

AGENDA
SCARBOROUGH TOWN COUNCIL
WEDNESDAY – AUGUST 16, 2023
HYBRID REGULAR MEETING – 5:30 P.M.

TO VIEW TOWN COUNCIL MEETING & OFFER PUBLIC COMMENT:

https://scarboroughmaine.zoom.us/webinar/register/WN_CAM50BU0TPWUodW5RQJtig

TO VIEW TOWN COUNCIL MEETING ONLY:

<https://www.youtube.com/channel/UCD5Y8CFy5HpXMftV3xX73aw>

NO NEW BUSINESS SHALL BE TAKEN UP AFTER 10:00 P.M.

Item 1. Call to Order.

Item 2. Pledge of Allegiance.

Item 3. Roll Call.

Order No. 23-087. Act on the request for an executive session pursuant to Title 1, 405.6.c to consult with legal counsel regarding a real estate matter pertaining to a possible land acquisition relating to the school project. *[Chairman Anderson]*

Item 4. General Public Comments.

Item 5. Minutes: July 19, 2023 - Town Council Meeting.
August 2, 2023 – Special Town Council Meeting.

Item 6. Adjustment to the Agenda.

Item 7. Items to be signed: a. Treasurer’s Warrants.

Item 8. Town Manager Report.

***Procedure for Addressing Council [Councilor Chair will explain process]**

Order No. 23-080, 7:00 p.m. Public hearing and second reading on the proposed changes to Chapter 1018 – the Town of Scarborough Marijuana Establishment Licensing Ordinance. *[Assistant Town Manager]*

Order No. 23-088, 7:00 p.m. Public hearing and action on the following requests for a new Food Handlers License: Kaitlyn Johnson, d/b/a Ivy Hill Baking Company, located at 51 Pine Point Road; Sinuon Chau, d/b/a Pine State Seafood, LLC, located at 10 Snow Canning Road, #4; Elijah Holbrook, located at 137 Beech Ridge Road; IDEXX, located at 240 Innovation Way; Me Powered Pastries, located at 174 US Route One; Café Luna, located at 370 US Route One; Libby’s Lobster, located at 147 Old Blue Point Road. *[Town Clerk]*

Order No. 23-089, 7:00 p.m. Public hearing and action on the new request for Junkyard Permit, pursuant to Title 30-A – M.R.S.A. Chapter 183: Peck Enterprises d/b/a Goldstein Steel Company Inc., located at 36 Running Hill Road. *[Town Clerk]*, from Peck Enterprises d/b/a Goldstein Steel, located at 36 Running Hill Road. *[Town Clerk]*

OLD BUSINESS:

Order No. 23-081. Second reading to repeal and replace the 90-day Moratorium that the Town Council approved on May 3, 2023 and enact a new Moratorium that would apply to the Pine Point Industrial Overlay District. *[Council Chair]*

Order No. 23-082. Second reading on the Bond Order for Municipal and School Capital Improvements. *[Finance Director]*

Order No. 23-083. Second reading on the request to approve the expenditure, in an amount not to exceed, \$130,000, from the Land Acquisition Reserve Fund for the purpose of purchasing property located at Gorham Road [located at the end of Finch Way], located more specifically identified by the Scarborough Tax Assessors Map R054/Lot 019, as recommended by the Parks and Conservation Land Board, and authorize the Town Manager to execute any and all documents as are necessary to protect the Town's interest. *[Parks and Conservation Land Board]*

NEW BUSINESS:

Order No. 23-090. First reading and schedule public hearing and action on the new request for a Marijuana Establishment License from Leo Paquette, d/b/a UGP, LCC, located at 31 Washington Ave for an Adult Marijuana Products Manufacturing Facility; Joanna Russell, d/b/a Norumbega Provisions, located at 15 Holly Street, Suite 106 for a Medical Marijuana Products Manufacturing Facility. *[Assistant Town Manager]*

Order No. 23-091. First reading and schedule a public hearing and second reading on the order authorizing issuance of up to \$160,000,000.00 in bonds of the town to fund the cost of building a new primary school and to place the following question on the November 7, 2023, Municipal Ballot: Shall the Order entitled "**ORDER AUTHORIZING ISSUANCE OF UP TO \$160,000,00.00 IN GENERAL OBLIGATION BONDS OF THE TOWN OF SCARBOROUGH TO FUND COSTS FOR A NEW UNIFIED K-3 SCHOOL AND RENOVATIONS TO THE MIDDLE SCHOOL**" be approved? *[Town Council]*

Order No. 23-092. Act on the request to adopt the FY2024 School Budget Resolution as required by State Statute. *[School Department]*

Item 9. Non-Action Item.

Item 10. Standing and Special Committee Reports and Liaison Reports.

Item 11. Council Member Comments.

Item 12. Adjournment.



To: Scarborough Town Council
From: Thomas J. Hall, Town Manager
RE: Town Manager's Report
Date: August 16, 2023

Below is an initial list of items that will be included in the Town Manager's Update at the regular public meeting of August 16, 2023. I will provide a verbal update on each of these items and will likely include other items of interest.

- **School Building Project Update** -
 - Site Acquisition - Option Agreement
- **Tax Commitment Schedule** - Workshop scheduled for September 6, 2023
- **Revaluation Workshop** - scheduled for September 20, 2023
- **Schedule and Process for 2023 Bond Sale-** See Order No. 23-082
- **Higgins Beach Cleaning Update-**
- **Eastern Trail - Close The Gap-**
- **Beach Parking on Private Property-**
- **Adaptive Signal Controls-**
- **Impact Fee Updates-** October 6, 2023 workshop, Finance Committee input sought

- **Construction Project Updates:**
 - Gorham Road
 - Mitchell Hill Road
- **Ad Hoc Community Center Committee** - Kick-off meeting September 14, 2023
- **Prouts Neck Resiliency Planning-**



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WEDNESDAY – AUGUST 16, 2023
HYBRID REGULAR MEETING – 5:30 P.M.

Order No. 23-087. Move approval on the request for an executive session pursuant to Title1, 405.6.c to consult with legal counsel regarding a real estate matter pertaining to a possible land acquisition relating to the school project. [*Chairman Anderson*]

Chairman Anderson

Ought to Pass

Sponsor

Recommendation

08//2023 – Vote:

First Reading/Vote

N/A

Public Hearing

N/A

Second Reading/Final Approval/Vote

AGENDA
SCARBOROUGH TOWN COUNCIL
WEDNESDAY – AUGUST 16, 2023
HYBRID REGULAR MEETING – 5:30 P.M.

Order No. 23-080. Move approval of the second reading on the proposed changes to Chapter 1018 – the Town of Scarborough Marijuana Establishment Licensing Ordinance.
[Assistant Town Manager]

Assistant Town Manager

Ought to Pass

Sponsor

Recommendation

07/19/2023 – Vote: 5 Yeas.
[Councilors Caterina & McGee were absent]

First Reading/Vote

08/16/2023

Public Hearing

08/16/2023 – Vote:

Second Reading/Final Approval/Vote

Scarborough Town Council Meeting

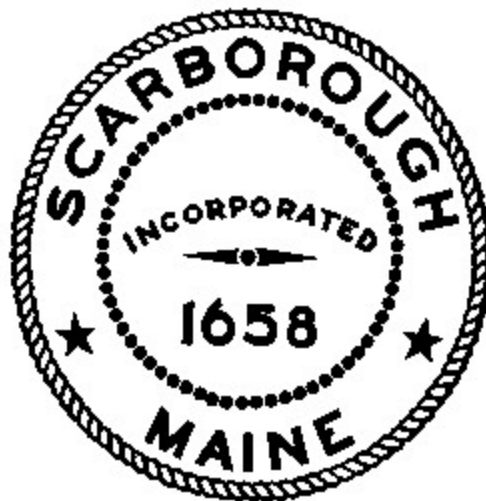
Council Meeting Date: August 16, 2023

ACTION ITEM: Order No. 23-080.
<p>SUBJECT:</p> <p>7:00 p.m. Public hearing and second reading on the proposed changes to Chapter 1018 – the Town of Scarborough Marijuana Establishment Licensing Ordinance. <i>[Assistant Town Manager]</i></p>
<p>PURPOSE:</p> <p>The proposed changes include enhanced odor mitigation standards and plans from Marijuana Licensees, a far more defined and stringent enforcement process, a change to the licensing period from a rolling 12-month period to a defined September 1 - August 31 license period and updating the title and terminology from Marijuana to Cannabis, consistent with State statute.</p>
<p>BACKGROUND:</p> <p>Staff convened a working group in February which met several times to study and recommend changes to both Sections 10; 7 - Odor and Ventilation, and propose a new Section 11 - Odor Observation and Enforcement. These changes have been workshopped through the Ordinance Committee on two occasions in May and June and incorporated Committee Members feedback and those from the public and staff.</p>
FISCAL IMPACT:
<p>STATUS / PROCESS TO DATE:</p> <ul style="list-style-type: none"> ● Marijuana Working Group - February – May. ● Ordinance Committee - May/June. ● First reading before the Town Council: July 19, 2023. ● Public hearing and second reading: August 16, 2023.
<p>PROPOSED ACTION:</p> <p>Recommend approval of the second reading on Order No. 23-080.</p>
<p>ATTACHMENTS:</p> <ul style="list-style-type: none"> ● Copy of the Red-Lined Ordinance showing proposed changes.

**Chapter 1018 – Town of Scarborough
Marijuana Licensing Ordinance**

BE IT HEREBY ORDAINED, by the Town Council of the Town of Scarborough, Maine, in Town Council assembled, that the following changes to Chapter 1018, the Marijuana Establishment Licensing Ordinance, of the Town of Scarborough, Maine, be and hereby is amended, as follows (additions are underlined; deletions are struck through):

**CHAPTER 1018
TOWN OF SCARBOROUGH
~~MARIJUANA~~CANNABIS
ESTABLISHMENT LICENSING
ORDINANCE**



Adopted 01-22-2020 - Effective Date: 02-22-2020
Amended 08-18-2021

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Chapter 1018
Town of Scarborough
MarijuanaCannabis Establishments Licensing Ordinance

Section 1. Purpose.

The purpose of this Ordinance is to regulate and license MarijuanaCannabis Establishments as defined in this Ordinance and by the State of Maine under the Marijuana Legalization Act, 28-B M.R.S.A. Chapter 1, and the Maine Medical Use of Marijuana Act, 22 M.R.S.A. Chapter 558-C, as may be amended, in order to promote the health, safety, and general welfare of the residents of Scarborough.

Persons or entities wishing to establish a MarijuanaCannabis Establishment within the Town of Scarborough shall first obtain a license from the Scarborough Town Council (hereinafter “the Town Council”) and shall be subject to the provisions of this Ordinance.

Section 2. Authority.

This Ordinance is adopted pursuant to the authority granted by 28-B M.R.S.A. §401 *et seq.*, as may be amended, and 22 M.R.S.A. §2421 *et seq.*, as may be amended.

Section 3. Definitions.

The following definitions shall apply to this Ordinance:

Adult use marijuanacannabis shall mean “adult use marijuanacannabis” as that term is defined in 28-B M.R.S.A. §102(1), as may be amended.

Adult Use MarijuanaCannabis Cultivation Facility shall mean a “cultivation facility” as that term is defined in 28-B M.R.S.A. §102(13), as may be amended.

Adult use marijuanacannabis product shall mean “adult use marijuanacannabis product” as that term is defined in 28-B M.R.S.A. §102(2), as may be amended.

Adult Use MarijuanaCannabis Products Manufacturing Facility shall mean a “products manufacturing facility” as that term is defined in 28-B M.R.S.A. §102(43), as may be amended.

Adult Use MarijuanaCannabis Testing Facility shall mean a “testing facility” as that term is defined in 28-B M.R.S.A. §102(54), as may be amended.

Applicant shall mean a person that has submitted an application for licensure as a MarijuanaCannabis Establishment pursuant to this Ordinance.

Cannabis Odor Panel shall mean the panel of municipal staff tasked with investigating odor complaints in sections 11; 3 and 11;4. The Odor Panel shall include three of the following positions; Assistant Town Manager, a representative of the Fire Department, a representative of the Police Department, the Zoning Administrator, and a Code Enforcement Officer.

Cultivate or *cultivation* shall mean the planting, propagation, growing, harvesting, drying, curing, grading, trimming or other processing of marijuanacannabis for use or sale. It does not include manufacturing.

De Minimis changes shall mean minor changes to a submitted floor plan of less than -50%, improvements to odor mitigation plans, enhancements to security plans, or changes to ownership interest or officers of not greater than 50%. [Adopted 08/18/2021]

Licensed premises shall mean the premises, or - facility, specified in an application for a State or Local License pursuant to this Ordinance that are owned or in possession of the Licensee and within which the Licensee is authorized to cultivate, manufacture, distribute, sell, or test adult use marijuanacannabis, adult use marijuanacannabis products, medical marijuanacannabis or medical marijuanacannabis products in accordance with the provisions of this Ordinance and the requirements of State law and regulations.

Licensee shall mean a person licensed pursuant to this Ordinance.

Local License shall mean any license required by and issued under the provisions of this Ordinance.

Local Licensing Authority shall mean the Town Council, as further specified in the provisions of this Ordinance.

Manufacture or manufacturing shall mean the production, blending, infusing, compounding or other preparation of marijuanacannabis products, including, but not limited to, marijuanacannabis extraction or preparation by means of chemical synthesis. It does not include cultivation.

MarijuanaCannabis shall mean “marijuanacannabis” as that term is defined in 28-B M.R.S.A. §102(27) as may be amended.

MarijuanaCannabis concentrate shall mean the resin extracted from any part of a marijuanacannabis plant and every compound, manufacture, salt, derivative, mixture or preparation from such resin, including, but not limited to, hashish. In determining the weight of marijuanacannabis concentrate in a marijuanacannabis product, the weight of any other ingredient combined with marijuanacannabis to prepare a marijuanacannabis product may not be included.

MarijuanaCannabis Establishment shall mean an Adult Use MarijuanaCannabis Cultivation Facility, an Adult Use MarijuanaCannabis Products Manufacturing Facility, an Adult Use MarijuanaCannabis Testing Facility, a Medical MarijuanaCannabis Dispensary, a Medical MarijuanaCannabis Testing Facility, a Medical MarijuanaCannabis Manufacturing Product Facility, and a Medical MarijuanaCannabis Cultivation Facility. A MarijuanaCannabis Establishment does not include an Adult Use MarijuanaCannabis Store or a Medical MarijuanaCannabis Caregiver Retail Store, which are not permitted in the Town of Scarborough.

Medical marijuanacannabis shall mean the medical use of marijuanacannabis, with the term “medical use” as defined in 22 M.R.S. §2422(5), as amended.

Medical marijuanacannabis caregiver shall mean a “caregiver” as that term is defined in 22 M.R.S.A. §2422(8-A), as may be amended.

Medical MarijuanaCannabis Caregiver Retail Store shall mean “caregiver retail store” as that term is defined in 22 M.R.S.A. §2422(1-F) as may be amended.

Medical marijuanacannabis cultivation area shall mean a “cultivation area” as that term is defined in 22 M.R.S.A. §2422(3), as may be amended.

Medical MarijuanaCannabis Cultivation Facility shall mean a medical marijuanacannabis cultivation area used or occupied by one or more medical marijuanacannabis registered caregivers and a facility licensed under this ordinance to cultivate, prepare and package medical marijuanacannabis at a location that is not the residence of the Registered Caregiver or Qualifying Patient.

Medical MarijuanaCannabis Dispensary shall mean a “registered dispensary” as that term is defined in 22 M.R.S.A. §2422(6), as may be amended.

Medical marijuanacannabis product shall mean a “marijuanacannabis product” as that term is defined in 22 M.R.S.A. §2442(4-L), as may be amended.

Medical MarijuanaCannabis Products Manufacturing Facility shall mean a “manufacturing facility” as that term is defined in 22 M.R.S.A. §2422(4-R), as may be amended.

Medical marijuanacannabis qualifying patient shall mean a “qualifying patient” as that term is defined in 22 M.R.S.A. §2422(9), as may be amended.

Medical marijuanacannabis registered caregiver shall mean a “registered caregiver” as that term is defined in 22 M.R.S.A. §2422(11), as may be amended.

Medical MarijuanaCannabis Testing Facility shall mean a “marijuanacannabis testing facility” as that term is defined in 22 M.R.S.A. §2422(5-C), as may be amended.

Plant Canopy shall mean “Plant canopy” as that term is defined in 28-B M.R.S.A. §102(41), as may be amended.

Owner shall mean a person whose beneficial interest in a MarijuanaCannabis Establishment is such that the person bears risk of loss other than as an insurer, has an opportunity to gain profit from the operation or sale of a MarijuanaCannabis Establishment and/or has a controlling interest in a MarijuanaCannabis Establishment.

Person shall mean a natural person, partnership, association, company, corporation, limited liability company or organization or a manager, agent, owner, director, servant, officer or employee thereof. “Person” does not include any governmental organization.

State License shall mean any license, registration or certification issued by the State Licensing Authority.

State Licensing Application shall mean the application form and supporting materials required by the State for the purpose of a person obtaining a State license, registration or certification for the cultivation, manufacture, distribution, testing and sale of adult use marijuanacannabis, adult use marijuanacannabis products, medical marijuanacannabis and/or medical marijuanacannabis products in this State.

State Licensing Authority shall mean the authority (or authorities) created by the State for the purpose of regulating and controlling the licensing of the cultivation, manufacture, distribution, testing and sale of adult use marijuanacannabis, adult use marijuanacannabis products, medical marijuanacannabis and/or medical marijuanacannabis products in this State.

Section 4. License Required.

No person may establish, operate or maintain a MarijuanaCannabis Establishment without first obtaining a license from the Town Council.

Any grandfathered use pursuant to Section 10.5.A of this Licensing Ordinance shall obtain a license from Town Council within 6 months of the adoption of this Ordinance; however, the standards of Section 10.A.(2, 3, 4) are not applicable to licensing process of these grandfathered activities.

Section 5. License Application.

An application for a license must be made on a form provided by the Town. All applicants must be qualified according to the provisions of this Ordinance. Applicants shall provide sufficient information to demonstrate that they meet all qualifications and standards established in this Ordinance.

The application for a MarijuanaCannabis Establishment license shall contain the following information:

A. Name of Applicant.

1. If the applicant is an individual: The individual shall state their legal name and any aliases and submit proof that they are at least twenty- one (21) years of age.
2. If the applicant is a partnership: The partnership shall state its complete name, and the names of all partners, whether the partnership is general or limited, submit a copy of the partnership agreement, if any, and submit proof that all partners are at least twenty-one (21) years of age.
3. If the applicant is a corporation: The corporation shall state its complete name, the date of its incorporation, evidence that the corporation is in good standing under State law, the names and capacity of all officers, directors and principal stockholders, the name of the registered corporate agent, the address of the registered office for service of process, and submit proof that all officers, directors and principal stockholders are at least twenty-one (21) years of age.
4. If the applicant is a limited liability company (LLC): The LLC shall state its complete name, the date of its establishment, evidence that the LLC is in good standing under State law, the names and capacity of all members, a copy of its operating agreement, if any, the address of its registered office for service of process, and submit proof that all members are at least twenty-one (21) years of age.
5. If the applicant intends to operate the MarijuanaCannabis Establishment under a name other than that of the applicant, they must state the MarijuanaCannabis Establishment's name and submit the required registration documents.

B. The applicant's mailing address and residential address.

C. Recent passport-style photograph(s) of the applicant(s):

D. The applicant's driver's license.

E. A sketch showing the configuration of the subject premises, including building footprint, plant canopy square footage calculations, interior layout with floor space to be occupied by the business, and parking plan. The sketch must be drawn to scale with marked dimensions.

F. The location of the proposed MarijuanaCannabis Establishment, including a legal description of the property, street address, and telephone number. The applicant must also demonstrate that the property meets the zoning requirements for the proposed use.

G. If the applicant has had a previous license under this Ordinance or other similar MarijuanaCannabis Establishment license applications in another town in Maine, in the Town of Scarborough, or in another state denied, suspended or revoked, they must list the name

and location of the MarijuanaCannabis Establishment for which the license was denied, suspended or revoked, as well as the date of the denial, suspension or revocation, and they must list whether the applicant has been a partner in a partnership or an officer, director, or principal stockholder of a corporation that is permitted/licensed under this Ordinance, whose license has previously been denied, suspended or revoked, listing the name and location of the MarijuanaCannabis Establishment for which the permit was denied, suspended, or revoked as well as the date of denial, suspension or revocation.

- H. If the applicant holds any other permits/licenses under this Ordinance or other similar MarijuanaCannabis Establishment license from another town, the Town of Scarborough, or state the applicant shall provide the names and locations of such other permitted/licensed businesses, including the current status of the license or permit and whether the license or permit has been revoked.
- I. The type of MarijuanaCannabis Establishment for which the applicant is seeking a license and a general description of the business including hours of operation.
- J. Sufficient documentation demonstrating possession or entitlement to possession of the proposed licensed premises of the MarijuanaCannabis Establishment pursuant to a lease, rental agreement, purchase and sale agreement or other arrangement for possession of the premises or by virtue of ownership of the premises.
- K. A copy of a Town Tax Map depicting the property lines of any public or preexisting private school within one thousand (1000) feet of the subject property. For the purposes of this Ordinance, "school" includes a public school, private school, or public preschool program all as defined in 20-A M.R.S.A. §1, or any other educational facility that serves children from prekindergarten to grade 12, as well as any preschool or daycare facility licensed by the Maine Department of Health and Human Services.
- L. Evidence of all required state authorizations, including evidence of a caregiver registration in good standing, a conditional license pursuant to Title 28-B, food license, and any other required state authorizations.
- M. A copy of the security plan as required by Section 10(A)(6) of this Ordinance.
- N. A copy of the odor and ventilation mitigation plan as required by Section 10(A)(7) of this Ordinance.
- O. A copy of the operations plan, as required by Section 10(A)(8) of this Ordinance.
- P. Consent for the right to access the property as required by Section 10(B) of this Ordinance.
- Q. Evidence of insurance as required by Section 10(C)(1) of this Ordinance.
- R. Medical marijuanacannabis registered caregivers and other applicants 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. §402(3)(F), shall mark such information as confidential.

Section 6. Application and License Fees. [Amended 08/18/2021]

- A. Applicant Fee. An applicant must pay a \$350 application fee upon submission. Applicants are also responsible for the Town's expenses associated with the review of an application, including the cost of any third-party review if necessary.

