

North Berwick Board of Selectmen's Minutes: March 4, 2014

NORTH BERWICK BOARD OF SELECTMEN MINUTES MARCH 4, 2014

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

Also Present: Dwayne Morin, Rick Stambaugh

1. Pledge of Allegiance

2. Review and Approve Minutes of March 4, 2014

Selectman Folsom motioned to accept the minutes of March 4, 2014 as written. Selectman Cowan seconded the motion. VOTE: 4-0

3. Public Input

There was no public input at this time.

Chairman Galemmo stated that we will wait for Selectman Danforth to get here before moving on to Mr. Stambaugh's presentation.

4. Unfinished Business:

A. Canoe Launch: Update on Progress

Dwayne stated that they are still waiting for all the paperwork for the canoe launch so there is nothing for the Board to sign tonight. He stated that it is held up in Connecticut. They are waiting for their General Counsel to return from China. Dwayne said that they have gone ahead and contacted a dock company to start the process of designing a dock for that area. He stated that with the change of elevations from 4-6 feet depending on the level of the water, they are going to design a gangplank type of walkway down to a floating dock. He said they want it so they can remove it. It will probably be an aluminum one and they will see about having some

sort of lift to help take it out of the water. Selectman Drew suggested that they wait until the snow is all melted in that area to take a look at it. Dwayne stated that they also need to figure out how they will anchor it to the bank. He stated that they plan on having a 6 foot meandering trail from the parking lot to the dock area. They will cut it 8 to 10 foot wide to get the trucks down there to put down some stone dust. He stated that they will try not to cut down too many trees.

D. Legislation: Update on Maine Legislation

Dwayne stated that he included in the Selectmen's packet, a copy of the Legislative Bulletin. He said that there were three things that they were concerned with and two of those things have been resolved. The Revenue Sharing did become law so we know what we will be getting for Revenue Sharing next year. Another major concern that they had was the ability to perform appraisals on personal property for our enhanced BETE. Dwayne stated that after a lot of discussions with the Appropriations Committee, they decided that it would be a huge undertaking for towns to take care of this. The question still is whether the Governor will veto this, but Dwayne feels that there will be enough support to make it veto proof by the time it gets to his office. They did keep the appraisal reporting requirement in place for sudden severe so if you have a sudden severe situation you will have to do an appraisal. Dwayne stated that the last thing that they are worried about is the conversion of BETR to BETE. He said that this still has not gone to the Legislature yet.

Selectman Danforth arrived for the meeting.

5. New Business:

A. Mr. Stambaugh: Presentation on School Funding

Mr. Stambaugh stepped forward and set up an easel to use for his discussion. He stated that he was there to talk about the need to encourage new homes with young families. He said the reason he is doing this is because a year ago, at one of these meetings, Dwayne brought up a statistic. He stated that Dwayne had mentioned that each student cost \$6500 per year for North Berwick. Mr. Stambaugh stated that since then, on at least three occasions, Town officials have said that a home with two bedrooms will cost the town money. These officials were Dwayne, Selectman Folsom and Larry Huntley, the Code Enforcement Officer. Mr. Stambaugh would like to show the Board the financial advantages of bringing in new homes. Mr. Stambaugh stated that the figures he was using were from 2011 because he did this analysis a year ago and because the Maine education website has changed so much that he couldn't find the numbers anymore. He stated that the \$6,500 comes from what we pay as an appropriation of \$3.8 million divided by our number of students, which in 2011 was 647 and that will give you \$6,000 per year per student. This is what we pay the school per year per student. Mr. Stambaugh stated that it does not cost \$6,000 when a new student comes into town. He said that our appropriation is based on 50% of the population of the students and 50% on our town valuation. He used numbers from the State's site. He stated that we had 689.5 students and SAD 60 had 3,050.5. He used these figures to come up with a percentage of 22.603. If we add a student for the next year and nothing else changes, our number of students would be 690.5 divided by 3,051.5 which would give us a percentage of 22.628. He went on to state that the difference between the two

percentages was .025 percent. The appropriation is \$3.8 million and one half of it is due to student population. By adding a student, we will pay \$483.

