

Board of Selectmen  
Tuesday, March 13, 2012 @ 6:00 P.M.  
Southwest Harbor Town Office

MINUTES OF MEETING

- I. Call to Order/Roll Call: The meeting was called to order at 6:00 p.m.  
Present: George Jellison, Jr., David Minctons, Tom Benson, Ralph Dunbar, Jr., Dan Norwood and Town Manager, Donald Lagrange.
- II. Visitors to be heard not on the agenda: none
- III. Approval of Minutes of February 28, 2012: It was Moved Dunbar and Seconded Minctons to approve the Budget Meeting and regular Board of Selectmen Minutes of February 28, 2012. Vote: 5 - 0
- IV. Manager's Report (comments): Manager reported that we are working on the water tank financing – still have 20% forgiveness on loan for the tank and we should get it at 0% financing – Lessard it preparing the application and it should be submitted in next few weeks. They will give us a bridge loan until we get the final loan, after voter approval. Sewer clarifiers: we thought was a life in excess of 20 years, and they recommend a shorter life, and because of that it will go in the sewer department budget – to assume more than 20 years is probably a mistake. We put the debt service in the regular budget this year and I'm recommending we keep it there this year because the sewer budget is not sufficient to carry the additional burden.
- V. Warrants: Administration 144, 146-149 Water 5  
Sewer 30 School 145
- V. Old Business
- a. Acadia Disposal District: Manager said this is a separate and independent unit from the town. All members in this district are on the hook for any choices the ADD may make including should they chose to develop a transfer station for \$2 or 3,000,000. If they choose to spend \$500,000 or \$1,000,000 to develop a transfer station, the Town has no say and is on the hook for it. We pay \$11K per year to the district and in their reserve account they have over \$90,000. It appears this contract puts the Town on the hook for whatever ADD wants to do and we can't get out of it. Chairman asked who was on the Board. Manager said some are Elliot Spiker, Tony Smith and our representative is David Corrigan. There is a member from each community. Benson said some of the other towns are using Ellsworth for recycling and we are contributing towards that \$26,000 flat fee and not even using. He does not see much of a benefit for this Town. Dunbar said looking at the contract there are many concerns, and we would have one vote only. Dunbar said he would have liked to see them at this meeting tonight, and a letter received said they were unable to attend because of their budget meetings but could come to the next meeting. We would like to get this on the ballot so not to tie the hands of

the community to an obligation we could not get out of. How would that work for the next meeting, having a representative from ADD attend? Manager said Clerk must have all the warrants by the 23<sup>rd</sup> of March, and would only have an 11 day window to complete the warrants. Discussion of the letter presented by Tony Smith, Lagrange said MRC negotiates the contracts with PERC and MRC has representatives from each town. ADD negotiates with EMR. It is up to the Selectmen to decide whether or not their negotiations are worth the \$11K. Hutchins said consolidating our services were the reason we joined ADD originally. Worcester said the benefits gained may have already been spent by those Towns that opted to go with ADD to recycle in Ellsworth, and have already had to hire personnel to man the recycling dumpsters. Dunbar would like ADD to have the opportunity to say their piece, but also sees the perspective of the Manager at being tied into something like the transfer station. The other opportunity would be to have them speak at the meeting prior to Town meeting. He would be willing to have a special meeting to allow them to say their piece. Hutchins pointed out that we would have an opportunity to vote on this in November. Chairman said we have to give 120 days notice of withdrawal from ADD and November would be too late, as they end their fiscal year in December. Merle said he sees no advantage to being a member. To put it on the warrant, the ADD representative would have an opportunity to speak at Town Meeting. Dunbar pointed out that there is also a public meeting 15 days prior where they could speak. Cousins said putting in on the warrant should be a given, as they could speak on the floor of Town Meeting. The Board agreed to hold a special meeting on the 20<sup>th</sup> of March at 5:00 p.m. and to invite ADD to present information. Benson asked Corrigan and Lagrange to look into the plus and minus of going to Ellsworth, and the cost involved. Corrigan said to do that, there has to be dumpsters somewhere and someone to man the area. Lodge asked what it means to the individual homeowner going to Ellsworth? Manager said the Town would have to provide the dumpsters and have it hauled to Ellsworth, and likely hire someone to man that.

