

**North Berwick Board of Selectmen's Minutes: February 25, 2014**

**NORTH BERWICK BOARD OF SELECTMEN MINUTES FEBRUARY 25,  
2014**

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

**Also Present:** Dwayne Morin, William Hall

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

**1. Pledge of Allegiance**

**2. Review and Approve Minutes of February 4, 2014**

Dwayne stated that he made a change on Page 5 on the second paragraph. The last sentence should read: "Everything after the Town vote would have to conform to the new provisions." Selectman Cowan stated that on Page 2 under section 2, the last sentence in the first paragraph was incorrect. It should read: "It was listed as Dwayne Moring and should be Dwayne Morin.". Also, under section 3 in the first paragraph, she was questioning the sentence, "We discussed these at length..." She stated that it wasn't clear as to who the "We" was referring to. Susan Niehoff, the stenographer explained that Mr. Landrigan had given her a copy of his statement at the last meeting and she had just copied what he had written. She stated that it was in reference to the Planning Board, Dwayne Morin and himself at the last Planning Board meeting. Selectman Cowan suggested that we change the wording to state that it was Mr. Landrigan saying this. Dwayne Morin stated that he will change it to read: Mr. Landrigan stated "We discussed...".

Selectman Folsom motioned to accept the minutes from the February 4, 2014 meeting as amended. Selectman Cowan seconded the motion.

VOTE: 4-0 Abstain: 1

### **3. Public Input**

There was no public input at this time.

Dwayne Morin stated that he had drafted a letter to David Lentini from the Board of Selectmen thanking him for his service as the Board had asked him to do at the previous meeting. He submitted the letter for the Board to sign.

Chairman Chase stated that they would jump ahead in the Agenda to the Audit.

### **5. New Business:**

#### **A. Audit: Review of FY13 Audit with Auditor**

The Auditor, William Hall was present to discuss the audit with the Selectman. He stated that Pages 1, 2 and 3 are probably the most important pages in the audit. This is where the auditors form their opinion of the information that follows. This audit had the best rating that you can have, which means that there is nothing in the following pages that they need to show a paragraph of which would show any misrepresentation or any fraud. He skipped over the next few pages which are the MDA parts. This stands for Management Discussion & Analysis. He stated that about 10 years ago, GASB, which is the Government Accounting and Standards Board, required all municipalities, schools and non-profits to show their financial statements in a for-profit format. All the MD&A and also Statements A & B show the Town of North Berwick in that format, which means that in prior audits you'd look at Statement C, which shows you what your fund balance is and all your assets and liabilities. However, what GASB said was, "What about your fixed assets?", "What about your long term debt?". They wanted to know why these were not being shown, so they came out with GASB 34 about 10 years ago. This is where all these statements came from that show what the Town of North Berwick's net assets were, including fixed assets, what the total liabilities were including all the long term debt, and it gives a picture of what the total net asset would be if the Town of North Berwick closed.

On Page 15, which is Statement C, it shows your General Fund. It shows the total assets to be \$3.4 million which is made up of cash of \$2.8 million, some investments of \$150,000, the taxes, liens and any other accounts receivable and total liabilities. A big number that most towns and municipalities want to know what the fund balance total is at the end of 6/30/13. Our total fund balance is at \$2.7 million, which includes \$2.4 million is unassigned. There is an assigned fund balance of \$237,000 which will be discussed a little later.

On Page 17, it shows the current year revenues and expenses for FY2013. It shows a total revenue for the General Fund was \$8.8 million. Total expenses was \$8.8 million also. The excess of revenues was \$25,000. There was also \$149,500 transferred out to reserve accounts. He stated that the total net change in fund balance from FY12 to FY13 was \$175,000 in decrease. It went from an almost \$2.9 million to \$2.7 million.

Mr. Hall went on to Pages 19 and 20 which lists the Proprietary Fund or Enterprise Fund which is our PAYT program. At the end of 6/30/13, there was \$92,493 of net assets. Mr. Hall stated that he has seen some PAYT programs in other towns that are barely breaking even, so our program is doing very well. There was a net income of \$8,946 which means it actually grew. He stated that most Proprietary or Enterprise Funds don't carry any cash balance. They usually hold the money in the General Fund because most of the bills get paid in the General Fund. Our General Fund does owe the PAYT program \$79,000. This just means that there is \$79,000 in the General Fund that belongs to the PAYT program.

