INFORMATIONAL MEETING AGENDA

THURSDAY, NOVEMBER 30, 2017
CITY HALL (COUNCIL CHAMBERS)
6:30 P.M.

A. Items for discussion submitted by the City Council and/or the City Manager:
   1. Fiscal Year 2017 Audit Presentation – City Manager
   2. Amendment to the City Procurement Ordinance to Comply with Federal Grant Regulations – City Manager
   3. Certified Local Government Status – City Manager
   4. Proposed Marijuana Moratorium – City Manager

B. Persons wishing to address the City Council who have submitted a formal request in accordance with Section 2-61 of the Code of Ordinances:

C. Open comment period for any persons wishing to address the City Council:
CITY OF AUGUSTA
FINANCIAL OVERVIEW
Presented by:
Hank Farrah
RUNYON KERSTEEN OUELLETTE

INSIDE
2. Summary of Audit Results
3. General Fund – Fund Balance
4. General Fund - Revenues
5. General Fund - Expenditures
6. Unassigned Fund Balance as % of Budget
7. Comparative Unassigned Fund Balance %
8. Revenue Distribution
11. Debt Per Capita
12. Debt Per Capita Comparisons

About this presentation
This presentation is intended as a tool to assist the City Council and management in understanding its financial operating results. The information contained in this publication should be read in conjunction with the audited financial statements and related disclosures and should not be used for any other purposes without the expressed consent of RUNYON KERSTEEN OUELLETTE.

Please contact us at 207-773-2986 or 1-800-486-1784
20 Long Creek Drive, South Portland, ME 04106
CITY OF AUGUSTA
SUMMARY OF AUDIT RESULTS

- Financial Statement Opinion – Unmodified
- Report Required by Government Auditing Standards
  - No Material Weaknesses
  - No Significant Deficiencies
- Report Required by the Uniform Guidance
  - Programs Tested
    - Title IA
  - No Findings
## CITY OF AUGUSTA

**Fund Balance Analysis FY 2013-2017**

<table>
<thead>
<tr>
<th>Year</th>
<th>Non-Spendable</th>
<th>Restricted</th>
<th>Assigned</th>
<th>Budget Stabilization</th>
<th>Unassigned</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>140,187</td>
<td>4,090,852</td>
<td>4,399,779</td>
<td>1,200,000</td>
<td>5,584,438</td>
</tr>
<tr>
<td>2016</td>
<td>113,617</td>
<td>5,939,022</td>
<td>4,338,644</td>
<td>1,200,000</td>
<td>5,532,009</td>
</tr>
<tr>
<td>2015</td>
<td>116,802</td>
<td>5,742,799</td>
<td>3,890,718</td>
<td>1,200,000</td>
<td>5,224,110</td>
</tr>
<tr>
<td>2014</td>
<td>101,133</td>
<td>4,499,432</td>
<td>4,381,640</td>
<td>1,200,000</td>
<td>4,988,907</td>
</tr>
<tr>
<td>2013</td>
<td>172,189</td>
<td>3,400,282</td>
<td>4,057,550</td>
<td>-</td>
<td>6,895,942</td>
</tr>
</tbody>
</table>
## CITY OF AUGUSTA

### General Fund Revenues

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes</td>
<td>$32,171,982</td>
<td>32,475,745</td>
<td>303,763</td>
</tr>
<tr>
<td>Licenses and Permits</td>
<td>172,130</td>
<td>208,511</td>
<td>36,381</td>
</tr>
<tr>
<td>Intergovernmental Revenues</td>
<td>15,194,871</td>
<td>15,398,158</td>
<td>203,287</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>1,863,627</td>
<td>1,836,384</td>
<td>(152,243)</td>
</tr>
<tr>
<td>Tuition and Other Charges – Education</td>
<td>790,000</td>
<td>637,679</td>
<td>(27,243)</td>
</tr>
<tr>
<td>Fees and Fines</td>
<td>44,815</td>
<td>59,224</td>
<td>14,409</td>
</tr>
<tr>
<td>Unclassified</td>
<td>432,080</td>
<td>740,118</td>
<td>308,038</td>
</tr>
<tr>
<td>Investment Earnings</td>
<td>102,975</td>
<td>32,881</td>
<td>(70,094)</td>
</tr>
<tr>
<td>Transfers from Other Funds</td>
<td>2,381,564</td>
<td>2,353,142</td>
<td>(28,422)</td>
</tr>
<tr>
<td>Use of Surplus and Carryforwards</td>
<td>5,611,004</td>
<td>149,000</td>
<td>(5,462,004)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$58,765,048</strong></td>
<td><strong>53,890,842</strong></td>
<td><strong>(4,874,206)</strong></td>
</tr>
</tbody>
</table>
## CITY OF AUGUSTA

