

**City of Gardiner**  
**City Council Meeting Minutes**  
**February 25, 2009**

**1. CALL TO ORDER 7:00 pm**

**2. ROLL CALL**

Attendees: Councilor Richard Nickless, Councilor Kendall Holmes, City Manager Jeff Kobrock, Mayor Andrew McLean, Councilor Phil Hart, Councilor George Trask, Councilor Logan Johnston

Councilor Michael Giberson and Councilor Richard Rambo were unable to attend.

**3. PETITIONS, COMMUNICATIONS, RESOLUTIONS & PUBLIC HEARINGS**

**3.1 Consideration of Comments from the Public on Issues that Do Not Appear Elsewhere on the Agenda (Please limit comments to five minutes.)**

Mayor McLean asked if there were any members of the public that would like to speak. No one spoke.

**3.2 Public Hearing on Area-Wide Libby Hill Municipal Development and Tax Increment Financing Development Program**

Mayor McLean asked Jason Simcock to speak on this item. Jason introduced Shana Mueller from Bernstein Shur. He said she has helped us with the TIF application process. Jason gave a brief update on where the city is in the process. Jason then wanted to highlight the key points of the application. He said that the application will include the Phase II expansion of the Business Park. He said that the Council had determined that the city needs a business plan and a marketing plan for Libby Hill Business Park. Jason spoke of future development and Denison Lubricants. He said that rather than putting together an individual TIF for each business it was determined that an area wide TIF is a more efficient way to go. He said that the Credit Enhancement Agreement determines all of the conditions with individual developers in the area wide TIF. The area wide TIF creates a framework. The area wide TIF document is flexible and broad. He described the agreement in more detail. He said that they need to prioritize where the TIF revenue can be spent. He said that TIF revenues always go to debt service first. Mueller spoke and said that she is here to answer any questions that the council may have. She mentioned that the process involves establishing a district, and the city is not obligated to contract with developers locating there. She pointed out that at the end of the document there are exhibits of what the TIF revenues will be, which is required by the state. She said that she has included a reasonable assessment for the projections. She said that the first page of exhibit C show the expected TIF revenues. She said that the next section of the exhibit shows projections of what the tax shift benefit will be. She then handed out a revised version because of an error. She asked if anyone had questions for her. Jason

asked her to talk about how priority works with funding. She explained that the major part is to build in as much flexibility as possible. She said that she has put as many potential projects that she could think of on this list. She said that there is a budgetary process. Her projections are for 30 years. She said that the city can terminate the TIF early if necessary. This money can only be used on TIF projects. Jason then spoke and explained that the existing TIFs are for 10 years and will need to be extended. He mentioned in the future we may be able to include downtown businesses in the District TIF. said that the statute allows for flexibility with the ability to use funds created for other TIFs as long as certain conditions are met. Mayor McLean told Council that there will be more time for discussion when they reach item 5.1 on the agenda. He closed the public hearing.

#### **4. CONSENT AGENDA (No Consent Agenda)**

#### **5. NEW BUSINESS**

##### **5.1 Consideration of Order 09-02 Area-Wide Libby Hill Municipal Development and Tax Increment Financing Development Program**

Mayor McLean asked Council to review the materials in front of them and then asked for a motion or questions. Councilor Johnston spoke and said that before a motion is made he wanted to know how difficult it is to change an area-wide TIF, and what is the process. Shana responded to the question and said that the level of difficulty to change an area-wide TIF depends on what the change is. She said if you are changing boundaries, there are steps that the statute requires you to follow. She said that the City would need to draft what needs to be amended and there would need to be a 10 day notice of a public hearing. Then it goes to the State. She said simple changes can be made by direction of the City Council, changing the TIF or term itself would be a longer process. Councilor Johnston said that he was concerned that the table that Shana has presented can be changed by Government and is out of their control. Shana said that Councilor Johnston is right. The state provides the cost estimates, and we are not locked in. Councilor Nickless asked what district does this TIF cover? Jason said that it covers the empty lots in Phase I and the new lots in Phase II. Councilor Hart asked about the downtown TIF. Jason said that in the future we will have the flexibility to use funds for downtown TIF after debt service is addressed. Councilor Hart said the problem that he has with this program is taxpayers are the investors in this, and he thinks that they should get a percentage of this in dividends. It's too easy to start funding projects that the City might normally fund. Jason explained that the TIF will actually give taxpayers a break, due to the tax shelter benefits. Councilor Trask asked why only ten year TIFs were established. Jeff Kobrock answered and said that we learned as we went along and weren't thinking as far ahead as we should have been. Councilor Holmes asked if we could eventually have TIF zones all over the City of Gardiner. Jason answered referring to the statute on page 7 regarding overlapping TIFs. Shana Mueller said that the City needs to monitor these TIFs. Councilor Hart is concerned about what projects this money will be spent on. The City's main goal should be not to under fund the debt service. Shawna said that when drafting the CEA, debt service must be paid first. Councilor Trask spoke and asked Jason and Shana where the money comes from for maintenance of Libby Hill. Shana explained the agreement states

