



**City Council Workshop
January 14, 2019
Agenda**

5:30 P.M. Workshop at Norway Savings Bank Arena

- Welcome / Introductions
- Dinner is served
- Legislative Review is conducted during dinner
- Presentation by Marc Gosselin, Director of Recreation and Tourism
- Tour of the Arena

Workshop ends at the Norway Savings Bank Arena and will resume at the Auburn Senior Community Center

- Tour of the recent expansion and overview of the kitchen plans
- Tour of the possible expansion of the Senior Center



City of Auburn, Maine

Office of the City Manager

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TO: Mayor and City Council

FR: Peter J. Crichton, City Manager

A handwritten signature in cursive script, appearing to read "Peter", is written over the name "Peter J. Crichton" in the "FR:" line.

CC: Phil Crowell, Assistant City Manager

RE: Legislative Issues

DT: January 2, 2019

As background for your discussion with our Legislative Delegation, please review this memo on legislative issues. Phil and I will hold a workshop with you at the next Council meeting on January 7th in advance of the proposed Workshop with our Legislative Delegation on January 14th. In no particular order, here is a summary of legislative issues that the Maine Municipal Association's Legislative Policy Committee has adopted as their initiatives for the upcoming session of the Maine Legislature, as well as some additional issues that are important to the community.

Revenue Sharing

To no one's surprise, the MMA's Legislative Policy Committee -- representing the smallest to largest municipalities in the state -- has strongly endorsed legislation to restore municipal revenue sharing back to the statutorily required 5% from the current 2%. Specifically, the MMA is asking for a constitutional amendment requiring not less than 5% of state sales and income tax be distributed to municipalities. Currently, the City of Auburn receives \$1,689,669 annually. So, an increase up to 5% would mean the City would receive a total of \$4,224,172 or an increase of \$2,534,503.

Local Option Sales Tax

The MMA will be submitting legislation that would allow the local governing body to impose a local option sales tax up to 1% on retail, meals, and lodging sales subject to the state sales tax. Unlike the revenue sharing issue, there was plenty of discussion among the various municipal representatives regarding the idea of the Legislature allowing municipalities to impose a local option sales tax. In our case, this would mean revenues of \$7,647,797 annually.

The argument that I and others made to the Legislative Policy Committee is that municipalities in Maine are at a distinct disadvantage on being able to deliver essential services more affordably as compared to other areas of the nation where a local option sales tax is allowed. Communities like Auburn have a higher burden as a service center community that other municipalities do not have to worry about. This issue has been debated at the legislature for a long time and I expect there will be a variety of local option sales tax proposals put forward during the upcoming legislative session.

Property Tax Relief for Seniors

The MMA is submitting legislation that reinstates the State's elderly property tax deferral program. The summary of the bill goes on to state that up until April 1, 1991 the legislature provided a way for qualifying senior homeowners to defer property tax payments and require the State to pay the property taxes on behalf of the homeowner. This bill increases the household income threshold from \$32,000 to \$40,000. It also makes the existing abatement and appeal process available in situations where the state tax assessor disagrees with the municipal assessment of a property eligible for enrollment in the deferral program. With the tax lien foreclosure process on home owners that we sometimes must deal with, this legislation would provide a solution that we could offer homeowners who qualify for the program.

Adult Use Marijuana Tax Revenue

This legislation allocates $\frac{1}{4}$ of the gross sales and excise revenue generated by adult use marijuana establishments in the state to the municipalities where the revenue was originally generated. As we have discussed previously, it is entirely appropriate for the state to share the revenues from the sale of non-medical marijuana products. We know from our own research what communities in the State of Colorado have experienced and the unfair burden placed on Maine communities to license and regulate these operations and the consequences that can result from the operation of these facilities. Like other municipalities, we unfortunately can see the day when the state will underfund its enforcement and regulatory responsibilities and pass on another unfunded mandate that we will lack the fiscal resources to manage.

Homestead Exemption

The Homestead Exemption is a popular program at the legislature because it reduces the tax bills of resident homeowners. Currently, the municipal reimbursement percentage is 62.5%, which provides revenues of \$1,150,000 annually. Of course, unless the homestead exemption is 100% reimbursed, the non-homestead owners in the community have to pay more in order to make up the difference. So, it would be very good if the legislature increased the reimbursement rate from 62.5% to a higher percentage. This would provide immediate relief to our property taxpayers.

County Inmate Healthcare Costs

Inmate medical costs in the county jails is a huge cost driver for the jails. Currently, when people are incarcerated in the county jails federal law does not allow Medicaid coverage to continue for those who are eligible. This bill would clarify existing Medicaid eligibility for incarcerated individuals and establish a mechanism to make sure individuals who are eligible for such coverage are able to apply and renew their limited coverage while they are incarcerated.

Opioids

The opioid epidemic continues to be a serious issue. We would like to see the state legislature continue its efforts with increased funding and grant programs to assist municipalities in addressing this problem.

Public Transit

The State of Maine invests only \$1.5 million annually into public transportation. According to the Maine Department of Transportation's 2025 Transit Strategic Plan, "Based on national studies, models and experience, it was determined that meeting 20% of the theoretical demand for transit was an acceptable level of service for transit in Maine."

The Report further goes on to state, "Estimates of additional annual operating and administrative costs to achieve the 20% goal range from \$7.4 million, based on lowest best current cost expenditures, to \$14 million based on current average cost expenditures. In addition, it is projected that another \$1.1 million (for lowest current cost services) to \$2.1 million (for current average cost services) for capital expenditures are needed to meet 20% of the theoretical demand. In total, it would cost between \$8.5 million and \$16.2 million more per year to meet 20% of theoretical demand.

So, in short, the state has a long way to go in order to meet the transit needs in Maine. Then, there is the opportunity that the Lewiston-Auburn Transit Committee is working on in partnership with Western Maine Transportation Systems to transform the bus system into a more fully functioning bus system which better meets the needs of the citizens and businesses in Auburn.

Lewiston-Auburn 911 System

The Cities of Lewiston and Auburn are in agreement that additional funds from the state would be very beneficial to help pay for ongoing capital and training costs. The state has continued to increasingly place mandates on our 911 System and although of benefit to the System these mandates require that we pay for employee training and overtime, as well as new technology. The state has a cap on the 911 surcharge that it collects and there apparently are discussions to lower what is already one of the lowest surcharges in the nation. Because of the importance of 911 to public safety in our communities and the need to continually meet state mandates to our 911 System, as other states have done we would like to see the delegation divert some of these funds to the municipalities.

Small Cell/5G Network/Fiber optics/Broadband

Currently, a working group of managers and other municipal officials under the auspices of the Maine Municipal Association is working with a group representing Verizon and AT&T to develop a model ordinance regarding small cell facilities. Municipalities are interested in assuring that permitting authority is reasonable and predictable and allows communities to tailor the permitting standards to our unique needs and interests. Of course, whatever the Legislature can do to help facilitate and encourage greater utilization of fiber optics and broadband technology for municipalities is an economic advantage for Maine.