type Action

Recommended Action Motion to postpone.

POSITION PAPER OF THE CITY CLERK

Caitie Whelan has resigned from the committee.

Subject 12. ORDER #166-20/21 - Waste Reduction Committee, District Three (Pride), for an unexpired term that expires May 5, 2022. Passage requires majority vote.

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Category C. APPOINTMENT CALENDAR

Access Public

Type Action

Recommended Action Motion to postpone.

POSITION PAPER OF THE CITY CLERK

Andrew Capelluti is stepping down from the Waste Reduction Committee in order to focus on landscape based initiatives. Andrew currently serves as Chair of the Waste Reduction Committee.

D. CONSENT CALENDAR

E. CITIZEN DISCUSSION (PART I)

Subject 1. Citizen Discussion

Meeting Jun 10, 2021 - CITY COUNCIL MEETING/BUDGET WORKSHOP #3

Category E. CITIZEN DISCUSSION (PART I)

Access Public

Type Discussion

Members of the public will be given up to **5 minutes** to speak on any item on or off the agenda during Citizens Discussion Part I. Members of the public speaking on any agenda item during this time will not be able to speak on that item again once it comes up for public discussion (including workshops). Members speaking during Citizen Discussion Part I will not be able to speak during Citizen Discussion Part II.

F. PUBLIC HEARINGS AND ACTION

Subject	1. ORDER #167 20/21 - Granting Northeast Alliance, LLC, 33 Rigby Road, for a Class II Medical Marijuana Dispensary. ROLL CALL VOTE. Passage requires majority vote.
Meeting	Jun 10, 2021 - CITY COUNCIL MEETING/BUDGET WORKSHOP #3
Category	F. PUBLIC HEARINGS AND ACTION
Access	Public
Type	Action (Consent)
Recommended Action	Motion for passage.

POSITION PAPER OF THE CITY CLERK

The applicant received Planning Board approval on April 14, 2021 for a medical marijuana dispensary with cultivation facility (710 total sq ft plant canopy) and marijuana extraction (manufacturing) facility at 33 Rigby Road. Drying, curing, and packaging of marijuana products for other licensed medical marijuana caregivers will also be conducted at this location, and they have applied for a separate Class I Medical Marijuana Products Manufacturing license for this location for this purpose.

This application for the Class II Medical Marijuana Dispensary license was received by the City Clerk's office on May 21, 2021. A legal ad has been placed and notice of public hearing has been posted at the proposed location of the business, as required by ordinance. The application has been reviewed and there are no objections by Health, Fire, or Code Enforcement. The Police Department has noted that the cultivation, sale and distribution of marijuana remains illegal under federal law. Ordinance (Ch. 14) requires public hearing and Council approval for the issuance of this business license. Approval is conditional upon passage of final inspection.

The waiver to confidentiality was not signed by the applicants, so the individual caregivers' names have been redacted from the application and is not a part of the public record.

City Code of Ordinances Sec. 14-777(d) regarding confidentiality:

Medical marijuana registered caregivers and other medical providers operating in compliance with the Maine Medical Use of Marijuana Act submitting applications and supporting information that is confidential under 22 M.R.S.A. § 2425-A(12), as may be amended, and the Maine Freedom of Access Act, 1 M.R.S.A. § 403(3)(F), shall mark such information as confidential.

An individual who possesses a valid Maine medical marijuana registered caregiver registry identification card need not identify himself or herself in an application for a license for a medical marijuana establishment. The cardholder must identify himself or herself and provide the relevant cards to the City Clerk for examination, but the identity of the cardholder shall not be a public record and the City Clerk shall not share the identity of the cardholder, except as necessary by law in the performance of his or her duties. At the time of application, the cardholder may appoint a representative to appear before the Licensing Authority on his or her behalf. Advertisements for public hearing shall contain the location of the proposed medical marijuana production facility and the identity of the owner of the real estate and the identity of the designated representative. The City Clerk may certify to the City Council that the applicant meets the necessary legal requirements as a cardholder(s).

The City Clerk has reviewed the applicant's registered caregiver cards and certifies to the City Council that the applicants are registered caregivers in the State of Maine and their caregiver cards are valid and unexpired.

File Attachments
ORDER #167.pdf (1,648 KB)
Northeast Alliance, LLC.pdf (1,239 KB)
Ch 14-781 Standards for Denial (Marijuana).pdf (76 KB)
Ch 14-8 Standards for Denial.pdf (82 KB)

Passage of consent items requires majority vote.

G. ACTION ON OLD AND NEW BUSINESS

Subject 1. RESOLVE #30-20/21 - Recognizing June 19 as "Juneteenth Independence Day" in the City of South Portland. ROLL CALL VOTE. Passage requires majority vote.

