

**City Manager's Report
City Council Meeting
Wednesday, November 4, 2009
City Hall at 7:00 p.m.**

TO: Mayor Walter Ash Jr. and Honorable Members of Belfast City Council
FROM: Joseph J. Slocum, City Manager
DATE: Friday, October 30, 2009

Non- Agenda Items:

Belfast Economy 2008 to 2009 year to date:

I hope you all saw the State Economic runs for the Belfast area that John Burgess from the Chamber of Commerce was kind enough to send along. I am attaching copies in your packet and asking the City Clerk to post them on the web site.

The information compares the Belfast Economic Statistical area (ESA) to the Camden, Rockland, Damariscotta and Brunswick Economical Statistical Area's. An Economic Statistical area is not limited to the boundaries of the Town or City. It encompasses the concentration of economic activity in and around a given municipality.

The sad news is that there was some economic downturn pretty much everywhere. The good news is that Belfast fared better than all of these other areas. Our general merchandise, personal consumption items and auto sales were down the smallest percentage of any of these other regions. Our restaurants and lodging numbers were up 4% and 6%-the only positive results shown.

While we work to address our challenges we should also vocalize a little economic hope. Positive talk, enthusiasm and local creativity will do a lot to help our local and regional economy. Drive into a community and buy a paper laced with tales of woe and you might just feel inclined to keep on going. We are not unique but we are special and there is plenty of room for anyone who wants to help in a positive way.

Respectively.

Agenda Items:

11.B Discussion and second reading of General Assistance Ordinance.

Please find memo from Diane Wood, General Assistance Administrator explaining GA ordinance.

11.C Discussion and Action on Sewer Pump Station repair bids.

The Congress Street pump station is underground and sits at the intersection of Airport Road and Congress Street. This is the 30-year-old station and back when it was built underground pump stations were commonplace. Today with more regulations about confined space rules and for practical reasons

the municipalities are moving pump stations to ground level where pumps and equipment can be checked and serviced more easily. We investigate the possibility of moving the Congress Street pump station to the side of the road and making it a ground-level station. The costs were approximately \$500,000. The pump station is in serious need of repair and the amounts involved require that we go out to bid.

At the meeting next week we will present the bid results and ask you to accept the bids and award the work to the lowest qualified bidder. We hope to have this work done right away.

11.D Discussion possible action and changing the City's electrical supplier.

The City purchases power through CMP and the standard offer as set by the Public Utilities Commission. Today our energy comes from something called "Nextra Energy Power Marketing, LLC" they are the company supplying the power under the standard offer accepted by the PUC.

We are not locked into buying power from anyone and with the lowest prices on natural gas in 50-years and the economic downturn the competition for electrical prices has increased. While we have never put the City's electrical purchases through a formal bid process, we have been introduced to an electrical supplier called "Glacial Energy" who has compared the last 12-months of their electric rates in our area to our electric rates and found that in every month during this period their rates were 11 to 16% lower.

They offer lower rates because they are buying power on a daily basis, minimizing their overhead and limiting their business to electricity exclusively. There are no contracts to sign and we can get in or out any time we want. Several municipalities and large-scale businesses in Belfast have recently switched to them to be their electrical provider. Both the standard offer rates and Glacial Energy rates are subject to monthly change.

The City spends about \$72,000 a year in electric cost. The sewer system spends about \$132,000. I think we should try this alternative supplier and see what kind of savings we can realize. If there are no savings we switch back to the standard offer. If there is savings then we consider surveying several other suppliers for next years budget. I ask that you either agree or disagree with this recommendation.

Short meeting this week. Our best to all candidates and a reminder to all that Tuesday, November 3rd is Election Day. Election work is hectic. Please thank the City Clerk, the City Hall staff, and our election workers for their time and patience.

HAPPY HALLOWEEN! Have a safe and enjoyable weekend.