The next part is the valuation. If we add a \$200,000 home and calculate it the exact same way except we use different numbers. You would start with \$598 million divided by the \$1.68 billion and the initial valuation percent is 35.646. You then add the \$200,000 into the figures and get a new percent of 35.653. The difference is now .007 percent which when you multiply by \$3.8 million times one half you get \$135. He stated that the Town pays for adding a student is the \$483 plus the \$135 which is a total of \$618. He then went on to figure out how much revenue is received from the addition of this home. You take \$200,000 and multiply by \$ 10.85 per thousand, which is the rate we were using back then, you will get \$2,170. He stated that it will cost us \$618 but we will receive in revenue \$2,170 for a net of \$1,552. This amount can be used on roads, administration, safety or whatever it is needed for. He stated that if you do the calculation with the statistics that Dwayne gave, you are still going to come up with \$6,000 per year per student, because you have added one to these numbers and it makes no difference. He stated that his point is that it doesn't cost \$6,500 per student.

He now wanted to reinforce this, at least in respect to the school funding. He said that these numbers were based on if nothing ever changes, but we know this doesn't happen in the real world. He knows that things are going to change. He knows that the SAD 60 funding is going to continue to increase. He stated that it doesn't matter if the funding goes up or down, the SAD 60 budget goes up. He went on to show the Board a graph regarding the school budgets for the past four years which shows the budget going up while the number of students is going down. He said there is zero correlation between the number of students and SAD 60's budget. He stated that one year the number of students went up by 100 but the cost of SAD 60 went down half a million dollars. He stated that the trend has been a slowly decreasing population but a drastically increasing school budget.

He stated that he wanted to give the Board two takeaways from his presentation. One is that new homes are a financial benefit and we need new residents with young children to move to our town. The second thing is that we all have to work together to help SAD 60 control their budget.

Selectman Cowan asked Mr. Stambaugh if he had made this presentation to the School Board and he stated that he had not done so. She encouraged him to do so and to also get information from them on how they are justifying the figures for their budgets. Mr. Stambaugh stated that last year it was \$3.5 million dollars on Information Technology. Selectman Drew said that the Board does not disagree with him about these issues. Selectman Drew stated that the year that the budget went down on Mr. Stambaugh's graph is probably the year that they got federal and state funding.

Chairman Galemme asked, "Wouldn't the .025 and the .007 be times the entire budget and not just our share?". Mr. Stambaugh answered that it was because everything that we do is totally influenced by the whole SAD 60 and not just North Berwick's share. As our part goes up the other two go down when there are no changes. Chairman Galemme stated that if you are doing it on the total valuation then don't you have to do it on the total SAD 60 budget. Mr. Stambaugh stated that he did it on the \$3.8 million because this is the effect on us.

Mr. Stambaugh stated that he does plan on working with the School Board. The reason that he came here is that he worries about statements made about any two bedroom homes will cost us money. He stated that it influences the Board's decisions on costs and he wants them to be aware that it does not cost more money.

Dwayne Morin stated that he has never said that a home with two bedrooms influences costs as inferred by Mr. Stambaugh in his opening statement. He wanted this to be on the record. Selectman Folsom also stated that she had never made such a statement. Selectman Danforth stated that the fact is that they still need to come up with the \$3.8 million dollars and every time that we add a student it should cost more. Selectman Danforth stated that if it is \$3.8 million for that amount of students there is still a large cost that the town needs to pay the school. He stated that you cannot get around that. Mr. Stambaugh stated that the problem is because the school is such a big entity there is a huge amount of money involved in running it and that is what is driving the cost, not the number of students. His point to the Board is to not worry about getting new homes with new students. Selectman Drew stated that they do not worry about this and Mr. Stambaugh said that this is true because of the moratorium. Selectman Drew stated that they have the moratorium for a reason and Dwayne stated that it had little to do with the school funding formula. It was to make sure that our resources are not outstripped by our costs. Selectman Drew stated that it is the municipality itself that the Board is concerned with. If there are more people, it means more fire, more rescue and more police.

