

Minutes of the Economic Development Task Force meeting of January 24, 2012

Present: Pat Samuel, Chris Vincenty, Erica Brooks, Mark Hanscome, Karen Baksa, Debbie Kiley

Angela Chamberlain, Interim Planning Director, attended for the Town

Minutes of January 10, 2012 were read, corrected and amended. They were adopted unanimously as amended (Chris Vincenty moved, Mark Hanscome seconded)

Chip Reeves, Public Works Director, and Stan Harmon, Finance Director, spoke of Water and Sewer fees in the Town

Stan explained that water fees are overseen and regulated by the Public Utilities Commission (see Budget p.15). The issue is to raise \$1.6 million to cover the cost for the water facility, \$1.5 million, plus what the PUC adds.

When the Town took over the water system in 2001, it inherited a system that was antiquated (1912 and earlier). There is always a need for money for capital improvements. The Water Division borrows money from the General Fund and then pays back the Town; that amount has been reduced from \$800-900 thousand to \$500,000.

Sewer Fees are different: a formula was agreed so that the fees were charged based on the last 6 months of the year; there is a 6 month gap in the capital charge.

Revenue is \$1.5 million but costs, \$2 million. The town has raised the rate to pay for the new treatment plant. There is a "revenue" fee and debt service fee (the most complicated in the State). The system is very complicated; the challenge is to raise monies for capital improvements when there just aren't enough funds.

A sewer connection fee (i.e. adding to the "flow") is based on the State standard of square footage: NOT number of fixtures, but persons per square foot (example: for 15 square feet of restaurant space, the standard figures 90 gallons usage per day). New buildings, motels in particular, had been paying impact fees in the past, which made no difference in growth.

Chip cited Veazy that has no set fees, rather there are individual meters that register use.

Chris Vincenty, who has been involved with the Business Round Table discussions about sewer and water fees, pointed out that connection fees are not put into the Capital fund, rather into operation. Why not eliminate connection fees and have the individual fees (from meter data) cover both operation and capital?

The desire of the EDTF is to encourage year round businesses and young entrepreneurs. The fees are often too high for small start-ups. There could be a revolving fund to give short-term loans to very small businesses. Chip said the Town does make arrangements for terms to pay incrementally, over two years, but the minimum is often too high for a very small (micro) business to qualify. The revolving fund idea can be considered. The new Main Street program would surely be able to help us with this.

Chip said that both water and sewer fees (and impact fees) are on Dana's agenda.

We discussed the future of the now unmandated Economic Development Task Force. Chuck Lawton should be finished with the Economic Development Strategy , and Pat and Chuck will present to the Town Council on the 14th of February. EDTF members are strongly encouraged to attend the Council meeting.

Unanimously we feel that the Task Force should become a permanent Standing Committee, made up of dedicated members of the Community, representing professions and localities. The committee should deal with issues that face the community, particularly as there is no Economic Development Director .We have worked hard over the past several years, and dealt with several important issues that face the town, e.g. agriculture, zoning, home occupations, a possible public-private parking garage. We need to continue as a group, representative of the whole Bar Harbor Community, not just down town. We need to make sure the Economic Development Plan is implemented, and work with the Main Street Program group.

The Maine Program item was tabled until our next meeting, February 14th.

Respectfully submitted,

Deborah Kiley, Secretary