Meeting Jun 10, 2021 - CITY COUNCIL MEETING/BUDGET WORKSHOP #3

Category G. ACTION ON OLD AND NEW BUSINESS

Access Public

Type Action

Recommended Action Council passage of Resolve #30-20/21

POSITION PAPER OF THE CITY MANAGER

This item was brought forward for consideration at the request of Councilor Leighton and was subsequently sent to Council Workshop on [June 1, 2021](#). At that meeting Council instructed staff to bring forward a formal proclamation for the Council to adopt on this topic. Council is being asked to approve a statement which would recognize June 19 as "Juneteenth Independence Day" in South Portland beginning on June 19, 2021 and continuing in perpetuity. Attached is RESOLVE #30 for consideration.

File Attachments
RESOLVE - Juneteenth Proclamation.pdf (131 KB)

Subject 2. ORDER #168-20/21 – Setting the street opening fees for FY 2022. ROLL CALL VOTE. Passage requires majority vote.

Meeting Jun 10, 2021 - CITY COUNCIL MEETING/BUDGET WORKSHOP #3

Category G. ACTION ON OLD AND NEW BUSINESS

Access Public

Type Action

Recommended Action Council passage of ORDER #20/21.

POSITION PAPER OF THE CITY MANAGER

This item is brought forward to set the street opening permit administrative/inspection fee charges for FY 2022 effective July 1, 2021 to June 30, 2022. This process is required annually pursuant to [Chapter 23, "Streets and Sidewalks" §23-45 \(b\)](#) which states:

Sec. 23-45. Permit fee; street and sidewalk opening fees.

not intended to prevent leasing of the premises for ... a legally permissible public marina facility) ...” Port Harbor Marine has since built a world-class marina, accessible to the public, and a landmark amenity in South Portland. The original 40-year lease agreement was set to expire in 2020, and therefore the City began negotiating a lease extension with Port Harbor a few years earlier.

On July 6, 2016, the City Council approved a successor [lease agreement](#) that substantially modified the structure of rent payments, in addition to other changes. The City had earlier undertaken an appraisal of the property that quantified its fair market value and corresponding fair market rent, which supported a substantial increase in rent payments. It is important to note that the original rent payment structure pre-dated the marina that we see today, and years of investment by Port Harbor has resulted in a much improved and much more valuable amenity. Therefore, it was expected that rent would substantially increase at the commencement of the new lease. This investment has also resulted in the lessee (Port Harbor Marine) having a significant possessory interest (equity interest) in the facility, which is essentially an unfunded financial liability to the City. As of 2014, Port Harbor's possessory interest in the facility was estimated to be approximately \$3.13 million. At the time the lease is terminated or expires, the City or a successor marina operator would have to pay out this equity interest.

On May 1, 2020, the annual rent for the facility increased to \$178,675.96, and on May 1, 2021, the annual rent further increased to \$282,471.54. Thereafter, the new rent structure is subject to an annual inflation escalator, based on the Consumer Price Index (CPI). The annual escalator has a cap of 3% and a floor of 1% to provide a certain amount of rent stability. The rent will continue to be adjusted each year through the end of the lease, which will expire on May 1, 2050.

Reserve Account

It is proposed that all rental revenue received in excess of \$180,000 would be transferred each year into a new Waterfront Improvements Reserve account. The account would effectively serve two purposes: 1) To fund, over time, the significant financial liability associated with the tenant's possessory interest in Spring Point Marina, and 2) To build a reserve for future investments and improvements in the City's waterfront. Those investments may include land acquisition, redevelopment, coastal resiliency projects, creating public facilities and amenities, etc.

Finance Director Greg L'Heureux and Assistant City Manager Joshua Reny will be in attendance to answer questions about this item.

File Attachments

[Spring Point Marina Lease - Port Harbor Marine - 2016.pdf \(1,485 KB\)](#)
[ORDER - Waterfront Improvement Reserve.pdf \(27 KB\)](#)

H. WORKSHOP DISCUSSION

Subject	1. Budget Workshop #3 ("Parking Lot" Items)
Meeting	Jun 10, 2021 - CITY COUNCIL MEETING/BUDGET WORKSHOP #3
Category	H. WORKSHOP DISCUSSION
Access	Public
Type	Discussion, Information

POSITION PAPER OF THE CITY MANAGER

On Thursday night Council will conduct the third and final budget workshop for fiscal year 2022 (FY22). This workshop will put the finishing touches on the budget document that Council wishes to bring forward for a final vote on June 22, 2021. There are a number of items that have been placed on the "Parking Lot" list by Councilors and staff for further discussion and decisions on each of these items will need to be made by the conclusion of the workshop (see attached list).