Mr. Hall then moved on to Page 33 which shows the Capital Assets and a breakdown of what was added and disposed of during FY13. At the beginning of the year, the net capital assets were worth \$8.26 million and at the end of FY13, the net capital assets were worth \$9.1 million. It shows what the current year depreciation was of \$329,000.

The next page goes into the Long Term Debt. There were bonds payable at \$1.5 million at the beginning and it was \$2.8 million at the end of the year. There was a new debt for \$1.355 million which was for a General Obligation Bond for a fire truck. There is a Capital Lease Bond which is at \$6,329. There is also Accrued Compensated Absences at the end of the year for \$66,000. This is for any monies owed an individual for any sick time or personal time that could be paid out to employees.

On Page 36, it shows what the \$237,000, which was listed on Statement C, was assigned to. It breaks it down in Note 7. These are the balances that the Board of Selectmen chose to carry forward from FY13 into FY14.

On Page 40, it shows your Revenues to Expenses. It also incorporates your Budget. He stated that our Revenue came in at under \$8,505 of what was budgeted. He stated that \$527,000 was saved in expenses so the overall savings in FY13 budget was \$518,000. He stated that on Page 42, it shows more of a breakdown of the revenues. He stated that Pages 43, 44 and 45 are more of a breakdown of Schedule 1 expenses.

On Pages 46 and 47, there is a summarized breakdown of all our non-major funds which include Capital Project funds and Permanent Funds. Permanent Funds would be anything that has to do with a Trust or scholarship. Capital Projects would be anything that is done for reserves for capital maintenance or a capital project or bond that was received. The pages following 46 and 47 is an actual breakdown of every single project or permanent fund that the Town has. On Pages 52 and 53, it breaks down the balance sheet, revenues and expenses for all our non-major permanent funds such as cemetery fund, heating fund, etc. All of these funds are tied in to either Trust funds or endowments where you can spend the money but it is reserved for a certain purpose. This is why it is classified as a permanent fund. Almost every permanent fund is either restrictive or non-spendable depending on what the will says or what the intent of the money is.

Mr. Hall stated that for the past seven years, he has been in one way or another the field auditor for the Town of North Berwick. He has worked very closely with Dwayne to make sure that TRIO is working the right way. He stated that Dwayne does a fine job here and the financial statements and field work are usually pretty straightforward. He stated that it usually takes only

about three days for him to do his field work. He stated that within the next week or so, Dwayne would be receiving a management letter that would state what needs to be corrected or changed. Mr. Hall does not see there be anything significant on it other than maybe some missing receipts. He stated that he enjoys working with Dwayne and the ladies in the office and that the Town of North Berwick is doing well.

Dwayne stated that this year was the end of our three-year contract with RHR Smith. They have submitted a new proposal for the next three years. The last three years were locked in at \$7,000 a year for the audit. The new proposal for the next three years is \$7,500 per year. Dwayne stated that this is still lower than what some of the other towns are paying. He said that they don't do our bookkeeping, just our auditing so the Town has been able to keep their costs down. Dwayne recommends that they enter into the contract with RHR Smith for the next three years. Selectman Danforth motioned to accept the three year contract with RHR Smith for \$7,500 per year. Selectman Cowan seconded the motion. VOTE: 5-0

#### **4. Unfinished Business:**

##### **A. Canoe Launch: Update on Progress**

Dwayne stated that as of yesterday, they have a signed deal. All the paperwork will be here next Tuesday night for the Board to sign. They have agreed to everything that we had requested. The only thing they are asking for is an indemnification for coal ash, asbestos and lead paint. Dwayne stated that there is no asbestos or lead paint on the property so they have no problem granting that indemnity. Regarding the coal ash, we have made the requirement that they are not allowed to dig deeper than 12 inches. If they dig deeper than 12 inches, the indemnity goes away. Selectman Drew asked if there was going to be some sort of presentation. Dwayne stated that there would not be any presentation. They were going to do everything via mail. They will send over the paperwork for the Selectmen to sign, which will include the land swap agreement, all the deeds that our Town Attorney has created. They will then sign their deeds. All paperwork will then be sent to a neutral third party, which is the title company that we have hired. They will hold all those deeds until they come in, create the escrows and send the deeds out.