Chairman Galemmo stated that he believes that the way he is calculating it is incorrect. The amount that the towns need to come up with this year for the budget is about \$13 million. If you divide that by 3,000 students, for every student the town has, it has to come up with \$4,333.00. If you take \$13 million and divide it by 3,001 you need to come up with \$1.89 more per student. If you take \$1.89 and multiply by number of students which is about 650 totals \$1228 which is just for the student cost and then you need to add on for the valuation portion. Chairman Galemmo stated that Mr. Stambaugh was just multiplying it by our share of the budget and not by the whole budget. Selectman Cowan stated that if you are looking at the impact on town only, the other thing to look at is not only from the school prospective but in terms of fire, police, etc. Mr. Stambaugh stated that this would be true, however, the statistic was \$6500 per year per student. He states that this has been used by people by saying that when we get a new home with a bedroom with students, it costs us money. He states that this is not the case. Selectman Drew stated that it does cost us something. Mr. Stambaugh agreed that it does cost us something but this number has been used by Selectman Folsom, Dwayne and the Code Enforcement Officer. He states that when Dwayne says he did not use those words, he is correct. He states that what caused him to call Dwayne in January were the minutes of the Planning Board meeting where he was quoted as saying that building a new house with students would cost us money. Selectman Drew stated that this is correct. Mr. Stambaugh stated that the context that this is being used as is that we lose money. He stated that whether you use his method or Chairman Galemmo's method, the Town still comes out ahead versus the school. Chairman Galemmo stated that we did not. He stated that the average tax bill in our community is about \$2,000. Dwayne stated that it is \$2,750. Selectman Cowan asked Mr. Stambaugh what his contention was. Is it to dispute what he feels are some inaccurate statements or does he see some other purpose? Mr. Stambaugh stated that what he wants to instill is that building a new home in this town does not

make us lose money. Chairman Galemmo stated that he does not believe that they have ever passed any policies that would stop the building of new homes. Mr. Stambaugh stated that he is afraid of misunderstanding the effects of new homes with students would influence future decisions. He felt that since he has heard it three times now he felt he needed to bring it to the Board's attention.

Selectman Cowan stated that she appreciated the time that he put in and his coming forth to present this concern to the Board. She did say however, that she has not seen the Board make the statement or reiterate here that they are against growth in our town. She stated that there are actually a lot of building permits that have not been issued.

Selectman Drew stated that for thirteen years he has been on the Board of Selectmen and he has watched the growth of this town and of SAD 60. He said that one year they only raised the number of students by six and by thirteen the following year. It has been a history in North Berwick for the past 27 years that we do not add 400 or 500 students. He is concerned about the comment being made that puts the Board in a position that they are saying when somebody moves into this Town with children, it costs the Town money. Mr. Stambaugh stated that he did not know where Selectman Drew was coming from. The point that he was trying to make is that a new home with students does not make the Town lose money for education costs. Selectman Drew stated that we don't lose it but we still have to pay to educate them. Mr. Stambaugh stated that we pay less than what the Town receives in the revenue.

Chairman Galemmo stated that the Town does have a lot of ordinances that prevent some growth and he believes that the Town wants that. He also stated that he is sure that it is against the law to state that no families with children are allowed. Mr. Stambaugh stated that he is not accusing the Board of ever doing anything that would prevent families with children to move into Town. He is just concerned with the misunderstanding of a statistic can mislead you in a future decision so he was trying to correct that.

Selectman Danforth asked Mr. Stambaugh what the \$618 means. Mr. Stambaugh stated that this is what our appropriation would go up by adding one student from a new house worth \$200,000. Selectman Danforth asked if this was the cost per student. Mr. Stambaugh stated that the cost per student is still the \$6,000 but adding a student is a different thing. Chairman Galemmo stated that he thinks he needs to recalculate it with the appropriations from all towns because it is divided up from there.

