

North Berwick Board of Selectmen's Minutes: January 7, 2014

**NORTH BERWICK BOARD OF SELECTMEN MINUTES
JANUARY 7, 2014**

Present: Chairman Galemmo, Selectman Folsom, Selectman Drew, Selectmen Cowan

Absent: Selectman Danforth

Also Present: Dwayne Morin

Chairman Galemmo opened the Board of Selectmen's meeting at 6:30 pm.

1. Pledge of Allegiance

2. Review and Approve Minutes of December 17, 2013

Selectman Cowan suggested a change. Under Unfinished Business, Section B, we change some verbiage in the fourth sentence. The statement reads: "He spoke with the State and they will allow for the Town to put their storm water into their storm water but there are very rigid requirements." It should read: "He spoke with the State and they will allow for the Town to put the Town's storm water into the State's storm water system."

Selectman Drew motioned to accept the minutes of December 17, 2013 as amended. Selectman Cowan seconded the motion. VOTE: 3-0 1 Abstain

3. Public Input

No public input at this time.

4. Unfinished Business:

A. Canoe Launch: Update on Progress

Dwayne Morin stated that he sent all of the paperwork to Pratt's attorney. The Attorney sent Dwayne an email stating that they are looking to close on the 17th. However, they are requesting that their attorneys go and walk the site. They are supposed to walk it next Tuesday. There is still a lot of paperwork that needs to be done before the closing. Dwayne is hoping that it will be accomplished by spring.

Selectman Drew made a motion that when the park is approved, we call it the Elroy Day Memorial Park. Selectman Folsom seconded the motion. VOTE: 4-0.

B. Budget FY15: Discussions on Budget Submissions for FY15

Dwayne stated that this could take some time so they should probably save it for last. They moved on to the next topic.

C. Zoning Ordinance: Discussions on Budget Submissions for FY15

Dwayne stated that he had included in the packets the Zoning Ordinance proposed changes that are to be voted on by the Town this year. He stated that the first two are being submitted by the Planning Board. The first question relates to approving definitions for Recycling, Recycling Facility and Redemption Center. Dwayne stated that there has been a need to clarify these definitions within our Zoning Ordinance.

The second question is to allow Accessory Apartments to houses everywhere within the community. This was an outgrowth of a request to have in-law apartments within our community. The Planning Board felt that they didn't want to limit to just in-law apartments but wanted any house to be allowed to have apartments added to it. Selectman Folsom asked why they wanted this because she felt it was against our Ordinance. Dwayne stated that the Planning Board felt that an in-law apartment would be too hard to enforce. Chairman Chase asked if he could just split his house in half but Dwayne stated that he couldn't because there were certain requirements. It will be allowed to be no more than 650 square feet in size and the owners of the property have to live in either the apartment or the house. Selectman Cowan asked if they were stipulating how many people would be allowed to live in the apartment. Both Chairman Galemme and Dwayne stated that it was limited to a one bedroom. Chairman Galemme asked if there were restrictions under the Fire Ordinance as to how many people were able to live in a house. Dwayne stated that you could actually have five families living in a single-family dwelling in our Ordinance. Dwayne stated that the Planning Board felt that it would be too hard to enforce an in-law apartment especially when the in-law was no longer around so they decided to allow accessory apartments everywhere. Selectman Folsom asked if this would be approved

by the attorneys. Dwayne stated that this will go before their attorney but there is nothing that would disallow it from happening legally. If the townspeople vote it in then it will be allowed. Selectman Cowan is concerned about not limiting the number of people that can live there. Dwayne stated that the Planning Board felt that if they limit it to a one bedroom than it limits the amount of people that would live there. Selectman Folsom asked if they were holding a public hearing regarding this and Dwayne stated that it was scheduled for January 23rd.

Dwayne stated that the other four questions were the ones that were being presented by the Board of Selectmen. He stated that Question# 3 was regarding the construction standards for commercial use buildings. The next question is regarding changing the sign ordinance so it would prohibit signs that are internally lit. The next question is in regards to requiring engineering studies be performed as part of the conditional use review be reviewed by the Town's engineer. The final question states that all lots for which a building permit has been issued must have access on a public road or private drive pursuant to definitions of our street designs standard. Selectman Folsom asked if we had an engineer and Dwayne stated that we use Underwood Engineering.

Dwayne stated that these will be going before the Planning Board to review and then will go to the Public Hearing. Chairman Galemme asked if the Planning Board could still make changes to their questions but Dwayne stated that they could not. It is now up to the townspeople to vote on. He stated that the Planning Board could come out and recommend that the townspeople don't adopt these changes.