b. Budget Change Request

1. School Budget: The school department came to a conclusion last night and a hand out was provided showing the results. The county appropriation went down this year. This is because the community has a lower valuation. \$3,341,381 municipal appropriation has been agreed to by the Board of Selectmen. The high school budget is up about \$11,000. This year's total appropriation is \$7,878,594. This is an estimate based on the evaluation of this Town being the same as last year. Manager stressed that this is only an estimate until such time as the assessors have committed the taxes. There would be a decrease in the total budget of \$73,919. He said it is up to the Selectmen to decide whether they wish to use some of that money to go back into the budget. Dunbar said the Board has already agreed on a budget and urged the Board to go forward with the budget we have agreed on. Norwood asked Manager to elaborate on some of the recommendations for using some of the \$73,919. Manager said he is being cautious of the upcoming winter, and thought putting another \$10,000 in energy reserve. Rather than increasing the budget substantially, there is a surplus available, although he would like to save as much as possible to allow for very difficult times. He leaves the decision to the Board. Dunbar said it is \$73,000 of the taxpayer's money and that's where it should stay. Norwood said we have

worked hard to bring these budgets down, and with the new infrastructure account we know there are large expenses coming. His view is that we should fund the infrastructure account to a higher rate than the \$55,000 already budgeted. Manager said bonds are being made at such a low rate, you might not want to increase the tax burden if rates remains the same over the next few years. Dimond said he would not increase the taxpayer's debt by one penny if it could be avoided, but we are looking at a \$15 million infrastructure budget over 10 years. To be able to put that money away for 5 years and have it available to avoid the borrowing cost, is poor economics. The rates will go up, and in his view the Town should take all of that money and increase the water/sewer infrastructure reserve to \$90,000 and perhaps add another \$100K as well – only increasing the mil rate to 10.92 in stead of 10.85 predicted. He recommends adding at least \$35,000 into the water/sewer infrastructure CIP. Dunbar said the school did not give us back any money, they cut their budget increase – both school budgets have gone up. The Town is not allowed to make any interest on savings, by law. The water tank loan is at 0% interest with 20% forgiveness. Certainly an amount of savings is a good idea, and money sitting in the bank doesn't make money. We voted on this question three times.

2. Additional Request: The fire department is looking to get a donation from the Town to help build a display at around \$20,000 for the old pumper. If we can help them raise the funds, he would like comments and ideas from the Board. Lagrange invited comments and ideas to help them achieve their goal. It is in the Fire Department now. He suggested putting a volunteer organization together to raise money.

Dimond asked if the Board has decided to reallocate the money that was formally in the high school budget, to reduce the total town budget. Jellison asked if there was any interest in allocating some of the school budget savings into the water sewer infrastructure. Dunbar said both budgets have been increased. Norwood said Dimond is asking if by our non-action, are we decreasing the overall budget by \$35,000? Dimond said that is correct. Lagrange said the commitment the board made couldn't be determined until we got the school budget. Our final decrease from last year's number was \$73,919 from last year's budget. That is our net result. Dunbar said typically the school adjusts their numbers up and down sometime on the Town floor meeting. This new number could be approved as a change, but usually those changes are made on the Town floor. Dimond said almost all the time the change is made on the floor by the school, and those might be health insurance or any other item they were not able to provide for the Town Report. That is not the situation you are faced with right now. If you are making the decision to reduce the total municipal budget by this \$35,000, which is a reasonable thing to do, we have the right to know that is what you are deciding tonight, so the Warrant Committee will be able to conclude its business to know what you're doing. The Manager said you have already concluded your budget. It's done. The school numbers on the town meeting floor may be different. You as warrant committee voted on the municipal appropriation. This is to give the Board an idea of a proposed mil rate and is based on the school numbers remaining the same on the floor – that may still change. The municipal budget voted on is less than last year. Norwood confirmed his understanding that the \$3,341,381 figure the Board voted on for