### General Fund Expenditures

<table>
<thead>
<tr>
<th>Category</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative and Executive</td>
<td>$616,004</td>
<td>627,192</td>
<td>(11,188)</td>
</tr>
<tr>
<td>Finance and Administration</td>
<td>1,821,203</td>
<td>1,767,684</td>
<td>53,519</td>
</tr>
<tr>
<td>Development Services</td>
<td>1,714,019</td>
<td>1,634,952</td>
<td>79,067</td>
</tr>
<tr>
<td>Community Service</td>
<td>2,437,466</td>
<td>2,395,390</td>
<td>42,076</td>
</tr>
<tr>
<td>Public Safety</td>
<td>9,169,832</td>
<td>9,167,872</td>
<td>1,960</td>
</tr>
<tr>
<td>Public Works</td>
<td>3,888,404</td>
<td>3,630,164</td>
<td>258,240</td>
</tr>
<tr>
<td>Education</td>
<td>29,771,636</td>
<td>28,918,509</td>
<td>853,127</td>
</tr>
<tr>
<td>Retirement and Insurance</td>
<td>2,210,833</td>
<td>2,294,133</td>
<td>(83,300)</td>
</tr>
<tr>
<td>Utilities</td>
<td>2,525,542</td>
<td>2,505,563</td>
<td>19,979</td>
</tr>
<tr>
<td>Unclassified</td>
<td>1,533,098</td>
<td>1,533,098</td>
<td>-</td>
</tr>
<tr>
<td>Debt Service</td>
<td>2,332,655</td>
<td>2,281,830</td>
<td>50,825</td>
</tr>
<tr>
<td>Transfers to Other Funds</td>
<td>137,985</td>
<td>137,985</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$58,158,677</td>
<td>56,894,372</td>
<td>1,264,305</td>
</tr>
</tbody>
</table>
CITY OF AUGUSTA

Unassigned Fund Balance as a % of Budget Compared to Other Cities - 2016

Augusta: 10.14%
Portland: 13.00%
Bangor: 10.80%
Biddeford: 3.62%
Auburn: 7.54%
South Portland: 16.00%
CITY OF AUGUSTA

Revenue Distribution – Local vs State

<table>
<thead>
<tr>
<th>Year</th>
<th>Taxes</th>
<th>Intergovernmental</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>63.20%</td>
<td>29.96%</td>
</tr>
<tr>
<td>2016</td>
<td>62.94%</td>
<td>29.34%</td>
</tr>
<tr>
<td>2015</td>
<td>61.32%</td>
<td>31.02%</td>
</tr>
<tr>
<td>2014</td>
<td>60.28%</td>
<td>32.25%</td>
</tr>
<tr>
<td>2013</td>
<td>59.51%</td>
<td>31.41%</td>
</tr>
</tbody>
</table>
CITY OF AUGUSTA
2017 General Fund Expenditures

- Education: 50.95%
- Retirement & Insurance: 4.04%
- Utilities: 4.41%
- Unclassified: 2.70%
- Debt Service: 4.02%
- Legislative & Executive: 1.11%
- Finance & Admin: 3.11%
- Development Services: 2.88%
- Public Works: 6.40%
- Public Safety: 16.15%
- Community Services: 4.22%
CITY OF AUGUSTA
2016 General Fund Expenditures

- Education: 50.53%
- Retirement & Insurance: 4.12%
- Utilities: 4.75%
- Unclassified: 2.82%
- Debt Service: 2.71%
- Legislative & Executive: 1.07%
- Finance & Admin: 3.23%
- Development Services: 2.86%
- Public Works: 6.73%
- Public Safety: 16.86%
- Community Services: 4.31%
CITY OF AUGUSTA

