

Town of Chebeague Island  
Meeting(s) of the Board of Selectmen  
January 26<sup>th</sup>, 2011 at 7:00PM  
Island Hall & Community Center

Present: Mark Dyer, Chris Rich, Donna Damon, John Martin & Eric Dyer.

Absent: David Hill

1. Meeting called to order at 7:05PM.

2. To have the Selectmen discuss and possibly act on financing options for the Fire Truck.

Eric Dyer: We had an issue with the previous Town Meeting Warrant we did not add content that needed to be stated in the warrant so we need to hold another meeting. What that did is give us the opportunity to look more closely at the type of borrowing that we were doing. We were of the understanding that we only had one choice and that never a good thing to have one choice. We looked at four different options, three that use borrowing, one to use the Undesignated Funds Account.

The first option is through TD Bank and was a bond in the amount of \$110,000.

The second option is a commercial loan with a higher interest rate.

The third option is a tax exempt loan of \$110,000.

The fourth option is to use our Undesignated Fund Balance. This fund has approximately \$285,000. This transfer of funds toward the truck would leave 6 to 7% of the operating budget in the account. It does not meet the requirement of 8 to 15% as in the policy. It's not binding it's a guideline. The Undesignated Fund is a buffer and is also used to offset taxes. We will be saving interest if we do this. The policy was adopted late last year on Jan 13<sup>th</sup>, 2010. The Selectmen are responsible for managing this fund.

There is some risk of taking out a tax anticipation note. This is a short note less than one year.

This would be borrowing money to make things work. Sometimes the buffer is not enough.

Mark Dyer: If you were to make a recommendation what would it be?

Eric Dyer: I would not use the second or third option. I can tell you what Scott and the Auditor said, but being as new as I am to the position I am not comfortable at this point in making a recommendation.

Mark Dyer: Isn't operating budget around \$2.7 dollars.

Eric Dyer: Yes that is right. That would be the threshold to figuring out the 8-15% policy for the fund. I have not seen the newest audit.

Donna Damon: Last year when we voted the budget in wouldn't that be a clear year?

Eric Dyer: As the complete budget yes, not the operating budget.

Donna Damon: Does this \$285,000 include all our debt payments?

Eric Dyer: It includes, I would say that it includes our debt.

Donna Damon: My biggest concern about taking this money out of the Undesignated Fund Balance and I think that is the best thing to do, but in July 2014 we have to pay or in that period before July 1<sup>st</sup>, \$284,000 for our last school payment, what ever the cost is to send the students to Yarmouth and what ever the cost is to send the students to Cumberland. If feel if we are be fiduciary responsible we need to start putting \$100,000 away to pay that bill in our capital plan. If we take \$100,000 for this and put away \$100,000 we are really \$200,000 in the hole. We have the potential of a tax increase. I am not feeling as comfortable as I was with this.

John Martin: I think option four is the best way to go for us right now.

Fire Truck financing continued:

Chris Rick: In listening to the conversation I agree with using the fund. It will bring the balance down under the 8-15% policy, but I think in the savings on interest will make up the difference.

Mark Dyer: Real Estate taxes are due?

Susan Campbell: Due date is March 31<sup>st</sup>, 2011.

Donna Damon: I do not want this Fire Truck situation to haunt us during the budget process when there are other projects that we also need to do. I have been saying every year that we have falsely misleading, we have been falsely misleading the public by taking money out of this fund balance and off setting their taxes so everybody's taxes either went down or stayed the same. Meanwhile our expenses have gone up. If we do not have this extra money to pad the tax bills and we have these anticipated costs that are coming three years down the road.

Beth Howe: It could have been clearer at Town Meeting that the choice to take it from the fund balance or to raise taxes with the difficulty in buying something like a fire truck. Nobody wants to tell the Fire Department that they can't have "X" and "Y".

Mark Dyer: I am not disagreeing with you. We will have to raise taxes. It's the capital accounts were it changes. The operating budget is fairly clear.

Chris Rich: I can't seem to remember what went into the budget last year.

Donna Damon: We did the roads.

Donna Damon: The reason we had all that money left over the first year is that we anticipated the first bond payment. Now we have to make at the end we and we didn't save the money we spent the money. Or we have allocated it differently. We did not fund the fire truck at the level we should have and that's why we do not have the money know.

Cecil Doughty: Do we have to have the truck this year?

Eric Dyer: We have to pay for it. It's in production and under contract.

**Donna Damon: Motion to take this money out of the Undesignated Fund Balance with the understanding that we explain this whole situation to the public.**

**John Martin: Second.**

**John Martin: Asked that a dollar amount be put in the motion.**

**Donna Damon: Amendment to motion to include the amount of \$100,000 out of the Undesignated Fund Balance.**

**John Martin: Second amended motion.**

**Vote: Unanimous.**

3. To have the Selectmen discuss and possibly approve the Warrant for a Special Town Meeting on February 5<sup>th</sup> or 12<sup>th</sup>, 2011, to approve borrowing for the Fire Truck.

