

**Finance Committee
Meeting Minutes
Thursday, September 24, 2009
Room 209**

Attendees: Chairman Mavodones, Councilor Anton, Councilor Waxman, Joe Gray, Ellen Sanborn, Anita LaChance, Suzanne Knight, Chief Fred LaMontagne, Mike Bobinsky, Greg Mitchell, Tom Civiello, Gary Wood, John Peverada, Cpt. Dave Pendleton, Mike Murray, and members of the public.

Item 1: Approve Minutes from August 27th and September 8th, 2009

Motion made by Councilor Anton to approve Minutes from August 27th and September 8th meetings, seconded by Councilor Waxman. Motion passed 3-0.

Item 2: Communication – Budgetary Results for FY09

Due to time constraints this item will be placed on the next agenda.

Item 3: Consideration of Waiver Fee for Installation of Veteran's Markers

This item has been brought to the Finance Committee at the request of Councilor Anton. Mark Reilly had written to councilors requesting fees be waived for placing veteran's markers at the cemetery. Councilor Anton would like this item to go through to council. Mike Bobinsky explained that the average revenue generated is between \$2,000 - 2,500 per year. He provided a handout showing a sample of a veteran's marker. The standard fee for markers is \$90.00, but they currently charge \$70.00 for veteran's markers. Mark feels that where families have already paid for burial costs, this would be a way to thank the veteran for their service.

Motion made by Councilor Waxman to develop a waiver provision on the installation of veteran's markers, seconded by Councilor Anton. Motion passed 3-0.

Chairman Mavodones wanted to point out that the fees that are going to be waived will have to be made up somewhere else.

Item 4: Amend Resolution Limiting City's Long-term Debt

Due to time constraints this item will be placed on the next agenda.

Item 5: Recommendation on Waterfront Improvement Fund TIF

This item has been before the Finance Committee twice. Councilor Anton explained that he has met with both Ellen and Mary Costigan to revise this operationally. His intent is to dedicate the increment and to keep tax revenue generated in this district for waterfront public infrastructure. He feels that waterfront development is important and that the tension is in the flexibility of sales revenue.

Gary provided a map identifying five properties within the Waterfront TIF district as currently exists. Gary wanted clarification from Councilor Anton that his intent is that these previously existing properties would continue to be included. Councilor Anton confirmed, and said would like to capture the increment of all properties.

Joe said that philosophically he agrees and would feel comfortable in supporting this if the establishment of the fund was not so directive in having proceeds from sale of properties go into this fund. It is estimated that next year approximately \$326,000 would go into this fund, of which about \$280,000 is dedicated for debt service associated with the Ocean Gateway. Joe agrees that waterfront development is important, however feels that funds should be managed as other TIFs to balance the continued need to bring in a budget at a manageable level. The current proposed changes take away any flexibility for impacting the annual budget, which is important. Councilor Anton agreed to meet with Joe to review the language and other options.

Chairman Mavodones said that no action needs to be taken on this today. He agrees philosophically with development on waterfront but is also concerned about managing the budget. He also recalled that when this TIF district was developed, several property owners on upper Commercial Street expressed concern with being included in this district. Joe said there were discussions in 2002 with property owners not wanting to be included.

Item 6: Continued CIP Discussion

Joe explained that the \$3.5 million TPL loan payment was approved by the Council on Monday. The finance committee requested further analysis on the fireboat quarters an overview of priorities for parks projects, and treatment of the sewer easements.

Sewer Easement – Joe explained that these sewer easements are mandated under the CSO. He has spoken with Ellen and outside council and we can move this \$150,000 outside of the CIP cap, as it is considered a CSO expenditure with is not within the cap parameters. Joe recommends adding this to the replacement of Fitzpatrick bleachers as there have been some safety issues here. Because of the magnitude of this project, it is being done in two phases, and adding this funding to the current amount listed would better ensure the ability to get phase one completed next year.

Parks CIP Funding – Councilor Anton thanked Tom and Mike for the background information they provided. He is comfortable with the proposed Parks expenditure. He would like to make the adjustment and follow the manager’s recommendation.

Discussion was held on voting to approve the remaining \$5.2 million of CIP with the exception of the fireboat quarters which will be discussed separately.

Motion made by Councilor Mavodones to amend the CIP at the City Manager’s recommendation by moving the \$150,000 proposed for easements and adding it to the replacement of bleachers at Fitzpatrick Stadium, seconded by Councilor Anton. Motion passed 3-0.

Motion made by Councilor Anton to approve \$5.35 million remaining in the CIP, with the exception of the fireboat quarters, seconded by Councilor Waxman. Motion passed 3-0.

Fireboat – Joe supports what the Chief has brought forward, acknowledging the extensive amount of time and energy he has spent in analyzing the fireboat quarters. The Chief said at the request of the Committee, they have put together information on this analysis. He has supplied

information of different scenarios, some on land and some on pilings, which shows the proposed location as the most viable. He feels it's unfortunate that this comes at a bad time financially but explained that this process started with the construction of the new fireboat back in 2006, and believes that without acquisition of land and more design, this is the best investment for the dollar. He provided an outline of funds allocated toward the fireboat crew quarters. There was an earlier appropriation of \$500,000, when combined with the \$1.3 million requested would be a total of \$1.8 million. There have been some costs for design and permitting, leaving a current balance of about \$350,000 available from the earlier funding.

Councilor Anton thanked the Chief for all his time spent on this and bringing forth this analysis. Councilor Waxman asked about allocation and whether increase was based on cost or mandates. The Chief explained that the cost has changed throughout the process, but that building code changes have definitely added material costs because these quarters are considered an essential building. This would be a second story elevated structure in a marine environment which also adds to the overall cost.

Discussion was held on response times to various islands. Chairman Mavodones understands that a crew could get to the waterfront quickly, but the actual time it takes to get the boat up and ready and to a water emergency is where the minutes count. Chief LaMontagne also said the fireboat would have to be locked up and tied securely and is concerned about leaving a vessel potentially overnight unattended.

Councilor Waxman asked Fred if they receive support from other communities. Fred said no financial support is received and they work closely with the Coast Guard. They do receive medical support from Long Island. They average 225 total emergency calls per year including all waterfront calls, of which about 100 are for Peaks Island.

Discussion was held on selling the old fireboat. Joe said they will be looking into this real soon and feels there is minimal value.

Councilor Waxman would like to make a motion that this goes to the full council. This will provide time for us to educate the public and then all councilors could weigh in on it. Councilor Anton said regardless of how the vote turns out this still should be forwarded to full council and appreciates the amount of time spent explaining the details of this issue. Councilor Mavodones is in support of this, realizing that this is a big expense, but public safety is very important and a great concern on the waterfront and islands. He is supportive of moving this to council.

Motion made by Councilor Waxman to include this in the CIP and bring to full council, seconded by Councilor Mavodones. Full CIP amount of \$6,650,000. Motion passed 2-1. (Councilor Anton opposed)

Meeting adjourned.