Debt per Capita

<table>
<thead>
<tr>
<th>Year</th>
<th>Debt per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>2,367</td>
</tr>
<tr>
<td>2009</td>
<td>2,255</td>
</tr>
<tr>
<td>2010</td>
<td>2,099</td>
</tr>
<tr>
<td>2011</td>
<td>1,974</td>
</tr>
<tr>
<td>2012</td>
<td>1,841</td>
</tr>
<tr>
<td>2013</td>
<td>1,803</td>
</tr>
<tr>
<td>2014</td>
<td>1,623</td>
</tr>
<tr>
<td>2015</td>
<td>2,063</td>
</tr>
<tr>
<td>2016</td>
<td>2,253</td>
</tr>
<tr>
<td>2017</td>
<td>2,444</td>
</tr>
</tbody>
</table>
CITY OF AUGUSTA

Debt Per Capita
Compared to Other Cities - 2016

- Augusta: 2,253
- Portland: 6,529
- Bangor: 4,449
- Biddeford: 1,995
- Auburn: 2,124
- South Portland: 2,097
Thank you for your time!
Any Questions?
MEMO

TO: City Council
William Bridgeo, City Manager

FROM: Matt Nazar, Director of Department of Development Services

DATE: November 27, 2017

RE: Certified Local Government

The Augusta City Council set a goal at its 2016 Goal Setting session to become a Certified Local Government. To date, all of the requirements to apply for the program have been met, including:

1. Establishment of the Historic District Ordinance (May 2016)
2. Establishment of a Historic District Review Board (first meeting January 2017)
3. Creation of Bylaws for the Historic District Review Board (February 2017)
4. Creation of Local Historic Districts
   a. Water Street and Bond Street Historic Districts (May 2017)
   b. Winthrop Street and Crosby Street Historic Districts (November 2017)

Participation in the Certified Local Government Program will enable the City of Augusta to be recognized as a leader in preservation of community historic resources; provide access to technical assistance to further historic preservation in the community; and gain eligibility for Historic Preservation Funds from the Department of the Interior to further these goals. There are no additional requirements the city must meet, beyond what Council has already done.

The Certified Local Government Program enables an expanded partnership between the federal National Historic Preservation Program and the Maine Historic Preservation Commission to identify, evaluate and protect historic properties. The Certified Local Government Program:

1. Ensures the broadest possible participation of local government in the national historic preservation program while maintaining standards consistent with the National Historic Preservation Act and the Secretary of the Interior’s “Standards
and Guidelines for Archaeology and Historic Preservation."

(2) Enriches, develops and helps maintain the preservation of prehistoric and historic sites, structures, objects, buildings and districts by establishing and maintaining local historic preservation programs in partnership with the Maine Historic Preservation Commission;

(3) Provides financial and technical assistance to further these purposes.
Memo

To: City Council
   William Bridgeo, City Manager

From: Matt Nazar, Director of Development Services

Date: November 27, 2017

Re: Marijuana Legalization

The Governor’s veto of the Legislature’s bill regarding the legalizing of marijuana, and the Legislature’s failure to override that veto, will likely mean that in mid-February 2018 the citizen enacted law will go into effect. That law creates many concerns that need to be addressed at the local level and there is a very short timeframe for the City to do so. The Legislature could extend their statewide moratorium, but local staff currently see that as unlikely and certainly not an action that is reliable.

The first question that the City Council must answer is whether or not it wants legalized recreational marijuana to be commercially cultivated, processed, tested, or sold in Augusta. If the answer to all aspects of this question is “No”, the law permits a municipality to ban such activities by ordinance, and such an ordinance could be enacted prior to the mid-February deadline. Augusta cannot prohibit personal possession and use, but can regulate or prohibit commercial activities related to marijuana.

If the City Council wants to allow some or all commercial activities related to marijuana, in order to ensure we have the time necessary to enact thoughtful regulation, staff recommends enacting a local moratorium. If a committee is to be appointed to create the necessary ordinance, staff recommends that it include individuals from affected boards and departments as outlined in the attached moratorium – City Council, Planning Board, Planning Bureau, Code Enforcement Bureau, Police Department, and Fire Department. Any zoning changes will require notice and hearing before the Planning Board.