this type of maintenance cannot be covered by a TIF. Councilor Trask commented about how big the area is getting, road maintenance will come out of the taxpayer's money. Shana stated that Economic Development for the City comes with increased costs for the community. This is just the cost of business. Jason said that there are some road improvements that the TIF may cover. Councilor Trask said that he is not sure this TIF is a good idea. He also commented that the City is looking at cutting services right now, it doesn't make sense to spend money developing Libby Hill. There was further discussion by all regarding this.

**Councilor Hart made a motion to accept the TIF program with one exception.** He said that he would like to see the City Manager report on this every year. Jeff Kobrock said that this is already part of the budget process. **Councilor Johnston made a second motion.** Unanimous Vote.

### **5.2 Presentation of January Finance Report**

Denise Brown presented the finance report and began by saying there were no reportable variances since December. The City is in line to where it should be at this time of year. She said that 80% of our Audit Services have been paid and the rest will be paid off in February. She said that all dues have been paid to officials. She also mentioned that health benefits will continue to look skewed until the end of the fiscal year. She said insurances are at 82%. She asked the Councilors if they had any questions. Councilor Hart asked Denise to refresh his memory on the Boys and Girls Club line. She said that the City had one payroll in July the Boys and Girls Club will be refunding us for. Jeff Kobrock mentioned that there are also some audit adjustments. There were no other questions.

### **5.3 Presentation of Departmental Update – Planning and Development**

Jason Simcock presented a slide show about his department. There were no questions from the Councilors.

## **6. CITY MANAGER REPORT**

Jeff Kobrock spoke and said that he was continuing to work with the Wlodlyo's with Eric Stumpfel's assistance. He mentioned that in March, arbitration will begin with the Fire Department regarding the employee that could not be insured. He said that next week he would schedule a meeting with department heads for some goal setting. He would like to wrap up the goal statement project also. In mid-March, he said that he and Council would be meeting to discuss and work on the budget gap. Mayor McLean asked Jeff if he could plan on putting a retreat together for the Councilors to start the budget process. Jeff said that EJ Prescott has offered their training room on April 18<sup>th</sup>. Jeff said there will also be budget workshops for Council on April 29<sup>th</sup>. Mayor McLean mentioned to the Councilors that they will need to finish the training on the Freedom of Information Act and return the form to Lori Jewell as soon as possible.

## **7. COUNCIL DISCUSSION**

Councilor Richard Nickless spoke about having a short discussion about raising chickens in a residential area. He said that he's had quite a few people ask about this and would

like to ask ordinance review. He asked if anyone knew if this was approved and what are the restrictions. George Trask spoke and said that he thought the ordinance was for six chickens per property and no roosters. He also commented and said that raising only six chickens really is not worth the cost. Councilor Holmes had nothing to discuss. Councilor Hart had nothing to discuss. Councilor Trask asked why Chuck Applebee is taking all of the machinery out of the Wastewater Treatment Plant and putting it out to bid. Jeff said there is a surplus of equipment, but he will look into it further. Councilor Trask also said that there is not enough sand put on the roads; some areas are very icy. Jeff Kobrock mentioned that the City is trying to be frugal with the salt and sand right now. Councilor Johnston had nothing to discuss. Mayor McLean had nothing to discuss.

Councilor Johnston made a first motion to adjourn the meeting and enter Executive Session. Councilor Trask made a second motion, and all were in favor to adjourn the council meeting at 9:17pm and begin the Executive Session to Receive Legal Advice.

At 10:46pm, members of Council, the City Manager and the Mayor came out of Executive Session to receive legal advice. No action was taken. Meeting adjourned.

Respectfully yours,

Lori Jewell