- B. License Fee. Local License fees are set forth below and shall be paid annually:
1. Adult Use MarijuanaCannabis Cultivation Facility:
 - (a) Tier 1: 0 to 500 SF of plant canopy: \$750.
 - (b) Tier 2: 501-2,000 SF of plant canopy: \$3,000.
 - (c) Tier 3: 2,001-7,000 SF of plant canopy: \$7,500.
 - (d) Tier 4: greater than 7,000SF of plant canopy: \$10,000
 2. Adult Use or Medical MarijuanaCannabis Testing Facility: \$1,000
 3. Adult Use or Medical MarijuanaCannabis Products Manufacturing Facility: \$2,500
 4. Medical MarijuanaCannabis Cultivation Facility: \$750
- C. Application Change Fee: License holders seeking to make de minimum changes to an existing license: \$150. [Adopted 08/18/2021]

Section 7. Licensing Authority and Procedure. [Amended 08/18/2021]

- A. The initial application for a license shall be processed by the Town Clerk and reviewed and approved by the Town Council.
- B. Complete application. In the event that the Town Clerk determines that a submitted application is not complete, the Town Clerk shall notify the Applicant within ten (10) business days that the application is not complete and shall inform the Applicant of the additional information required to process the application.
- C. Public hearing.
 1. A public hearing by the Town Council on an application for a license shall be scheduled after receipt of a completed application. The Town Clerk shall publish public notice of the hearing not less than ten (10) days prior to the hearing in a newspaper of general circulation in Cumberland County.
 2. When an application is determined to be complete, the Town Clerk shall, at the applicant's expense, give written notification to all abutting property owners within five-hundred (500) feet of the parcel on which the proposed license is sought of the date, time, and place of the meeting at which the application will be considered. Notification shall be sent at least ten (10) days prior to the first meeting at which the complete application is to be reviewed. Failure of any property owner to receive the notification shall not necessitate another hearing or invalidate any action of the Board. For purposes of this section, the owners of the abutting properties shall be considered to be the parties listed by the tax assessor for the Town of Scarborough.
- D. A renewal application shall be subject to the same application and review standards as applied to the initial issuance of the license. Renewal applications from applicants in good standing, with no change, or de minimis, to the original application, may be approved by the Town Manager or their designee, so long as all other criteria and requirements as outlined in this Section and Section 10, have been met. The Town as part of the renewal process, shall consider compliance from prior years, and based upon that review, may recommend conditions to any future license to correct, abate, or limit past problems to forward to the Town Council for action. [Amended 08/18/2021]

E. Responsibilities and review authority.

1. The Town Clerk shall be responsible for the initial investigation of the application to ensure compliance with the requirements of this Ordinance. The Town Clerk shall consult with other Town Departments and any appropriate State Licensing Authority as part of this investigation.
2. No Local License shall be granted by the Town Council until the Police Chief, the Fire Chief, and the Code Enforcement Officer have all made the determination that the Applicant complies with this and all other local ordinance and state laws and provides a written recommendation to the Town Clerk. Where an agent of the Town determines that is necessary for the Town to consult with a third-party expert consultation to the applicant. Before doing so, however, the Town shall give reasonable notice to the applicant of its determination of need, including the basis for the determination; the third-party that the Town propose to engage; and then estimated fee for the third-party consultation. The applicant shall have the opportunity respond for up to (10) business days from receipt of the Town's notice before the Town engages the third-party. Whenever inspections of the premises used for or in connection with the operation of a licensed business are provided for or required by ordinance or State law, or are reasonably necessary to secure compliance with any ordinance provision or State law, it shall be the duty of the Applicant or licensee, or the person in charge of the premises to be inspected, to admit any officer, official, or employee of the Town authorized to make the inspection at any reasonable time that admission is requested.
3. The Town Council shall have the authority to approve license and renewal applications, subject to the exception outlined in 7(D) above, and impose any conditions on a license that may be necessary to insure compliance with the requirements of this Chapter or to address concerns about operations that may be resolved through the conditions. The failure to comply with such conditions shall be considered a violation of the license. [Amended 08/18/2021]
4. The Town Manager, or designee, with the endorsement of the Council Chair, shall have the authority to approve de minimis changes to an existing license subject to continued compliance with this Section and Section 10 below. [Adopted 08/18/2021]

Section 8. License Expiration and Renewal. [Amended 08/18/2021]

- A. ~~Each Local License issued shall be effective for one year from the date of issuance. A new license, when granted, shall be valid until August 31st, immediately following said granting of said license, except that new licenses granted during July and August shall be valid until August 31st of the following calendar year.~~
- B. Renewal applications must be submitted at least 45 days prior to the date of expiration of the annual Local License. An application for the renewal of an expired license shall be treated as a new license application.
- C. Licenses issued under this Ordinance are not transferable to a new owner. A transfer in ownership interest, change in the officers of an owner, of greater than 50% of the ownership interest or officer shall require a new license. Licenses are limited to the location for which they are issued and shall not be transferable to a different location. A Licensee who seeks to operate in a new location shall acquire a new Local License for that location. [Amended 08/18/2021]

Section 9. Denial, Suspension or Revocation of License.

- A. A Local License under this Ordinance shall be denied to the following persons:
1. A person who fails to meet the requirements of this Ordinance. Where an Applicant is an entity rather than a natural person, all natural persons with an ownership interest shall meet these requirements.
 2. A person who has had a license for a MarijuanaCannabis Establishment revoked by the Town or by the State.
 3. An Applicant who has not acquired all necessary State approvals and other required local approvals prior to the issuance of a Local License.
- B. The Town may suspend or revoke a license for any violation of this Chapter, Chapter 1000a, Chapter 405, or any other applicable building and life safety code requirements. The Town may suspend or revoke a license if the licensee has a State License for a MarijuanaCannabis Establishment suspended or revoked by the State. The Licensee shall be entitled to notice and a hearing prior to any suspension or revocation, except where the reason for suspension or revocation could reasonably threaten health, safety, or welfare, as long as notice and a hearing is provided as soon as practicable.

Section 10. Performance Standards for License [amended 08/18/2021]

A. General.

1. All MarijuanaCannabis Establishments shall comply with applicable state and local laws and regulations.
2. MarijuanaCannabis Establishments shall only be located within the zoning districts permitted in the Scarborough Zoning Ordinance
~~Scarborough Zoning Ordinance.~~
3. MarijuanaCannabis Establishments may not be located on property within 1,000 feet of the property line of a preexisting school as required and defined in Section 5(K) of this Ordinance.
4. Required setbacks shall be measured as the most direct, level, shortest, without regard to the intervening structures or objects, straight-line distance between the school property line and the property line of the parcel of land on which the MarijuanaCannabis Establishment is located. If the MarijuanaCannabis Establishment is located within a commercial subdivision, the required setback shall be measured from the closest portion of a building that is used for the MarijuanaCannabis Establishment to the property line of the school. Presence of a town, county, or other political subdivision boundary shall be irrelevant for purposes of calculating and applying the distance requirements of this Section.
5. Pursuant to 22 M.R.S.A. §2429-D(3), Caregiver Retail Stores, Medical MarijuanaCannabis Dispensaries, Medical MarijuanaCannabis Testing Facilities, Medical MarijuanaCannabis Manufacturing Facilities and Medical MarijuanaCannabis Cultivation Facilities that were operating with Town approval prior to December 13, 2018, are grandfathered in their current location and current use and shall be treated as legally non-conforming uses in accordance with Article III of the Scarborough Zoning Ordinance, provided, however, that said MarijuanaCannabis Establishments shall apply for and obtain a license. If any non-conforming use of land ceases for any reason for a period of more than one year, any subsequent use of such land shall conform to the regulations specified by the Zoning Ordinance for the district in which such land is located.

6. Security measures at all MarijuanaCannabis Establishment premises shall include, at a minimum, the following:
- a. Security surveillance cameras installed and operating twenty-four (24) hours a day, seven (7) days a week, with thirty (30) day video storage, to monitor all entrances, along with the interior and exterior of the premises, to discourage and facilitate the reporting of criminal acts and nuisance activities occurring at the premises; and
 - b. Door and window combination video and motion detector intrusion system with audible alarm and smart phone monitoring, maintained in good working condition; and
 - c. A locking safe or locked room permanently affixed to the premises that is suitable for storage of all marijuanacannabis, marijuanacannabis products, and cash stored overnight on the licensed premises; and
 - d. Exterior lighting that illuminates the exterior walls of the licensed premises during dusk to dawn, that is either constantly on or activated by motion detectors, and complies with applicable provisions of the lighting performance standards in the Town of Scarborough Zoning Ordinance and the Good Neighbor Ordinance; and
 - e. Deadbolt locks on all exterior doors and any other exterior access points, excepting windows which shall have locks and bars; and
 - f. Methods to ensure that no person under the age of twenty-one (21) shall have access to marijuanacannabis and marijuanacannabis products.

7. Odor and Ventilation. All Cannabis Establishments shall have odor mitigation systems to ensure that the smell of Cannabis shall not be detectable beyond the property boundary, subject to the enforcement process outlined in Section 11. A Cannabis Establishment, and property owner, are responsible for taking any and all measures necessary to ensure this standard is met. Cannabis Cultivation Facilities, or other Cannabis Establishments with increased probability to emit odors, will be subject to the following stipulations:

- a. Marijuana Establishments shall be required to install an activated carbon, or equivalent, odor mitigation system with a minimum air exchange rate of fifteen (15) air changes per hour in the following areas:
1. mature flower rooms
 2. cure rooms
 3. trim rooms and packaging rooms
 4. hallways adjacent to the mature floor rooms
 5. other areas with high odor potential

Alternative odor control technologies may be considered with documentation of efficacy.

- b. License holders will be required to replace activated Carbon Media or other filters used to mitigate odor in accordance with the manufacturer's specifications but not less than an annual basis. Carbon Media includes but is not limited to carbon filters, carbon canister filters and pre-filters.

- c. All odor mitigation equipment used by an applicant or License holder shall always be in operation unless (1) the interruption is caused by a power outage or power failure; (2) the interruption is caused by routine maintenance, as recommended by the manufacturer, or emergency maintenance, to the odor mitigation equipment; or (3) the Town, in writing, permits otherwise. In the event there is a power outage or power failure, the License shall do whatever is reasonably necessary (e.g., informing Central Maine Power of any power disruption) to ensure power is restored to its facility as soon as reasonably practicable. For any disruption due to maintenance, the License holder shall ensure the odor mitigation equipment is returned to service or replaced as soon as reasonably practicable.
- d. No exterior venting of cannabis odor unless the applicant or License holder: (1) notifies the Town; (2) provides evidence of the cannabis odor being properly treated before exhausted outside; and (3) Town approves of the exterior venting of the cannabis odor. The Town shall not deny an applicant or License holder from venting odor outside unless either fails to provide sufficient evidence that the odor will be properly treated before its exhausted outside, or the License holder has been fined more than once by the Town for an odor violation.
- e. No window air conditioning units or window fans are permitted.
- f. All windows must always remain closed.
- g. Maintenance Records for all odor mitigation equipment shall be maintained for a period of two (2) years from the date of maintenance. Maintenance Records means records of purchases of replacement carbon filters or other odor mitigation equipment, performed maintenance tracking, documentation and notification of malfunctions or power outages, scheduled and performed training sessions, and monitoring of administrative controls. All Maintenance Records shall be made available for review, upon request from the Town.
- h. Submit an Odor Mitigation Plan at the initial application stage of seeking a License. A License holder shall not be required to re-submit an Odor Mitigation Plan upon renewing the License unless there have been changes to the facility floor plan or system design as described in the existing Odor Mitigation Plan. The Odor Mitigation Plan must, at a minimum, include the following information:

1. FACILITY ODOR EMISSIONS INFORMATION

- Facility floor plan. This section should include a facility floor plan, with locations of odor-emitting activity(ies) and emissions specified. Relevant information may include, but is not limited to, the location of doors, windows, ventilation systems, and odor sources. If a facility has already provided the locations of specific odor-emitting activities and emissions in its business license application floor plan, it may instead reference the facility's business file number(s) and the relevant sections within such application where the floor plan is located.
- System design. The system design should describe the odor control technologies that are installed and operational at the facility (e.g.,

carbon filtration) and to which odor-emitting activities, sources, and locations they are applied (e.g., bud room exhaust).

- Specific odor-emitting activity(ies). This section should describe the odor-emitting activities or processes (e.g., cultivation) that take place at the facility, the source(s) (e.g., budding plants) of those odors, and the location(s) from which they are emitted (e.g., flowering room).
- Phases (timing, length, etc.) of odor-emitting activities. This section should describe the phases of the odor-emitting activities that take place at the facility (e.g., harvesting), with what frequency they take place (e.g., every two weeks on Tuesdays), and for how long they last (e.g., 48 hours).
- Odor Mitigation Specification Template. Form can be found on the Town's Cannabis Establishment License webpage.

2. ADMINISTRATIVE CONTROLS

- Procedural Activities. This section should describe activities such as building management responsibilities (e.g., isolating odor-emitting activities from other areas of the buildings through closing doors and windows).
- Staff training procedures This section should describe the organizational responsibility(ies) and the role/title(s) of the staff members who will be trained about odor control; the specific administrative and engineering activities that the training will encompass; and the frequency, duration, and format of the training (e.g., 60 minute in-person training of X staff, including the importance of closing doors and windows and ensuring exhaust and filtration systems are running as required).
- Recordkeeping systems and forms This section should include a description of the records that will be maintained (e.g., records of purchases of replacement carbon filter, performed maintenance tracking, documentation and notification of malfunctions, scheduled and performed training sessions, and monitoring of administrative controls). Any examples of facility recordkeeping forms should be included as appendices to the Plan.

i.

- ~~7. Odor and Ventilation. All Marijuana Establishments shall have odor mitigation systems and a plan to ensure that the smell of marijuana shall not be detectable at the property boundary or at any adjoining use of the same property, whichever is closer. A Marijuana Establishment, and property owner, are responsible for taking any and all measures necessary to ensure this standard is met. Marijuana Cultivation Facilities, or other Marijuana Establishments with increased probability to emit odors, will be subject to the following stipulations:
 - ~~a. Establishments shall be required to install an activated carbon, or equivalent, odor mitigation system with a minimum air exchange rate of ten (10) air changes per hour in all flower rooms, cure rooms, trim rooms, or other areas with high odor potential. Alternative odor control technologies may be considered with documentation of efficacy.~~
 - ~~b. License holders will be required to replace activated carbon media in accordance with the manufacturer's specifications but no less than on an annual basis. [amended 08/18/2021]~~~~

8. ~~Cannabis Waste and Disposal. Operating Plan. Marijuana Establishments which cultivate, test, and/or manufacture are required to submit an operation plan that at a minimum addresses wastewater and waste disposal.~~ No marijuanacannabis, marijuanacannabis products, marijuanacannabis plants, or other marijuanacannabis waste may be stored outside, other than in secured, locked containers. Any wastewater shall be treated such that it will not create excessive odors, contamination, or pollution.
9. Signs. In addition to the sign regulations contained in Chapter 405, Zoning Ordinance, signage must comply with the requirements in 22 M.R.S.A. §2429-B and 28-B M.R.S.A. §702.

B. Right of Access /Inspection.

1. Every MarijuanaCannabis Establishment shall allow the Scarborough Code Enforcement Officer (“CEO”), Fire Department, and Police Department to enter the premises at reasonable times for the purpose of checking compliance with all applicable State laws and this Ordinance.
2. All MarijuanaCannabis Establishments shall agree to be inspected annually by the Scarborough Fire Department and have a Knox Box installed at the structure's exterior entrance for emergency access. Knox Boxes shall be obtained and installed in coordination with the Scarborough Fire Department.

C. Insurance and Indemnification.

1. Each marijuanacannabis establishment shall procure and maintain commercial general liability coverage in the minimum amount of \$1,000,000 per occurrence for bodily injury, death, and property damage.
2. By accepting a license issued pursuant to this Ordinance, the licensee knowingly and voluntarily waives and releases the Town, its officers, elected officials, employees, attorneys, and agents from any liability for injuries, damages, or liabilities of any kind that result from any arrest or prosecution of any MarijuanaCannabis Establishment owners, operators, employees, clients, or customers for a violation of local, State or federal laws, rules, or regulations.
3. By accepting a license issued pursuant to this Ordinance, the permittee/licensee agrees to indemnify, defend, and hold harmless the Town, its officers, elected officials, employees, attorneys, agents, and insurers against all liability, claims, and demands on account of any injury, loss or damage, including without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage, or any other loss of any kind whatsoever arising out of or in any manner connected with the operation of a licensed MarijuanaCannabis Establishment.

D. State Law

In the event the State of Maine adopts any additional or stricter law or regulation governing the sale, cultivation, manufacture, distribution, or testing of MarijuanaCannabis or MarijuanaCannabis products, the additional or stricter regulation shall control the establishment or operation of any MarijuanaCannabis Establishment in Scarborough.

Compliance with all applicable State laws and regulation shall be deemed an additional requirement for issuance or denial of any license under this Ordinance, and noncompliance with State laws or regulations shall be grounds for revocation or suspension of any license issued hereunder.

Section 11. Odor Observation and Enforcement

Per Section 10(7), odor of cannabis by a Licensee shall not be detectable beyond the property boundary. Cannabis odor observation shall be undertaken to arrive at a determination that a cannabis odor exists beyond the property line. All cannabis odor observations made by the Town shall be made in writing. This Section only applies to Licensed Cannabis Establishments.

A cannabis odor complaint shall be defined as a receiving four (4) or more written cannabis complaints, from a minimum of two (2) parties, one of which must be from a residence or business within 750 feet of the suspected licensed premises emitting the odor. The four (4) complaints must be reported within four (4) days of each other.

1. Within forty-eight (48) hours of receiving a cannabis odor complaint, as defined above, a Code Enforcement Officer shall investigate the complaint and notify the Licensee(s) and Landlord of the licensed premises that a cannabis odor complaint has been received. The Code Enforcement Officer's investigation shall include an initial inspection and, if odor is not detected, a second inspection of the abutting properties to investigate whether the cannabis odor is present. If odor is not detected at either of the two inspections, the complaint will be recorded as unconfirmed and Licensee(s) and Landlord will be notified of this finding. If cannabis odor is detected, the Licensee(s) and Landlord will be notified that the complaint has been verified and the CEO shall provide verbal notice of violation and instruct the Licensee or Landlord to comply with this Ordinance. The Licensee or Landlord will be required to notify the Code Enforcement Department, in writing, of corrective action taken to resolve the violation within ten business days of receiving the verbal notice of violation. Failure of the Licensee and/or Landlord to provide written notification of corrective action taken within 10 business days of the verbal notice will result in penalties assessed for each day thereafter until written notice of corrective action taken is received.
2. If a second cannabis odor complaint, as defined above, attributed to the same Licensee or Licensed Premises is received, the process outlined in one (1) above, will be followed.
3. If a third cannabis odor complaint, as defined above, attributable to the same Licensee or Licesned Premises is received, the Cannabis Odor Panel ("Odor Panel") will be convened to investigate the cannabis odor complaint. The Licensee (if known) and the Landlord must be notified of the date and time when the Odor Panel will meet, and be permitted to witness the Odor Panel's investigation. The Licensee and/or Landlord may send a representative to meet the Odor Panel on their behalf. The investigation of the complaint shall include an initial inspection and, if odor is not detected, a second inspection shall be conducted by a minimum of three (3) Odor Panel members within four (4) days of receiving the third complaint. If odor is not detected at either of the two inspections, the complaint will be recorded as unconfirmed and Licensee(s) and Landlord will be notified of this finding. If cannabis odor is detected at either inspection, the Licensee(s) and Landlord will be notified and subject to the following;
 - a. Notify the Licensee of the third violation in writing;

- b. Assess a fine for the violation, and;
 - c. Require the Licensee to submit a written report from a mechanical engineer or odor management specialist with recommendations for modification/improvement of the odor mitigation system within thirty(30) days of receipt of notice of violation, and;
 - d. Require implementation of recommendations within sixty (60) days.
 - e. Unless an extension to submit the report and/or notice of compliance is granted by the Code Enforcement Department, failure of the Licensee to meet the deadlines for steps c. or d. shall result in an immediate suspension of the Local License until the report or notice of compliance is submitted to the Code Enforcement Department.
4. If, after completing the process outlined in step three (3) above, a fourth complaint is received, the Cannabis Odor Panel will be convened to investigate the cannabis odor complaint. The Licensee (if known) and the Landlord must be notified of the date and time when the Odor Panel will meet, and be permitted to witness the Odor Panel's investigation. The Licensee and/or Landlord may send a representative to meet the Odor Panel on their behalf. The investigation of the complaint shall include an initial inspection and, if odor is not detected, a second inspection shall be conducted by a minimum of three (3) Odor Panel members within four (4) days of receiving the third complaint. If odor is not detected at either of the two inspections, the complaint will be recorded as unconfirmed and Licensee(s) and Landlord will be notified of this finding. If cannabis odor is detected at either inspection, the Licensee(s) and Landlord will be notified and the applicable licenses will be subject to a revocation hearing by the Town Council within 30 days of the complaint being verified.

While a licensee or landlord is within the administrative enforcement process, which shall be defined as the period between being notified a complaint has been verified and the required follow-up action or communication, complaints will continue to be verified by the CEO but they will not be subject to subsequent notices of violation or penalties.

All complaints and any related documentation associated with the investigation of the cannabis odor complaints shall be made available to the Licensee or Landlord, at no cost, within ten business days of the Town Council meeting to consider the Licensee's Local License or the Landlord's property.

In the event the Town Council suspends or revokes a Licensee's Local License, the Town Council shall give the Licensee, if permitted under State law, a reasonable period to remove all Cannabis from the Licensee's Licensed Premise. All odor mitigation equipment must remain in operation and in compliance with this Ordinance until the Cannabis is removed from the Licensed Premises. In the event the Town Council suspends and/or revokes the Licensee's Local License and the Licensee is operating as an Adult Use Cannabis Establishment, the Town shall notify the Office of Cannabis Policy of the suspension or revocation.

At any point the CEO or Odor Panel is unable to verify the odor complaints, the violation process reverts back to the previous completed step of the enforcement process as described herein. If a Landlord or Licensee has not received any verbal or written notice of violation under this Section for one year from the date of the last verbal or written notice of violation, the violation process reverts to the beginning of the violation process as described herein.

Section 121. Violations and Penalties.

This Ordinance shall be enforced by the Code Enforcement Officer or ~~the Police Chief and~~ her/his designees, who may institute any and all actions to be brought in the name of the Town.

- A. Any violation of this Ordinance, including the operation of a ~~MarijuanaCannabis~~ Establishment without a valid Local License and failure to comply with any condition, shall be subject to civil penalties in the minimum amount of \$100 and the maximum amount of \$2,500. Every day a violation exists constitutes a separate violation. Any such fine may be in addition to any suspension or revocation imposed in accordance with the provisions of this Ordinance. In any court action, the Town may seek injunctive relief in addition to penalties, and shall be entitled to recover its costs of enforcement, including its attorney's fees.
- B. In addition to any other remedies provided by this Ordinance, the Town may take all necessary steps to immediately shut down any ~~marijuanacannabis~~ business and post the business and the space that it occupies against occupancy for the following violations: operating a ~~marijuanacannabis~~ business without a Local License or State License; failure to allow entrance and inspection to any Town official on official business after a reasonable request; and any other violation that the Town determines as the potential to threaten the health and/or safety of the public, including significant fire and life safety violations.
- C. The Town Manager shall inform members of the Town Council before instituting action in court, but need not obtain the consent of the Town Council, and the Town Manager may institute an action for injunctive relief without first informing members of the Town Council in circumstances where immediate relief is needed to prevent a serious public harm. In addition, the Town Manager may enter into administrative consent agreements in the name of the Town for the purposes of eliminating violations and recovering penalties without court action

Section 132. Appeals.

- A. Any appeal of a decision of the Town Council to issue, issue with conditions, deny, or revoke a license shall be to the Superior Court in accordance with the requirements of Rule 80B of the Maine Rules of Civil Procedure.
- B. Any order, requirement, decision, or determination made, or failure to act, in the enforcement of this ordinance by the CEO or Police Chief is appealable to the Zoning Board of Appeals.

Section 143. Severability.

The provisions of this Ordinance are severable, and if any provision shall be declared to be invalid or void, the remaining provisions shall not be affected and shall remain in full force and effect.

Section 154. Other Laws.

Except as otherwise specifically provided herein, this Ordinance incorporates the requirements and procedures set forth in the Maine Medical Use of ~~MarijuanaCannabis~~ Act, 22 M.R.S.A. Chapter 558-C, as may be amended and the ~~MarijuanaCannabis~~ Legalization Act, 28-B M.R.S.A. Chapter 1, as may be amended. In the event of a conflict between the provisions of this Chapter and the provisions of the above laws or any other applicable State or local law or regulation, the more restrictive provision shall control.

Section 165. Effective Date.

The effective date of this Ordinance shall be 30 days following adoption by the Town Council.