Municipal appropriation will go on the warrant, not the reduced number. Manager said that is true. He also said the school may or may not change their budget. The school will provide the warrants with their numbers. The Town has approved their municipal appropriation. Lagrange said the summary sheet he provided included items other than the municipal appropriation. Dimond asked if the Town is reducing the total budget. Young said the Warrant Committee met last night on increases to the municipal appropriation that we did not know about, and believes the information received last night may be wrong. The Warrant Committee was not aware of the Town's final budget. Those items were not conveyed to the Warrant Committee, and they met last night to include those in their recommendations. Dimond asked if he was correct before the high school meeting last night the Town had approved a total appropriation to the high school of \$1,298,641, or is it the number as a result of last night's school budget meeting a figure of \$1,265,002? Which is the number? Jellison said that number is not in the total budget. Jellison said the only budget the Board approved is the municipal appropriation. This discussion here is whether to use any of the school fund reduction and it appears no one is interested in putting it in the Town appropriation in any way. Goetze said another way of putting it is that the Board would prefer to use this money to reduce the mil rate rather than use it to help fund all of the infrastructure projects that are coming down the road. Goetze feels that is penny wise and pound foolish. Borrowing money over 20 years at 5% will cost. It makes good fiscal sense to plan ahead. Benson said he agrees we should put away the extra funds, and we should try to build up a reserve. Lodge said the fact of adding to the infrastructure account speaks well to what the town knows it must do for the infrastructure. Norwood reiterated that we may come in with a lower tax rate and still add \$35,000 to the infrastructure line item. Benson asked how firm the school budget is. Brian Hubble said last night the School Board approved the budget, and signed warrants to that effect. It will be the budget that goes to Town meeting, and is as firm as it gets right now. If there is a significantly lower cost for Blue Cross and Blue Shield, we will give it back. It was Moved Norwood and Seconded Benson to increase the water/sewer infrastructure line item to read at \$90,000, an increase of \$35,000. Discussion: Hutchins asked how the budget defined the line item. Jellison said it is a general line item directed only to water sewer projects. Lagrange said it is a reflection of the vote last year and dedicates a line item to that. Dunbar said a larger savings account for this doesn't really help the town and puts a larger burden on the fixed income tax payers. Unless you want to shut down the 20 year program we have going, asking the town to now only save but expend debt at the same time at a higher rate is not acceptable. He disagrees with having such a large savings account and feels the \$55,000 is fine. Changing the mil rate downward is great, but in reality and there is no great savings here. Vote: 4 – 1 (Dunbar) It was Moved Dunbar and Seconded Minctons that the request to create a savings account for forming a water sewer infrastructure account be on written ballot. Vote: 2 – 3. (Jellison, Benson, Norwood) Motion does not carry. Young asked for the budget update to be available tomorrow as well as one for Hutchins.

c. Road Committee (Benson): Benson reported that Snap came to the meeting – continued discussion of the culverts on seal cove road and will try to collaborate with the Park and DEP on the westerly culvert. We

are moving ahead on the easterly culvert. Dave is looking at putting together numbers for easterly culvert to East Ridge Road – ways for the town crew to do as much as possible of that project to keep the total cost down. He is also looking at numbers for the beginning of Hillcrest Acres that needs work. It should be stripped, not re-based. Corrigan said Hillcrest Acres is about 325', stripped and re-paved. Freeman Ridge Road: the first 650 feet in is in bad shape. With the water tank construction it would be wise to put it off until after that installation Seal Cove Road: 270' just past the east culvert. Corrigan got a price on reclaiming and will put together numbers on three different scenarios. Benson said Shore Road will be a future project.

VI.

New Business

- a. Special Amusement Permit Request – JayDubs, 19 Clark Pt. Rd. Jonathan Walker was present to answer questions. He said he has the space beside the restaurant and would like to have live music occasionally. Chapais asked the music time. Walker said he will go with community standards. He feels 8 – 10pm would be appropriate. Chapais said anything after 10pm the police department gets calls. Norwood asked if there should be a time limit on this. Chapais said there is no noise ordinance to allow for that. Walker agreed that 10pm was adequate and no problem. It was Moved Norwood and Seconded Benson to approve the application for special amusement class E permit for JayDub's to end at 10pm during the week and 11pm Friday and Saturday. Vote: 5 – 0.
- b. Poll Open times: It was Moved Dunbar and Seconded Minctons, to approve poll hours for May voting, from 10:00 a.m. -8:00 p.m. as requested by the Town Clerk. Vote: 5 - 0
- c. Elected Officials Workshop: There is one Thursday, June 28 at Atlantic Oaks – about a 4 hour session: Norwood and Minctons to attend. Walsh will arrange and notify participants.
- d. Harbor Committee Volunteer: Mr. Harper is away. This will be scheduled for the next Selectmen's meeting.

IX.

Other Business: none

X.

Sign Warrants: It was Moved Minctons and Seconded Benson to accept the Administrative Warrants 144, 146-149 as presented. Vote: 5 – 0

It was Moved Benson and Seconded Norwood, to accept the Water warrant 5, as presented. Vote: 5 – 0

It was Moved Benson and Seconded Minctons, to accept the Sewer warrant 30 as presented. Vote: 5 – 0

It was Moved Minctons and Seconded Benson to accept the School warrant 145, as presented. Vote: 5 – 0

XI.

Adjourn: It was Moved Minctons and Seconded Norwood, to adjourn the meeting at 7:30 p.m. Vote: 5 - 0