

MINUTES
BOARD OF SELECTMENT MEETING
March 6, 2018 5:30 pm
at the Damariscotta Town Hall

Members: Roberta Mayer, Chairperson; Ronn Orenstein, Vice-Chairperson; Mark Hagar, Amy Leshure; and Louis Abbotoni.

Members Absent: Mark Hagar, Amy Leshure both are excused absences.

Staff Present: Matt Lutkus, Town Manager; Hugh Priebe, Public Works; Cheryl Pinkham, Treasurer, Karen O'Bryan, video recorder; Lynda Letteney, recording secretary

Others Present: Seth Hagar, Hagar Construction; Dick McLean, Finance Committee; Fred Brewer, Town Auditor

I. Pledge of Allegiance

II. Call to Order: Meeting was called to order at 5:30 p.m. by **Chairperson Mayer**

III. Minutes: Minutes were tabled as there was not a quorum from those present to vote. They will be voted on at the March 20th meeting.

IV. Financial Reports

1. On motion (Abbotoni/Mayer) to approve Payroll Warrant #46 & 47 **Vote: 3-0-0**

2. On motion (Mayer/Orenstein) to approve AP Warrant #48 & 49 **Vote: 3-0-0**

3. Annual Financial Audit Report

Mr. Fred Brewer presented the financial audit report for FY ending June, 2018. Mr. Brewer began at the end of the report and worked his way forward highlighting specific areas of the budget.

P.58- Maine Public Employees Retirement System – 9.6% contribution from Town equaling \$39,088.75
Page 57 - The town's proportionate share of the net pension liability of its covered-employee payroll is
at 80% (meaning if everyone retired today 80% of the payroll is covered – classified as a defined benefit.

Page 56 –Expenditures of Federal Funds – expenditures and revenues are about equal with impaired drivers courses and seatbelts leaving a fund balance carried over from 2017 of \$2329.00

Page 54 – Grants –Total line ended with a deficit of (\$2106.42) changing the overall account total to a surplus, from \$98,290.81 to \$96,184.39.

Page 52– Capital Reserves – The fund balance has had an increase of \$27,310.22 from 2017 to FY ending 2018, with an ending balance of \$819,291.24 as of June 30, 2018. The biggest capital outlay was for the new fire truck followed by the Highway Dept. and Paving, A new police cruiser and the Salt & Sand accounts were also overspent. Areas with excess revenue are earmarked for back parking lot paving, restroom construction and sidewalk construction which are scheduled for completion in this fiscal year.

Page 42 – 46 Tax Receivables - Some of the outstanding taxes are private homes, but there are several that are businesses that are no longer in business and have left the area. Mr. Brewer would recommend cleaning these up as uncollectable and take the loss in next year's cycle.

Page 40 – Valuation, Assessments and Collections –The total assessment (valuation amount (\$5,632,932.81) and the rate (.016825) = \$5,645,029 while the tax to lien amount was \$170,287.02. and the total collection and credit amount was \$5,636,915.56. Requirements for education appropriation, Municipal appropriation and County tax equal \$6,515,736.09, leaving an overlay of \$34,450.54.

Pages 37-39 Departmental Operations – Shortfalls occurred in interest on taxes and liens; all vitals fees; tax lien fees, clerk fees, and dog license fees. Overall this resulted in a net gain of \$103,228.13 which will transfer to the Undesignated Fund.

Page 31 – Notes to Financial Statement – Note K -There was an increase in net asset worth of almost \$1.03 million.

Pages 27-30- Notes on Investment Returns, Calculations for COLA, and Rate of Return. Mr. Brewer gave short explanations of topics covered on these pages, i.e. Retirement Plan, Maine PERS, PLD Plan, etc.

Page 26 –Debt - The town operates on a net budget as compared with a gross budget. Certain revenues are dedicated for particular purposes by vote of the townspeople at the annual town meeting or at special towns meetings. At the annual town meeting in June of each year, townspeople vote on various articles on which amounts for appropriations have been recommended by the Selectmen and/or Budget Committee. The town currently holds notes from three different local banks with interest rates of: Camden National 2.2%; Damariscotta B&T, 1.74%; and First National, 2.3% with 4 years remaining on each. Total for all three is \$425,782.86 with interest of \$21,080.19 and total payback of \$473,863.05.

Pages 11-14 – Statement of Net Position – Total Assets and Deferred Out flow equals the total Liabilities, Deferred Inflows and Net position for 2017 and 2018 at, \$7,109,330.68 and \$7,941,308,.64 respectively.

Page 1 –A separate summary sheet of prior years 2013-2018. Collection percentage rate on revenues shows the highest percentage last year (95.8%) over the last six years. Conversely the annual surplus is the lowest in the last six years at 16.97%, averaging 2.04% surplus on monthly expenses. 2-3% here is considered average. The Undesignated Fund is flat which indicates appropriate budgeting as well as appropriate long term planning. Because of an increase in base motor vehicle registration fees, and a few high end cars registered in town (one Tesla) fees were up 26%. This is in line with other towns in the area. To operate with no cash coming in, the town has about 2 months of operational funds on hand. This is about \$700K less than last year.