4. Unfinished Business:

B. Budget FY15: Review Budget for FY15

Dwayne has included in the packet the up to date, as of last night, report of where they are at with the budget. Starting on Page 10 is the Warrant. Dwayne stated that the Board needs to decide on the placement of the Warrant tonight because he needs to go to the printer for the Town Report. Dwayne stated that the Budget Committee recommendations are falling in line with what the Board of Selectmen had recommended. He said that there have been some minor changes that will not have any significant impact on the total budget. He said that on Page 11

and 12, it gives a listing of the recommendations. He stated that they have not done Fire, Public Works and the Impact Fee budget yet. They are still running at about what they first started the budget process at, which is .7 percent lower than last year.

Dwayne stated that we never received a request from the American Legion. He received an email on Monday, a visit yesterday and a visit today requesting funding for the Legion for \$2,500. Selectman Cowan asked what the deadline was for them to submit their request and Dwayne said that it was December 31, 2013. Dwayne stated that anything after this deadline date needs to be approved by the Board of Selectmen. He stated that the Budget Committee did table this request last night until the Board made a decision on it.

Selectman Folsom motioned to add the \$2500 request from the American Lesion to the Budget. Selectman Cowan seconded the motion. VOTE: 5-0

Dwayne stated that representatives for Eastern Trail were at last night's Budget Committee meeting to make their presentation. In the end, the Budget Committee recommended unanimously to not fund the Eastern Trail. Dwayne stated that there has been a change in how they are doing things now and this was a concern for him. He stated that he does think that Eastern Trail is a great idea. His concern is how to fund it. He originally thought that Eastern Trail was going to be the funding source to get the trail built. That has now changed. They want the towns to obtain the funding and build the trails. They would be a partner in it but they want the leads to be the towns. They stated that it is \$500,000 to build a mile of trail and North Berwick is 3.3 miles. Part of this is on road so there is nothing to develop there and Wells is bring it up to Pratt & Whitney so that part of North Berwick would be taken care of by them. So if there is about 2 miles of trails to build in North Berwick and we have to come up with 20% of this cost, we would need \$200,000. The people from Eastern Trail stated that they could use the Town's public works and engineering. Dwayne stated that we do not have our own engineering and our public works build our roads during the summer so we could not use them for this project. Dwayne told them that our Road budget for this year is going to be \$225,000 and they were asking him to dedicate one year's worth of roads to build a trail. Dwayne said that they are threatening to bypass North Berwick if we don't participate. Dwayne said that the State has deemed this trail to be of State significance and the Federal government has deemed the trail of national significance, so the funds should be coming from these sources. Selectman Cowan asked if the State or Federal government were contributing anything to it. Dwayne replied that it would need to be through grants and that portion of grant funding is starting to dry up. Dwayne told people at the Budget meeting last night that if the townspeople want it, than that is fine. However, it means that something else in the budget needs to be eliminated or taxes go up.

Dwayne wanted to talk about the Warrant structure. He states that it is basically the same as what it has been. Dwayne stated that we can change the printed Town Report from what is posted online, but if we can keep it similar, it eliminates a lot of questions at Town Meeting. Selectman Folsom motioned to accept the Warrant as written. Selectman Cowan seconded the motion. VOTE: 5-0

C. Town Meeting: Appoint Ballot Clerks and Sign Referendum Questions

Dwayne stated that they are proposing 4 ballot clerks for this year. They are Lorinda Hilton, Sharon Litvinchyk, Cynthia Matthews and Susan Caler for the Town Meeting.

Selectman Drew motioned to accept Lorinda Hilton, Sharon Litvinchyk, Cynthia Matthews and Susan Caler as the Ballot Clerks for the 2014 Town Meeting. Selectman Cowan seconded the motion. VOTE: 5-0

Dwayne stated that they also need to sign the cover sheets for the posting of the referendum questions. These were voted on at the last meeting so all is needed for tonight is the signature.