**AGENDA
SCARBOROUGH TOWN COUNCIL
WEDNESDAY – AUGUST 16, 2023
HYBRID REGULAR MEETING – 5:30 P.M.**

Order No. 23-088. Move approval on the following requests for a new Food Handlers License: Kaitlyn Johnson, d/b/a Ivy Hill Baking Company, located at 51 Pine Point Road; Sinuon Chau, d/b/a Pine State Seafood, LLC, located at 10 Snow Canning Road, #4; Elijah Holbrook, located at 137 Beech Ridge Road; IDEXX, located at 240 Innovation Way; Me Powered Pastries, located at 174 US Route One; Café Luna, located at 370 US Route One; Libby’s Lobster, located at 147 Old Blue Point Road. *[Town Clerk]*

Town Clerk

Ought to Pass

Sponsor

Recommendation

08/16/2023 – Vote:

First Reading/Vote

08/16/2023

Public Hearing

N/A

Second Reading/Final Approval/Vote

Scarborough Town Council Meeting

Council Meeting Date: August 16, 2023

ACTION ITEM: Order No. 23-088.
SUBJECT: 7:00 p.m. Public hearing and action on the request for a new Food Handlers License, from: <ul style="list-style-type: none">• Kaitlyn Johnson, d/b/a Ivy Hill Baking Company, located at 51 Pine Point Road• Sinuon Chau, d/b/a Pine State Seafood, LLC, located at 10 Snow Canning Road, #4• Elijah Holbrook, located at 137 Beech Ridge Road• IDEXX, located at 240 Innovation Way• Me Powered Pastries, located at 174 US Route One• Café Luna, located at 370 US Route One• Libby's Lobster, located at 147 Old Blue Point Road <i>[Town Clerk]</i>
PURPOSE: To allow the applicants to conduct their business according to the licenses requested and the Ordinances of the Town of Scarborough.
BACKGROUND: These are all new businesses with Scarborough. In requesting information on one of the above businesses, we received a list from the Zoning Office that had received a special exception to operate an home occupation business and found a few of the business listed above had not applied for a Food Handlers License, which is required pursuant to Chapter 1015 – Food Handlers Ordinance.
FISCAL IMPACT: \$110.00-\$220.00 fee for each Food Handlers license.
STATUS / PROCESS TO DATE: <ul style="list-style-type: none">• Public hearing and action before the Town Council: August 16, 2023.
PROPOSED ACTION: Recommend approval of Order No. 23-088.
ATTACHMENTS: <ul style="list-style-type: none">• Memo from the Town Clerk.

TO: Town Council Members

FROM: Yolande P. Justice, Town Clerk

DATE: August 11, 2023

RE: Requests for Food Handlers Licenses

The following applicants are seeking approval for a new Food Handlers License:

- Kaitlyn Johnson, d/b/a Ivy Hill Baking Company, located at 51 Pine Point Road
- Sinuon Chau, d/b/a Pine State Seafood, LLC, located at 10 Snow Canning Road, #4
- Elijah Holbrook, located at 137 Beech Ridge Road
- IDEXX, located at 240 Innovation Way
- Me Powered Pastries, located at 174 US Route One
- Café Luna, located at 370 US Route One
- Libby's Lobster, located at 147 Old Blue Point Road

The completed applications are on file with the Town Clerk's Office and it is recommended that these requests be approved.

Office of the Town Clerk

**AGENDA
SCARBOROUGH TOWN COUNCIL
WEDNESDAY – AUGUST 16, 2023
HYBRID REGULAR MEETING – 5:30 P.M.**

Order No. 23-089. Move approval on the request for a new Junkyard Permit, from Peck Enterprises d/b/a Goldstein Steel, located at 36 Running Hill Road. *[Town Clerk]*

Town Clerk

Ought to Pass

Sponsor

Recommendation

08/16/2023 – Vote:

First Reading/Vote

08/16/2023

Public Hearing

N/A

Second Reading/Final Approval/Vote

Scarborough Town Council Meeting

Council Meeting Date: August 16, 2023

ACTION ITEM: Order No. 23-089.
SUBJECT: 7:00 p.m. Public hearing and action on the new request for Junkyard Permit, pursuant to Title 30-A – M.R.S.A. Chapter 183: Peck Enterprises d/b/a Goldstein Steel Company Inc., located at 36 Running Hill Road [New Owner]. <i>[Town Clerk]</i>
PURPOSE: To grant a new the license on the above mentioned business and to ensure that the business is in compliance with State law and local ordinances.
BACKGROUND: Pursuant to Title 30-A, M.R.S.A. Chapter 183 §3753. Permit required .A person may not establish, operate or maintain an automobile graveyard, automobile recycling business or junkyard without first obtaining a nontransferable permit from the municipal officers of the municipality in which the automobile graveyard, automobile recycling business or junkyard is to be located, or from the county commissioners of the county of any unorganized territory in which the automobile graveyard, automobile recycling business or junkyard is to be located.
FISCAL IMPACT:
STATUS / PROCESS TO DATE: <ul style="list-style-type: none">• Public notices sent to abutters: August 10, 2023.• Inspection by Codes: August 10, 2023.• Public hearing and final action: Town Council: August 16, 2023.
PROPOSED ACTION: Recommend to move approval of Order No. 23-089.
ATTACHMENTS: <ul style="list-style-type: none">• Memo from Town Clerk• Memo from the Zoning Administrator

TO: Town Council Members
FROM: Yolande P. Justice, Town Clerk
DATE: August 11, 2023
RE: Request for Junkyard Permit

The Following applicant is seeking approval for the following new request:

- Peck Enterprises d/b/a Goldstein Steel, located at 36 Running Hill Road

The completed application is on file with the Town Clerk's Office and it is recommended that this request be approved.

Office of the Town Clerk



TO: Office of The Town Clerk

FROM: Brian Longstaff, Zoning Administrator

DATE: August 10, 2023

RE: New License and Inspection of Junkyards

FROM: Brian Longstaff, Zoning Administrator CEO/LPI/CFM

On August 10, 2023, the Code Enforcement Office conducted an inspection of the former Goldstein Steel Company, which was recently sold to a new owner, who is applying for a new junkyard license. The following report outlines our findings.

- 1. Goldstein Steel Company, Inc. 36 Running Hill Road (R018039):**
This location was found to be in compliance with local zoning regulations. The site looks better than it has in some time and the new owner plans to continue with improvements in the future. License issue is recommended.

AGENDA
SCARBOROUGH TOWN COUNCIL
WEDNESDAY – AUGUST 16, 2023
HYBRID REGULAR MEETING – 5:30 P.M.

Order No. 23-081. Move approval of the second reading to repeal and replace the 90-day Moratorium that the Town Council approved on May 3, 2023 and enact a new Moratorium that would apply to the Pine Point Industrial Overlay District. *[Council Chair]*

Assistant Town Manager

Ought to Pass

Sponsor

Recommendation

07/19/2023 – Vote: 5 Yeas.
[Councilors Caterina & McGee were absent]

First Reading/Vote

08/16/2023

Public Hearing

08/16/2023 – Vote:

Second Reading/Final Approval/Vote

Scarborough Town Council Meeting

Council Meeting Date: August 16, 2023

ACTION ITEM: Order No. 23-081.

SUBJECT:

Second reading to repeal and replace the 90-day Moratorium that the Town Council approved on May 17, 2023 and enact a new Moratorium that would apply to the Pine Point Industrial Overlay District . *[Assistant Town Manager]*

PURPOSE:

Enact a new 180-day moratorium on any new, or expansion of existing, marijuana cultivation licenses in the Pine Point Overlay District. During this moratorium period, enhanced odor mitigation standards and a more stringent enforcement process contained within Chapter 1018 - Marijuana Licensing Ordinance will be put into place. The efficacy of those revised standards, and a record of enforcement actions resulting from non-compliance, will be provided to the Council and should inform future decisions and actions regarding Marijuana Licensing and zoning.

BACKGROUND:

Following two successive 90 day emergency moratoriums, the Council will be considering changes to Chapter 1018, the Marijuana Licensing Ordinance, to better regulate the long standing concerns with odor in the Pine Point Overlay District. During this period, restricting new licenses or the expansion of existing cultivation facilities is an important and prudent restriction to these uses until the odor concerns can be mitigated and the long term viability of the industry in this zone can be better understood.

FISCAL IMPACT: 0

STATUS / PROCESS TO DATE:

- Long standing concerns with odor in the Pine Point Overlay District resulted in two successive emergency moratoriums and the convening of a marijuana working group to study and recommend changes to the licensing ordinance.
- First reading before the Town Council: July 19, 2023.
- Second reading before the Town Council: August 16, 2023

PROPOSED ACTION:

Recommend approval of the first reading on Order No. 23-081.

ATTACHMENTS:

- New 180-day moratorium on Marijuana Cultivation Facilities in the Pine Point Overlay District.

**TOWN OF SCARBOROUGH ORDINANCE ESTABLISHING A MORATORIUM
ON ADULT USE MARIJUANA CULTIVATION FACILITIES AND MEDICAL
MARIJUANA CULTIVATION FACILITIES
IN THE PINE POINT INDUSTRIAL OVERLAY DISTRICT**

WHEREAS, the Maine Medical Use of Cannabis Act, 22 M.R.S. § 2429-D, and the Cannabis Legalization Act, 28-B M.R.S. §§ 401-402, specifically authorizes municipalities to opt-in to allow and regulate Marijuana Establishments; and

WHEREAS, the Town of Scarborough currently allows certain Marijuana Establishments, including Adult Use Marijuana Cultivation Facilities and Medical Marijuana Cultivation Facilities, to operate in the Town, subject to a license under the Marijuana Establishment Licensing Ordinance and applicable approvals under the Zoning Ordinance;

WHEREAS, since the adoption of the above ordinances there has been an increasing number of requests regarding the establishment or expansion of Adult Use Marijuana Cultivation Facilities and Medical Marijuana Cultivation Facilities in the Pine Point Industrial Overlay District; and

WHEREAS, operations related to Adult Use Marijuana Cultivation Facilities and Medical Marijuana Cultivation Facilities raise a number of concerns related to public safety and welfare, including, but not limited to, potential adverse effects on neighborhoods, security of the facilities, and odors that may create a public nuisance or hazard; and

WHEREAS, on May 3, 2023, the Town Council adopted a 90-day emergency moratorium on the acceptance, processing, or acting upon any application for any approval, including but not limited to a building permit, certificate of occupancy, site plan review, conditional use, license or any other approval, relating to the establishment, operation, or expansion of a business or operation for an Adult Use Marijuana Cultivation Facility or Medical Marijuana Cultivation in the Pine Point Overlay District, in the Town, which will expire on August 2, 2023; and

WHEREAS, the Town’s existing ordinances do not provide an adequate mechanism to regulate and control Adult Use Marijuana Cultivation Facilities and Medical Marijuana Cultivation Facilities in the Pine Point Industrial Overlay District and are inadequate to prevent the potential for serious public harm from the development of future Adult Use Marijuana Cultivation Facilities and Medical Marijuana Cultivation Facilities; and

WHEREAS, the Town needs a reasonable amount of time to continue to study the land use and licensing implications of Adult Use Marijuana Cultivation Facilities and Medical Marijuana Cultivation Facilities in the Pine Point Industrial Overlay District and to develop reasonable regulations governing their location and operation; and

NOW THEREFORE, pursuant to the authority granted to it by 30-A M.R.S. § 4356, be it hereby ordained by the Town Council of the Town of Scarborough, Maine, as follows:

1. DEFINITIONS.

As used in this Ordinance, the following terms have the following meanings:

“Adult Use Marijuana Cultivation Facility” shall mean a “cultivation facility” as that term is defined in 28-B M.R.S.A. §102(13), as may be amended.

“Adult Use Marijuana Products Manufacturing Facility” shall mean a “products manufacturing facility” as that term is defined in 28-B M.R.S.A. §102(43), as may be amended.

“Adult Use Marijuana Testing Facility” shall mean a “testing facility” as that term is defined in 28-B M.R.S.A. §102(54), as may be amended.

“Marijuana Establishment” shall mean an Adult Use Marijuana Cultivation Facility, an Adult Use Marijuana Products Manufacturing Facility, an Adult Use Marijuana Testing Facility, a Medical Marijuana Dispensary, a Medical Marijuana Testing Facility, a Medical Marijuana Manufacturing Product Facility, and a Medical Marijuana Cultivation Facility. A Marijuana Establishment does not include an Adult Use Marijuana Store or a Medical Marijuana Caregiver Retail Store, which are not permitted in the Town of Scarborough.

“Medical Marijuana Cultivation Facility” shall mean a medical marijuana cultivation area used or occupied by one or more medical marijuana registered caregivers and a facility to cultivate, prepare and package medical marijuana at a location that is not the residence of a registered caregiver or qualifying patient.

“Medical Marijuana Dispensary” shall mean a “registered dispensary” as that term is defined in

22 M.R.S.A. §2422(6), as may be amended.

“Medical Marijuana Products Manufacturing Facility” shall mean a “manufacturing facility” as that term is defined in 22 M.R.S.A. §2422(4-R), as may be amended.

“Medical Marijuana Testing Facility” shall mean a “cannabis testing facility” as that term is defined in 22 M.R.S.A. §2422(5-C), as may be amended.

2. APPLICABILITY AND PURPOSE.

Notwithstanding the provisions of 1 M.R.S.A. § 302, this Ordinance shall apply to any proposal to establish, operate, or expand a business or operation for an Adult Use Marijuana Cultivation Facility or Medical Marijuana Cultivation Facility in the Pine Point Industrial Overlay District, whether or not an application or a proceeding to establish or operate a business or operation for Marijuana Establishment would be deemed a pending proceeding under 1 M.R.S.A. § 302.

3. PROHIBITION.

During the time this Ordinance is in effect, no official, officer, board, body, agency, agent or employee of the Town of Scarborough shall accept, process or act upon any application for any approval, including but not limited to a building permit, certificate of occupancy, site plan review, conditional use, license, or any other approval, relating to the establishment, operation, or expansion of a business or operation for an Adult Use Marijuana Cultivation Facility or Medical Marijuana Cultivation Facility in the Pine Point Industrial Overlay District. No person shall establish or operate a business or operation for an Adult Use Marijuana Cultivation Facility or Medical Marijuana Cultivation Facility in the Pine Point Industrial Overlay District that was proposed on or after the effective date of this Ordinance, or shall expand the operations of any

Adult Use Marijuana Cultivation Facility or Medical Marijuana Cultivation Facility in the Pine Point Industrial Overlay District that was established or operated prior to the effective date of this Ordinance. This prohibition does not apply to the operation of existing licensed Adult Use Marijuana Cultivation Facility or Medical Marijuana Cultivation Facility in the Pine Point Industrial Overlay District as of the date of enactment of this Ordinance, although it does apply to any proposed expansion of an existing licensed business or operation.

4. ENFORCEMENT, VIOLATION AND PENALTIES.

This Ordinance shall be enforced by the Code Enforcement Officer of the Town of Scarborough. Any person who violates Section 3 of this ordinance shall be subject to civil penalties and other remedies as provided in 30-A M.R.S.A. § 4452.

5. EFFECTIVE DATE.

This Ordinance takes effect immediately upon adoption and shall expire on the 180th day thereafter, unless earlier extended, repealed or modified by the Scarborough Town Council.

6. SEVERABILITY.

Should any section or provision of this Ordinance be declared by any court to be invalid, such a decision shall not invalidate any other section or provision.

AGENDA
SCARBOROUGH TOWN COUNCIL
WEDNESDAY – AUGUST 16, 2023
HYBRID REGULAR MEETING – 5:30 P.M.

Order No. 23-082. Move approval of the second reading on the Bond Order for Municipal and School Capital Improvements. [*Finance Director*]

Finance Director

Ought to Pass

Sponsor

Recommendation

07/19/2023 – Vote: 5 Yeas.

[Councilors Caterina & McGee were absent]

First Reading/Vote

08/16/2023

Public Hearing

08/16/2023 – Vote:

Second Reading/Final Approval/Vote

Scarborough Town Council Meeting

Council Meeting Date: August 16, 2023

ACTION ITEM: Order No. 23- 082.
<p>SUBJECT:</p> <p>Second reading on the Bond Order for Municipal and School Capital Improvements. [<i>Finance Director</i>]</p>
<p>PURPOSE:</p> <p>To authorize financing, via general obligation bonds, for various capital projects as approved either by voter referendum or Town Council action.</p>
<p>BACKGROUND:</p> <p>Annually the Town of Scarborough approves various capital projects either through the budget process or by voter referendum. Funding for these projects can come from property taxes, leases, reserves, grants and bonds. Though capital expenditures are approved by the Town Council through the annual budget process, for those projects that rely on bond financing the Town Council must also grant bond authority to staff before securing the necessary financing. Traditionally, the Town sells general obligation bonds on an annual basis; however due to complications of the pandemic and staff turnover, the last time bonds were secured was 2021 based on bond authorization granted under Order No. 21-052.</p> <p>This Bond Authorization is a request of \$11,670,592, which is sum derived from a combination of capital projects or equipment that has already be purchased as well as expected capital expenditures over the next 12 months. Although bond authority is requested for \$11,670,592, the actual total of the bonds to be issued in Fall 2023 will be \$9,634,563, which is a combination of bonds previously authorized by the Town Council, authorized by this order and previously voter approved bonds (as further described in this order).</p> <p>In addition to the authorization for bonding, this order also provides for budget adjustments, most of which are reductions. The notable exception is the budget adjustment to provide additional budget authority for the Spurwink Road Pedestrian Improvement Project, which is proposed to be supplemented from funding from the Highland Avenue Project (see the attached memorandum). The total effect of the budget adjustments is to remove existing budget authority in the total of \$2,001,985.</p>
<p>FISCAL IMPACT: To be determined at the time of the bond sale, however \$600,000 is included in the FY24 budget to cover expected additional debt service obligations as a result of this the 2023 bond issue.</p>
<p>STATUS / PROCESS TO DATE:</p> <ul style="list-style-type: none"> ● Spending authorization for the various projects have been approved by the Town Council or via Voter Referendum. ● Departments have purchased or are in the process of completing the various capital projects. ● Staff has determined which projects are ready for bonding.



- Bond Counsel and the Town's Financial Advisor have been contacted to work through the next steps for this 2023 bond issue.
- First reading Town Council: July 19, 2023.
- Second Reading Town Council: August 16, 2023.

PROPOSED ACTION: Recommend to move approval of the second reading Order No. 23-082.

ATTACHMENTS:

- Bond Order
- Memorandum from the Town Manager regarding proposed budget adjustments.

**2023 BOND ORDER FOR
MUNICIPAL AND SCHOOL CAPITAL IMPROVEMENTS**

BE IT ORDERED, That under and pursuant to the provisions of Title 30-A, Sections 5721-5729 and 5772 of the Maine Revised Statutes, as amended, and the Charter of the Town of Scarborough, Maine, the following Municipal and School Capital Improvement Projects are hereby approved for funding:

Project_ID	CIP Year	Project	Funding Authorized	Budget Adjustment
2024-24	2023-2024	FD Major Station Maintenance	100,000	
2024-25	2023-2024	FD Portable Radio Replacement	100,000	
2024-17	2023-2024	FD Replace Turnout Gear	150,000	
2024-29	2023-2024	PL Complete Planning Office Renovations	65,000	
2024-14	2023-2024	PW Excavator 4013	235,000	
2024-3	2023-2024	PW Mid-level Paving	919,800	
2024-6	2023-2024	Catch Basin Truck 4032	550,000	
2023-14	2022-2023	PW Plow Truck 4025	225,000	
2023-18	2022-2023	PW Loader/Backhoe #4042	155,533	
2023-19	2022-2023	PW Sidewalk Machine with attachments	150,000	
2023-11	2022-2023	PW Front End Loader with Plow #4008	286,808	16,808
2023-2	2022-2023	PW Mid-Level Paving	652,549	
2023-13	2022-2023	PW Shop Floor Resurfacing - 30,000 sq. ft.	252,910	
2023-12	2022-2023	Black Point Road Paving (Old Neck to Spurwink Rd)	265,000	
2023-7	2022-2023	School Bus Replacement Schedule	407,950	2,167
2023-23	2022-2023	Implement Bus Tracking Software	98,681	
2023-9	2022-2023	District-wide equipment/infrastructure	211,088	
2023-9	2022-2023	New Tech Equipment	27,708	
2023-20	2022-2023	District-Wide Energy Improvements	54,253	
2023-3	2022-2023	Spurwink Road Traffic & Pedestrian Improvement Phase I	435,340	435,340
2023-4	2022-2023	Highland Avenue Bike/Ped Construction	38,483	(771,517)
2023-1	2022-2023	Mitchell Hill Road Construction	1,500,000	
2023-10	2022-2023	Mast Arm Traffic Signal Upgrade: Sawyer & Rte 1 - Comm	280,000	
2023-15	2022-2023	Ashton Street Drainage Improvements	200,000	
2023-17	2022-2023	Sidewalk Rehabilitation Paving/Accessibility Improveme	180,000	
2023-25	2022-2023	Major Station Maintenance	100,000	
2023-18	2022-2023	Loader/Backhoe #4042		(4,467)
2023-13	2022-2023	Shop Floor Resurfacing - 30,000 sq. ft.		(2,090)
2022-1	2021-2022	PW Gorham Rd Reconstruction Phase III - Maple Ave to	1,515,000	
2022-10	2021-2022	PW Street Sweeper #4201	237,008	
2022-12	2021-2022	PW Plow Truck #4020 (Reuse Existing Sander)	235,177	
2022-13	2021-2022	PW Sidewalk Machine with attachments	174,817	
2022-8	2021-2022	School Bus Replacement Schedule	359,100	12,600
2022-20	2021-2022	Furnishings Replace & Renew	103,752	3,752
2022-6	2021-2022	HS STEM Lab Retrofit	359,535	9,535
2022-3	2021-2022	Mid-Level Paving	867,000	
2022-5	2021-2022	C.S. 63 King Street - Hurd Park Facility & Parking Renova		(631,000)
2022-10	2021-2022	Street Sweeper #4201		(32,992)