On motion (Abbotoni/Orenstein) to accept the audit report, allowing time for Amy Leshure and Mark Hagar to review it before final acceptance, at the next Selectmen’s meeting on March 20th. Vote: 3-0-0

V. Presentations: None

VI. Citizen Comments and General Correspondence: **Dick McLean** commented that the Auditor’s report was well presented and easy to follow even without a booklet. He recommended that the Board let Mr. Brewer know that so the same format could be used next year. **Matt Lutkus** said there would be a new auditing firm next year, and Dick said we should notify them that as an audience member this format was goof.

VII. Town Manager Items

1. Bristol Road- **Matt Lutkus** said that they are shooting for 3/22/19 to advertise to get bids, Project will be slated to have a start date after Labor Day for construction. Also the State asked for any construction to end before June 30th and/or start after Labor Day. RFP states that it is a post-Labor Day start. Seth Hagar asked how this affects PumpkinFest. Projecting for bids four months out is a risk for the construction company as costs can go up. Delaying usually increases cost. Upcoming spring/early summer best for this project and Seth Hagar did not feel 3/22/19 was too late: bid could be awarded two weeks after RFP, allowing for most construction to be done by end of June with minor touch-up into summer if needed. He also comment CMP poles are already going in so that is not a concern.

2. Energy Committee – The joint committee (Newcastle/Damariscotta) met recently to discuss allowing alternative energy projects. After discussion, they decided to pursue solar. Paul Kando will spearhead the legwork. They will put together an energy usage package and invited the school district to participate. The committee will formulate an RFP/PPA (Power Performance Agreement). By using a private company, it will reduce costs because of tax rebates allowed. They envision being a demonstration project for a private company, using the former landfill site, allowing for electricity to be purchased from them. **Robin Mayer** asked to what extent the legislature has allowed meters. Matt said there has been an increase from 10 to 100 meters. **Lou Abbotoni** stated that Tucson Air Force Base has almost all solar and it seems to work pretty well.

VIII. Official Action Items

1. Keypad Voting System Purchase – Lou Abbotoni stated he preferred Dynamic Servicing. Robin also preferred them, as Newcastle and Nobleboro both have those systems which could allow for potential sharing.

On motion (Abbotoni/Mayer) to allocate \$4457 (\$3750 for the key pads & \$707 for the screen and projector) from contingency **Vote: 3-0-0**

2. Contingency Transfer for Traffic Signal Expense

On motion (Mayer/Abbotoni) to allow for emergency repair and maintenance of the traffic signal at Main St. and Bristol Rd, at the cost of \$14,626.69. **Vote: 3-0-0**

3. Contract for Town Paving

When the bids were opened the lowest bid was from Wellman Paving T \$98,000. Hugh Priebe called four references where they had done work and all were positive. Matt Lutkus was asking the Board for approval to accept the recommendation of Public Works for the Wellman Paving bid.

On motion (Mayer/Orenstein) to accept the Road Commissioner's recommendation of Wellman Paving with a 10% contingency and approval at town meeting, with the contract being for a specific amount.

Robin Mayer asked if Wright-Pierce would be overseeing this. **Matt** said no, he would be. **Seth Hagar** of Hager, Inc., also a bidder, stated that in their bid they were carrying twice as much tack as bid winner and the Board needs to understand that price is based on return. Hagar, Inc. had put in a gravel price of \$5000. **Matt Lutkus** that all bids showed differing amounts on same lines, some more so less. He would approve a committee to interview both contractors with PWD doing the legwork. **Matt** added that we do like to keep our contracts local and Hagar just got the snowplowing bid. **Robin Mayer** said it seemed to be a big difference and that she didn't understand it all, but trusted PWD. **Hugh** responded that is why it goes out to bid because there can be huge differences. **Ronn Orenstein** said for example Pike put hand vs. machine paving as all inclusive; others separated if out. **Mayer and Abbotoni rescinded their motion to allow for more time to look at it.** Neither Pike nor Wellman have any hand laid paving (around drains, etc.) **Matt Lutkus** will have both parties here to explain gaps in the bid at the March 20th meeting. **Hugh** stated that he asked Wellman about hand paving and he said the only place was at Belvedere. **Hugh** asked if it was part of bid, and they said "No," but would give it to us. **Vote: Tabled**

4. Resignation from Budget Committee Since most of the budget work for FY2020 has been completed, **Matt** recommended this be accepted and leave the position open until the June Town

Meeting.

On Motion (Mayer/Abbotoni) to accept the resignation of Joyce Polyniak from the Budget Committee

Vote: 3-0-0

IX. Selectmen's Discussion Items

Ronn Orenstein asked about the ASK Grant. They are not applying this year.

X. Adjournment On motion (Mayer/Abbotoni) to adjourn the meeting at 6:57 p.m.

Respectfully submitted,

Lynda L. Letteney
Recording Secretary

We, the undersigned, do hereby approve as written, or with corrections as noted, the minutes of the above-designated Board of Selectmen meeting.



Roberta Mayer, Chairperson



Ronn Orenstein, Vice-Chairperson

Mark Hagar

Amy Leshure



Louis F. Abbotoni

Town of Damariscotta, Board of Selectmen, signed this date: March 20, 2019