To assist Council in this process, I have come up with a revised budget proposal for your consideration. This proposal, which is detailed in the attached memo, incorporates some American Rescue Plan Act (ARPA) funding. The proposal does not necessitate any of the cuts that had been placed on the "Parking Lot" list for consideration, but it is able to incorporate some additional items for inclusion from that list. The revised budget also places more funding into the Tax Rate Stabilization Fund and would REDUCE the tax rate slightly, instead of the slight increase that had been proposed previously.

At the workshop, Finance Director Greg L'Heureux will provide an overview of ARPA funding and I will follow with a thorough overview of the revised budget proposal. While all division and department heads who have items on the "Parking Lot" list will be present at the meeting and have also provided memos regarding these items (see attached), none will be presenting unless specifically requested by Council. The ultimate questions staff is seeking guidance from Council on is:

1. Do you approve of moving forward with the revised budget proposal, or do you wish to make modifications (and if so, what modifications?)?
2. Do you approve of adding in the CIP projects for Sustainability and Public Works if staff determines additional ARPA funds can be used for this purpose?
3. Do you wish to include any items not funded from the "Parking Lot" list in the budget should the State Legislature increase revenue sharing as proposed by the Governor, which would result in approx. \$350,000 more funding for South Portland in FY22?

Attached please find numerous documents to help in your deliberations:

- List of "Parking Lot" items, including funding source and the City Manager's recommendation for each;
- Memo from the City Manager outlining the revised budget proposal;
- Interim final rules from the U.S. Treasury related to uses of ARPA funding (NOTE: this is a lengthy, dense document. You needn't read through it as the Finance Director will be providing an overview of the allowed uses. This is just a reference.); and
- Ten (10) memos from various divisions/departments detailing the items within their respective budgets that Councilors had previously placed on the "Parking Lot" list.

Director L'Heureux, Deputy Finance Director Parker Madden, and the various division/department heads impacted by the "Parking Lot" list will be present for this discussion.

File Attachments

Memo - Revised Budget Proposal - City Manager Morelli.pdf (127 KB)
Parking Lot List 060421.pdf (154 KB)
05.10.2021 Coronavirus State and Local Fiscal Recovery Funds - Interim Final Rule.pdf (1,432 KB)
Memo - Code Enforcement Budget - CEO Skelton.pdf (102 KB)
Memo - COLA Analysis - HR Director Weaver.pdf (85 KB)
Memo - Econ Dev Budget - ED Director Mann.pdf (247 KB)
Memo - Library Budget - Library Director Davis.pdf (312 KB)
Memo - Parks and Rec Budget - PRW Director Coughlin.pdf (158 KB)
Memo - Planning Budget w Attach - Planning Director Nevajda.pdf (9,018 KB)
Memo - Police Budget - PD Chief Berry.pdf (243 KB)
Memo - PW Budget - PW Director Howard.pdf (164 KB)
Memo - SPCTV Budget w Attach - SPCTV Manager Amaral.pdf (501 KB)
Memo - Sustainability Budget - Sustainability Director Rosenbach.pdf (151 KB)

Subject	2. List of Workshop Items to be Reviewed.
Meeting	Jun 10, 2021 - CITY COUNCIL MEETING/BUDGET WORKSHOP #3
Category	H. WORKSHOP DISCUSSION
Access	Public
Type	Discussion

POSITION PAPER OF THE CITY MANAGER

Council has workshops scheduled through December 21, with only two dates available for new workshop items (December 14 and 28). There remains three items on the workshop list that are awaiting a date, none of which are ready to be scheduled for a specific date.

We have removed an item on the "Awaiting Dates" list related to changes in investment policies that was originally proposed by Finance Director Greg L'Heureux.

File Attachments
[06-02-21 Workshop Items List.pdf \(115 KB\)](#)

I. CITIZEN DISCUSSION (PART II)

Subject	1. Citizen Discussion
Meeting	Jun 10, 2021 - CITY COUNCIL MEETING/BUDGET WORKSHOP #3
Category	I. CITIZEN DISCUSSION (PART II)
Access	Public
Type	Discussion

Members of the public will be given up to **5 minutes** to speak on any item on or off the agenda during Citizens Discussion Part II. Members of the public who spoke on any agenda item (including workshops) will not be able to speak on that item again during this time. Members who spoke during Citizen Discussion Part I will not be able to speak during Citizen Discussion Part II.

J. COMMUNICATION FROM THE CITY MANAGER

K. COUNCILOR'S ROUND ROBIN

L. EXECUTIVE SESSION

M. ADJOURNMENT

Subject	1. Adjourn
Meeting	Jun 10, 2021 - CITY COUNCIL MEETING/BUDGET WORKSHOP #3
Category	M. ADJOURNMENT
Access	Public
Type	Action
Recommended Action	MOTION TO ADJOURN

Items may only be introduced after 11:00 p.m. upon a majority vote of Councilors present and voting. Items on a regular meeting agenda not introduced pursuant to this rule shall be placed on the next regular meeting agenda.