2022-13	2021-2022	Sidewalk Machine with attachments		(10,183)
2022-12	2021-2022	Plow Truck #4020 (Reuse Existing Sander)		(9,823)
2021-12	2020-2021	Outfit New Classroom Spaces	13,667	
2021-9	2020-2021	Furnishings Replace & Renew	50,000	
2021-18	2020-2021	Facilities Support Equipment	32,065	
2021-16	2020-2021	EC Modular Classrooms	49,970	324
2021-6	2020-2021	PH Modular Classrooms	8,229	
2021-4	2020-2021	Plow Truck #4002 (Reuse Existing Sander)		(16,300)
2021-12	2020-2021	Outfit New Classroom Spaces		(5,548)
2021-5	2020-2021	School Bus Replacement Schedule		(1,000)
2020-8	2019-2020	Plow Truck #4007		(23,280)
2020-32	2019-2020	Replace Service Truck 1		(13,000)
2020-35	2019-2020	Pickup Truck #4034		(11,420)
2020-22	2019-2020	Plow Control Retrofit		(8,620)
2020-23	2019-2020	C.S. 4x4 1 Ton Dump Truck/Plow		(6,580)
2020-24	2019-2020	F.D. Replace staff vehicles (replacement schedule)		(5,000)
2020-7	2019-2020	School Bus Replacement Schedule		(3,980)
2020-31	2019-2020	C.S. John Deere 1575 Front Mower (Deck & Blower)		(3,337)
2020-21	2019-2020	C.S. John Deere 9009A Rough Mower		(2,570)
2020-29	2019-2020	GMC pickup Truck #548799		(1,000)
2020-28	2019-2020	Utility Vehicle Replacement		(135)
2020-18	2019-2020	HS/WW HVAC Controls		(100)
2020-5	2019-2020	MS HVAC Repairs and Upgrades		(25)
2019-29	2018-2019	Kitchen Equip	14,339	
2019-4	2018-2019	DW tech refresh**	9,830	
2019-19	2018-2019	F.D. Replace staff vehicles (replacement schedule)		(14,000)
2019-7	2018-2019	Plow Truck #4018 (Re-use existing hopper)		(6,925)
2019-31	2018-2019	Security Cameras		(6,215)
2019-2	2018-2019	School Bus Replacement Schedule		(6,100)
2019-17	2018-2019	C.S. 4x4 - Ton Dump Truck w/Plow		(5,405)
2019-30	2018-2019	Pickup Truck #4055 w/lift gate		(1,905)
2019-20	2018-2019	Phillips Brook Watershed Management Implementation Ph I		(1,000)
2019-26	2018-2019	Motorcycle Rider Replacement (2)		(185)
2019-24	2018-2019	F.D. Rescue Power Stretcher Replacement Program		(55)
2018-23	2017-2018	Long-range Planning		(10,000)
2018-30	2017-2018	ACO Vehicle Replacement		(2,400)
2018-21	2017-2018	C.S. 4x4 Ton Dump Truck		(2,150)
2018-5	2017-2018	School Bus Replacement Schedule		(1,950)
2018-24	2017-2018	F.D. Replace staff vehicles (replacement schedule)		(1,000)
2018-8	2017-2018	Roof Restoration		(2)
2017-14	2016-2017	Blower for Loader		(16,630)
2017-20	2016-2017	PW Floor Sweeper #4157		(6,420)
2017-10	2016-2017	Loader/ Backhoe #4042		(5,820)
2017-8	2016-2017	Plow Truck # 4025		(5,711)
2017-4	2016-2017	School Bus Replacement Schedule		(4,170)
2016-1	2015-2016	Pleasant Hill Reconstruction Phase II (rr overpass)		(144,000)
2016-4	2015-2016	Front End Loader #4014		(26,994)
2016-31	2015-2016	84 passenger buses (3) @ \$109,551 each		(14,898)
2016-5	2015-2016	Plow Truck # 4021		(10,000)
2016-30	2015-2016	HS Tech - New Laptops		(7,475)
2016-11	2015-2016	F.D. Tank 3 Re-chassis		(4,075)
2016-12	2015-2016	F.D. Service Plow Truck U7 (replacement schedule)		(3,000)
2016-20	2015-2016	C.S. Replacement Tow Behind Mower		(950)
2016-14	2015-2016	Upgrade Radio Equipment - Communications		(900)

2016-8	2015-2016	F.D. Extrication Tool Upgrade Project		(197)
2015-43	2014-2015	Replace cheering mats		(15,000)
2015-19	2014-2015	Trucks		(14,900)
2015-15	2014-2015	Middle School fire alarm system		(14,885)
2015-4	2014-2015	Tech advancement district-wide		(5,500)
2015-11	2014-2015	Roof restoration		(4,000)
2015-37	2014-2015	Town Wide Directional Signage Program Phase 2		(3,000)
2015-41	2014-2015	29 Black Pt Rd - Stage III Waterproofing		(100)
2015-3	2014-2015	Mid-Level Road Rehabilitation (3 miles per year)		(40)
2014-44	2013-2014	Google Chrome netbooks		(15,000)
2014-45	2013-2014	iPads for Technology Dept.		(13,000)
2014-47	2013-2014	Foreign Language netbooks & cart		(11,000)
2014-46	2013-2014	Adult Ed laptops & cart		(11,000)
2014-13	2013-2014	Plow Truck # 4025		(10,015)
2014-12	2013-2014	Plow Truck # 4024		(10,015)
2014-50	2013-2014	Alumni Gym/Cafeteria sound system & speakers		(10,000)
2014-51	2013-2014	Passamaquoddy secure entrance		(10,000)
2014-40	2013-2014	Cruiser Equipment		(5,000)
2014-38	2013-2014	Crash Attenuator		(2,770)
2014-6	2013-2014	Vehicle Replacement Schedule		(1,780)
2014-34	2013-2014	F.D. Replace Thermal Imaging Cameras		(450)
2013-1	2012-2013	F.D. Ladder Truck L2, (replacement schedule)		(159)
2013-2	2012-2013	Dunstan Corner Intersection Improvement Plan		(106)
2012-6	2011-2012	Loader # 4008		(19,350)
2012-5	2011-2012	Plow Truck # 4025		(3,400)
2011-8	2010-2011	F.D. Replace Rescue Unit (replacement schedule)		(153,500)
2011-14	2010-2011	H.S. Complex & Turf Field Lighting (Green Program)		(14,350)
2011-31	2010-2011	Windows 7 Operating System for Teacher Laptops		(11,500)
2011-15	2010-2011	District wide - Replacement & Renewal		(5)
2010-38	2009-2010	Fencing		(16,000)
2010-42	2009-2010	Metro Chieffs grant match training aids/simulator		(15,000)
2010-9	2009-2010	Plow Truck #4026		(14,400)
2010-13	2009-2010	Motorola Radio Computers & Software		(5,626)
2010-8	2009-2010	Technology: Replacement of Equipment and Applications		(5,190)
2010-33	2009-2010	District-wide Pavement Maintenance		(1,000)
2010-34	2009-2010	High School Dumpster Pad		(900)
2010-17	2009-2010	HVAC Systems		(8)
2010-19	2009-2010	District-wide Movable Equipment		(4)
2007-13	2006-2007	Eastern Trail Improvements: Nonesuch Bridge		(190,000)
2007-19	2006-2007	Integrated Townwide Data/Phone Fiber Network		(18)
2004-1	2003-2004	Voter Approved Land Bond		(41)

Totals

11,670,592

(2,001,985)

BE IT FURTHER ORDERED, That a sum, not to exceed **\$11,670,592**, plus any additional premium, is hereby appropriated to provide for the costs of said projects and expenses associated with said projects; and,

BE IT FURTHER ORDERED, That to fund said appropriation, the Treasurer and the Chairman of the Town Council are hereby authorized to issue, at one time or from time to time, general obligation securities of the Town of Scarborough, Maine, including temporary notes in anticipation of the sale thereof, in an aggregate principal amount not to exceed \$11,670,592, plus

any additional premium, and the discretion to fix the date(s), maturity(ies), denomination(s), interest rate(s), place(s) of payment, call(s) for redemption, refunding(s), form(s), premium(s), and other details of said securities, including execution and delivery of said securities against payment therefore, and to provide for the sale thereof, is hereby delegated to the Treasurer and the Chairman of the Town Council; and,

BE IT FURTHER ORDERED, That in furtherance of the voter-approved referendum question authorizing the issuance of up to \$1,900,800 in general obligation bonds of the Town of Scarborough, of which \$1,900,800 remain authorized but unissued, in furtherance of the prior-approved Council Order No. 21-100 relating thereto, and in order to continue to fund the prior-approved appropriation for the Turf and Track Field replacement, the Treasurer and the Chairman of the Town Council are hereby authorized to issue, at one time or from time to time, general obligation securities of the Town of Scarborough, Maine, including temporary notes in anticipation of the sale thereof, in an aggregate principal amount not to exceed **\$778,291**, plus any additional premium, and the discretion to fix the date(s), maturity(ies), denomination(s), interest rate(s), place(s) of payment, call(s) for redemption, refunding(s), form(s), premium(s), and other details of said securities, including execution and delivery of said securities against payment therefore, and to provide for the sale thereof, is hereby delegated to the Treasurer and the Chairman of the Town Council.

BE IT FURTHER ORDERED, That in furtherance of the voter-approved referendum question authorizing the issuance of up to \$725,000 in general obligation bonds of the Town of Scarborough, of which \$725,000 remain authorized but unissued, in furtherance of the prior-approved Council Order No. 21-100 relating thereto, and in order to fund the prior-approved appropriation for the F.D. Replace '96 Fire Engine, the Treasurer and the Chairman of the Town Council are hereby authorized to issue, at one time or from time to time, general obligation securities of the Town of Scarborough, Maine, including temporary notes in anticipation of the sale thereof, in an aggregate principal amount not to exceed **\$695,000**, plus any additional premium, and the discretion to fix the date(s), maturity(ies), denomination(s), interest rate(s), place(s) of payment, call(s) for redemption, refunding(s), form(s), premium(s), and other details of said securities, including execution and delivery of said securities against payment therefore, and to provide for the sale thereof, is hereby delegated to the Treasurer and the Chairman of the Town Council.

BE IT FURTHER ORDERED, That in furtherance of the voter-approved referendum question authorizing the issuance of up to \$2,500,000 in general obligation bonds of the Town of Scarborough, of which \$2,103,901 remain authorized but unissued, in furtherance of the prior-approved Council Order No. 19-085 relating thereto, and in order to continue to fund the prior-approved appropriation for the purchase of parks and conservation lands, the Treasurer and the Chairman of the Town Council are hereby authorized to issue, at one time or from time to time, general obligation securities of the Town of Scarborough, Maine, including temporary notes in anticipation of the sale thereof, in an aggregate principal amount not to exceed **\$340,000**, plus any additional premium, and the discretion to fix the date(s), maturity(ies), denomination(s), interest rate(s), place(s) of payment, call(s) for redemption, refunding(s), form(s), premium(s), and other details of said securities, including execution and delivery of said securities against payment therefore, and to provide for the sale thereof, is hereby delegated to the Treasurer and the Chairman of the Town Council.

AGENDA
SCARBOROUGH TOWN COUNCIL
WEDNESDAY – AUGUST 16, 2023
HYBRID REGULAR MEETING – 5:30 P.M.

Order No. 23-083. Move approval of the second reading on the request to approve the expenditure, in an amount not to exceed, \$130,000, from the Land Acquisition Reserve Fund for the purpose of purchasing property located at Gorham Road [located at the end of Finch Way], located more specifically identified by the Scarborough Tax Assessors Map R054/Lot 019, as recommended by the Parks and Conservation Land Board, and authorize the Town Manager to execute any and all documents as are necessary to protect the Town’s interest. [*Parks and Conservation Land Board*]

Parks and Conservation and Board

Ought to Pass

Sponsor

Recommendation

07/19/2023 – Vote: 5 Yeas.
[Councilors Caterina & McGee were absent]

First Reading/Vote

08/16/2023

Public Hearing

08/16/2023 – Vote:

Second Reading/Final Approval/Vote

Scarborough Town Council Meeting

Council Meeting Date: August 16, 2023

<p>ACTION ITEM: Order No. 23-083.</p>
<p>SUBJECT:</p> <p>Second reading on the request to approve the expenditure, in an amount not to exceed, \$130,000, from the Land Acquisition Reserve Fund for the purpose of purchasing property located at Gorham Road [located at the end of Finch Way], located more specifically identified by the Scarborough Tax Assessors Map R054/Lot 019, as recommended by the Parks and Conservation Land Board, and authorize the Town Manager to execute any and all documents as are necessary to protect the Town's interest. <i>[Parks and Conservation Land Board]</i></p>
<p>PURPOSE:</p> <p>To assist in the preservation of land for open space within the Town of Scarborough for public benefit.</p>
<p>BACKGROUND:</p> <p>The Scarborough Land Trust is a non-profit community-based organization and conserve land where natural resources, scenic vistas and historical significance offer unique value to the community.</p> <p>In November of 2019 the voters approved an additional \$2.5 million for land conservation and historic preservation. The Parks and Conservation Land Board was created to evaluate properties for conservation and recommend to the Town Council on the use of land bond monies for the purpose of acquisition and stewardship of conserved lands.</p>
<p>FISCAL IMPACT:</p> <p>\$2,500,000 Voter Approved Land Bond (TC Order #19-060) (\$ 396,099) Alger Hall Building (649 US Rt 1) TC Order #21-052 (\$ 200,000) Libby Property (196 Gorham Rd) TC Order #21-088 (\$ 140,000) 91 Burnham Road TC Order #22-113 (\$ 260,000) 80 Beech Ridge Road TC Order #23-053 \$1,503,901 Unspent Land Bond Funds</p> <p>(\$210,000) 380 Payne Road, approved per TC Order #22-066 – did not close</p>
<p>STATUS / PROCESS TO DATE:</p> <ul style="list-style-type: none"> • Letter of Recommendation from the Parks & Conservation Land Board: June 30, 2023. • First Reading – Town Council: July 19, 2023. • Second and final reading – Town Council: August 16, 2023.
<p>PROPOSED ACTION:</p> <p>Recommend approval of the second reading on Order No. 23-083.</p>
<p>ATTACHMENTS:</p> <ul style="list-style-type: none"> • Letter of Recommendation from the Parks and Conservation Land Board. • Application Packet from the Scarborough Land Trust.

PARKS AND CONSERVATION LAND BOARD

Town of Scarborough, Maine



Board Members

[Suzanne Foley-Ferguson](#)

[Rachel Hendrickson](#)

[Richard Murphy](#)

[Jane Palmer](#)

[Noah Perlut](#)

[Jessica Sargent](#)

[Douglas Williams](#)

June 28, 2022

Honorable Town Councilors
Town Manager
Town of Scarborough, Maine

Dear Friends,

The Parks and Conservation Land Board recommends the authorization of \$130,000 in bonds to assist the Scarborough Land Trust (SLT) with its' purchase of 00 Gorham Road (located at the end of Finch Way, which is off of Gorham Road). The total project cost is estimated to be \$175,716, making the Town's contribution 78% of the costs. This project is unique in two ways: the ecosystem itself is rare, and the SLT may be able to recoup the money through a federal grant program facilitated by the Maine Coast Heritage Trust called the North American Wetlands Conservation Act.

Pitch Pine Bogs are some of the most unique ecosystems in Maine. Yet, they are at "high risk" of extirpation in the state of Maine. The state of Maine rates them as S2-imperiled. Extirpation means that these sparsely forested peatlands are dangerously endangered in Maine. Pitch Pine Bogs are restricted in range, and there are few populations in the state. In Scarborough there may others, but development poses a severe threat to this community of plants and its' very existence because one cannot replicate what years of evolution have created. The Saco Heath is a well known example of a Pitch Pine Bog.

Dominated by acidic soil conditions, bogs contain rare species of plants, which can attract varying birds and wildlife. The Pitch Pine is the dominant tree in these organic wetlands that occur in shallow basins on the coastal plain. Typical sites occur over sandy mineral soil or deep peatlands, which in combination create a unique living environment. Plant communities of low heath shrubs, Black Spruce, leatherleaf, cranberries, and blueberries are often found in Pitch Pine Bogs. And though parts are sandy, in other parts, Sphagnum moss, usually associated with wetlands, is often present or dominates. Are you aware that Scarborough may be home to carnivorous plants such as the sundew and/or pitcher plants, which are sometimes found in bogs?

This particular Pitch Pine area is adjacent to the Warren Woods and can be accessed through the woods, but because of the sensitive nature of the ecosystem, the SLT does not have plans to develop trails here yet. It would be a big project both in physical cost and stewardship costs. There is potential for boardwalk-like trails in the future. The wetland areas of this property are the headwaters of Mill Brook, which run into the Scarborough

Marsh. Warren Woods Preserve will become greater than 300 acres with the addition of this 11.5 acres.

Evaluation and Analysis

The land board evaluates the conservation qualities of properties that are brought to us. Based upon our estimates, 100% of the property is considered to be of statewide and local significance. We completed our detailed assessment June 13, 2022 and voted to approve the recommendation.

We are in the final stages of reviewing our evaluation process, but to maintain the current approach until approved, we gave the property a property evaluation score. Similar properties are scored below.

380 Payne Road	9.5 acres	361 points
Whitten Property	6.4 acres	255 points
00 Gorham Road	11.5 acres	236 points
Libby I/Nonesuch	16.57 acres	543 points

The Board recommends that the development rights on the property be extinguished legally by attaching conditions to the contribution and/or placing a conservation easement on the property. These details are typically negotiated between town and land trust staff and other contributing organizations, and should be included in the Council's direction to the manager.

If you have any questions regarding this property, a representative will be available at your meeting. Scarborough continues to be a leader in conservation, and I am proud to help in that regard. I hope you will be as well.

Sincerely,



Suzanne A. Foley-Ferguson
Chair, Scarborough Parks and Conservation Land Board



June 22, 2023

Suzanne Foley-Ferguson
Chair
Parks and Conservation Land Board
Town of Scarborough
Scarborough, ME 04074

Dear Sue,

At the most recent PCLB meeting, the Board reviewed the Scarborough Land Trust (SLT)'s application for Land Bond funding for the purchase of 00 Gorham Rd Map-Lot R054-019 owned by the Estate of Herb Nelsen. SLT has executed a purchase and sale agreement for a purchase price of \$130,000 with a closing date of September 30, 2023. SLT is requesting Land Bond funding of \$130,000.

SLT is also applying to the North American Wetlands Conservation Act (NAWCA) grant for \$130,000 in funding to purchase the same property. The NAWCA grant does allow reimbursement for certain project costs as well. The NAWCA grant application is being submitted in July 2023 with an expected award date of April 2024. Funds are anticipated to be released by December 2024. The grant request is part of a larger grant application submitted in coordination with the Maine Coast Heritage Trust and other land trusts from around the state of Maine.

SLT is requesting Land Bond funding to purchase the property by the closing date of September 30, 2023. If SLT is awarded funding from the NAWCA grant, then SLT would repay the Land Bond fund up to \$130,000 (depending upon the amount and costs awarded by the NAWCA grant). If SLT is not awarded the grant, then no repayment would occur. We consider this a win-win for the residents of Scarborough, as it secures the property for conservation while providing the opportunity to use Federal funding and preserve Town funding for other conservation projects.

Thank you for your time and consideration in reviewing our application. Please feel free to reach out with any questions or comments.

Sincerely,

A handwritten signature in black ink that reads "SKUNKLER".

Scott Kunkler
Conservation Director

00 Gorham Rd

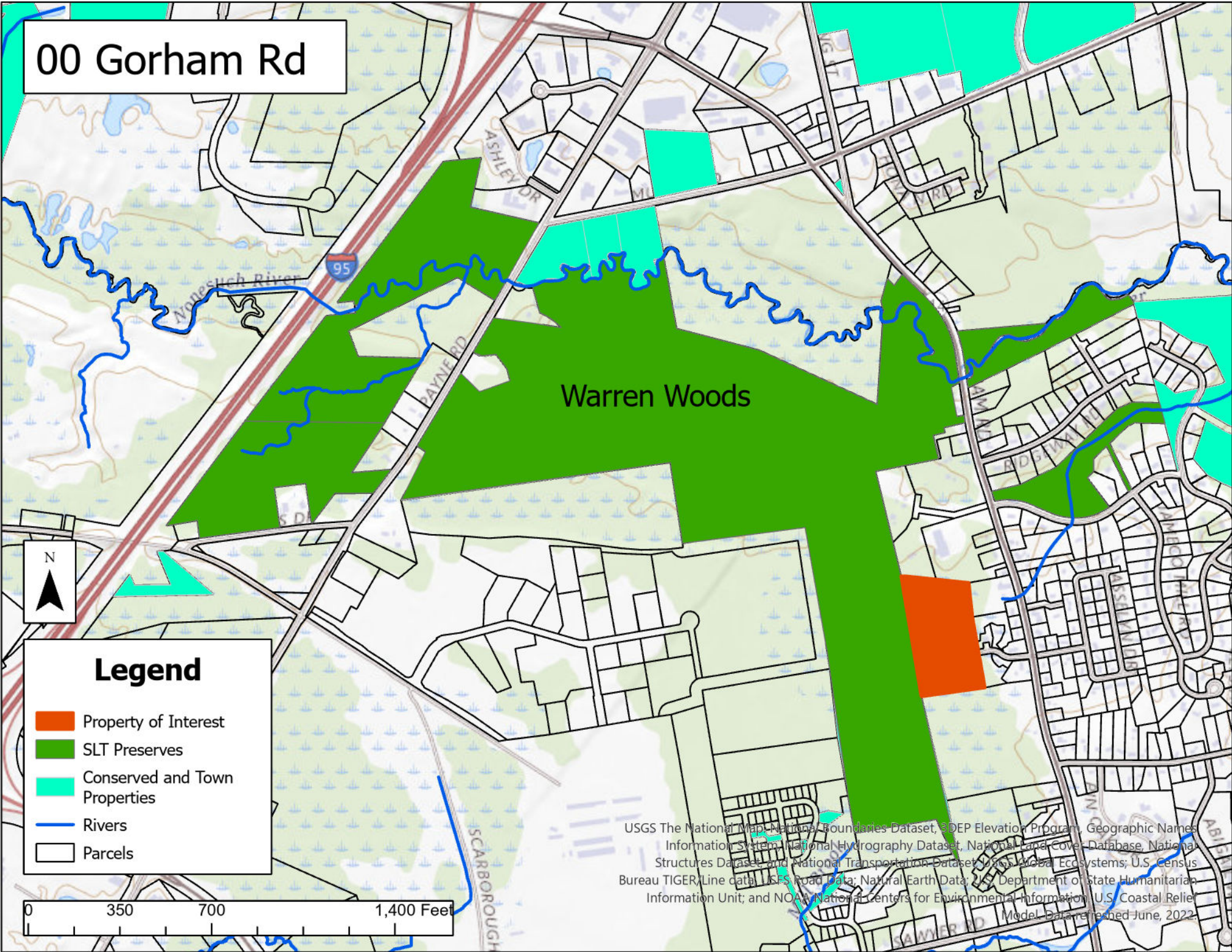
Warren Woods

Legend

- Property of Interest
- SLT Preserves
- Conserved and Town Properties
- Rivers
- Parcels

0 350 700 1,400 Feet

USGS The National Map, National Boundaries Dataset, 3DEP Elevation Program, Geographic Names Information System, National Hydrography Dataset, National Land Cover Database, National Structures Dataset, and National Transportation Dataset; USGS Global Ecosystems; U.S. Census Bureau TIGER/Line data; USFS Road Data; Natural Earth Data; U.S. Department of State Humanitarian Information Unit; and NOAA National Centers for Environmental Information U.S. Coastal Relief Model. Data refreshed June, 2022.



Town of Scarborough, Maine

LAND ACQUISITION APPLICATION FORM

Property Name: 00 Gorham Rd Date: 5-26-23

Applicant Name:

GENERAL INFORMATION:

Property Address: 00 Gorham Rd

Scarborough, Maine 04074

Mailing Address: _____

Scarborough Land Trust

PO Box 1237 Scarborough, ME 04074

Contact Person: Scott Kunkler

Phone # 207-289-1199 e-mail: skunkler@scarboroughlandtrust.org

Landowner(s) -please list full name of all owners (and lien holders, if any)

Peter S. Nelsen, Personal Representative of the Estate of Herbert P. Nelsen

Deed type: Personal Representative's Deed of Sale Book / page# 4377/ 109

Current Assessed Value \$18,500

Recent appraised value (if available) \$130,000

Existing boundary survey? Y / (circle)

Potential boundary disputes? Y / (circle) (if yes, attach explanation)

Any hazardous waste on the property? Y / Environmental Phase 1 Review to be performed.