Reminders: Next Board of Selectmen's Meeting - January 21, 2014 – 6:30 pm Municipal Building

Labor Negotiations – January 13, 2014 – 6:00 pm

5. New Business:

A. Legislation: Review of LD 1483 and Effect on Town

Dwayne stated that there are a couple pieces of legislation that are of great detriment to the Town of North Berwick. The first one is LD 1483 which is a hold over law. It is an Act to promote and enhance State policy to preserve and support existing methods of disposal of municipal solid waste. Dwayne stated that is basically a tax base of legislation that would be a \$14 million tax to towns who landfill their waste and \$14 million revenue source to towns who incinerate their waste. Dwayne stated that unfortunately, our representative, Mark Eves has signed off on this and is a co-sponsor. He stated that this has negative effects on both Town of North Berwick and the Town of South Berwick. Dwayne explained how this bill would work. He stated that for towns that landfill their waste, the landfill owners would be charged a \$10 per ton fee for all the waste that goes into the landfill. For towns that incinerate their waste, they would be able to request a \$30 credit per ton of every waste that they incinerate. Dwayne stated that the future cost to the towns in our tri-county would be \$360,000 per year because the tipping fee would go

from \$72.50 to \$82.50 and up to \$14 in 2018 with no cap on the \$14. The fee is to be determined by the incinerators. He stated that the Town of North Berwick used to be part owner of an incinerator with Merck. We used to sit at the table every year and go through the costs. He said that waste energy plants are very capital intensive. They are very costly to maintain. He states that waste energy plants were put together, they had power purchase agreements. This allowed them to generate electricity and the local utility had to buy the power from the waste energy plant. The old law used to say that whatever the cost to generate the power, you would get as part of the power purchase contracts. The waste energy facilities signed very long contracts for power purchase agreements and the towns that disposed their waste there signed long contracts so there was a stream to continue to generate power. With the deregulation of electricity, power went from being purchased at \$.15 and \$.16 per kilowatt to \$.02 per kilowatt. The waste management plants have seen a revenue source shrivel up significantly. All the waste management plants except for one, have had their power purchasing agreements expire. PERC's is expiring in 2018 and they are concerned about an increased cost after the power purchase agreements are gone because they won't have a revenue stream. They are operating under the guise that there is what they call a solid waste hierarchy. This hierarchy is an upside down pyramid and at the top of the pyramid is reduce and reuse. The second one is recycle and compost and the third one is incineration or waste energy. The least desirable is landfills. What they are saying is that putting the waste into a landfill is undesirable. Therefore to discourage the use of landfills and encourage the use of incinerators, let's establish a penalty so whoever puts their waste into a landfill will have to pay a penalty, thereby increasing the viability of incinerators. Selectman Drew asked how much the State of Maine give towards a landfill. Dwayne states that he will testify on Thursday about this issue. He claims that it is totally unfair. He states that we would be supporting waste energy plants that are 30 years old. The DEP has stated that they will never license another waste energy plant in the state of Maine and they will never license another landfill in the state of Maine. If we are going to be putting money into dinosaur technology, which is what waste energy plants are, and not explore other forms of disposal, there is a problem. Dwayne said that another problem is what about all those towns that have met the top hierarchy of the pyramid which is reducing, reusing and recycling their waste, which is us. We have some of the highest reduction in waste, highest recycling rates and we have done that with zero assistance from the State of Maine. Because we have done such a great job, State of Maine is going to penalize us. Another thing is that we used to send out our waste to an incinerator but it closed. We didn't have the ability to send it to another incinerator. We could have done so but it would have cost the Town a lot of money. Instead we took a proactive approach to protect our citizens, we signed long term agreements to make sure that we have the ability to take care of our waste. Our long term agreement with Casella stated that if MERC closed, they would take care of our waste and they do this by landfilling it. Because we don't have the ability to send our waste to an incinerator, we get penalized because we are legally contractually bound by agreements that we had no assistance from the State of Maine.

