

North Berwick Board of Selectmen Minutes March 2, 2021

NORTH BERWICK BOARD OF SELECTMEN MINUTES MARCH 2, 2021

Present: Chairman Cowan, Selectman Galemmo, Selectman Johnson, Jr., Selectman Hall, Selectman Johnson, Sr.

Also Present: Dwayne Morin, William Hall

Chairman Cowan called the meeting to order at 6:33 pm.

1. Pledge of Allegiance

2. Review and Approve Minutes of February 16, 2021

Chairman Cowan recommend that we make a correction on page 3, under section E Verizon. The first line in the first paragraph in that section currently reads, "Dwayne stated that they want battery packs for battery backup.". It should read, "Dwayne stated that Verizon wants battery packs for battery backup.". Also, the 4th sentence in the same paragraph currently reads, "...the structural steel.". It should read, "...the structural steel on the 3rd floor."

Selectman Galemmo motioned to approve the minutes of February 16, 2021 as amended. Selectman Johnson, Sr. seconded the motion. VOTE: 5-0

3. Public Input

There was no public input at this time.

5. New Business:

A. Audit: Review FY2019 with Auditors

William Hall from RHR Smith & Company stepped forward to discuss the audit. He stated that the FY20 June audit was a very difficult one due to COVID. His firm changed their practice to include less travel and less on-site. He had to communicate with Dwayne a lot through email and phone calls to get the information needed to get it done.

Mr. Hall stated that the audit itself hasn't changed much. The format is pretty much the same. On pages 1-3 it has the Independent Auditors Report where they form their non-qualified opinion. He said that if you want an opinion, you want it to be a non-qualified opinion which means that everything looks good, has no adverse opinions, no fraud, no exceptions, or anything like that. On pages 4-11, it has the Management's Discussion and Analysis. He said that a lot of the figures that come into the MD&A, come from the Statements that come after it. Also, if management wants to put into the document, this is where it would be. On page 16, it has our Statement C which is our Balance Sheet as of 6/30/2020. We had \$4.4 million in Cash and Total

Assets of \$4.8 million in our General Fund. Our Liabilities were \$607,000 and Deferred Inflows were \$156,000. The Total Fund Balance was a little over \$4 million of which \$3.2 million of it was Unassigned and \$783,000 was Assigned. He said that most of that was from our FY21 budget. He stated that there is a description of this in the Notes.

Mr. Hall stated that a lot of these pages have a statement that says, "See accompanying independent auditors' report and notes to financial statements.". He said that pages 20 to about 40 are the Notes to Financial Statements. This is a better description and breakdown of what is included in the Statements that come before them. He said that the only thing that changed a little bit in 2020 is that GASB, Governmental Accounting Standards Board wanted more information on the health insurance and retirement benefits. GASB is a Board that sets how governments operate and how auditors are supposed to present information. They usually do a new proclamation every 2-3 years and will change how they present the audits.

Mr. Hall stated that on page 18, it shows our General Fund Revenues and Expenses for the current year. Our General Fund took in \$11.489 million which was mostly from Property taxes and Intergovernmental Revenue which would mostly be things like State Revenue Sharing, LRAP and BETE. Our expenditures were \$11.1 million of which almost half is for Education. The other biggest expense would be Public Safety. We showed a Net Income of \$322,000 and we transferred out \$47,000. Our net change for our Fund Balance went from \$3.7 million to a little over \$4 million for a gain of about \$275,000 in the Fund Balance.