LAND DESCRIPTION: Tax Map # R054 Lot # 019 Zoning District RF

Total Acres: 11.5 Proposed purchase acres: 11.5 Proposed easement acres N/A

Are there any buildings on the property? (Please circle) yes /

If yes, are they a part of the proposed purchase? Y / N

BRIEF PROJECT DESCRIPTION:

(Please provide information regarding the suitability for public acquisition, special features, and proximity to existing public lands; include the value to the people of Scarborough and any current or potential uses)

Scarborough Land Trust (SLT) plans to purchase approximately 11.5 acres of forested land located off Gorham Rd at the end of Finch Way. The property abuts our Warren Woods Preserve and will thus expand the size of the Preserve. (see attached Map 1) It consists of mostly wetlands and is part of the Scottow Bog- a pitch pine bog community. (see attached Map 2) This natural community type is identified as an Exemplary Natural Community by the Maine Natural Areas Program (MNAP) and has a State of Maine Rarity Rank of "S2" defined as Imperiled in Maine – At high risk of extirpation in the jurisdiction due to restricted range, few populations or occurrences, steep declines, severe threats, or other factors. Protection of this parcel is thus of statewide importance. The wetlands complex also forms the headwaters of Mill Brook which flows into Scarborough Marsh WMA. According to MDIFW’s Beginning with Habitat, the property is part of a 346-acre undeveloped habitat block. Public access will be allowed including hunting; however, no trails will be constructed at this time due to trail construction and maintenance limitations ensuing from the wetland characteristics of the property, as well as the area’s ecological significance and importance for water resource, wildlife, and natural community protection.

Q Do you (the presenter) believe that there will be a willing seller(s) of this site? Yes No
Please explain: SLT has executed a Purchase and Sale Contract with the seller.

Please attach the following:

- Site Location Map (map provided)
- Assessors Map (with abutting properties)
- Photo(s) (no more than 1 page please)

Directions to the property from Town Hall:

US Route 1 to Gorham Rd. Take a left and head north to Finch Way. Turn left and the property is at the end of
Finch Way.

LEAVE THIS BOX BLANK UNTIL FURTHER NOTICE

Important Note: The Town Council of the Town of Scarborough requires that all owners of land being proposed for town purchase are willing sellers and have full knowledge that their property is being presented to them for consideration. When and if the Parks and Conservation Land Board recommend a purchase, the owners of the property will be asked to sign below to indicate their willingness to sell. *A signed letter stating the above is also acceptable.*

Owner #1 _____
date

Owner #2 _____
date

Site Description (To be filled out by Applicant or Representative)

Directions: Please check all that apply to the parcel that is proposed for purchase. If unsure, leave blank.

- Rare, or endangered species
- Freshwater rivers, streams, vernal pools
- Ocean, tidal or estuary
- Working Farm or Forest
- Saltmarsh / other wetlands

- Creates link between public or protected parcels or trails
- Provides buffer for river, streams or brooks

- Public access to beaches, marshes, waterways, or other natural areas
- Public access to trails or other public lands

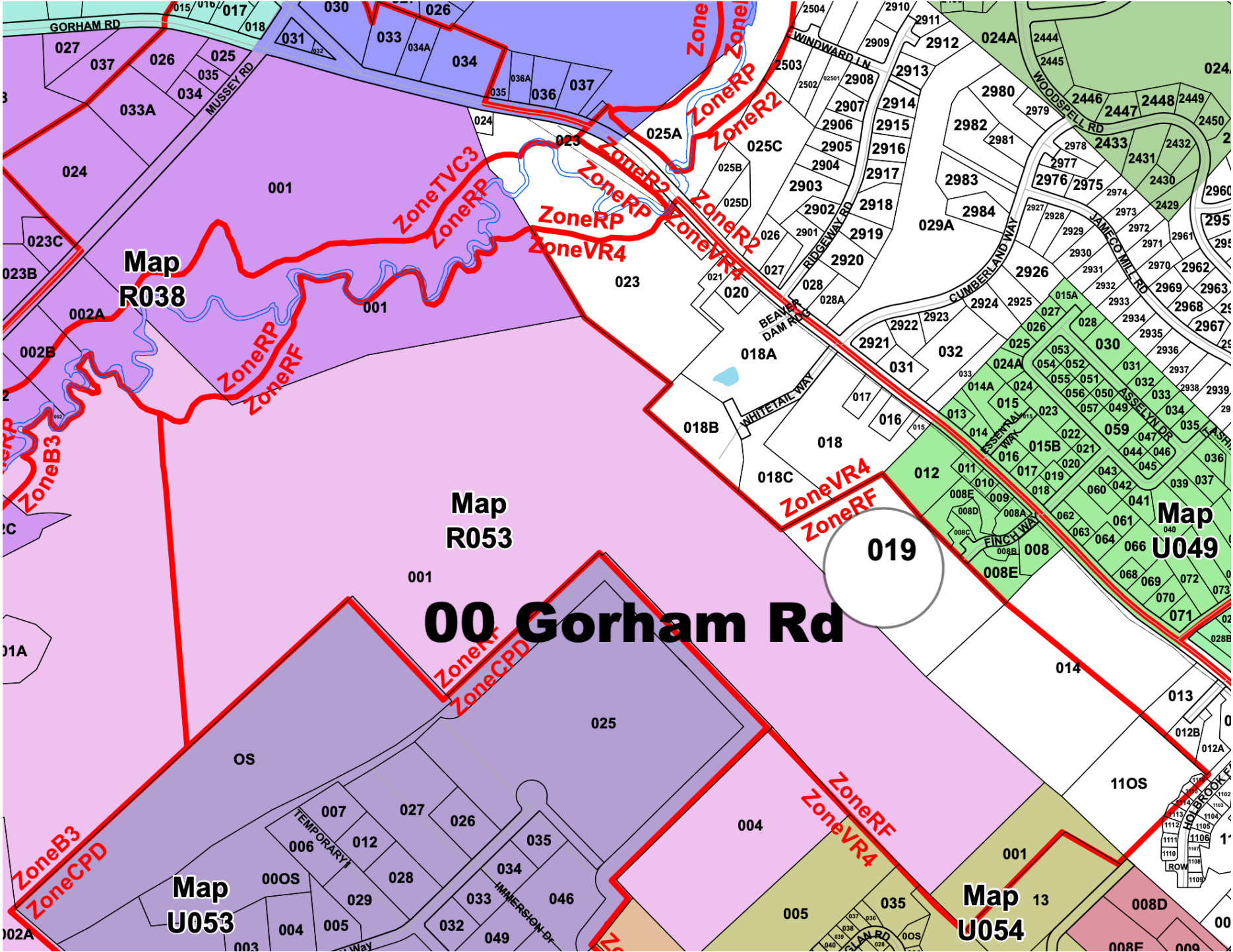
- Existing active recreation (ball fields, motorized vehicles, etc.)
- Potential active recreation
- Existing passive recreation (birding, hiking, horseback riding, skiing, etc.)
- Potential passive recreation

- Scenic views
- Historical significance (cemetery, monument, archeological site)

- Possibilities for
 - Purchase
 - Easement
 - Donation

Note: This is a quick summary of the Detailed Assessment Form that the committee will be using to evaluate your parcel. The detailed form is available upon request and is based on a point system. The full evaluation has subjective components, as well.

V Site Visit Scheduled: (to be filled out by committee) _____



Map R038

Map R053

Map U049

Map U053

Map U054

00 Gorham Rd

019

Map 2- 00 Gorham Rd

Scarborough, Maine
Advanced Parcel Viewer

Basemaps

00 GORHAM RD

Map-Lot: R054019 Print Tax Map
Address: 00 GORHAM RD
Account Number: 1012
Acreage: 11.50

Owner Information
Owner 1: NELSEN, HERBERT P
Owner 2: NELSEN, WANDA M
Address 1: 842 RIVER RD
City/State/ZIP: BUXTON, ME, 04093

Other Information
GIS ID: 7507
Total Assessed Land:
Total Assessed Improvements:
Total Assessment:
Detailed property information can be found on the Online Assessing Database. Please see the Town of Scarborough Zoning Ordinance or turn on the zoning layer for zoning details. Google Maps/Street View is also available for many

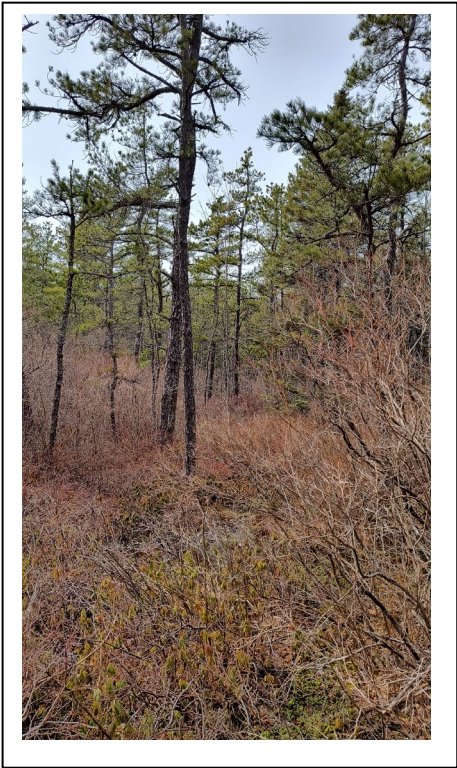
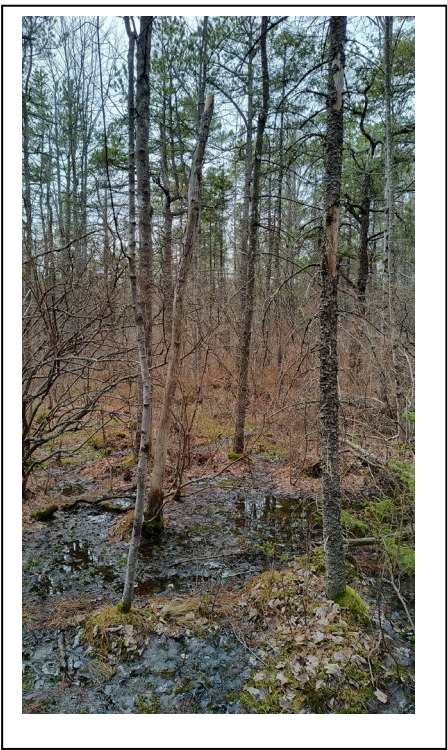
City of South Portland, Esri, HERE, Garmin, INCREMENT P, Intermap, NGA

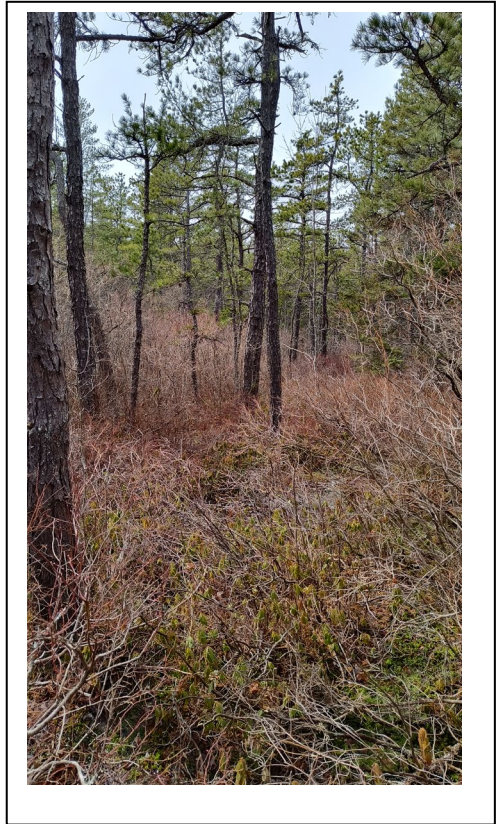
Scarborough

200m
600ft

Acquisition of 00 Gorham Rd			
Scarborough Land Trust			
<i>Item - Expense</i>	<i>Estimate</i>	<i>Actual</i>	
Purchase price of property		\$130,000	
Appraisal	\$5,000	\$1,000	
Environmental Review	\$2,200		
Survey	\$5,000		
Legal Fees	\$4,000		
Closing costs including title policy	\$2,000		
First Year Taxes	\$300		
Stewardship costs		\$17,250	
Land Protection Staff Costs	\$4,680		
Overhead and Administration	\$4,286		
Total		\$175,716	
<i>Item - Revenue</i>	SLT fundraising (other grants and donations)	Town of Scarborough Land Bond	Total
Purchase price of property	\$0	\$130,000	\$130,000
Appraisal	\$6,000	\$0	\$6,000
Environmental Review	\$2,200	\$0	\$2,200
Survey	\$5,000	\$0	\$5,000
Legal Fees	\$4,000	\$0	\$4,000
Closing costs including title policy	\$2,000	\$0	\$2,000
First Year taxes	\$300	\$0	\$300
Stewardship costs- Long-term	\$17,250	\$0	\$17,250
Land Protection Staff Costs	\$4,680	\$0	\$4,680
Overhead and Administration	\$4,286	\$0	\$4,286
Totals	\$45,716	\$130,000	\$175,716

00 Gorham Rd





**AGENDA
SCARBOROUGH TOWN COUNCIL
WEDNESDAY – AUGUST 16, 2023
HYBRID REGULAR MEETING – 5:30 P.M.**

Order No. 23-090. Move approval of the first reading on the new request for a Marijuana Establishment License from Leo Paquette, d/b/a UGP, LCC, located at 31 Washington Ave for an Adult Marijuana Products Manufacturing Facility; Joanna Russell, d/b/a Norumbega Provisions, located at 15 Holly Street, Suite 106 for a Medical Marijuana Products Manufacturing Facility and schedule public hearing and action for Wednesday, September 6, 2023. *[Assistant Town Manager]*

Assistant Town Manager

Ought to Pass

Sponsor

Recommendation

08/16/2023

First Reading/Vote

09/06/2023

Public Hearing

09/06/2023 – Vote:

Second Reading/Final Approval/Vote

Scarborough Town Council Meeting

Council Meeting Date: August 16, 2023

ACTION ITEM: Order No. 23-090.

SUBJECT:

First reading and schedule public hearing and action on the new request for a Marijuana Establishment License from Leo Paquette, d/b/a UGP, LLC, located at 31 Washington Ave for an Adult Marijuana Products Manufacturing Facility; Joanna Russell, d/b/a Norumbega Provisions, located at 15 Holly Street, Suite 106 for a Medical Marijuana Products Manufacturing Facility. *[Assistant Town Manager]*

PURPOSE:

Approve one (1) adult use manufacturing facility for UGP, LLC and one (1) medical manufacturing license for Norumbega Provisions.

BACKGROUND:

UGP, LLC currently has an adult use cultivation license. Norumbega Provisions has a current Food Handlers License. Owners are in good standing with the town and both facilities will be inspected prior to second reading and the public hearing.

FISCAL IMPACT: \$5,000 (\$2,500 per manufacturing license)

STATUS / PROCESS TO DATE:

- The applications have been reviewed by the Fire Department, Police Department, and Codes and Planning Department and a site visit has been conducted.
- First reading before Town Council: August 16, 2023.

PROPOSED ACTION:

Recommend to move approval of the Order No. 23-090.

ATTACHMENTS:

**AGENDA
SCARBOROUGH TOWN COUNCIL
WEDNESDAY – AUGUST 16, 2023
HYBRID REGULAR MEETING – 5:30 P.M.**

Order No. 23-091. Move approval of the first reading on the order authorizing issuance of up to \$160,000,000.00 in bonds of the town to fund the cost of building a new primary school and to place the following question on the November 7, 2023, Municipal Ballot: Shall the Order entitled “**ORDER AUTHORIZING ISSUANCE OF UP TO \$160,000,00.00 IN GENERAL OBLIGATION BONDS OF THE TOWN OF SCARBOROUGH TO FUND COSTS FOR A NEW UNIFIED K-3 SCHOOL AND RENOVATIONS TO THE MIDDLE SCHOOL**” be approved? and schedule a public hearing and second reading for Wednesday, September 6 2023. [*Town Council*]

Town Council

Ought to Pass

Sponsor

Recommendation

08/16/2023

First Reading/Vote

09/06/2023

Public Hearing

09/06/2023 – *Vote:*

Second Reading/Final Approval/Vote

Scarborough Town Council Meeting

Council Meeting Date: August 16, 2023

<p>ACTION ITEM: Order No. 23-091.</p>
<p>SUBJECT:</p> <p>First reading and schedule a public hearing and second reading on the order authorizing issuance of up to \$160,000,000 in general obligation bonds of the Town to fund the cost of the K-8 Strategic Facilities Project and to place the following question on the November 7, 2023, Municipal Ballot: Shall the Order entitled “ORDER AUTHORIZING ISSUANCE OF UP TO \$160,000,000 IN GENERAL OBLIGATION BONDS OF THE TOWN OF SCARBOROUGH TO FUND COSTS FOR A NEW UNIFIED K-3 SCHOOL AND RENOVATIONS TO THE MIDDLE SCHOOL” be approved? <i>[Town Council]</i></p>
<p>PURPOSE:</p> <p>To put this item before the Voters on November 7, 2023.</p>
<p>BACKGROUND:</p> <p>Since 2017, The School Department and Board of Education (BoE) have been actively considering options to provide a system wide solution for school facilities. To this end, a School Building Committee and consultants have recommended, and the BoE has approved, the construction of a new Unified K-3 Primary School as well as renovations to the Middle School, collectively referred to as the K-8 Strategic Facilities Project.</p>
<p>FISCAL IMPACT: In consultation with our Financial Advisor it is estimated that the \$160,000,000 would likely result in \$117,143,534 in interest costs, producing an estimated total cost of \$277,584,476.</p> <p>The Town has prepared a financial model to estimate the financial impact on property taxpayers. The model suggests that the average residential taxpayer (based on a value of \$400K) would pay \$16,588 over the 30-year term of the bonds, averaging \$488 per year.</p>
<p>STATUS / PROCESS TO DATE:</p> <ul style="list-style-type: none"> • First reading before the Town Council: August 16, 2023
<p>PROPOSED ACTION:</p> <p>Recommendation is to move approval of the first reading and scheduled the public hearing and second reading for Wednesday, September 6, 2023.</p>
<p>ATTACHMENTS:</p> <ul style="list-style-type: none"> • Ballot Question and associated Financial Statement • Information from the Town’s Financial Advisor • Independent opinions regarding the Debt Model – BerryDunn/GPCOG

ORDER AUTHORIZING ISSUANCE OF UP TO \$160,000,000 IN BONDS OF THE TOWN TO FUND THE COSTS FOR A NEW UNIFIED K-3 SCHOOL AND RENOVATIONS TO THE MIDDLE SCHOOL.

BE IT ORDERED by the Town Council by the Town of Scarborough, Maine, in Town Council assembled, as follows:

(1) That under and pursuant to the provisions of Title 30-A, Sections 5722 and 5772, as amended and the Charter of the Town of Scarborough, Maine, a public school construction project consisting of the design, construction a new Unified K-3 School and renovations to the middle school, as approved by the Board of Education; and,

(2) That a sum not to exceed \$160,000,000, plus any additional premium, is hereby appropriated to provide for the costs of this Project; and,

(3) That to fund said appropriation, the Treasurer and the Chairman of the Town Council are hereby authorized to issue, at one time or from time to time, general obligation securities of the Town of Scarborough, Maine, including temporary notes in anticipation of the sale thereof, in an aggregate principal amount not to exceed \$160,000,000, plus any additional premium, and the discretion to fix the date(s), maturity(ies), denomination(s), interest rate(s), place(s) of payment, premium(s), call(s) for redemption, form(s), refunding(s) and other details of said securities, including execution and delivery of said securities against payment therefore, and to provide for the sale thereof, is hereby delegated to the Treasurer and the Chairman of the Town Council.

BE IT FURTHER ORDERED, that the following referendum question shall be submitted to the voters of the Town of Scarborough, Maine at the regular municipal election to be held Tuesday, November 7, 2023:

Referendum Question No. 1:

Shall the Order entitled “**ORDER AUTHORIZING ISSUANCE OF UP TO \$160,000,000 IN GENERAL OBLIGATION BONDS OF THE TOWN OF SCARBOROUGH TO FUND COSTS FOR A NEW UNIFIED K-3 SCHOOL AND RENOVATIONS TO THE MIDDLE SCHOOL**” be approved?

EXPLANATION AND RECOMMENDATIONS: Approval of this Order would authorize the issuance of up to \$160,000,000 in general obligation bonds of the Town to provide funds for the purchase of land, off-site improvements and to construct and equip a new Unified K-3 Primary School and renovations to the Middle School to execute the K-8 Strategic Facilities Project.

The Town Council and Board of Education recommend approval of this question.

FINANCIAL STATEMENT

1. Total Indebtedness As of August 16, 2023:
 - A. Bonds outstanding and unpaid: \$ 79,690,000
 - B. Bonds authorized and unissued: \$ 16,550,291
 - C. Bonds to be issued if this Article is approved: \$ 160,000,000

2. Costs:

The estimate cost of this bond issue, based on an estimated interest rate of 4% for an estimated thirty (30) year maturity, issued in 4 installments commencing in 2024, is as follows:

Principal:	\$160,000,000
Interest:	<u>\$117,143,534</u>
Total Debt Service	<u>\$277,584,476</u>

A property currently valued at \$400k will be taxed an estimated \$16588 over the term of the bonds, averaging \$488 per year.

3. Validity:

The validity of the bonds and of the voters' ratification of the bonds may not be affected by any errors in the above estimates. If the actual amount of the total debt service for the bond issue varies from the estimate, the ratification by the electors is nevertheless conclusive and the validity of the bond issue is not affected by reason of the variance.