Dwayne stated Aroostook county towns would have to send it to Orrington, Maine because that is the closest incinerator. The trucking alone is not economically viable. Dwayne stated that the big kicker is that the waste management plants can only process 600,000 tons a year and the

State generates 1.6 million tons of waste. They can't even handle all the waste so they are going to penalize towns without the ability for us to even get out of the penalty because there is not enough capacity at the waste management plants to handle all the waste that is being disposed at the State. Selectman Cowan asked how much has this been studied by the people that proposed the legislation. Dwayne said that the problem is the people that are proposing the legislation are waste energy attorneys. The people that are supporting it are being lobbied heavily to sign this legislation. Dwayne said that there has been very little research done. He said that there are about 227 towns that incinerate their waste and about 265 towns that landfill their waste. He stated that our State has never put together a solid waste management plan. He states that there is a place for landfilling and a place for incineration. What the State fails to recognize is that before we go to landfilling and incinerating we should be talking about reducing, recycling and reusing our waste. They refuse to look at the top three tiers of the hierarchy and encourage that. Instead they are going to say that anybody that landfills, regardless of if you have gone above and beyond, you will get penalized with this fee.

Dwayne stated that there is municipal solid waste and there is also C&D which is construction demolition. Construction demolition cannot go to incinerators because it doesn't burn. Last year, the State of Maine imposed a \$2 per ton increase on our construction demolition to help close old landfills. Now this additional fee would also be attached. This also disproportionately affects the housing industry because they generate 90% of all the construction demolition debris so they will be forced with a \$10 to \$14 fee.

Dwayne said that he asked the Speaker if anyone could tell him what the life of our landfills are in the State of Maine. He said that everyone says they are filling up fast but has anyone done a study to figure out when they are going to close. Selectman Cowan asked where the landfills were located and Dwayne stated that they were all over the state. Dwayne also stated that all the landfill owners have spent millions of dollars to secure their landfills and now they are going to be hit with a \$10-\$14 per ton penalty. For example, the landfill in Augusta called Hatch Hill, they are looking at a half a million dollars per year increase in cost.

Dwayne stated that it was originally sold by stating that landfills are bad and incinerators are good. He said there is some truth to that, however incineration presents its own set of problems as well. Incineration is one of the largest producers of breathable mercury in our society. When you burn trash it creates toxins which are released in the atmosphere. Incineration even has landfill because the ash has to go somewhere.

Chairman Galemme asked what happens with the money that they will be charging. Dwayne stated that the money would go into a fund. It will be collected and put into a fund. Then the towns that incinerate can request \$30 per ton reimbursement. So they are really pitting towns against towns. Dwayne stated that it's just a revenue stream piece of legislation to give an additional revenue source to waste energy plants. Dwayne stated that there really needs to be a comprehensive review of our solid waste policy within the State of Maine. Chairman Galemme stated that if there was an unlimited capacity to burn than this would not be an issue. Dwayne

also stated that for years and years, everyone has been saying that our landfills have been filling up. However, for years we have been the dumping ground for waste from Massachusetts. They send millions of tons of waste for disposal in our landfills and our incinerators. So if we are so concerned about our landfills, maybe we should control the waste that is being disposed of here.

Dwayne stated that he spoke with the Speaker, Mark Eves and stated that the Town is requesting that he remove his name from this piece of legislation. He stated that they will send a letter to Mr. Eves stating this and that the Town of South Berwick will be doing the same. Selectman Cowan asked what his response was and Dwayne stated that he has not given him a response yet. Dwayne did state that the immediate impact if this passes would be small because our contracts with Casella doesn't allow them to pass on that landfill cost to us until 2025 so they would have to eat that cost. However, in our contracts, there are clauses that would allow them to get out of the contract. If they are losing money, they will get out of the contract and then we will have nowhere to put our waste. Dwayne said he also told Mark that the legislation states that the landfill owner will be assessed the fee. He said that the State of Maine owns two large landfills so are they prepared to pay for that and Mark stated that he did not know the answer.

Dwayne stated that the incinerators have been crying poverty for some time so they need this money. In last week's Portland Press Herald, EcoMaine came out to say that they have \$24 million sitting in the bank. MMWAC also has \$26 million sitting in the bank. PERC will not release how much they have in the bank but they do have significant reserves. He stated that PERC is owned by three entities. There are two private companies own 50% of 75% of the plant and there is 187 towns that own the remaining 25% of the PERC facility. The 187 towns have all come out against this bill.

Dwayne said that he is asking the Board to sign off on a letter that he has drafted to our representative to request that he withdraw his support for the LD 1483 legislation. He has also, along with several other communities, put together some resolutions for the towns to adopt in opposition to this piece of legislation.

Dwayne read the letter that he drafted to Mark Eves into the minutes.

"The North Berwick Board of Selectmen is requesting that you withdraw your support for LD 1483 "An Act to Promote and Enhance State Policy to Preserve and Support Existing Methods of Disposal of Municipal Solid Waste."