E. GWRLT: Review and Sign Letter of Support to LFMF – Parker Hilton Project

Dwayne stated that Great Works Regional Land Trust is in the process of applying for the Land for Maine's Future Grant and they would like the Board to send a letter of support. Dwayne read the letter into the minutes:

To Whom It May Concern:

The Town of North Berwick supports the efforts of the Great Works Regional Land Trust to conserve farmland. Our citizens have repeatedly voted at town meeting to help fund such efforts, and are likely to do so again this spring, in support of the Parker and Hilton farmland conservation easements.

North Berwick's Comprehensive Plan is consistent with the state's Growth Management Act and pursuant to that plan, the town's stated policy is to **"protect open space, prime agricultural soils and forested lands from development by zoning, protective ordinances and proactive measures such as purchase of conservation easements."**

The town also has a very vibrant farmers market, which relies on local production of food. As more and more farms in Southern Maine are converted out of agricultural use, our region sustains an irreplaceable economic loss. It is the Town's stated goals to:

- 1. Recognize the historical, economic, and cultural importance of our agriculture, forestry and related businesses. The natural character and rural setting of the community continues to be the reason most people live here, and is what draws more people to it, and;**
- 2. Protect agricultural land and forests from the threat of residential sprawl. Support organic farming, low-impact forestry, and other rural-related businesses that both enhance and protect the natural character and rural setting of our town.**

The Town of North Berwick and the GWR Land Trust have worked well together to conserve the rural and scenic character of North Berwick through the purchase of several land parcels as well as several conservation and farmland easements throughout the town. State funding through

the Land for Maine's Future program would assist in the furthering this cause by providing funding for the Parker and Hilton farmland conservation easement project.

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

Budget Committee – March 10, 2014 – 6:30 pm Municipal Building

5. New Business:

Dwayne stated that he did include in their packet a copy of what the State of Maine's per pupil costs are. These forms were found on the State of Maine website, the Maine Department of Education website and from the Superintendent's office. It states that North Berwick's cost per student is \$6,884.02 for the current year.

Dwayne stated that his comment at the Planning Board meeting was that a house that has a student in it does not generate as much taxes as the services that they demand. Mr. Stambaugh had accused him of being against housing. Dwayne informed him that he was not because that is what makes our community. He stated that you need a balance between housing and the commercial development.

B. Road Posting: Request from Hawkeye to Bond Knight's Pond Road

Dwayne stated that they will be posting the roads soon but there was one concern. Hawkeye, the company that is doing the CMP power lines, will have no access to get to their power lines. They have proposed to allow them to use Knight's Pond Road. He stated that they came to him two months ago and asked if they could bond the road. A lot of towns, when they post roads, will allow a company to bond the road. He stated that they did this once and it didn't work. The reason it didn't work is because the bond company is the one that makes the decision if they are going to release the bond or not. The bond company will say to prove that it was their trucks that destroyed the road. Dwayne stated that he told Hawkeye that they will not bond the roads because it is too hard to collect on the bond. Hawkeye is willing to put up cash for the road which we will hold. Any damages to the road would be drawn off the cash that was given to us. They are willing to put up \$10,000 cash for any repairs that may be needed. This is for 600 feet of road. Selectman Cowan asked if this was a feasible amount to fix the damages. Selectman Folsom asked how much to fix the damages. Dwayne said it would probably be about \$25,000. Chairman Galemme asked why we don't ask for the \$25,000 and Dwayne said that it is because we have already stated that we are fixing this road in the spring. Chairman Galemme asked what the chances are of us keeping the money. Dwayne stated that we would make an agreement that any damages that are done to the road, regardless of who does the damage is their responsibility. We would go and videotape the road and once they are done, we would videotape it again and decide what the damages would be. Chairman Galemme asked if we can tell them that they cannot use the road. Dwayne stated that we could but it would shut down their construction.

Selectman Drew motioned to accept \$10,000 cash bond from Hawkeye to cover the potential damage to the posted road on Knight's Pond Road. Selectman Cowan seconded the motion.
VOTE: 5-0

C. Foreclosures FY12: Review Foreclosure List

Dwayne stated that he has included in the packet on Page 49, a listing of the foreclosures. The first property for Raymond Cahoon will not actually foreclose because he is in bankruptcy. Bankruptcy laws state that you cannot foreclose on the primary house if you are under trustee's control. They are actually paying the taxes and by next year they will probably be caught up.