##### **B. Budget FY15: Review Budget for FY15**

Dwayne stated that they are continuing to go through the budget. They had one snow day last week which has thrown the schedule off. He stated that he had one day that he was going to talk only about impact fee budget so the next meeting they will do impact fee budget as well as fire and public works. He stated that they will continue with the same schedule and just keep moving it along that way. He said that it works out well because it gives him a chance to see better where they are with winter highway. He stated that as of yesterday, we had spent about 40% of the budget but he said that he still has a lot of bills that haven't been paid yet. It will probably bring it up to about 60% of the budget being spent. Selectman Cowan asked Dwayne what he thought about the new technique of brining. Dwayne stated that it works but it is very expensive. He stated that it is not the brine that is expensive but the outfitting of all the trucks with sprayers. It would be a capital expense of about \$25-\$50,000 per truck. There are five trucks so it would

be about \$250,000. He doesn't believe that it saves a lot of money. He said that there is a potential environmental savings because you are not putting so much salt out. He did say that the brine is a heavier and stickier salt and there have been reports that it is more corrosive on the vehicles. He stated that he feels that it will be mandated in a few years and it will be an environmental thing. He stated some towns are now using brewer's ale mixtures. He said that there are a couple of towns in Maine and also in a lot of areas around the country that manufacture beer.

Dwayne stated that he would like the Selectmen to attend the Budget Committee next Monday, March 3, 2014 if possible. Representatives from Eastern Trail will be there to talk about it. The Selectmen had not made a decision regarding this and they were leaving it up to the discretion of the Budget Committee. Dwayne stated that he is still waiting for confirmation from Eastern Trail to see if they will definitely be there. He will let the Board know if they are coming.

Dwayne stated that he has included in the packet a letter from Greenwood which talks about our tanker truck. He stated that as they start looking for the purchase of a tanker truck, there is some opportunity for us to save some money. He said that the price of the truck this year is \$275,000 and they anticipate that by next year, it will go up between 3-5% which would mean another \$13,000 added on to the cost of the truck. Because we have bought trucks from them before, they will give us a one-time \$10,000 reduction off the cost of the truck and if we pay up front they will give an additional \$5,000 off. He said that if we wait until next year, the price of the truck will go up to \$288,000. If we buy it this year, we can get it for \$260,000. They have given us some options in terms of their financing. He stated that he has not seen their financing plans yet but the last time they looked at them the finance charges were too high so he does not feel that it would be a good idea to finance with them. Their other option is that if we want to pay in cash, they would lock us in at this year's price and only deliver it in 2015 and we would make payment in 2015, but we would have to get permission from E-One to see if this is something that they want to do. Dwayne did not know if the Board wanted him to pursue this. Selectman Folsom asked if we would have to add this as a Warrant and Dwayne said it would not need to be added. He stated that the problem might be that we lock in to it and at next year's Town meeting, the purchase of the tanker does not get voted in, then we are in a pickle. Chairman Galemme asked if it was possible to add it on to this year with it not impacting the budget until the following year. Dwayne stated that they could add an Article allowing us to purchase it this year but not pay for it until the following year. Selectman Danforth stated that they are buying a lot of trucks and Dwayne stated that they are looking at about 3 more in the next 5 years. Chairman Galemme stated that if we could get them to lock in, that would probably be best. Selectman Cowan asked how old the truck was that we were getting rid of and Dwayne said that they replace the trucks when they reach 25 years old. He said that the problem is that they bought a lot of trucks around 25 years ago one right after another instead of staggering it out more. Dwayne stated that he needs to know what it means with E-One for a delayed delivery. Chairman Galemme stated that he did not think it was a bad idea for Dwayne to pursue it. Selectman Cowan asked if this was the only quote that we had and Dwayne stated that it was. This is the truck that the Fire Department wanted. He said that Eliot just purchased this truck so our department knows what it's like. He said that our department has also seen what South Berwick and Berwick bought and they did not want to go with those trucks because they are so much more expensive. Dwayne stated that he feels that this is a good price even though it is still

high. Selectman Cowan asked Dwayne if he felt the need to get additional quotes on this and Dwayne stated that he is torn. He is not sure if they can get a better price. Selectman Cowan said she is a little leery about just having one quote and Dwayne said he feels the same way. Selectman Danforth stated that they usually get more than one quote. Dwayne said that if they go out to bid, this company may come in even lower.

**C. Legislation:** Update on Maine Legislation

Dwayne stated that they did pass Revenue Sharing. The Governor did not veto it, however he did freeze bonds. Originally the Governor signed off on the bonds, so the Treasurer has already spent \$35 million. The Treasurer was in front of the Appropriations Committee yesterday and stated that she did not know what she was going to do. She stated that the way they are situated right now, the State will be bouncing checks all over this world because they have spent all of their cash. The bonds were going to replenish the cash that they already spent because they had received approval from the Governor to do so. Dwayne stated that the State of Maine will be bouncing checks and this will affect the Bond rating.