As you are aware, North Berwick has always taken a proactive approach to Solid Waste Management. We were one of the first communities in the State of Maine to adopt a Pay As You Throw (PAYT) program that has drastically reduced the amount of solid waste that we dispose. (See enclosed chart showing our waste disposal decline.) We were also a member community of an incinerator (MERC) that closed, which has resulted in us having to landfill our waste for lack of options due to a long term contractual arrangement with MERC's parent company Casella

Waste, Inc. that was put in place to protect our citizens by providing for the disposal of the solid waste generated within the community.

This piece of legislation is bad public policy. It sets up a situation where waste to energy incinerators in Maine will be subsidized by communities and businesses which landfill their waste, basically pitting towns against towns. This is a short sighted approach to a larger solid waste management issue. The State of Maine needs to review and produce a comprehensive Solid Waste Management Policy that includes all types of disposal, land filling and incineration, but also encourages the top tiers of the Solid Waste Hierarchy of reducing, reusing and recycling our solid waste and encourages investment in the development of new technologies for waste reduction and disposal.

In North Berwick, we have been able to reduce the amount of waste that people are disposing by changing people's purchasing habits, reusing items to their furthest intent and recycling as much items as we possibly can. There is nothing in this legislation that encourages municipalities to address these top tier solid waste issues. By instituting PAYT, North Berwick has reduced the amount of waste being sent for final disposal by over 45% and has achieved recycling rates over 50%. Where is the incentive or assistance by the State for these types of programs? The State needs to establish a policy that addresses the reduction, reuse and recycling of solid waste and not establish a policy that promotes one tier the Solid Waste disposal Hierarchy that basically produces an additional revenue stream for Waste to Energy facilities at the expense of others without any relief to the penalties.

Statewide, the three waste to energy plants have a capacity of processing approximately 600,000 tons of waste a year, however the State incinerates and landfills nearly 1.6 million tons. If waste to energy plants are to receive a subsidy, shouldn't there be the availability of capacity for municipalities to dispose of their waste at the incinerators so that they could receive similar incentive? The waste to energy plants are also in areas of the State that are not accessible or economically viable to transport waste from municipalities statewide. How will Aroostook County Towns pay for hauling their waste to the nearest Waste to Energy plant in Orrington, Maine? How about the landfills that have spent millions of dollars complying with State of Maine law on creating secured landfills only to be penalized by an additional \$10-\$14 a ton? We should also note that the legislations does not establish an upper limit on the tonnage fee assessed to landfills. This fee equates into a \$14 million dollar tax on landfills to subsidize waste to energy plants that were constructed nearly 30 years ago. How about towns like North Berwick, who has reduced, reused and recycled our solid waste, entered into long term contracts to dispose of our MSW at a waste to energy facility only to have that facility close leaving us contractually bound by the terms of our long term agreement because we wanted to protect our citizen's ability to dispose of generated solid waste.

In addition to MSW disposal, this fee will also be assessed on items that cannot be incinerated such as Construction and Demolition materials. Last year the State imposed a \$2.00 fee on C&D disposal to assist in the closing of landfills across the State. The addition of the fee being

assessed under this new piece of legislation will be borne by every single municipality in the State while impacting the housing industry significantly as this industry accounts for the majority of the C&D materials disposed. This will have a significant impact on an industry that is so important to our State's economy.

Attached to this letter, please find a resolution adopted by the Town of North Berwick Board of Selectmen outlining our opposition to LD1483. This legislation will produce harmful effects on our citizens and taxpayers and as our representative to the Maine Legislature, we request that you withdraw your support for this legislation. We are willing to be part of the discussion on a comprehensive Solid Waste Management Plan for the entire State of Maine where all levels of the Solid Waste Hierarchy are reviewed and not just a piece of legislation that assists in the revenue stream of the Waste to Energy Plants at the expense of others."

Dwayne also went on to read the Resolve:

Resolve, to express the North Berwick's Board of Selectmen objections to LD 1483 "An Act to Promote and Enhance State Policy to Preserve and Support Existing Methods of Disposal of Municipal Solid Waste."