The Charles and Linda Tripp property has an asterisk next to it because there was a problem with our notification. We had not notified the mortgage holder. We notified them on February 18th so they have until March 18th before they foreclose. This is not property. It is a doublewide on a leased piece of land. The last one is the Barbara Day property. Dwayne met with Mr. Day. This piece of property went into foreclosure last year and the Board gave him until a certain date to pay it and he didn't do it. He came to see Dwayne today and said that he would like to buy it out of foreclosure. He said that he can come up with a partial payment by the end of next week and have it all paid off by the middle of summer. He owes \$1,115 and every day that adds \$.10. He had three properties and he did redeem two of them. He didn't have enough money to redeem this one. Dwayne recommends that the Board set an amount to be paid by a certain date. Mr. Day stated that he could pay \$500 by the end of next week and the rest of it paid by the end of August.

Selectman Drew motioned that Mr. Day pay \$500 by March 31, 2014 and the remaining balance paid by August 31, 2014. Selectman Cowan seconded the motion. VOTE: 5-0

D. Parks and Recreation: Membership Application for Commission

Dwayne stated that he now had two applications for membership to the Parks and Recreation Board. The applicants are Jennifer St. Pierre and Laurienne Missud Martin. Dwayne recommends that the Board have them both come in to meet with them at the next meeting.

E. Commitment FY15: Review/Sign Ratio Declaration and Reimbursement Application

Dwayne stated that the Board also needs to sign a Ratio Declaration. This is a commitment for next year for reimbursement. We need to declare a ratio and we declare it at 100%. This allows up to get our Homestead Reimbursement from the State. Dwayne recommends that we accept this declaration from Craig.

Selectman Cowan motioned to accept Craig Skelton's declaration of 100%. Selectman Folsom seconded the motion. VOTE: 5-0

6. Other Business – Executive Session – Poverty Abatement

Dwayne stated that the Twelve Town Group of Central and Western York County were having a meet and greet with gubernatorial candidate Mike Michaud and they are inviting all the York County towns to attend. This will be on Wednesday, March 19, 2014 at 6:30 pm at Massabesic High School Auditorium.

Dwayne stated that on March 6th, the person that damaged the skateboard ramps is having their first meeting where they will talk about the charges against him. We are seeking restitution for the damaged equipment as well as restitution for our fire department's time.

7. Review and Approve Warrants and Correspondence

Warrant: February 26, 2014	- \$ 5,030.34
Warrant: March 4, 2014	- \$ 47,422.52

Selectman Cowan motioned to accept the Warrant for February 26, 2014 for the amount of \$5,030.34 and the Warrant for March 4, 2014 for the amount of \$47,422.52. Selectman Folsom seconded the motion. VOTE: 5-0

Selectman Folsom asked Dwayne if there was any news on Hannaford and Dwayne stated that they are still waiting on a permit. Selectman Drew asked if Dollar General had submitted their proposal. Dwayne stated that they had a Public Hearing at the last Planning Board meeting and they are continuing it at the next Planning Board meeting. Dwayne stated that it is a 10,000 square foot building. The narrow end of the building will face the street and the longer end will run along. They did come in with a peaked roof. Dwayne stated that the Planning Board did have concerns regarding the design of their building. Dwayne showed the Board the site plan.

Selectman Drew motioned to go into Executive Session at 8:06 pm. Selectman Folsom seconded the motion. VOTE: 5-0

The Board came out of Executive session at 8:15 pm.

Selectman Cowan motioned to adjust the property abatement in the amount of \$18.19 for Abatement 2014-2. Selectman Folsom seconded the motion. VOTE: 5-0

8. Adjournment

Selectman Drew motioned to adjourn the meeting at 8:19 pm. Selectman Folsom 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