**D. Planning Board:** Discussion on Proposed Zoning Amendments

Dwayne stated that the Planning Board had reviewed the six questions. He stated that the last time we met, they had not acted on Question #1 but they now have done so. They still continue to not support the internally lit signs or the access management proposal. These are all going to the voters and they will decide what gets approved.

**Reminders: Next Board of Selectmen's Meeting** – March 4, 2014 – 6:30pm Municipal Building

**Budget Committee** – March 3, 2014 – 6:30pm Municipal Building

**New Business:**

**B. Town Report:** Bid Review

Dwayne stated that he included a quote from Lincoln Press for the cost of the Town Report in their packet. The quote is \$4,695.00. Selectman Drew asked if this is who we usually use and Dwayne stated that it was and this was the same cost as last year.

Selectmen Drew motioned to go with Lincoln Press for the publication of the Town Report in the amount of \$4,695. Selectman Cowan seconded the motion. VOTE: 5-0

**C. Parks and Rec:** New Commission Member

Dwayne stated that there have been two ladies that have been attending the Parks and Rec Commission meetings for the past three months to decide if they want to join the Commission or not. One of them has submitted her application and the other one will be submitting hers but has not done so yet. Jennifer St. Pierre has applied for the position. Selectman Folsom suggested

that she come in to meet the Board. Dwayne stated that he would try to have her come in at the next meeting.

Dwayne stated that he included a letter from Governor LePage in the packets. The Governor has written a letter to our citizens and he would like us to publish it in our Town Report. Dwayne recommends that we do not publish it.

Selectman Cowan motioned that they do not accept the letter from Governor LePage. Selectman Folsom seconded the motion. VOTE: 5-0

## **6. Other Business – Executive Session – Poverty Abatement**

Selectman Drew asked the Board if he could tap the trees for syrup on Canal Street like he has done for the past couple of years. The Board had no problem with this.

Selectman Cowan asked Dwayne what was happening on Lower Main Street. Selectman Drew stated that they are harvesting the trees. Selectman Cowan stated that it looked like they were clear cutting. Dwayne stated that there has been a significant amount of harvesting going on in Town. He said that with the cold winter we have had, loggers have been able to go to areas that they usually cannot get to at this time of year. Selectman Cowan asked what it was being harvested for and Dwayne said that it is for lumber and not for development.

Dwayne stated that they started on the police computer project. They have had some issues. They received the computers from Dell today. When they went to set them up, every computer was wrong. They sent all of the PC's without any DVD burners. They sent the two laptops without any wireless cards. He called Dell and they are going to send eight DVD players and we will be returning the laptops. Selectman Cowan stated that they should give us some sort of rebate and Dwayne stated that they are giving them the DVD players. Dwayne stated that they do have to buy another computer for the front office but they have the money in the budget to do this.

Dwayne stated that the firewall for the Police Department died on Monday and the cost is \$1,000. They can't get the firewall until the end of March. He is working with another company to see if we can get it sooner but it will probably cost an extra \$200.

Dwayne stated that the other thing that they have been having some issues with is the internet. He stated they only have one modem that serves the entire building. More of the things that the office does now is internet based and they crash the internet about seven times a week. It is also very slow. They currently pay \$49 per month for the internet service. They need to change the service and it will now cost \$160 per month. They adjusted the Police budget yesterday at the Budget Committee to accommodate for this.

## **7. Review and Approve Warrants and Correspondence:**

Warrant: February 18, 2014	- \$ 483,146.29
Warrant: February 25, 2014	- \$ 5,030.34

Selectman Folsom motioned to accept the Warrant for February 18, 2014 for the amount of \$483,146.29 and the Warrant for February 25, 2014 for the amount of \$5,030.34. Selectman Cowan seconded the motion. VOTE: 5-0

**8. Adjournment:**

Selectman Cowan motioned to go into Executive Session at 7:46 pm and come out at 8:01 pm. Selectman Folsom seconded the motion. VOTE: 5-0

Selectman Danforth motioned to grant poverty abatement 2014-1 for \$585.00. Selectman Cowan seconded the motion. VOTE: 5-0

Selectman Folsom motioned to adjourn the meeting at 8:04 pm. Selectman Drew seconded the motion. VOTE: 5-0

Respectively submitted:  
Susan Niehoff, Stenographer

Original to Town Clerk

Chairman: Charles Galemmo

Selectman: Paul Danforth

Selectman: Elaine Folsom

Selectman: Gregg Drew

Selectman: Wendy Cowan