Whereas, the language and intent of LD 1483 does not facilitate the "Support" of all "Existing Methods of Disposal of Municipal Solid Waste" and only "Supports" the single method of current Waste to Energy technologies, the North Berwick Board of Selectmen finds this Act to be inequitable and narrowly focused; and

Whereas, 38 M.R.S.A. §1302 finds that "State action is needed to assist municipalities in separating, collecting, recycling, and disposing of solid waste" as priorities and that the investment in reuse and recycling should be a higher priority than an assessment to support waste reduction through limited capacities of waste to energy; and

Whereas, the top priorities of reduction, reuse, and recycling should prevail prior to disposal, North Berwick requests the State focus policy on these measures prior to penalizing through assessment of fees cost to dispose of the resulting end products of well-run municipal solid waste reduction programs; and

Whereas, the Town of North Berwick has embraced the State's Policy as stated in 38 M.R.S.A. §1302 through reuse and recycling of solid waste achieving recycling rates in excess of 50% and will continue to support such a focus as the most beneficial element of waste reduction before consideration of disposal; and

Whereas, the imposition of additional waste disposal fees ranging from \$10 to \$14 per ton with no upper limit upon municipalities, residents and businesses to the benefit of a narrow definition of waste disposal facilities creates an economic inequity across the State without a clearly articulated correlation of achieving the State's Policies on solid waste management: and

Whereas, the State has a finite resource of waste to energy and landfill facilities and currently licensed waste to energy facilities cannot reasonably process all solid waste generated within Maine, LD 1483 unfairly penalizes those entities not having existing contractual relationships or the ability to enter into contractual relationships with a Certified Waste Processing Facility under the proposed 38 MRSA §2201-B 5; and

Whereas, it is reasonable to request the State to focus Policy on the further development of technology for waste processing which reduces the volume of waste needing disposal rather than levying the assessment of a “Fee” upon some, but not all, to support the limited and antiquated technologies that are the currently operating waste to energy facilities within Maine; and

Whereas, the narrow focus of LD 1483 to subsidize the operations of certain waste to energy facilities radically impacts the investments in contractual relationships and facilities of a majority of Maine municipalities, destabilization of the State’s current solid waste disposal options will likely result:

Now, Therefore, Be It Resolved by the North Berwick Board of Selectmen that LD 1483 is not in the best interest of our Town and could impose future disposal costs in excess of \$10,000.00 per year on residential solid waste after reduction through reuse and recycling, further increase the costs to businesses for waste disposal, and that the narrow focus, inequitable assessments, and lack of a Policy to support investment in the development of new technologies for waste reduction prior to disposal is not in the best interests of all of Maine.

Read and Adopted by a Vote of the North Berwick Board of Selectmen in meeting assembled January 7th, 2014.

Selectman Cowan stated that she would like to add in the letter about the amount of outside waste that is being disposed of in the State. Dwayne stated that the only reason that it was not included is because of interstate commerce laws. Dwayne stated that he will be including this fact in his testimony.

Selectman Folsom asked if it was DEP that monitored and licensed the landfills. Dwayne stated that this was correct. Dwayne stated that the problem with solid waste is that there used to be a solid waste department but they got rid of that. Than they put them into state planning. Now they are under DEP. He stated that when he started PAYT in the community, he went through the Governor’s office in New Hampshire as a resource because our State did not have any resources.

Selectman Folsom motioned to accept the letter drafted to Mark Eves as well as the resolution. Selectman Cowan seconded the motion. VOTE: 4-0

B. Legislation: Review Effect of BETR to BETE Conversions and Enhanced BETE Requirements

Dwayne stated that there are two things relating to the BETR and BETE. The first thing he wants to discuss is the Enhanced BETE. He states that the State of Maine has put in a requirement that all Towns that want to apply for the Enhanced BETE have to do an appraisal on the property of the Enhanced BETE. We would have to ask our companies for their income and revenue statements and profit statements in order to get the Enhanced BETE, which Dwayne does not see companies doing. If we don't supply this information, we will not get our Enhanced BETE. This will require the Town to either hire a third party appraiser to do this, which would be very large dollars or get our Assessor certified. The problem with this is we would still need to do an appraisal three ways. The three ways are the income approach, the fair market value and the replacement cost approach. He stated that we use the replacement cost approach which is the easiest way to do it. Pratt & Whitney has like 6,000 pieces of equipment. For us to go in and look at every single piece of equipment, try to determine the fair market value and then try to determine how much that piece of equipment makes for Pratt & Whitney is just not practical. So if we don't take part in the Enhanced BETE, we lose \$58,000 that we lose in revenue. Dwayne stated that he told Mark Eves that this piece of legislation needs to be changed. Dwayne stated that when the Assessors met with the Department of Revenue and asked them what they needed to do, the Department did not know what to do. They would also be requiring this to be done every year. Selectman Drew stated that in a large company, once you have done it you can use figures from previous year. Dwayne stated that they could not do that because of depreciation and fair market value. issue is with the income approach. If we ask Pratt & Whitney and ask how much one of their pieces of equipment makes, how are they going to tell us that? The other thing is that they are a cost center and not a profit center so technically all of their equipment doesn't make any money. Also, once they release that information to us, it becomes public record and another company could come into our office and ask to see that information. These are trade secrets so Pratt would not release this information to us.