Mr. Hall stated that our PAYT program is doing very well. It has about \$250,000 in it. He does not see a lot of towns with this much money for this program. He said that he has used our town a lot as an example of what a successful PAYT program looks like. He said that the only thing that he would ask the town is what we are planning on doing with the money. Dwayne stated that it will go away. He said that the way it is structured is that we gain, gain, gain and then we will lose, lose, lose before it adjusts again. Mr. Hall asked when the last time was that we changed our bag prices and Dwayne said it was about 12 years ago. Dwayne said that all of our contracts are coming due soon. Our hauling contract comes due this December and that will go up. Our tipping fee contract expires in 2023 or 2024. We had a good deal for this because we had sued Casella and a result of that lawsuit was substantially reduced tipping fees. This will all affect the balance in the account. Another issue is that we now pay \$25,000 to \$35,000 to recycle but we used to make \$35,000 to \$50,000 before. Mr. Hall stated that on page 63, we will see that our actual revenues came in at \$6,776 less than what we budgeted. He said that this is a pretty tight number so there is nothing wrong with that. Dwayne stated that the last 4 months of the year were during the pandemic and he thought that we were going to be a lot lower than the \$6,000 that we were down.

On pages 71-74 is our Department of Operations. It breaks our expenses down further so if they want to look at a certain category, they can find it here. Mr. Hall stated that on pages 75-76 is a summary of all of our Capital projects and our Permanent Funds. He said that the one thing that this town could use is a bolster of Capital Project Funds by getting some Reserve Accounts. He usually likes to see Road Accounts in this account. He did state that our roads are some of the best ones around. He said that Dwayne does a great job with roads and how they are done and who does them. Mr. Hall said that he would like to see a higher amount of Reserve money for

this size town. On pages 78-79, it lists our Capital Project Funds. Our Equipment Fund has \$336,000 which is very good. The problem is that we don't have any other reserves other than the Equipment Funds. He knows that anytime we do road projects, we usually do a Bond. He said that we don't have much debt. Dwayne said that it is less than ½ percent. Mr. Hall said that if he had to recommend that this town does anything for improvement it would be to add some reserve accounts. Dwayne stated that we have a lot of money in our Undesignated Fund Balance and that is what we use as a reserve account. Dwayne stated that the reason that we don't have a Road Reserve Fund is because he uses the Maine Bond Bank. He said that interest is so low that it is basically free money. He said that at this time next year, we will be borrowing another million dollars to do roads. He uses them as financing instead of us putting the money away because we are not making any money on our investments. He just found out that our interest rate has just dropped again to .25%. He said that 1 year ago, we were at 2.75% which was very good at the time.

Mr. Hall stated that on page 81 are our Permanent Funds. We have 5 of them which are Hobbs Fund, Greenleaf Endowment, Hanson Fund, Cemetery Fund and Heating Fund. Most of the money is somewhat restrictive to be used for certain purposes. Mr. Hall stated that they go on to list our Fixed Assets.

Mr. Hall stated that we are a Yellow Book Audit. The last few pages of the Audit is a letter that discloses to the Federal Government that our audit report is good and that there are no issues.

Dwayne stated that there are 2 things that we need to strengthen. He said that the TRIO software is very fussy, and it has been difficult to balance our computer books to our bank books. He said that there are some variances between the two. When Marianne retired Dwayne took over balancing of the bank statements and he has gotten them to the same number for the past 6 months. He is \$1.32 off from the bank account and he knows where \$1.21 of it is. He stated that they are going to write off \$.11 on the computer. He said that the bank numbers are correct. He stated that sometimes the variances are because of timing.

Dwayne stated that the other issue is that you are supposed to clear out the checks before they get to 6 months. Right now, we have 7 checks that are a year old and total about \$500.00. They have started to clean them up. They send out letters to the people that haven't cashed their checks yet. They ask them if they have received it. If they have received it, they find out why they haven't cashed it yet. If the person says that they have not received it or lost it, we reissue them a check. They went through 3 rounds of sending out letters and the 7 checks that are still on the books are for people that did not return their letters. Chairman Cowan asked if there was limitation on a time frame for when the checks can be cashed. Dwayne said that they will void these checks and set them aside in the Accounting software so if someone does come back looking for payment the money will still be sitting there for us to use. Chairman Cowan asked if it states on the check how long they have to cash them. Dwayne said that it has 3 months listed on the checks. Mr. Hall said that the problem is that banks will cash them anyway because they don't really look at that. Dwayne said that these will all be cleaned up before the next bank statement.