The attached 180 day moratorium, which can be extended for an additional 180 days if necessary, was created by Corporation Counsel. The only change I’ve made to it is the effective date of the ordinance being December 1, 2017.
MORATORIUM ORDINANCE REGARDING
RETAIL MARIJUANA ESTABLISHMENTS

WHEREAS, a ballot initiative to legalize, regulate and tax marijuana for non-medicinal purposes known as the “Marijuana Legalization Act,” (the “Act”) codified in the Maine Revised Statutes Annotated (“M.R.S.A.”) in Title 7, chapter 417, was approved by a state-wide referendum election on November 8, 2016; and

WHEREAS, the Act authorizes municipalities to regulate the number of retail marijuana stores and the location and operation of retail marijuana social clubs and retail marijuana establishments, including retail marijuana stores, retail marijuana cultivation facilities, retail marijuana products manufacturing facilities and retail marijuana testing facilities, as those terms are defined in the Act, as well as to prohibit the operation of retail marijuana social clubs and retail marijuana establishments, including stores, cultivation facilities, manufacturing facilities and testing facilities, within their jurisdiction;

WHEREAS, the Act does not limit the privileges or rights afforded by the Maine Medical Use of Marijuana Act (22 M.R.S.A. §§ 2421 – 2430-B) (the “Medical Marijuana Act”) to qualifying patients, primary caregivers, or registered dispensaries, including cultivation facilities associated with any of those classifications; and

WHEREAS, the Maine Legislature, as of the enactment date of this Ordinance, has not passed proposed amendments to the Act to clarify certain provisions regarding its effects and applicability, and to place other limitations regarding the licensing and operation of retail marijuana establishments;

WHEREAS, the Municipal Code of Ordinances (the “Code of Ordinances”) of the City of Augusta (the “City”) does not include any regulations related to retail marijuana establishments or retail marijuana social clubs that may be permitted under the Act; and

WHEREAS, the unregulated location and operation of retail marijuana establishments and retail marijuana social clubs within the City of Augusta raises legitimate and substantial questions about the impact of such establishments and social clubs on the City, including questions about the compatibility of retail marijuana establishments and social clubs with existing uses and development in residential, commercial and industrial zoning districts; the potential adverse health and safety effects of retail marijuana establishments and social clubs on the community if not properly regulated; the possibility of illicit sale and use of marijuana and marijuana products to minors and misuse of marijuana and marijuana products by those who would abuse the uses authorized under the new law; potential criminal activity associated with the cultivation, manufacturing, sale and use of marijuana and marijuana products for non-medicinal purposes and the potential increased burden on the City’s Police Department and Fire Rescue Department; and the adequacy of the City’s streets and infrastructure to accommodate the additional traffic and/or population that may result from the presence of retail marijuana establishments or social clubs; and
WHEREAS, the possible effect of the location and operation of retail marijuana establishments and/or retail marijuana social clubs within the City has potentially serious implications for the health, safety and welfare of the City and its residents; and

WHEREAS, the City needs time to review the Act and to review its own Code of Ordinances to determine the implications of future proposed retail marijuana establishments and/or social clubs to develop reasonable ordinances governing the location and operations of such establishments and social clubs to address the concerns cited above; and

WHEREAS, the City’s current ordinances are insufficient to prevent serious public harm that could be caused by the unregulated development of retail marijuana establishments and social clubs and other uses authorized by the Act; and

WHEREAS, a moratorium is necessary to prevent an overburdening of public facilities that is reasonably foreseeable as the result of retail marijuana establishments and social clubs and other uses being located in the City as authorized by the Act; and

WHEREAS, the City Council, with the professional advice and assistance of the City Manager, Planning Board, Planning Department and Police Department, shall study the City’s current Code of Ordinances to determine the land use and other regulatory implications of retail marijuana establishments and social clubs and consider what locations, if any, and approval and performance standards, if any, might be appropriate for such uses; and

WHEREAS, it is anticipated that such a study, review, and development of recommended Ordinance, changes will take at least one hundred and eighty (180) days from the date the City enacts this Moratorium Ordinance on Retail Marijuana Establishments and Retail Marijuana Social Clubs;

NOW, THEREFORE, be it ordained by the City Council of the City of Augusta, that the following Moratorium Ordinance on Retail Marijuana Establishments and Retail Marijuana Social Clubs (the “Moratorium Ordinance”) be, and hereby is, enacted, and, in furtherance thereof, the City Council does hereby declare a moratorium on the location, operation or licensing of any retail marijuana social clubs and any retail marijuana establishments, including retail marijuana stores, retail marijuana cultivation facilities, retail marijuana products manufacturing facilities and retail marijuana testing facilities, within the City, such terms being defined as in the Act.