Mark Dyer: Town Meeting Warrant will include article for Moderator, Fire Truck, and Schoolhouse Road property and PACE Ordinance.

Beth Howe: We need to have the Town convey the property to CICA and resolve boundary problems.

Mark Dyer: Who is going to help structure the warrant articles?

Eric Dyer: Everything that is on the warrant will be reviewed by Peter Lowe. It is very important that all warrants need to be reviewed. You will see them by Wednesday February 2<sup>nd</sup>.

Donna Damon: Beth we need to see all the research on this. Maybe a map of what we are talking about.

Beth Howe: Yes I agree and I will work on that.

Beth Howe: In regard to PACE Ordinance last time we have a version that was not quite right. The contract actually has wording for a warrant. Do you want a description of what it is in the warrant?

Donna Damon: Yes.

4. To have the Selectmen discuss and possibly act on the relocation of the Blanchard Parking Lot right-of-way.
- Mark Dyer: We need to stay focused on structure and wording of the letter that needs to go out from the Town of Chebeague and Chebeague Transportation Company to Nancy Blanchard and her representatives. We have received information from MMA that we may want to go into Executive Session to discuss negotiations which is MRSA 405.6.B for real estate issues.
- Cecil Doughty: Is this our problem or the States? The State owns the parking lot?
- Mark Dyer: The State owns the parking lot. We lease it from the State and we lease it to the Chebeague Transportation Company. Any change to do with the lot the State notifies the Town.
- Cecil Doughty: We will be getting into lawyer fees.
- Mark Dyer: My opinion is that I do not think so. Will there be some legal possible with this we know that anytime changes to facilities we may need some legal advisement.
- Eric Dyer: You have two letters that were composed and edited. One directed to Ms. Blanchard and one to Mr. Hughes.
- Donna Damon: If there are changes will the letters come back to us?
- Eric Dyer: What you will need to do is make a motion to accept the letters as amended. That you charge me or Susan Stranahan returning the edited versions for approval by the Chairman or designee and we sign the letters.
- Donna Damon: Motion to authorize Eric Dyer to work with Susan Stranahan to get the signatures required and makes any changes. Then bring them back to the Selectmen.**
- Chris Rich: Second.**
- Vote: Unanimous.**
5. To have the Selectmen discuss and possibly act on the appointment of an Ad Hoc Advisory Group to assist the Town Administrator with capital projects planning during this budgeting period.
- Eric Dyer: I have talked with John Wilson as he has expressed interest in serving on the committee. I asked John for recommendations on anyone else. He did mention a couple of names.
- John Martin: I remember him recommending himself and Aaron Rugh. He also mentioned a third person. I am not the third person. John Wilson is talking to that individual. I'm not saying that I would not volunteer we have talked about having a member of the Board on the committee.
- Donna Damon: I feel very strongly that someone from this Board should be on the committee. There are things that come up all the time. I'm not sure that the individuals mentioned would have a clue about the school issue. My concern about this is that we do not get into a situation were just to save money, this town needs to move forward.
- Eric Dyer: I agree with you totally. Taxes go up and down and stabilize, but we are in a dip right now. We are below were we should be. I guess I'm saying that the mil rate will probably need to go up next year. I need advice and direction in this area.
- Donna Damon: The committee needs to understand that this is an advisory position.
- Mark Dyer: This will be an advisory board just like all the others.
- Donna Damon: Motion to establish a Capital Budget Advisory Committee. This will be a committee of three members from the public with one member being from the Board of Selectmen to work with the Town Administrator. The Board of Selectmen will create a charge for this committee as the next meeting. This will be an Ad Hoc Committee.**
- John Martin: Second.**
- Vote: Unanimous.**

6. To have the Selectmen discuss and possible act on the plowing of the Kids Place facility.  
Bev Johnson: The Kids Place is part of the Recreation Center. It's not on Recreation Center leased land, but it part of the Recreation Center.  
Donna Damon: The Recreation Center is on leased land from the Town. The property that the Kids Place is on belongs to the Recreation Center, but is not private property. How we got into plowing in 1987 when the Library fundraised. They came up with the plowing idea so that the Town (of Cumberland) would assist in that way. The Town and Library reached an agreement to be plowed. The same model was used when we built the Recreation Center due to no money was available through donations from the Town. I was up there today and looked at the situation and it should only take five minutes.  
**Donna Damon: Motion to have Public Services plows the driveway at the kids Place. This does not include any shoveling or snow blowing.**  
**Chris Rich: Second.**  
**Vote: Unanimous.**

**John Martin: Motion to adjourn business meeting at 8:45PM**  
**Chris Rich: Second.**  
**Vote: Unanimous.**

7. Executive Session Pursuant to 1 M.R.S.A. 405 (6) (A) to discuss Personnel issues.  
**Mark Dyer: Motion to enter into Executive Session at 8:50PM**  
**John Martin: Motion to exit Executive Session at 09:30PM**

Respectfully submitted by Susan Campbell, Town Clerk.