S/ _____

Jennifer Lord

Town Treasurer

Anticipated Off-Site Improvements: Sawyer Road

Off-Site Costs (Sawyer Road)	\$4,025,000
--	--------------------

- 3 categories of improvements:
 - Capacity Improvements
 - Pedestrian/Bicycle Improvements
 - Traffic Calming/Speed Control
- Route 114 at Sawyer Road: Construct 200' left turn lane (possible signal required)
- Sawyer Road at Route 114: Construct 200' left and right turn lanes with curb and 6' sidewalk
- Sawyer Road, Route 114 to Sawgrass Drive: Construct 8' wide sidewalk with curb
- Sawyer Road, Route 114 to Sawgrass Drive: Construct 200' left and right turn lanes
- Sawyer Road, Oakdale Road to Durant Drive: Widen sidewalk to 8'
- Sawyer Road, Sawgrass Drive to Oakdale Road: Widen sidewalk to 8'
- Sawyer Road, Oakdale Road to Durant Drive: Widen Sidewalk to 8'
- Sawyer Road at Route 1: Construct 200' right turn lane with curb
- Sawyer Road: 3 strategically located raised speed tables/crosswalks



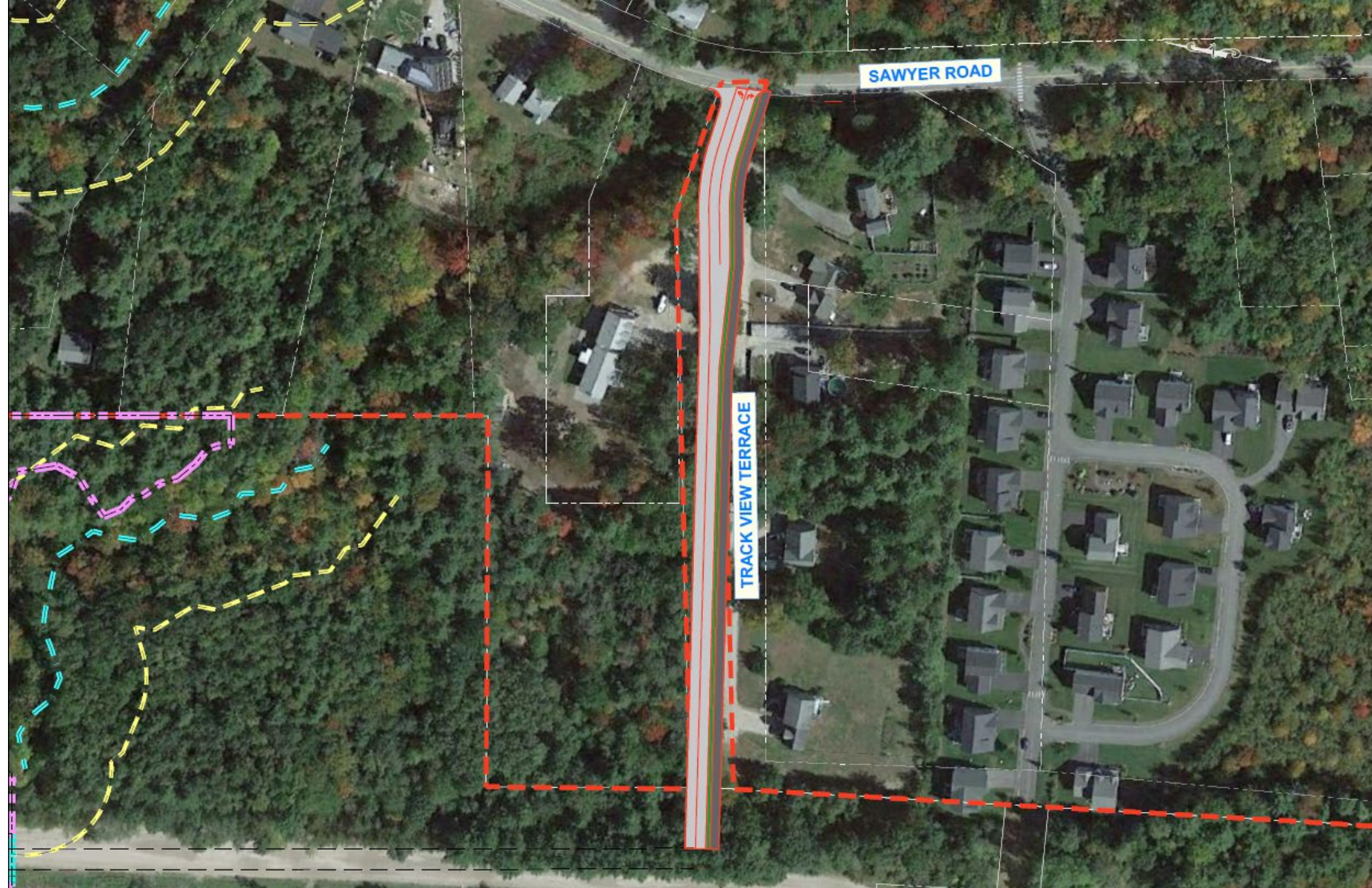
Anticipated Off-Site Improvements: Track View Terrace

Off-Site Costs

(Track View Terrace)

\$1,837,500

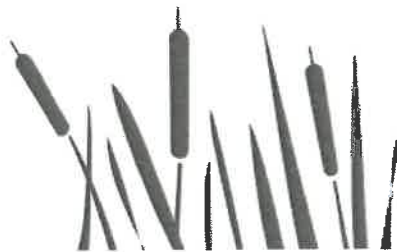
- 26' wide paved roadway with curbing
- 8' sidewalk on one side
- Track View Terrace at Sawyer Road: Construct 200' left and right turn lanes
- Upgraded water and sewer
- Underground single phase power
- All driveways would be reconstructed for a brand new fully reconstructed street, providing them frontage and access to the residences, access to the school, and access to city utilities (water and sewer).
- Currently there is public water just at a portion of Track View, and no public sewer. Current power is above ground.





MOORS & CABOT
INVESTMENTS
Banking & Advisory Group

Affordability...



**TOWN OF
SCARBOROUGH, MAINE**

MOORS & CABOT, INC.

Established 1890

Banking & Advisory Group

One Federal Street

Boston, Massachusetts 02110

jcuetara@moorscabot.com

Member FINRA, NYSE and SIPC

August 16, 2023

MUNICIPALITY BORROWING IN MAINE

Maine Revised Statutes, Title 30-A, Section 5772 (Municipalities)

A municipality may issue general obligation securities for funding or refunding all or part of its debt and for any purpose for which it may raise money.

- (1)(B) The period of anticipatory borrowing under this subsection shall not exceed 3 years and the time within which these securities are to become due shall not be extended by anticipatory borrowing (1) The time fixed in the vote authorizing their issue; or (2) If no term is specified in that vote, beyond the term permitted by law.
- (3) Securities may be in serial form payable in annual installments, which need not be equal, the total amount of which shall extinguish the entire issue at maturity. The first such installment must be payable within 5 years and the last such installment must be payable within 30 years after the date the securities are issued.
- (5) Term securities may be issued for a period not to exceed 10 years.
- (6) Securities may be issued which are subject to call for redemption with or without premium at the election of the municipality before the date fixed for final payment of the securities, provided: (A.) Specific authority to issue callable securities is contained in the vote authorizing their issue; and (B.) The securities when issued contain provisions setting forth: (1) The method by which the option to call may be exercised; (2) The procedure for payment in the event of call; and (3) The legal effect of making the call.

RATING METHODOLOGY AND OVERVIEW

The Rating Process



<u>Credit Factors</u>	<u>Potential Rating Change Driver</u>
Economy	<ul style="list-style-type: none"> • Significant development in the local tax base driving continued growth in total property values. • Increased or decreased diversification of local tax base. • Loss of key industry or employer with no work-out plan.
Finances	<ul style="list-style-type: none"> • Expected augmentation (or loss) of financial flexibility. • Expectation that significant growth (or decline) of reserves will continue.
Debt	<ul style="list-style-type: none"> • Significant increase in debt obligations without correlating development to offset tax-base leveraging. • Utilization of debt structure not appropriately matched to asset's useful life.
Management	<ul style="list-style-type: none"> • Implementation of new strategies that are expected to augment (or detract) from operating flexibility. • Change in political environment that affects ability to react to unanticipated events.
Legal Security	<ul style="list-style-type: none"> • Indenture for non-tax backed debt; Regulatory agency permission; Financial flexibility: Unlimited, Limited or Restrictive.

Moody's Long-term Ratings

Moody's Investors Service ("Moody's") Bonds carrying the same rating are not claimed to be of absolutely equal quality, but are in a broad sense alike in position of risk. The ratings involve judgments about the future, including an appraisal of long-term risks and the recognition of many statistical and non-statistical factors. The quality of a bond may change over its life and therefore a change from the initial rating designation may occur at any time. Moody's applies numerical modifiers (1, 2 and 3) in each rating classification. The modifier 1 indicates that the issue ranks in the higher end of its gradation; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates that the issue ranks in the lower end of its category. The classes of gradation are:

Aaa ratings, assigned for issues judged to be of the best quality, carry the smallest degree of investment risk and are generally referred to as "gilt edged". Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.

Aa ratings, assigned for issues judged to be of high quality by all standards and, together with **Aaa**, comprise what are generally known as "high grade" bonds. These are rated lower because margins of protection may not be as large as in **Aaa** issues, or fluctuation of protective elements may be of greater amplitude, or there may be other elements present which make the long-term risk appear somewhat larger than **Aaa** securities.

A ratings, assigned for issues judged to possess many favorable investment attributes, are considered upper-medium grade obligations. Factors giving security to principal and interest are considered adequate, but elements may be present which suggest a susceptibility to impairment sometime in the future.

Baa ratings, assigned for issues judged to be considered as medium-grade obligations, are neither highly protected nor poorly secured.

S&P's Long-term Ratings

Issue credit ratings are based, in varying degrees, on Standard & Poor's analysis of the following considerations: Likelihood of payment—capacity and willingness of the obligor to meet its financial commitment on an obligation in accordance with the terms of the obligation; Nature of and provisions of the obligation; Protection afforded by, and relative position of, the obligation in the event of bankruptcy, reorganization, or other arrangement under the laws of bankruptcy and other laws affecting creditors' rights.

Issue ratings are an assessment of default risk, but may incorporate an assessment of relative seniority or ultimate recovery in the event of default.

AAA

An obligation rated 'AAA' has the highest rating assigned by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is extremely strong.

AA

An obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong.

A

An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.

BBB

An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

Plus (+) or minus (-)

The ratings from may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.



Speculative Grade

Ba or **BB** rated debt has less near-term vulnerability to default than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial or economic conditions which could lead to inadequate capacity to meet timely interest and principal payments.

B rated debt has greater vulnerability to default but currently has the capacity to meet interest payments and principal repayments. Adverse business, financial or economic conditions will likely impair capacity or willingness to pay interest and repay principal.

Caa or **CCC** rated debt has a current identifiable vulnerability to default, and is dependent upon favorable business, financial and economic conditions to meet timely payment of interest and repayment of principal. In the event of adverse business, financial or economic conditions, it is not likely to have the capacity to pay interest and repay principal.

Ca or **Cc** ratings are typically applied to debt subordinated to senior debt that is assigned an actual or implied Caa or CCC rating.

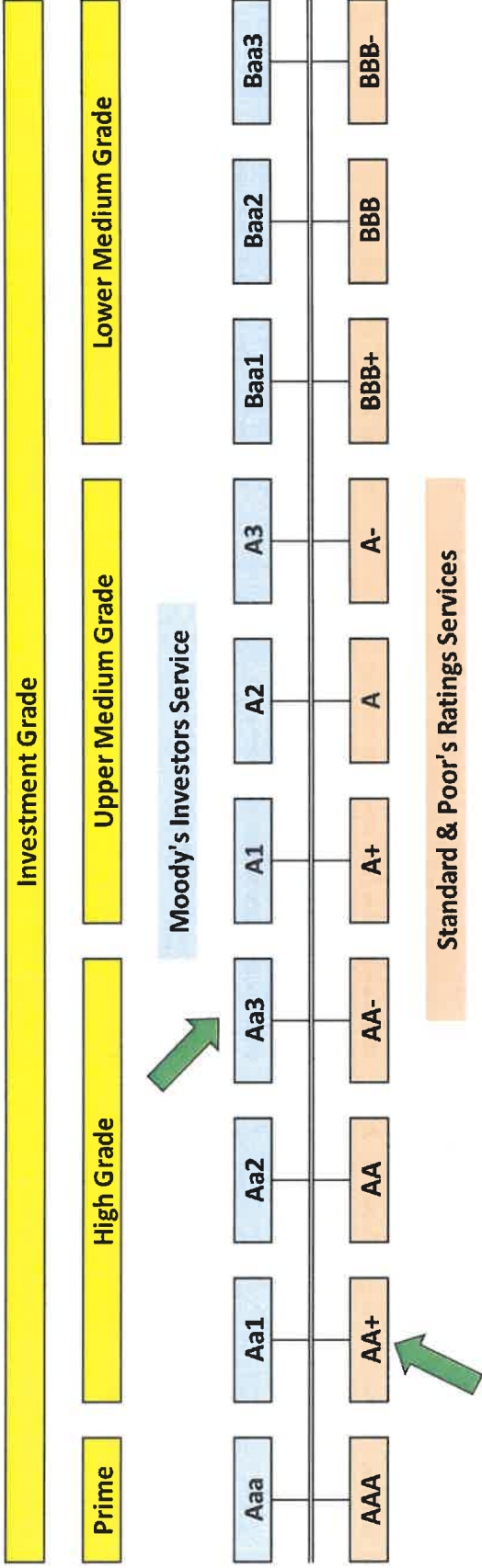
C ratings are typically applied to debt subordinated to senior debt that is assigned an actual or implied Caa or CCC- rating. The **C** rating may be used to cover a situation where a bankruptcy petition has been filed, but debt service payments are continued.

Cl ratings are reserved for income bonds on which no interest is being paid.

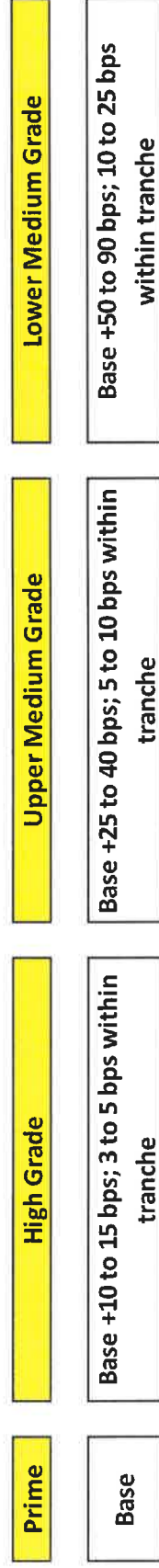
D rated debt indicates payment default. This rating is also used upon the filing of a bankruptcy petition if debt service payments are jeopardized.

N.R. indicates that the debt is not rated by a bond rating agency.

Bond Rating Ranges



Interest Spread by Basis Points ("bp"); 1 bp = 0.01%; e.g.; 2.00% vs 2.01% = 1 bps



e.g., 2.00%

2.10% to 2.15%

2.25% to 2.40%

2.50% to 2.90%

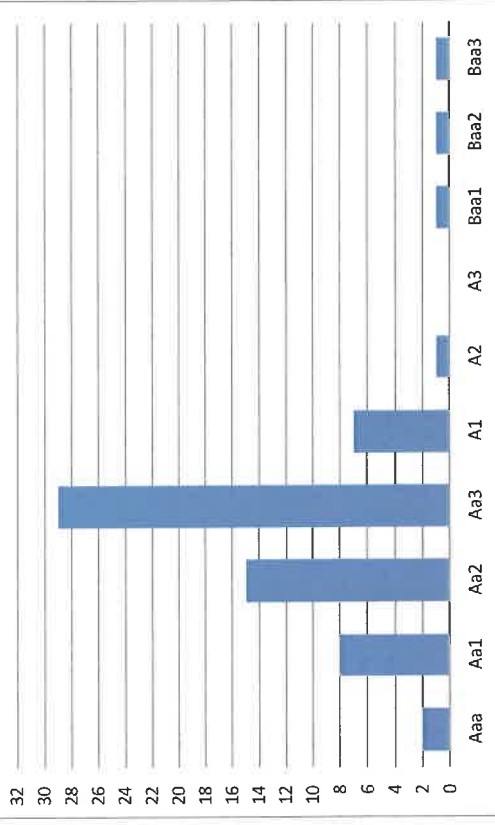
RULE: 10 bps for \$10,000,000 for 20 years ≈ \$100,000

Current Long-term Bond Ratings (Maine)

Municipality	Moody's Rating	S&P Rating	Municipality	Moody's Rating	S&P Rating
Alfred	NR	AA	Somerset Cnty	Aa3	A+
Auburn	Aa3	AA	South Berwick	Aa3	AA+
Augusta	NR	AA	South Portland	Aaa	AAA
Bangor	Aa2	AA-	St. George	NR	AA+
Bar Harbor	Aa2	AAA	Topsham	NR	AA+
Bath	Aa2	AA	Union	NR	AA+
Biddeford	Aa3	AA	Waterville	Aa3	A+
Boothbay	Aa1	AA+	Wells	Aa1	AA+
Brewer	Aa3	AA-	Westbrook	Aa2	AA
Brunswick	Aa2	AA+	Windham	Aa2	AA
Camden	NR	AA+	Winslow	Aa3	AA-
Casco	Aa3	AA+	Winthrop	NR	AA-
Cape Elizabeth	Aa1	AAA	Yarmouth	Aa2	AA+
Castine	Aa3	NR	York Cnty	NR	AA
Cumberland	Aa2	AA+	York	NR	AAA
Cumberland Cnty	Aa1	AA+	District		
Dayton	NR	AA+	Auburn Sewer Dist.	NR	A+
Dixfield	NR	AA-	Auburn Water Dist.	NR	A+
Ellsworth	A1	AA-	Brewer HSD	NR	AA-
Falmouth	Aaa	AAA	Brunswick & Tops WD	NR	A+
Farmington	NR	AA-	Cumberland Cnty Civic Cntr	NR	AA
Freeport	Aa2	AAA	ecomaine	NR	AA
Gorham	Aa2	AA+	Freeport Swr	Aa3	NR
Gray	Aa1	AA+	Ken Lt & Pr	Aa3	BBB+
Hallowell	NR	A+	Kennebec WD	A1	NR
Hancock Cnty	Aa2	AA	Kennebec Sewer District	Aa3	AA
Harpeswell	Aa1	AAA	Lincoln-Sag. Jail Auth	A1	AA-
Hermion	A1	AA-	MSAD No. 15	Aa3	AA+
Islesboro	A1	AA	MSAD No. 28	Aa3	AA+
Kennebunk	Aa1	AAA	MSAD No. 51	Aa3	AA+
Kennebunkport	Aa1	AAA	No. Jay WD	Baa2	NR
Kittery	Aa1	AA+	Portland Jetport	Baa1	A-
Knox Cnty	Aa2	AA	Portland Wtr Dis (Port Swr)	Aa1	AA+
Lewiston	NR	AA-	Portland Wtr Dis (Wtr)	Aa3	AA
Madison	NR	A+	RSU No. 1	NR	AA
Manchester	NR	AA-	RSU No. 5	Aa3	A+
New Gloucester	Aa3	AA+	RSU No. 13	Baa3	A
North Yarmouth	NR	AA+	RSU No. 13 (COPs)	NR	A-
Old Orchard Beach	Aa3	AA+	RSU No. 21	Aa3	AA
Orono	Aa3	AA-	RSU No. 23	A1	AA
Oxford	NR	AA-	RSU No. 26	Aa3	A+
Paris	NR	A+	RSU No. 57	Aa2	AA
Pittsfield	NR	A	Rumford WD	A2	NR
Portland	Aa1	AAA	So. Berwick WD	A1	NR
Presque Isle	NR	A+	Vocational Region 8, MCST	A1	AA-
Raymond	NR	AAA	Wells-Ogunquit CSD	Aa3	AA+
Saco	Aa3	AA	Yarmouth WD	Aa3	AA
Scarborough	Aa3	AA+			

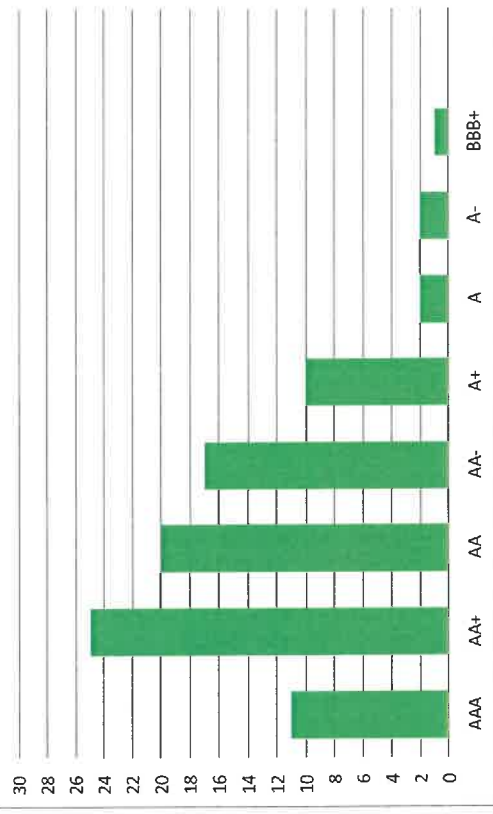
June 30, 2023

Moody's Maine Local Government Ratings



Source: Moody's Investors Service (ratings as of June 30, 2022)

S&P's Maine Local Government Ratings



Source: S&P Global Ratings (ratings as of June 30, 2022)

Rating Agencies' Observations



Scarborough, ME (Aa3 issuer rating and GOLT) benefits from a moderately sized, growing tax base with above average wealth levels, adequate financial reserves, manageable debt burden, and low pension liabilities.

Credit strengths

- » Growing tax base with above average resident wealth and incomes
- » Low pension and OPEB liabilities resulting in low fixed costs

Factors that could lead to an upgrade

- » Large increase in liquidity and reserves
- » Continued growth in the tax base
- » Elimination of the inter-fund loan receivable related to the Haigis Parkway TIF District

Factors that could lead to a downgrade

- » Trend of operating deficits resulting in reserve declines
- » Material increase in the General Fund receivable due from the Haigis Parkway TIF fund
- » Trend of tax base declines or deterioration of the demographic profile

S&P Global Ratings

Summary

We consider Scarborough's (AA+ issuer rating, SPUR) economy very strong. The Town, with a population of over 22,000, is in Cumberland County in the Portland-South Portland MSA, which we consider to be broad and diverse.

Credit strengths

- ✓ Very strong economy, with access to a broad and diverse metropolitan statistical area (MSA);
- ✓ Strong management, with good financial policies and practices under our FMA methodology;
- ✓ Strong budgetary performance, with a slight operating surplus in the general fund and break-even operating results at the total governmental fund level in fiscal 2020;
- ✓ Strong budgetary flexibility, with an available fund balance in fiscal 2020 of 11.7% of operating expenditures;
- ✓ Very strong liquidity, with total government available cash at 17.9% of total governmental fund expenditures and 2.9x governmental debt service, and access to external liquidity we consider strong;
- ✓ Strong debt and contingent liability profile, with debt service carrying charges at 6.1% of expenditures and net direct debt that is 95.1% of total governmental fund revenue, as well as low overall net debt at less than 3% of market value; and
- ✓ Strong institutional framework score.

Factors that could lead to an upgrade

If the town increases and maintains reserves comparable to those of higher-rated peers, while maintaining a strong debt and contingent liability profile and all else being equal, we could raise the rating.

Factors that could lead to a downgrade

If financial performance deteriorates, leading to a reduction of reserves and weakening of budgetary flexibility or if the debt profile weakens, we could lower the rating.

HOW DOES SCARBOROUGH MEASURE UP?

Household/Per Capita Effective Buying

Low	Below 65%
Adequate	65%-90%
Good	90%-110%
Strong	110%-130%
Very strong	Above 130%

149%

Available Fund Balance

Low	Below 0%
Adequate	1%-4%
Good	4%-8%
Strong	8%-15%
Very strong	Above 15%

11.53%

Market Value Per Capita

Low	Below \$35,000
Adequate	\$35,000-\$55,000
Strong	\$55,000-\$80,000
Very strong	\$80,000-\$100,000
Extremely strong	Above \$100,000

\$227,358

Debt Service As % Of Expenditures

Low	Below 8%
Moderate	8%-15%
Elevated	15%-20%
High	Above 25%

11.54%

Top 10 Taxpayers

Very diverse	Below 15%
Diverse	15% - 25%
Moderately concentrated	25% - 40%
Concentrated	Above 40%

6.62%

Overall Net Debt Per Capita

Very low	Below \$1,000
Low	\$1,000-\$2,000
Moderate	\$2,000-\$5,000
High	Above \$5,000

\$4,433.16

Overall Net Debt As % Of Market Value

Low	Below 3%
Moderate	3%-6%
Moderately high	6%-10%
High	Above 10%

1.77%

SOURCE: Public Finance Criteria: Key General Obligation Ratio Credit Ranges - Analysis Vs. Reality (Standard & Poor's , April 2, 2008)

SCARBOROUGH'S DEMOGRAPHICS ...

Population	<u>% Change Since Last Census</u>			
	<u>Town of Scarborough</u>	<u>Town</u>	<u>State</u>	<u>USA</u>
1980	11,347	44.6	13.4%	11.4%
1990	12,518	10.3	9.2	9.8
2000	16,970	35.6	3.8	13.2
2010	18,919	11.5	4.2	8.9
2020	22,562	19.3	1.2	6.3

Population Characteristics	<u>Town of Scarborough</u>	<u>Cumberland County</u>	<u>State of Maine</u>	<u>USA</u>
Median age (years)	47.7	42.2	44.7	38.1
% under 5 years	3.9%	4.7%	4.7%	6.0%
% under 18 years	19.4%	18.3%	18.5%	22.3%
% 65 and over	20.7%	19.0%	21.2%	16.5%
Persons/household	2.39	2.35	2.32	2.62

Income	<u>Town of Scarborough</u>	<u>Cumberland County</u>	<u>State of Maine</u>	<u>USA</u>
Median household income	\$102,742	\$76,014	\$59,489	\$64,994
Per capita income	\$52,133	\$41,822	\$33,774	\$35,384
% below poverty level	2.8%	8.6%	10.6%	11.4%

Housing	<u>Town of Scarborough</u>	<u>Cumberland County</u>	<u>State of Maine</u>	<u>USA</u>
% owner occupied	80.4%	69.3%	72.3%	64.0%
Owner occupied med. value	\$376,100	\$288,800	\$198,000	\$229,800
Median gross rent	\$1,399	\$1,193	\$873	\$1,096
Households	8,462	123,384	569,551	122,354,219

SOURCE: 2020 Census, U.S. Department of Commerce, Bureau of the Census.