Selectman Cowan asked if this was a proposed piece of legislation but Dwayne stated that it was already law because it was snuck into the Appropriations Bill last year. He stated that there is an unfunded mandate group that is reviewing unfunded mandates at the state level and they have identified this as an arbitrary unfunded mandate.

Dwayne moved on to talk about the BETR to BETE which has a more significant and immediate impact. Last year, the Legislature created a working committee to determine how to transition BETR equipment to BETE equipment. He stated that back when Governor King was in office, he decided that industry should have a break on personal property. He told companies that if they buy a piece of property, for the next 12 years you pay your tax to the town and then the State will reimburse you for the amount of tax that you paid to the town. After 12 years, the town will continue to get their taxes and the company's exemption would go away on that property. This is BETR.

Then came BETE which states that anything purchased after 2007 is completely tax exempt. The State would reimburse the town starting at 100% and making their way down to 50%. If a company buys personal property, right now we get reimbursed only 60% of that lost value where before we used to get 100%. With the BETR we would still get 100% of the taxes and they would get a check from the State to reimburse them.

What the State has decided is to move that BETR into BETE. Over the next four years, they are going to take 25% each year and move the BETR into the BETE. For North Berwick, the BETR number for last year was \$24 million. Next year they would take \$6 million out of what we can collect for taxes and reimburse us 80% of our lost value. This would result in a lost revenue to the Town of about \$15,000. The following year, they will remove 50% of that BETR equipment and reimburse us 70% which would be about \$45,000 of lost revenue. Then the following year they would take 75% of the BETR and reimburse us at 60% and we would lose \$135,000. In year 4, 100% would be taken and reimburse us 50% causing us to lose \$150,000 in lost revenue. This would mean a total of \$350,000 in lost revenue in 4 years and every year thereafter, we would lose \$150,000 in taxable revenue.

Dwayne stated that the industries were never promised more than a 12 year exemption but municipalities were promised that this property would remain on our taxable roles until it was removed permanently.

Chairman Galemmo stated that part of our assessment to the school district is based on property values so will this lower our assessment. Dwayne stated that it would lower our value but the problem is that it takes three years for those values to hit us. Because of them doing it on a four year increment, it would take about 7 years before it affected our assessment. Dwayne stated that the credit from this would not make up for the loss in tax revenue.

Dwayne stated that they have not set a hearing date yet for the BETR & BETE discussions. Dwayne plans on attending.

4. Unfinished Business:

B. Budget FY15: Discussions on Budget Submissions for FY15

Dwayne stated that the Board had asked that the Budget not increase by more than 3%. Right now, with all of the departments, we are at a .43% increase over last year. This includes a 2.5% increase in salaries. This is before he breaks down all the numbers. He believes that it will go down after he drills down a little bit. At this time, he wanted to review the Capital Improvement Plan with the Board. The Transfer station Roll-off Truck has been postponed because the truck is still in good shape so there is no reason to replace that. We are eliminating the Forestry-1 from our fire fleet and it will eventually become a tanker truck for water for our outlying areas. The General Government Computers was moved to Operations. The Road Bond stays because it is the payment we are making on our 10 year road bond. Road Reconstruction and Pavement

maintenance are also included. We always put \$5,000 in escrow for sidewalk maintenance and upkeep. The Photocopier Lease was moved to Operations. We have one last Roll-off Container replacement at the Transfer Station for \$6,500. We actually have \$3,500 of that sitting in a savings account because we were able to sell our old ones for a reasonable amount of money. This is the first year of a three year replacement schedule for our SCBA bottles. We may be able to extend the life of some of our bottles. We are in the process of going through a program to see if this will be allowed. By law, after ten years, the bottles need to be pierced and thrown away. The fire truck lease payment is \$42,000 that needs to be made.