4. Unfinished Business:

A. COVID-19: Updates, Town Hall Entrance Canopy

Dwayne stated that, on page 11 of their packet is a request from NBAA requesting to be allowed to play baseball on the Guptill Field. They were not able to play last year due to COVID. They did do a survey asking parents different questions to see what the responses would be. They received 77 responses back and 92.2% of them said that they want their child to play baseball this year. Selectman Galemme asked when they wanted to start using the field. Dwayne said that they want to have signups this month and start playing in April. He said that they will have to use COVID precautions. Chairman Cowan stated that she would like to have a list of guidelines that we approve of to be in writing. She does not want to have any liability on the town if there is any kind of lapse. Dwayne said that there is not much liability for the town. We would tell them that we are allowing them to utilize our facility, but we are not telling them how to run their league because they are a completely separate entity from the town. Dwayne stated that the one thing that they will have to ensure is that because it is an outdoor event, the maximum amount of people allowed to gather right now is 100. They will have to police that to make sure they don't go over.

Selectman Galemme motioned to allow the Guptill Field to be used by NBAA to play baseball provided they follow the State COVID guidelines. Selectman Johnson, Jr. seconded the motion. VOTE: 5-0

Dwayne stated that the canopy has been completely installed to the building. He said that he has received nothing but positive comments about it. He feels that it dresses up the front of the building. The Selectmen all agreed.

B. Linscott Road Intersection: Discussion on Progress

Dwayne stated that they are currently in a holding pattern on Linscott Road until the weather breaks.

C. Budget FY22: Discussion on FY22 Budget

Dwayne stated that he is working on the Budget books and the meetings will start in April. He stated that, starting on page 16 of their packet is the report from our architects for the Fire and Rescue Preliminary Design and costs. The first couple of pages show what they did, what they found, how they analyzed the essential need, the proposed design, and the cost estimate. On page 28, it shows the summation of project costs. Dwayne took the figures from that page and looked at architectural and engineering fees and total costs which is located on page 29. The way that they do their architectural and engineering fees is that it is 8% of the estimated construction costs. This would be capital costs and not including anything else. This is estimated to cost \$3.68 million so the architectural costs would be about \$294,000. He then broke it down into the stages that they gave us. There are basically 5 stages of the architectural and engineering project. The first 3 are the big ones. They include finalizing the design, finalizing the development, and putting together the construction bid documents. To get to this

point, it will cost about \$221,000. If we bid it that would be another 5% for an amount of about \$14,000. The construction administration costs would be when we start building.

Dwayne also provided what we have so far for funds. As of today, we have raised \$200,000 and when we add next year's budget it will be \$250,000. We have already paid them \$21,550 for the report and design that they have done so far and \$5,000 of that will go toward the architectural and engineering fees. With these payments, it leaves us with a balance of about \$183,500 in that account. Starting on July 1st, we will have \$233,500. This means that we do have the funds to complete the construction documents if the town wants to move forward with that.

Selectman Galemme asked if they would have to get a Bond for this project and Dwayne said that they would. Selectman Galemme asked about how much they would need to borrow. Dwayne said that they would probably have to do about \$3.7 million. He thinks that there are other things that they may be able to do for some costs savings. The repayment would probably be in the \$150,000 to \$175,000 range. It would be a 30-year Bond. Selectman Galemme asked if we were bringing this to this year's Town Meeting and Dwayne said they were not. They are going to continue with the \$50,000 this year. He would like to get all of the documents and get ready to bid. He would like to try to bid in 2022 and see what the costs come in at. We will need the bids to come in before we go to Town Meeting for approval.

D. Verizon: Review Amended Lease Space

Dwayne stated that the attorneys have reviewed and finalized the agreement. They have now confirmed that they are going to put the battery packs up against the chimney and they will use the 2 chimneys as chase ways up. They will also be adding 2 air conditioners. Dwayne said that they did have some concern because there was a physical conflict which they have fixed. Chairman Cowan asked what they were predicting for a timeframe for the installation to be done. Dwayne said that if the Board approves it tonight and gives him permission to sign, they will sign the lease agreements this week. Their goal is to have it up by the 2nd quarter of this year.