This Moratorium Ordinance shall take effect once enacted by the City Council, in accordance with the provisions of the City Charter, but shall be applicable as of December 1, 2017, as expressly provided below. The moratorium shall remain in effect for one hundred and eighty (180) days from the date of applicability of this Ordinance, unless extended, repealed, or modified by the City Council, for the express purpose of drafting an amendment or amendments to the City’s current Code of Ordinances to protect the public from health and safety risks including, but not limited to, compatibility of retail marijuana establishments and social clubs with existing and permitted uses in residential, commercial and industrial zoning districts; the correlation of retail marijuana establishments and social clubs with medical marijuana cultivation
facilities and dispensaries, all as defined in the “Marijuana Legalization Act;” the potential adverse health and safety effects of retail marijuana establishments and social clubs on the community if not properly regulated; the possibility of illicit sale and use of marijuana and marijuana products to minors and misuse of marijuana and marijuana products by those who would abuse the uses authorized under the new law; criminal activity associated with the cultivation, manufacturing, sale and use of marijuana and marijuana products for non-medicinal purposes and the potential increased burden on the public safety agencies serving the City in responding to the same; and the adequacy of the City’s infrastructure to accommodate the additional traffic and/or population that may result from the presence of retail marijuana establishments or social clubs in the City.

BE IT FURTHER ORDAINED, that this Moratorium Ordinance shall apply to retail marijuana social clubs and retail marijuana establishments, including retail marijuana stores, retail marijuana cultivation facilities, retail marijuana products manufacturing facilities and retail marijuana testing facilities, as those terms are defined by the Act, that may be proposed to be located within the City on or after the December 1, 2017, applicability date of this Ordinance; and

BE IT FURTHER ORDAINED, that notwithstanding the provisions of 1 M.R.S.A. § 302 or any other law to the contrary, this Moratorium Ordinance, when enacted, shall govern any proposed retail marijuana establishments or social clubs for which an application for a building permit, Certificate of Occupancy, site plan or any other required approval has not been submitted to and granted final approval by the Code Enforcement Officer, Planning Board or other City official or board prior to December 1, 2017, the applicability date of this Moratorium Ordinance; and

BE IT FURTHER ORDAINED, that no person or organization shall develop or operate a retail marijuana establishment or social club within the City on or after the December 1, 2017, applicability date of this Moratorium Ordinance without complying with whatever ordinance amendment or amendments the City Council may enact as a result of this Moratorium Ordinance; and

BE IT FURTHER ORDAINED, that during the time this Moratorium Ordinance is in effect, no officer, official, employee, office, administrative board or agency of the City shall accept, process, approve, deny, or in any other way act upon any application for a license, building permit or any other type of land use approval or permit and/or any other permits or licenses related to a retail marijuana establishment or retail marijuana social club; and

BE IT FURTHER ORDAINED, that those provisions of the City’s current Code of Ordinances that are inconsistent or conflicting with the provisions of this Ordinance, are hereby repealed to the extent that they are applicable for the duration of the moratorium hereby ordained, and as it may be extended as permitted by law, but not otherwise; and

BE IT FURTHER ORDAINED, that if retail marijuana establishments or retail marijuana social clubs are established in violation of this Moratorium Ordinance, each day of any continuing violation shall constitute a separate violation of this Moratorium Ordinance, and the
City shall be entitled to all rights available to it in law and equity, including, but not limited to, fines and penalties, injunctive relief, and its reasonable attorney’s fees and costs in prosecuting any such violations; and

**BE IT FURTHER ORDAINED,** that should any section or provision of this Moratorium Ordinance be declared by any court of competent jurisdiction to be invalid, such a declaration shall not invalidate any other section or provision.