There is some new equipment that they are looking to add into the budget. The first one is to start putting some money away for a Tanker replacement, which is expected to be purchased next year. The Tanker cost is about \$275,000. The idea behind the Tanker is to replace our Forestry-1 with a 3,000 gallon tanker so we have water ability. Dwayne states that this may be a controversial issue because some people will say that since we have mutual aid and our surrounding towns have tankers, we should just continue to utilize these. The Fire Chief has stated that it is better to have the availability of water on the spot when they get to fires. The next thing is the Library parking lot. This \$12,000 is just for the engineering costs. Dwayne wants to know if the Board wants to move forward with this. He said that some items that they could look at in terms of relieving the pressure on the Library is allowing on street parking on Route 4. Another is possibly paving the current parking lot and adding on a smaller addition for staff parking only which would be behind existing parking. Selectman Drew asked if we could push the sidewalks back a little on Route 4 to allow more space for the parking but Dwayne stated that they couldn't do that. Chairman Galemmo feels that this would be a safety concern. Dwayne stated that maybe during the summer months they could allow it because they would not be contending with snow and it is light out for a longer period of time. He would not like to allow it in the winter. Dwayne stated that they can probably get 7-10 spaces but it is really worth spending up to \$50,000 for that. Dwayne stated that his big concern with this project is the storm water.

Selectman Cowan asked why the Library was not willing to do any fundraising for this project. Dwayne stated that they believe that since the Town owns the building than it should be up to the Town to pay for it. They paid for the expansion of the building and feel that the Town should take care of the parking lot. Chairman Galemmo feels that this is a bad time to spend this much money right now. He said that he liked the idea of the staff parking lot and felt that we could do this fairly cheaply. Dwayne stated that they could probably do this themselves fairly cheaply. He would probably just do it with dirt and we would maintain it. Dwayne drew a little map of the Library and where he would add the staff parking. He also stated that they would stripe the parking lot to create more uniformed parking.

The next item is the Great Works Regional Land Trust. The Board had previously recommended to put aside \$20,000 for the purchase of land.

Another item that has come up is the need for an ERV Cradle. The ERV unit which is the air handler unit which is located downstairs, is suspended from the floor. When you are in the office, if you lean against the counter you will feel it shake. When it moves air it shakes our floor. If you go down and look at the tiles on the floor, the tiles are separating and cracking. What needs to be done is to build a cradle for it to separate it from the floor and put it on the cement floor.

Another item that was added is for some chairs for the Community Center. They are over 10 years old and we have lost almost half of them now because of abuse. They are looking to purchase another 100 chairs. Selectman Drew asked if he had checked with Hussey about getting some and Dwayne stated that he did. They gave him a bid of \$5,000 but Dwayne thinks that he can get them cheaper. Another issue with the chairs from Hussey are that they are folding chairs and it harder to store them than the stackable chairs. Dwayne would also like to get some padded chairs.

Another item added to the plan is money for the repair of the benches at the Mill Field. He has found that plastic will not be very cost effective for them to do. He could get cedar in about the \$13,000 range. He thinks that maybe they can do it over time. Chairman Galemme stated that maybe they could replace the worst ones first. The Gazebo also needs repairs. He is hoping that he can get it repaired for \$5,000. He has asked several contractors for a bid to have the decking and steps done in plastic. One concern with plastic is that it may be slippery.

The other item is the Central Fire Station floor needs to be repainted and we are looking at a cost of \$17,500. They will grind the old surface and put on an epoxy paint. It has been about 10 years since it was last painted.

Regarding the rest of the budget sheets, the first 10 pages are history for the Board to review. The requests for this year's budget start on page 24. He put in 2.5% increases in for salaries across the board. He stated that CPI is going to end at 1.4. It is currently at 1.37 right now. The Police Department has some increases. The overall budget is down because there is no cruiser purchase this year, however it is still an increase on the operation end. Public Works is about even with last year. Dispatch is up. Street lights and hydrants are the same. Public Works is actually up a little bit. He hopes that \$100,000 for Winter Public Works will be enough. If we continue the way it is now, it will not be enough. Chairman Galemme asked where we were at right now and Dwayne stated that we are not bad. However, it doesn't look good when you look at other years and where we've been. The Transfer Station is down and this is due to the end of our MERC contract. The Town Office is up a little bit primarily because of health insurance and raises. Our Building Maintenance is down. Our Audit is up a little bit. Dwayne also stated that the auditors will be at the first meeting in February to give the Board a presentation on the audit. Health Officer and Selectmen stayed the same. There is a significant savings in the Code Enforcement area mainly due to the restructuring the code enforcement causing a \$30,000 drop. Tax Assessment is up about 4% because of our Assessing contract with South Berwick. The mapping costs have increased from \$2,500 to \$3,000. The Town Manager office is up 3%

primarily due to insurances and salary but he still needs to meet with the Board regarding salary. General Assistance is the same at \$15,000, however he believes we can drop that number. He stated that we budgeted out of surplus, but from July 1 to December 31st of this year, they spent \$650 in General Assistance. He thinks we will see a rise in this due to the people coming off of unemployment.