Unemployment	<u>Town of Scarborough</u>	<u>Cumberland County</u>	<u>State of Maine</u>	<u>USA</u>
2022	2.3%	2.4%	3.0%	3.6%
2021	4.8	4.0	5.5	4.6
2020	2.4	5.3	5.4	8.1
2019	2.6	2.4	3.0	3.7
2018	2.3	2.7	3.4	3.9
2017	2.7	2.5	3.3	4.4
2016	3.0	2.9	3.9	4.9
2015	3.9	3.4	4.4	5.3
2014	4.7	4.4	5.7	6.2
2013	6.7	5.3	6.7	7.4

SOURCE: State of Maine, Department of Labor, Division of Economic Analysis and Research, annual reporting.

Workplace Employees

<u>Live In</u>	<u>ST</u>	<u>Commuters to Scarborough</u>		<u>Work In</u>	<u>ST</u>	<u>Scarborough Workers</u>	
Scarborough	ME	2,856	19.69%	Portland	ME	3,088	31.05%
Portland	ME	1,679	11.58%	Scarborough	ME	2,856	28.72%
South Portland	ME	1,479	10.20%	South Portland	ME	1,640	16.49%
Saco	ME	1,027	7.08%	Westbrook	ME	589	5.92%
Westbrook	ME	653	4.50%	Saco	ME	207	2.08%
Biddeford	ME	616	4.25%	Biddeford	ME	179	1.80%
Gorham	ME	605	4.17%	Falmouth	ME	173	1.74%
Old Orchard Bch	ME	433	2.99%	Cape Elizabeth	ME	148	1.49%
Buxton	ME	416	2.87%	Freeport	ME	108	1.09%
Windham	ME	399	2.75%	Gorham	ME	104	1.05%
Falmouth	ME	395	2.72%	Brunswick	ME	69	0.69%
Cape Elizabeth	ME	355	2.45%	Kennebunk	ME	49	0.49%
Cumberland	ME	290	2.00%	Windham	ME	44	0.44%
Standish	ME	185	1.28%	Somersworth NH	NH	42	0.42%
Gray	ME	143	0.99%	Buxton	ME	38	0.38%
Waterboro	ME	135	0.93%	Old Orchard Bch	ME	37	0.37%
Kennebunk	ME	131	0.90%	Dover NH	NH	35	0.35%
Brunswick	ME	123	0.85%	Augusta	ME	34	0.34%
Limington	ME	123	0.85%	Kittery	ME	33	0.33%
Sanford	ME	122	0.84%	Canton MA	MA	33	0.33%
Arundel	ME	120	0.83%	Sanford	ME	30	0.30%
Hollis	ME	118	0.81%	Boston MA	MA	29	0.29%
Lyman	ME	109	0.75%	New Gloucester	ME	27	0.27%
Auburn	ME	106	0.73%	Lewiston	ME	25	0.25%
Raymond	ME	91	0.63%	Yarmouth	ME	25	0.25%
Lewiston	ME	76	0.52%	Waltham MA	MA	24	0.24%
New Gloucester	ME	74	0.51%	Newington NH	NH	24	0.24%
Yarmouth	ME	73	0.50%	Casco	ME	22	0.22%
SC	SC	73	0.50%	No Hampton NH	NH	21	0.21%
Lisbon	ME	70	0.48%	South Berwick	ME	19	0.19%
Freeport	ME	70	0.48%	Manchester NH	NH	19	0.19%
Casco	ME	65	0.45%	Bucksport	ME	18	0.18%
No Yarmouth	ME	65	0.45%	Lawrence MA	MA	18	0.18%
Durham	ME	61	0.42%	Alfred	ME	17	0.17%
Limerick	ME	60	0.41%	Portsmouth NH	NH	17	0.17%
Sebago	ME	57	0.39%	Cumberland	ME	15	0.15%
Dayton	ME	50	0.34%	Standish	ME	15	0.15%
Baldwin	ME	48	0.33%	Gray	ME	12	0.12%
Hiram	ME	48	0.33%	E C'tl Franklin UT	ME	12	0.12%
Turner	ME	43	0.30%	Waterboro	ME	12	0.12%
Bath	ME	41	0.28%	Nashua NH	NH	10	0.10%
Poland	ME	36	0.25%	Durham	ME	9	0.09%
Kittery	ME	36	0.25%	Orono	ME	8	0.08%
Topsham	ME	33	0.23%	Auburn MA	MA	7	0.07%
All Other	ME	716	4.94%	Baileyville	ME	5	0.05%
Total	ME	14,504	100.00%			9,946	100.00%

Debt Service Component of Operating Expenses

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total Current Year Debt Service:	\$10,397,906	\$11,220,975	\$11,414,372	\$11,687,322	\$11,711,216
Budgeted Operating Expense:	82,428,257	87,718,110	90,073,675	97,444,761	101,500,215
Debt Service as % Oper. Expense:	12.32%	12.79%	12.67%	11.99%	11.54%

Debt Ratios

Fiscal Yr. End June 30,	Pop	Equal. State Val. (000)	Assessed Valuation (000)	Total Debt	as % Eq. Val.	Debt Per Capita
2022	22,568	\$4,988,750	\$4,845,683	\$88,055,000	1.77%	\$3,901.76
2021	22,135	4,807,600	4,727,231	92,660,000	1.93%	4,186.13
2020	21,428	4,778,350	4,696,461	102,130,000	2.14%	4,766.19
2019	20,991	4,313,600	4,012,293	102,720,000	2.38%	4,893.53
2018	20,379	4,068,100	3,785,488	102,650,000	2.52%	5,037.05

Total General Obligation, Overlapping and Contingent Debt & Ratios (2021)

	<u>Direct Debt</u>	<u>Overlapping</u>	<u>Contingent</u>	<u>Total Debt</u>
Town of Scarborough	\$88,055,000			\$88,055,000
County of Cumberland		\$2,720,156		2,720,156
Portland Water District			\$7,650,460	7,650,460
ecomaine (RRS)			0	0
ecomaine (MRF)			0	0
ecomaine (Landfill)			1,621,901	1,621,901
Total	\$88,055,000	\$2,720,156	\$9,272,361	\$100,047,517
Debt as % 2023 ESV	1.57%	0.05%	0.17%	1.79%
Debt per 2022 Capita	\$3,901.76	\$120.53	\$410.86	\$4,433.16

Revenues from the State

Fiscal Yr. End June 30,	Revenue Sharing	School Subsidy	Reimbursements			Other	Total from State	% GF Revenues
			Homestead Revenue	General Assist.	BETE			
2021	\$1,839,811	\$4,032,961	\$1,335,625	\$78,010	\$604,540	\$309,920	\$8,200,867	8.35%
2020	1,382,247	3,273,967	909,034	55,386	552,523	331,444	6,504,601	6.92%
2019	912,219	2,744,404	973,151	2,652	774,383	350,450	5,406,089	5.96%
2018	850,349	2,055,549	764,666	10,135	691,748	351,618	4,724,065	5.61%
2017	797,303	3,499,284	544,388	10,952	553,749	345,237	5,750,913	7.00%

Fund Balance as % Revenues

	Fiscal Year Ended June 30,				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Committed, Assigned & Unassigned General Fund Balance (Current Year)	\$10,256,307	\$11,127,667	\$11,472,538	\$10,749,429	\$12,246,040
Total Revenues (Current Year)	84,250,061	90,776,202	91,249,323	98,215,569	101,319,514
Fund Balance as % Revenues	12.17%	12.26%	12.57%	10.94%	12.09%
Assigned & Unassigned General Fund Balance	\$9,862,795	\$10,686,568	\$11,017,626	\$10,200,829	\$11,678,836
Total Revenues (Current Year)	84,250,061	90,776,202	91,249,323	98,215,569	101,319,514
Fund Balance as % Revenues	11.71%	11.77%	12.07%	10.39%	11.53%

CURRENT POLICIES

FINANCIAL AND FISCAL POLICY

On September 5, 2018, the Town adopted a comprehensive Financial and Fiscal Policy (the "Policy") to replace previously separate Investment, Fund Balance, Debt and Capital Planning policies. The Policy was amended on November 1, 2019. In adopting the Policy, the Town Council has simultaneously repealed the Town Council Debt Management Policy adopted by the Town Council on March 21, 2012; the Town Council Investment Policy adopted by the Town Council on March 21, 2012; the Town Council Fund Balance Policy adopted by the Town Council on September 17, 1997, as amended on January 20, 2010 and replaced the document adopted by the Town Council on November 2, 2016 and the Town Council Capital Planning Policy adopted by the Town Council on September 9, 2016 and replaces all Policies with the afore mention Financial and Fiscal Policy adopted by the Town Council on September 5, 2018. Among many components of the Policy, the following synopses discuss the Investment, Debt Management, Fund Balance and Capital Improvement Planning policies⁽¹⁾.

Investment Policy

Pursuant to applicable Maine law [Title 30-A, Section 5706 et seq. of the Maine Revised Statutes, as amended (the "Act")], all investments of the Town must be made with the judgment and care that persons of prudence, discretion and intelligence, under circumstances then prevailing, exercise in the management of their own affairs, not for speculation but for investment considering (i) safety of principal and maintenance of capital, (ii) maintenance of sufficient liquidity to meet all operating and cash requirements with which a fund is charged, that is reasonably expected, and (iii) return of income commensurate with avoidance of unreasonable risk. Under its Policy, the Town's investment practice is to maintain a cash and investment pool that is available for use by all funds and consists of short-term investments. The Town is invested principally in direct obligations of the United States government and its agencies. The Town is not invested in any obligations typically referred to as derivatives, meaning obligations created from, or whose value depends on or is derived from the value of one or more underlying assets or indexes of asset values in which the municipality owns no direct interest.

Debt Management Policy

Implementation of, and adherence to, a Debt Policy is a recommended practice by the Government Finance Officers Association. The Town's Policy provides guidelines regarding the timing and purpose for which debt may be issued, and presents the types of permissible debt and the methods of sale that may be used. In the Policy, the Town confirms its obligation to fully and timely repay all debt as an essential requirement for entry into the capital markets.

The Policy is to be used in conjunction with the operating and capital budgets, the CIP, and other financial policies and sets forth comprehensive guidelines for the financing of capital expenditures. It is the objective of the Policy that: (1) the Town obtains financing only when desirable, (2) the process for identifying the timing and amount of debt financing be as efficient as possible, (3) obtain, and then retain, the highest possible credit rating(s), (4) obtain the most favorable interest

rate and other related costs, and (5) comply with full and complete financial disclosure and reporting. See also, "INDEBTEDNESS – LIMITATIONS AND EXCLUSIONS – Local" herein.

Debt financing includes: general obligation bonds, special assessment bonds, temporary notes, lease/purchase agreements, debt guaranteed by the Town, and other Town obligations permitted to be issued or incurred under Maine statute; debt financing is only to be used to purchase capital assets that cannot be acquired from current resources. The useful life of the financed asset or project needs to equal or exceed the payout schedule of any debt the Town assumes for that project, to achieve a match between those who benefit from the asset and those that pay for it.

The Town assesses all financial alternatives for funding capital improvements prior to issuing debt. "Pay-as-you-go" financing is considered before issuing debt. Pay-as-you-go financing may include: intergovernmental grants from federal, State, and other sources; current revenues and fund balances; private sector contributions; public/private partnership; or leases. Debt financing is not considered appropriate for recurring purposes, such as current operating and maintenance expenditures. Once the Town determines that pay-as-you-go is not a feasible financing option, the Town may use short-term or long-term debt to finance capital projects.

The Policy also incorporates a Post-Issuance Compliance portion that, among other things, provides for timely filings with EMMA or its successor repository, if any, with respect to its existing and future continuing disclosure undertakings; has established written procedures and assigned specific responsibilities that it believes will provide prompt compliance with its continuing disclosure undertakings on a going forward basis.

Fund Balance Policy

The Town has established, and followed, formal fund balance policies since January 20, 2010, amended on November 2, 2016, and now replaced with the Policy. The purpose of the Policy is to establish a target level of fund balance for the General Fund and to establish a process and criteria for the continued evaluation of that target level as conditions warrant. After evaluating the Town's operating characteristics, property tax base, reliability of non-property tax revenue sources, working capital needs, state and local economic outlooks, emergency and disaster risks, and other contingent issues, the Town establishes goals regarding the unassigned fund balances of the General Fund of the Town.

The Town's goal is to maintain a level of unassigned fund balance in an amount equal to 10% of the Town's Operating Budget for the prior fiscal year and not to fall below 8.3% (or 1/12th) of its operating budget. Once the Town achieves an unassigned fund balance equal to 10% of the Town's Operating Budget, any excess above 12.0% is to be assigned by any combination to one of the following:

- a) Retained in non-spendable and restricted accounts that offset unfunded liabilities, and/or
- b) Retained in assigned accounts that may be used in future budget cycles as a property tax rate stabilization; available for use during a catastrophic event, and/or
- c) Funding future capital expenditures and/or projects, and/or
- d) The retirement of debt, and/or
- e) A taxpayer refund.

In the event that the balance drops below the established minimum level, the Town Council will develop a plan to replenish the fund balance to the established minimum level within two years.

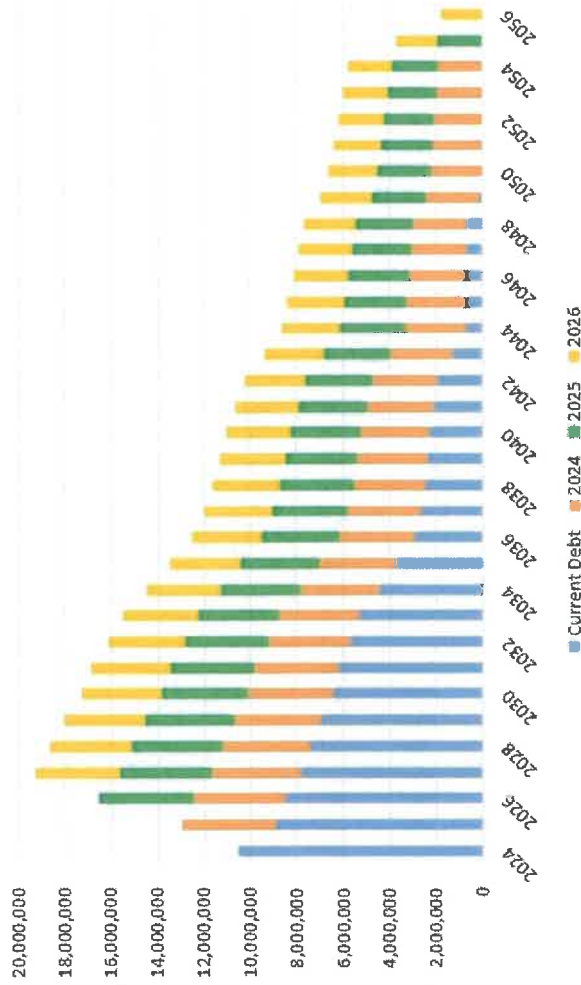
Annually the Town Manager shall report to the Town Council's Finance Committee the Statement of Activity of all fund balances that will include the beginning year's balances, gross adjustments in and out of each account during the reporting period and final report period ending balances. Such report shall occur following receipt of the audited financial statements. Also, annually, the Treasurer presents to the Town Manager a list of items for approval to be designated to be carried forward. To the extent that the fund balance is not maintained to the level of its goal, the unrestricted fund balance target, achieved through savings or through appropriations, should be realized in a period not to exceed five years.

Assumptions					
Vote: November 7, 2023					
Construction: Spring 2024 to Fall 2026					
1 to 30 yrs					
Financings:	Issue Amt	1st Principal	Last Maturity	Annual	Principal
Spring 2024	55,000,000	5/1/2025	5/1/2054	1,833,333	1,833,333
Spring 2025	55,000,000	5/1/2026	5/1/2055	1,833,333	1,833,333
Spring 2026	50,000,000	5/1/2027	5/1/2056	1,666,667	1,666,667
Total Issued:	160,000,000				
Defer 1st Principal by 5 yrs to 30 years					
Financings:	Issue Amt	1st Principal	Last Maturity	Annual	Principal
Spring 2024	55,000,000	5/1/2029	5/1/2054	2,115,385	2,115,385
Spring 2025	55,000,000	5/1/2030	5/1/2055	2,115,385	2,115,385
Spring 2026	50,000,000	5/1/2031	5/1/2056	1,923,077	1,923,077
Total Issued:	160,000,000				

\$160,000,000 School Project Financed from 1 to 30 Years

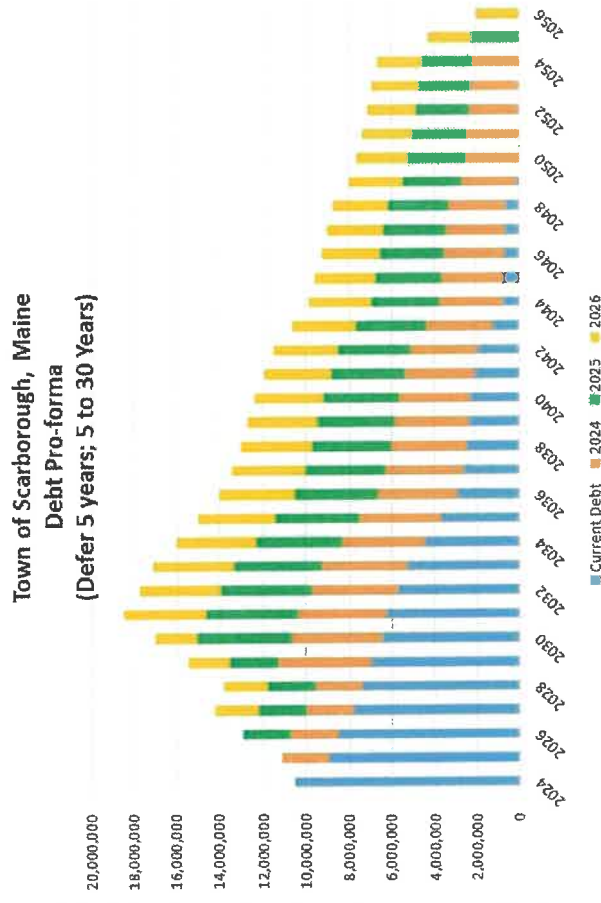
FY Yr. End		Mature 1 to 30 years				FY		Total Debt	
June 30,	Current Debt	2024	2025	2026	Totals	FY End			
2024	10,526,409				10,526,409	362,492,054			
2025	8,931,734	4,035,000			12,966,734	351,965,645			
2026	8,527,909	3,961,600	4,035,000		16,524,509	338,998,910			
2027	7,798,500	3,888,200	3,961,600	3,670,000	19,318,300	322,474,401			
2028	7,387,647	3,814,800	3,888,200	3,603,200	18,693,847	303,156,101			
2029	6,953,172	3,741,400	3,814,800	3,536,400	18,045,772	284,462,295			
2030	6,430,684	3,668,000	3,741,400	3,469,600	17,309,684	266,416,483			
2031	6,202,928	3,594,600	3,668,000	3,402,800	16,868,328	249,106,799			
2032	5,678,478	3,521,200	3,594,600	3,336,000	16,130,278	232,238,471			
2033	5,269,353	3,447,800	3,521,200	3,269,200	15,507,553	216,108,193			
2034	4,436,853	3,374,400	3,447,800	3,202,400	14,461,453	200,600,640			
2035	3,700,857	3,301,000	3,374,400	3,135,600	13,511,857	186,139,187			
2036	2,931,174	3,227,600	3,301,000	3,068,800	12,528,574	172,627,330			
2037	2,634,542	3,154,200	3,227,600	2,997,000	12,013,342	160,098,756			
2038	2,463,842	3,080,800	3,154,200	2,930,400	11,629,242	148,085,414			
2039	2,384,648	3,007,400	3,080,800	2,863,800	11,336,648	136,456,171			
2040	2,292,703	2,934,000	3,007,400	2,797,200	11,031,303	125,119,523			
2041	2,080,107	2,860,600	2,934,000	2,730,600	10,605,307	114,088,220			
2042	1,935,886	2,787,200	2,860,600	2,664,000	10,247,686	103,482,913			
2043	1,281,390	2,713,800	2,787,200	2,597,400	9,379,790	93,235,227			
2044	718,238	2,640,400	2,713,800	2,530,800	8,603,238	83,855,438			
2045	697,450	2,562,000	2,640,400	2,464,200	8,364,050	75,252,200			
2046	676,350	2,488,800	2,562,000	2,397,600	8,124,750	66,888,150			
2047	655,250	2,415,600	2,488,800	2,331,000	7,890,650	58,763,400			
2048	634,150	2,342,400	2,415,600	2,264,400	7,656,550	50,872,750			
2049	121,800	2,269,200	2,342,400	2,197,800	6,931,200	43,216,200			
2050		2,196,000	2,269,200	2,131,200	6,596,400	36,285,000			
2051		2,122,800	2,196,000	2,064,600	6,383,400	29,688,600			
2052		2,049,600	2,122,800	1,998,000	6,170,400	23,305,200			
2053		1,976,400	2,049,600	1,931,400	5,957,400	17,134,800			
2054		1,903,200	1,976,400	1,864,800	5,744,400	11,177,400			
2055			1,903,200	1,798,200	3,701,400	5,433,000			
2056				1,731,600	1,731,600	1,731,600			
Totals	103,352,054	89,080,000	89,080,000	80,980,000	362,492,054				

**Town of Scarborough, Maine
Debt Pro-forma
(1 to 30 Years)**



**\$160,000,000 School Project
Financed by Deferring First Principal Payment by 5 Years to 30 Years**

FY Yr. End	Defer 1st Principal by 5 yrs to 30 years				FY		Total Debt FY End
	Current Debt June 30,	2024	2025	2026	Totals		
2024	10,526,409				10,526,409	375,326,454	
2025	8,931,734	2,200,000			11,131,734	364,800,045	
2026	8,527,909	2,200,000	2,200,000		12,927,909	353,668,310	
2027	7,798,500	2,200,000	2,200,000	2,000,000	14,198,500	340,740,401	
2028	7,387,647	2,200,000	2,200,000	2,000,000	13,787,647	326,541,901	
2029	6,953,172	4,320,000	2,200,000	2,000,000	15,473,172	312,754,255	
2030	6,430,684	4,235,200	4,320,000	2,000,000	16,985,884	297,281,083	
2031	6,202,928	4,145,400	4,235,200	3,925,000	18,508,528	280,295,199	
2032	5,678,478	4,060,800	4,145,400	3,848,000	17,732,678	261,786,671	
2033	5,269,353	3,976,200	4,060,800	3,771,000	17,077,353	244,053,993	
2034	4,436,853	3,891,600	3,976,200	3,694,000	15,988,653	226,976,640	
2035	3,700,857	3,807,000	3,891,600	3,617,000	15,016,457	210,977,987	
2036	2,931,174	3,722,400	3,807,000	3,540,000	14,000,574	195,961,530	
2037	2,634,542	3,637,800	3,722,400	3,463,000	13,457,742	181,960,956	
2038	2,463,842	3,553,200	3,637,800	3,386,000	13,040,842	168,503,214	
2039	2,384,648	3,468,600	3,553,200	3,309,000	12,715,448	155,462,371	
2040	2,292,703	3,384,000	3,468,600	3,232,000	12,377,303	142,746,923	
2041	2,080,107	3,299,400	3,384,000	3,155,000	11,918,507	130,369,620	
2042	1,935,886	3,214,800	3,299,400	3,078,000	11,528,086	118,451,113	
2043	1,281,390	3,130,200	3,214,800	3,001,000	10,627,390	106,923,027	
2044	718,238	3,045,600	3,130,200	2,924,000	9,818,038	96,295,638	
2045	697,450	2,961,000	3,045,600	2,847,000	9,551,050	86,477,600	
2046	676,350	2,876,400	2,961,000	2,770,000	9,283,750	76,926,550	
2047	655,250	2,791,800	2,876,400	2,688,000	9,011,450	67,642,800	
2048	634,150	2,707,200	2,791,800	2,611,200	8,744,350	58,631,350	
2049	121,800	2,622,600	2,707,200	2,534,400	7,986,000	49,887,000	
2050		2,538,000	2,622,600	2,457,600	7,618,200	41,901,000	
2051		2,453,400	2,538,000	2,380,800	7,372,200	34,282,800	
2052		2,368,800	2,453,400	2,304,000	7,126,200	26,910,600	
2053		2,284,200	2,368,800	2,227,200	6,880,200	19,784,400	
2054		2,199,600	2,284,200	2,150,400	6,634,200	12,904,200	
2055			2,199,600	2,073,600	4,273,200	6,270,000	
2056				1,996,800	1,996,800	1,996,800	
Totals	103,352,054	93,495,200	93,495,200	84,984,000	375,326,454		





Scarborough

Financial Impact Review Memo

Final



TOWN OF
SCARBOROUGH, MAINE

Submitted by:

BerryDunn
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Submitted On:

Draft v1.0: August 4, 2023

Final: August 11, 2023



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1.0 Introduction

This section of the memo provides a high-level background of the project, as well as key terms and their definitions.