Selectman Galemme motioned to approve the Lease Agreement with Verizon and authorize Dwayne Morin to sign it. Selectman Johnson, Sr. seconded the motion. VOTE: 5-0

Reminders: Next Board of Selectmen's Meeting – March 16, 2021 – 6:30 pm

5. New Business:

B. FY21 Abatement: Abatement Request from Michael Pouliotte

Dwayne stated that they have an abatement from Michael Pouliotte. Last Labor Day, his house burned to the ground. He is asking for an abatement of 9/12 for the house that burned for a value of \$316,100. The tax abatement would be \$3,761.59.

Selectman Galemme motioned to approve Abatement #6 for Account #2145 on Map/Lot: 001-055-3 for the amount of \$3,761.59. Selectman Johnson, Jr. seconded the motion. VOTE: 5-0

6. Other Business:

Dwayne stated that he wanted to keep the Board in the loop about the Parks and Rec situation. He said that the Police have charged the person that ran Kristie down with his car. He is being arraigned on May 6th or 7th. He stated that he is also talking to our attorney to see what we can do financially for the town because we are putting out quite a bit of cash to deal with this. He sent all of our insurance info to our attorney today. The attorneys will give us a path of what we can look at doing. Dwayne said that he will bring the information to the Board at one of the next meetings. The main issue is if the person's insurance will cover the costs. Unfortunately, most insurances will not cover for damages if the insured was involved in a crime. He believes that Kristie will most likely pursue some legal action as well. She has been out for 4 weeks. She is going to be starting Physical Therapy next week. Dwayne stated that the incident was caught on camera and Kristie had called dispatch so they could hear what was going on as well.

Chairman Cowan asked Dwayne if he had found an employee for Public Works and he said he has not. He has been talking with someone regarding the position and the application is supposedly all filled out, but Dwayne has not received it yet. Dwayne said he spoke to Mike today and they decided that, if after this season, they don't find anyone they will probably have to look for someone that they can train. They can get their permit so they can at least drive with the goal of getting their full license by the time that snow flies. This would give us all summer to help train them.

Chairman Cowan asked Dwayne if he was going to ask the Superintendent of Schools to meet with the Board. Dwayne said that as soon as they are at a point when they are finalizing the budget, we will have her come in. This is usually around May. Selectman Galembo said that they are still negotiating the teacher contract.

Dwayne stated that the Hurd Manor is being sold. He has talked to the person that is buying it. The person is coming from Massachusetts and he is intending on still running it as a Bed & Breakfast. He is also looking to potentially expand the number of rooms that are available. Dwayne stated that in discussing things with him, he thinks that he is a preservationist and has no intention of expanding beyond the current footprint of the building. He will come up with some ideas and designs and bring it back to the town to review. Dwayne said that the issue is that there are only 2 uses allowed on the property. The current ones are the Bed & Breakfast and the apartment out back. He can only have 2 uses because he only has 70,000 sf and you need 40,000 sf per use. He could give up the apartment for another use or can the use be incorporated with the Bed & Breakfast. He is also interested in operating a catering business on the property.

Dwayne said that they are looking to close within the next couple of weeks. The appraisal was done last week.

7. Review and Approve Warrants and Correspondence:

Warrant:	February 23, 2021	- \$ 12,571.16
Warrant:	March 2, 2021	- \$ 78,566.96

Selectman Galemmo motioned to approve the Warrant of February 23, 2021 for the amount of \$12,571.16 and the Warrant of March 2, 2021 for the amount of \$78,566.96. Selectman Hall seconded the motion. VOTE: 5-0

8. Adjournment:

Selectman Galemmo motioned to adjourn the meeting at 7:59 pm. Selectman Johnson, Sr. seconded the motion. VOTE: 5-0

Respectively Submitted,
Susan Niehoff, Stenographer

Original to Town Clerk

Chairman: Wendy Cowan

Selectman: Jonathan Hall

Selectman: Michael Johnson, Jr.

Selectman: Charles Galemmo

Selectman: Michael Johnson, Sr.