Eastern Trail has requested that we go back to become a member. They will not charge us any back dues and reduce the dues from \$5,000 to \$3,500. Selectman Cowan asked what this was all about. Dwayne stated that Eastern Trail is a bike trail that goes from Kittery to Bud Light in South Portland. It runs through 16 municipalities. We had all joined and created the Eastern Trail Management District to build the trail. The trail has been built off of Federal and State funds. North Berwick decided about 6 or 7 years ago to get out of it because we were spending \$5,000 a year and seeing no value. They are now coming our way. They have stated that they will not put the trail through North Berwick if we are not a member community. Dwayne stated that there are some advantages to having bike trails. He also stated that he does not know how they can bypass North Berwick. The Eastern Trail runs along the railroad tracks and that comes through North Berwick. He stated that the money that comes from the towns really doesn't go into the trail. It goes into managing all the projects that they go out and get grants for. The reason they want North Berwick back in the fold is because having 16 towns instead of 15 towns increases their ability to get more grants. Dwayne stated that there was some issues before with expenditures of money back then but that has all been cleared up. They have changed administration and gotten rid of the guy that was the problem. Selectman Cowan said that they should come in and give a presentation to the Board and Dwayne stated that they are more than willing to do so. Dwayne did state that both Eliot and South Berwick had left but have since come back.

Dwayne stated that Cemeteries are up but he feels that this number can be dropped some. Fire is up but most of that is because of Capital. Some operation costs did go up like the Prevention that went up \$500. Rescue has gone up primarily because of their insurance and salaries. Dwayne stated that their overall budget went up significantly and the Rescue side of the budget is actually going up \$64,000. The main reason is because they have now put in a paid position to cover nights and weekends so there is now someone there 24/7. The Rescue Squad is paying the cost but they are asking the Town to pick up a little bit of the cost.

The Library's new number came in at 4% instead of the original 16%. The Parks and Rec pretty came in dead flat. It has increased because of the Mill Field stuff. Community Center is pretty much the same as last year with the exception of the chairs. The "fields" designation is actually the Canoe Park. The Planning Board is down a little bit mostly from Larry's restructuring. ZBA is stagnant at \$4,000. The Historical Society is down a little bit because they are not doing as much work on the church. Grants have some up and some down, but on a whole it is up primarily because of the Great Works Land Trust. Dwayne stated that he will be reviewing these more carefully because he does not feel that some of them should be getting what they have proposed. Red Cross is one of those. He feels that we have had more help from the Salvation

Army than from them. He also stated that when we needed to train our staff for CPR, their fee was \$100 per person. Instead we went got the firefighters to do it and they charged us \$25 per person which was the cost for them to get the cards. Selectman Cowan asked what he would propose and Dwayne said \$2,000. The Town Wide is relatively flat when you look at cost. Selectman Drew asked for the Casino column to be reviewed and Dwayne stated that he could do that. Dwayne stated that he carried it until the money that we raised in history goes away which is still for two more years. He stated that the insurance was going up about 2.5% and the FICA about 5% because of salaries. The Town Office/Building Fund is staying the same. Unanticipated Expenses stays the same and Mill Field Festival stays the same. We lose our Hussey TIF this year.

Dwayne would like the Board to review these so that at the next meeting we can do a much more comprehensive review so we can prepare recommendations to go to the Budget Committee. Dwayne stated that if they would still have Revenue Sharing that we had 2 years ago, we would have brought in our budget under last year's budget and we would bring in a taxation number under last year's taxation number.

6. Other Business:

No other business at this time.

7. Review and Approve Warrants and Correspondence

Warrant: December 24, 2013	- \$	0.00
Warrant: December 31, 2013	- \$	0.00
Warrant: January 7, 2014	- \$	158,945.44

Selectman Cowan motioned to accept the Warrant for January 7, 2014 for the amount of \$158,945.44. Selectman Folsom seconded the motion. VOTE: 4-0

8. Adjournment

Selectman Drew motioned for the Board to go into Executive Session from 9:18 pm until 9:33 pm. Selectman Folsom seconded the motion. VOTE: 4-0

Selectman Folsom motioned to adjourn the meeting at 9:34 pm. Selectman Drew seconded the motion. VOTE: 4-0

Respectively submitted:
Susan Niehoff, Stenographer

Original to Town Clerk

Chairman: Charles Galemmo

Selectman: Paul Danforth

Selectman: Elaine Folsom

Selectman: Gregg Drew

Selectman: Wendy Cowan