1.1 Project Background

The Town of Scarborough (Town) retained Berry Dunn McNeil & Parker, LLC (BerryDunn) to conduct a financial model (Model) review. The focus of the project is to review the Model, including the data and assumptions related, but not limited to municipal valuation, revenue and expenditure projections, debt service, projected impacts related to future capital improvement and school projects, and other assumptions, data points, and calculations identified for review by the Town. The Town's goal is to determine if the Model is, or is not, functioning as intended and assess whether it is producing reliable and accurate financial projections related to the Town's future fiscal environment. Additionally, the project also included a focused review of a future library expansion project, future community center design and construction project, and the future design and construction of a new school facility and their expected impact to the Town's fiscal environment. The findings of the review will assist the Town with making informed fiscal management and policy decisions related to revenue and expense estimates in future fiscal years.

This memo provides the Town with an overview of technical findings and recommendations related to the Model's formula development and use, financial assumptions identified and utilized, and subsequent projections and estimations. Additionally, this memo provides the Town with suggested focus areas which may warrant further refinement and consideration based on their estimated impact to financial projections created by the Model.

Finally, this memo describes BerryDunn's approach to analyzing and understanding the Model's organizational structure, technical inputs, findings, and recommendations.

1.2 Acronyms and Terms

Table 1.2: Project Acronyms/Terms and Definitions

Acronym/Term	Definition
BerryDunn	Berry Dunn McNeil & Parker, LLC
BETE	Business Equipment Tax Exemption
FY	Fiscal Year
HR	Homestead Reimbursement
SME	Subject Matter Expert
State	State of Maine
TIF	Tax Increment Financing District
Town	Town of Scarborough

2.0 Approach and Work Performed

This section of the memo outlines how BerryDunn approached the project, summarizes the major tasks performed within each phase, provides an overview of how the financial model review was performed, and provides a high-level synopsis of the project deliverables.

2.1 Work Performed

BerryDunn's approach to performing this review involved three phases: Phase 0 – Project Initial Planning and Management; Phase 1 – Preliminary Review of Technical Elements and Functionality and Assumptions; and Phase 2 – Final Review of Technical Elements and Functionality and Assumptions and Projected Impacts and Recommendations.

After an initial project-planning call with the Town to clarify goals and objectives, identify known project constraints, and refine dates and/or tasks as appropriate, BerryDunn requested and reviewed documentation and data to gain a better understanding of the Town's Model and its intended purpose.

BerryDunn conducted a project kickoff meeting and scheduled a series of follow-up meetings with Town subject matter experts (SMEs) involved in the Model's development. BerryDunn also followed up with Town staff and stakeholders on multiple occasions throughout the course of the project to confirm BerryDunn's understanding of the data and information provided. The aim of these meetings and conversations was to discuss the types of financial assumptions utilized, their source, and the level of confidence in the specific realization of values utilized.

BerryDunn reviewed the Model for soundness of organization of information, formatting, layout, technical functionality, and likeliness to generate intended results. BerryDunn also examined core assumptions and associated values and assess their "reasonableness" and "weighted" impact on intended projections. The goal was to review key direct revenue and expense drivers and provide feedback as to the cautiousness or boldness of the assumption values utilized.

BerryDunn then provided a brief written summary of findings, interpretations, and suggestions to the Town for review and consideration. BerryDunn highlighted specific assumptions and associated values where we felt further review was warranted to confirm whether or not the assumptions utilized are appropriate as intended.

BerryDunn identified and prioritized critical assumptions related valuation levels, calculation methodologies and Model structure and cost allocations, developed initial recommendations, and outlined any additional, applicable areas where improvements or further review should be considered.

We reviewed our findings and recommendations with the Town. We prepared this brief memo outlining our approach to the review, our findings, and recommendations and to offer an opinion that the Town is, or is not, working from a solid base related to the Model and that the Model is, or is not, functioning as intended and that projections are reliable and accurate based on known assumptions.

3.0 Preliminary Review of Technical Elements, Functionality, and Assumptions Utilized

This section of the memo provides a general overview of the Model’s organizational structure, the major technical findings BerryDunn identified, and BerryDunn’s recommendations based on those findings.

3.1 General Layout, Organization, and Technical Functionality

BerryDunn reviewed the Model’s organization related to what it was designed to calculate and estimate and is of the opinion that it is laid out in an intuitive, logical manner allowing reviewers and/or users to make sense of calculations and back-track the design logic to understand formula design and construction.

Based on the preliminary reviews performed there is no general concern with technical layout or functionality. Formatting and visual aspects of the model could be “cleaned-up” but generally reflect personal preference and do not materially affect any functionality, calculations, or projections.

Generally, based on the preliminary review, BerryDunn believes the model identifies, calculates, and distributes revenue and expense inputs accurately based on assumptions utilized. The model seems to satisfy the original intent of utilizing core assumptions to inform the desired impact on specific revenue and expense categories and types in future years. The core debt service impacts related to future debt issuance to fund the design and construction of a new school, a new community center, and library expansion in the coming years appear to be calculating the impact on residential property taxes accurately, based on assumptions utilized, and known information and data, as was intended.

One suggested area of review related to technical functionality was identified and is outlined in the table below.

Table 3.1: Technical Functionality Suggested Area of Review

Function	Review Description
Discount Factor	Recommend further review of how the discount factor affects/informs other calculations in the model.

3.2 Baseline Assumptions Utilized

BerryDunn reviewed the Model’s baseline assumptions, the core information and data inputs selected to inform Model calculations and projections, both for technical functionality and “reasonableness” of values and levels utilized based on known information during the Model’s development. Furthermore, BerryDunn also reviewed the selection of core assumption types

and is of the opinion that the baseline assumptions identified and reviewed appear to encompass the core assumptions needed to be considered to assess the future fiscal impacts, as intended.

The table below outlines the suggested areas of further review related to baseline assumptions utilized and calculated.

Table 3.1: Baseline Assumptions Suggested Areas of Review

Assumption	Review Description
Overall Municipal Valuation	<p>Overall municipal valuation increase assumptions are in-line with current home value trends at the national level, though they reflect a best-case scenario for a prolonged 40-year period.</p> <p>Recommend further review in that the projected availability of revenue available to be derived from ad-valorem taxes increases significantly over the entire period the model covers.</p> <p>Recommend further review related to the way overall valuation increases versus the assumptions and calculations utilized to project the increase in a \$400,000 property over the same period of time. Furthermore, considering the valuation increase assumptions, versus when it is likely and plausible to perform a town-wide reappraisal, may help to further refine projected valuation scenarios for the period the model covers.</p> <p>Recommend further review related to the projected increase in the overall municipal valuation from its current level in relation to the projected valuation increase of a \$400,000 residential property. The overall municipal appreciation rate appears to appreciate at a different pace than does residential real estate.</p>
Operating Budget (Town and School)	<p>Recommend further review of operating budget assumptions to avoid significantly overstating increases over time. The Town may want to consider utilizing a historical geometric average versus historical standard median.</p>
Debt Service	<p>Recommended further review of the future debt service scenarios provided by the Town’s financial advisor, mainly the ability to lock in 4.0% debt service rate in the future. Best practice to confirm that this is in fact a rate the Town feels confident it can secure. Locking in a 4.0% rate for debt service may be challenging given current market conditions and unknown market conditions in the future.</p>
Business Equipment Tax Exemption (BETE) & Homestead Reimbursement (HR)	<p>Recommend further review of the underlying assumptions driving BETE and HR expense projections. These expense types have grown three-fold in the past seven years but are assumed to grow less than 50.0% over the next 37 years.</p>

Assumption	Review Description
Tax Increment Financing (TIF) District(s)	TIF District Capture Rate and Growth to be confirmed and researched further.

Overall, the core assumptions identified and utilized appear to be the core assumptions needed to develop the financial projections as intended. Additional review and confirmation of the assumptions utilized and their associated values is recommended as outlined above, but no additional assumptions are recommended to be added to the Model’s calculations.

4.0 Final Review of Technical Elements, Functionality, and Assumptions Utilized

This section of the memo provides additional insight into recommended areas of further review related to the Model’s organizational structure, technical functionality, and assumptions identified utilized.

4.1 General Layout, Organization, and Technical Functionality

BerryDunn performed a final review of the Model’s organization and layout and found no additional areas of suggested review above and beyond what was identified in the preliminary review. Furthermore, BerryDunn performed a technical functionality review which involved the testing of formula function and accuracy of outputs of the Model’s core formulaic functions and found no additional areas of suggested review above and beyond what was identified in the preliminary review.

The suggested area of review as identified in the preliminary review was addressed discussed.

4.2 Baseline Assumptions Utilized

BerryDunn performed a final review of the core assumptions utilized to inform Model calculations and recommended further review of three additional assumptions utilized.

The table below outlines the suggested areas of review related to baseline assumptions utilized.

Table 4.1: Baseline Assumptions Suggested Areas of Review

Assumption	Review Description
Tax Increment Financing (TIF) District(s)	Recommend further review related to the TIF district revenue capture rate and the confidence the Town has in the likelihood of being able to utilize TIF revenues for specific purposes related to the design and construction of a new school. Furthermore, recommend further review into the real growth assumption within current TIF districts and related impact to valuation increase assumptions.
State Education Reimbursement	Recommend further review of the State education reimbursement per pupil calculation and external factors that may influence the per pupil reimbursement amount in the future.
Programmed and Non-Programmed Capital Improvement Expenditures	Recommended further review of programmed and non-programmed capital improvement needs and associated costs.

Based the final reviews are performed, recommended areas for further review, and subsequent discussions had with the Town related to those recommended areas of review, BerryDunn does

not consider any additional reviews or refine is needed at this point. Furthermore, the suggested areas of review as identified in the preliminary review were addressed and discussed.

5.0 Additional Recommendations and Considerations

This section of the memo outlines various recommendations and considerations BerryDunn has provided based on the technical analysis and meetings with the Town to discuss Model functionality and intent, and town-wide priorities.

5.1 Core Assumption Sensitivity

As mentioned previously, based on preliminary and final review findings, and subsequent discussions with Town staff and stakeholders, it is in the opinion of BerryDunn that the Model is functioning as intended and no further additional review areas are recommended.

To that end, BerryDunn does recommend significant consideration be given to understand the impact(s) which may result should core assumption values differ in the future from those values that are used for current calculations and estimates. While there is no way for certain to know what will happen in the future, slight differentiations in certain assumption values may have larger than intended impacts on revenue and expense estimations in the future. The table below outlines core assumptions that may be sensitive to even the slightest fluctuation.

Table 5.1: Baseline Assumptions Sensitivity Scenarios

Assumption	Sensitivity Scenario Description
Overall Municipal Valuation	Should overall municipal valuation year-over-year increases not be realized to the level utilized in Model calculations, the impact may reverberate through other model assumptions and calculations. For example, if new development projections vary or the re-evaluation expected increase scheduled for FY 2025 varies, impacts to revenue and expense projections, and ultimately projected millage rate levels, may significantly be impacted. This assumption is in many ways the most significant, and therefore sensitive, to even the slightest fluctuation.
Debt Service Rate	Should the ability to secure a 4.0% debt service rate vary slightly, the impact may reverberate through other model assumptions and calculations. For example, the extreme scenario of securing debt service at twice the rate may impact property tax projections significantly. To that end, should the extreme scenario of securing debt service at half the projected rate will most likely have the same significant impact, though it may be characterized as a more positive outcome.
State Revenue Sharing Calculation(s)	Should the State, based on significant legislative changes or other factors, revise the revenue sharing calculation this would most likely impact other assumptions and related values utilized throughout the Model.

Assumption	Sensitivity Scenario Description
State Education Reimbursement	Should the State, based on unforeseen legislative changes or other factors, revise the education reimbursement per pupil calculation, this would most likely impact other assumptions and related values utilized throughout the Model.
Tax Increment Financing (TIF) District(s)	Should estimated TIF growth rates vary, or the percent of revenue capture available for specific expenditure types vary, this would most likely impact other assumptions and related values utilized throughout the Model.
Non-Programmed Capital Improvement Expenditures	Should non-programmed capital expenses be realized due to an unforeseen or unknown circumstance that arises, this would most likely impact other assumptions and related values utilized throughout the Model.

The scenarios outlined above attempt to reflect the significant, albeit estimated, impact(s) core assumption variations may have on Model calculations and projections. Furthermore, the scenarios outlined above are in no way completely under the control of the Town to predict, influence, or prevent. Future scenarios related to residential and commercial property valuation, economic development levels, the debt market, and/or legislative changes and unfunded mandates cannot be known for certain. However, understanding their estimated impacts may help the Town better absorb and manage those impacts and be better prepared to exercise control over the elements of its fiscal environment that it can materially affect with day-to-day decision-making.

5.2 Next Steps

When considering impacts to the Town’s fiscal environment in the future it is never prudent to rely solely on one model, tool, data source, set of assumptions, criteria, or individual’s input. Rather multiple tools and sources of information should be considered and their relative sensitivity to risk and accuracy be weighed.

To that end, while in the estimation of BerryDunn, the Model is functioning appropriately and as intended, the estimations and/or scenarios it is producing should not be the only criteria considered. Other factors, some of which are well within the control of the Town and some of which are not, should be examined as thoroughly and as thoughtfully as possible.

The Model, while one of many tools that could be referenced and utilized, could also be updated accordingly as more information becomes available. This will allow for continued refinement of assumptions, values, and calculations utilized and ultimately continued refinement of the estimates and projections it produces.

Purpose

This memo provides the Scarborough Town Council with commentary on the underlying assumptions of the debt modeling tool. The memo does not provide commentary on the calculations, user experience, or methodology beyond the underlying assumptions.

Sources

GPCOG staff experimented with the modeling tool and attended a thirty-minute meeting with John Cloutier and Tom Hall.

General Observations

The debt modeling tool is an ambitious undertaking. From GPCOG's staff experience, it is the most thorough attempt at debt service modeling amongst the municipalities in GPCOG's membership. As with any modeling that extrapolates into the future with several inputs, the accuracy and relevancy of the model will depend on consistent updates and audits. It is GPCOG staff's opinion that Scarborough revisit the model on an annual basis.

Assumption Observations

Staff has identified three assumptions that appear to have the most influence on the model and will need the most attention if the debt modeling tool is to be used by Scarborough for future decisions in the coming years. It is important to note that the three assumptions list appear to be reasonable for the current "snapshot" of Scarborough. Further, as evidenced in the "assumptions" tab of the debt modeling tool, there appears to be strong collaboration between the author and relevant town staff. It will be necessary to continue this collaboration should the model become a permanent tool. The three assumptions are:

Total Valuation

From the information given, it appears that there will be a town-wide revaluation soon. The town assessor has indicated that there will be a significant increase in town-wide valuation. The revaluation, coupled with the growth within the TIF district, justifies the assumed growth rate up to 2030. The growth rate of 1.5% for years beyond 2030 is a reasonable assumption under current conditions and growth trends but should be updated and refined on an annual basis.

School Operating Budget

GPCOG suggests consulting with a comparable community that has successfully transitioned to a larger school facility from several smaller facilities to further refine the

possible increase, or captured efficiencies, in the school operating budget because of a larger school facility.

TIF District Capture Rate

While the current TIF district capture rate is 100%, it may be more prudent to consider a modestly lower capture rate. As the TIF district has approximately 25 years left and the capture rate is at the will of the council, there is some inherent uncertainty around the capture rate.

Conclusion

It should be noted that all the listed assumptions are easily editable in the debt modeling tool – reinforcing the usefulness of the tool. To reiterate: it is GPCOG’s staff opinion that a consistent audit and adjustment of the underlying assumptions is the most effective strategy to ensure the debt modeling tool maintains its effectiveness as a decision-making tool.

We appreciate the opportunity to review the debt modeling tool and encourage any councilor to reach out with any questions or concerns.

Contributors:

Chris Hall – Director of Regional Initiatives
Paul Johnson - Economic Development Director
Christian Roadman – Senior Planner

AGENDA
SCARBOROUGH TOWN COUNCIL
WEDNESDAY – AUGUST 16, 2023
HYBRID REGULAR MEETING – 5:30 P.M.

Order No. 23-092. Move approval on the request to adopt the FY2024 School Budget Resolution as required by State Statute. [*School Department*]

School Department

Ought to Pass

Sponsor

Recommendation

08/16/2023

First Reading/Vote

N/A

Public Hearing

N/A

Second Reading/Final Approval/Vote

Scarborough Town Council Meeting

Council Meeting Date: August 16, 2023

ACTION ITEM: Order No. 23-092.
SUBJECT: Act to adopt the FY2024 School Budget Resolution as required by State Statute. <i>[School Department]</i>
PURPOSE: Maine statute (Title 20-A, §15960) requires that municipal school units vote to approve the local appropriation of funds allocated to their school budgets each year. The articles of the FY24 School Budget Resolution follow the statutorily required language and format.
BACKGROUND: Beginning with the budget for the 2005-2006 school year, state statute has required all Maine school units to authorize local expenditures through their individual legislative bodies with each annual budget cycle. Because Scarborough has a municipal school unit, this authorization is accomplished by vote of the Town Council following on a successful public referendum. In 2007, a state statute (MRSA 20-A, §1486) was passed requiring school budgets to be validated each year by local referendum. An accompanying statute stated that school budgets were to be presented in 11 defined categories, and Department of Education reporting requirements were developed to ensure that all school districts in the state would identify expense types in the same way. The articles of the School Budget Resolution include the language required to authorize the approved school budget overall as well as the budget category amounts passed at referendum.
FISCAL IMPACT: Authorizes use of approved school budget funds for FY24.
STATUS / PROCESS TO DATE: <ul style="list-style-type: none">• FY24 Budget approved by the Town Council: June 7, 2023.• FY24 Budget approval by the Voters: June 27, 2023.• Final step in statutory School Budget approval process before the Town Council: August 16, 2023.
PROPOSED ACTION: Recommendation is to move approval of Order No. 23-092
ATTACHMENTS: <ul style="list-style-type: none">• The School Budget Resolution.

**Scarborough Public Schools
2023-2024 Budget Resolutions**

ARTICLE I. To see what sum the municipality will appropriate for the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act.

Recommend \$ 39,722,226

and to see what sum the municipality will raise as the municipality's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act in accordance with the Maine Revised Statutes, Title 20-A, section 15688.

Recommend \$ 33,861,886

Explanation: The school administrative unit's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act is the amount of money determined by state law to be the minimum amount that a municipality must raise in order to receive the full amount of state dollars.

ARTICLE II. To see what sum the municipality will raise and appropriate for the annual payments on debt service previously approved by the municipality for non-state-funded school construction projects, or non-state-funded portions of school construction projects in addition to the funds appropriated as the local share of the school administrative unit's contribution to the total cost of funding public education from kindergarten to grade 12.

Recommend \$ 5,548,580

Explanation: Non-state-funded debt service is the amount of money needed for the annual payments on the municipality/district long-term debt for major capital school construction projects that are not approved for state subsidy. The bonding of this long-term debt was previously approved by the voters.

ARTICLE III. To see what sum the municipality will raise and to appropriate that sum in additional local funds for school purposes under Maine Revised Statutes, Title 20-A, 15690.

Recommend \$ 14,848,837

Explanation: The additional local funds are those locally raised funds over and above the school administrative unit's local contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act and local amounts raised for the annual payment on non-state-funded debt service that will help achieve the municipality budget for educational programs.

ARTICLE IV. To see what sum the municipality will authorize the School Board to expend for the fiscal year beginning July 1, 2023 and ending June 30, 2024 from the school administrative unit's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act, non-state-funded school construction projects, additional local funds for school purposes under the Maine Revised Statutes, Title 20-A, section 15690, unexpended balances, tuition receipts, state subsidy and other receipts for the support of schools.

Recommend \$62,052,141

Pursuant to Maine Revised Statutes, Title 20-A, section 1485, voters and the Town Council authorize the School Board to expend the above funds in the following State-mandated categories:

ARTICLE IV-A. To see what sum the school administrative unit will be authorized to expend for Regular Instruction. **Recommend \$26,154,536**

ARTICLE IV-B. To see what sum the school administrative unit will be authorized to expend for Special Education. **Recommend \$12,095,474**

ARTICLE IV-C. To see what sum the school administrative unit will be authorized to expend for Career and Technical Education. **Recommend \$0**

ARTICLE IV-D. To see what sum the school administrative unit will be authorized to expend for Other Instruction. **Recommend \$1,673,651**

ARTICLE IV-E. To see what sum the school administrative unit will be authorized to expend for Student and Staff Support. **Recommend \$6,023,235**

ARTICLE IV-F. To see what sum the school administrative unit will be authorized to expend for System Administration. **Recommend \$1,506,410**

ARTICLE IV-G. To see what sum the school administrative unit will be authorized to expend for School Administration. **Recommend \$1,977,203**

ARTICLE IV-H. To see what sum the school administrative unit will be authorized to expend for Transportation and Buses. **Recommend \$2,059,632**

ARTICLE IV-I. To see what sum the school administrative unit will be authorized to expend for Facilities Maintenance. **Recommend \$5,013,420**

ARTICLE IV-J. To see what sum the school administrative unit will be authorized to expend for Debt Service and Other Commitments. **Recommend \$5,548,580**

ARTICLE IV-K. To see what sum the school administrative unit will be authorized to expend for All Other Expenditures. **Recommend \$0**

ARTICLE V. To see if the municipality will appropriate **\$183,149** for Adult Education and raise **\$62,411** as the local share; with authorization to expend any additional, incidental or miscellaneous receipts in the interest and for the well-being of the Adult Education program.

Recommend \$62,411 (Local)

ARTICLE VI. To see if the municipality will appropriate **\$2,313,735** for School Nutrition and raise **\$0** as the local share; with authorization to expend any additional, incidental or miscellaneous receipts in the interest and for the well-being of the School Nutrition program.

Recommend \$0 (Local)