

Selectmen Budget Meeting
Southwest Harbor Meeting Room
Tuesday, January 2, 2018 @ 4:00 PM

I. *Call to Order/Roll Call* – Lydia Goetze called Selectmen Budget Meeting to order at 4:06 PM. In attendance were Dan Norwood, George Jellison, Jr., Chad Terry & Town Manager Donald Lagrange. Ryan Donahue arrived later. In attendance included Kristen Hutchins.

First budget item for discussion was Revenue with an increase of \$220,833 primarily from the added revenue from the Water/Sewer District to repay the Town for Water and Sewer bond payments. This is a result from the Maine Bond Bank refusal to transfer 2009 municipal water and sewer bonds to the District totaling \$222,883. Two other issues included a reduction in revenue from Delinquent Tax interest and fees from \$25,000 to \$20,000 and the elimination of PERC revenue of \$20,000 since the Town has committed to MRC/Fiberite after April, 2018.

The Administrative Expense changes included increases to cost of audit from \$12,000 to \$16,000 and IT services by another \$1,500 to cover the cost of web site design. Manager Lagrange requested the Board to consider the direction of the manager position since a replacement will add substantial cost to this budget. Current budget recommendations with above changes increases the Admin budget by \$90,181. It was recommended to conclude discussion of this budget at a future meeting.

CEO/LPI budget is based on part time staff at 18 hours per week plus attendance at Planning Board meetings. The recommended budget is \$46,547, an increase of \$1,621 from FY17-18.

The Comp Plan Implementation Committee and Waste Prevention Committee have been discontinued by previous Selectmen action and their respective budgets totaling \$400 have been deducted from Boards and Committees. Also, the Shellfish and Tree Fund lines have been eliminated due to entries in other reserves.

In dept. 420 for Contracted Services, Assessing was increased by \$500 and there was a reduction in solid waste disposal based on anticipated 1800 tons at \$70/ton to MRC/Fiberite facility by \$20,000. Water hydrant rental was again discussed which is regulated by PUC. Manager Lagrange suggested to review the efforts of Mt Desert street lighting program and perhaps follow suit in next fiscal budget for municipal owned LED street lights.

Debt Service category included the additional water and sewer bonds that were previously included in the water and sewer department budgets. Since these bonds are municipal bonds which cannot be transferred to the Water/Sewer District, the town will pay the bonds with repayment from the District. There are concerns regarding the increase in Wesley-Mansell bond and fluctuations in fire station bond payments from previous years. The finance schedules will be provided at next meeting.

Insurance Expense department has routinely been increased by 10% annually however past payments indicated less increase as proposed and research will be presented at next meeting regarding this year's actual insurance costs.

The Administrative CIP and the Reserves have been postponed to review discrepancies in the records from auditor's changes resulting in several deficiencies. Manager Lagrange suggested to review records for previous two years to determine were the deficiencies exist.

The Board recessed for a 30 minute break at 5:45. At 6:15, Steve Kenney of the Water-Sewer District discussed issues under current review as well as long term projects. He agreed with the proposed request to fund Water-Sewer Infrastructure reserve with \$100,000.

Members of the Historic Cemetery Committed were present to discuss their request of \$25,000 for improvements to the High Street Cemetery. Major costs included the removal of

trees within the cemetery. Dan Norwood moved to place the request on the warrant, seconded by Chad Terry and voted in favor 5/0/0.

The Conservation Committee made a presentation regarding the proposed improvements to the Charlotte Rhoades Park. They stated to have raised \$121,000 and was asking the Town to participate with another \$25,000 toward their goals. Ryan Donahue moved to add \$25,000 to the proposed annual budget of \$5,500 for a total Conservation reserve for FY 18-19 of \$30,500. Seconded by Chad Terry and voted in favor 5/0/0.

There being no further business, Chad Terry moved to adjourn the budget lmeeting at 7:45, seconded by Dan Norwood and voted in favor 5/0/0.

Selectmen Budget Meeting
Southwest Harbor Meeting Room
Wednesday, January 3, 2018 @ 4:00 PM

I. *Call to Order/Roll Call* – Lydia Goetze called Selectmen Budget Meeting to order at 4:08 PM. In attendance were Dan Norwood, George Jellison, Jr., Chad Terry & Town Manager Donald Lagrange. Ryan Donahue arrived later.

II. Chad Terry moved to accept the minutes of the budget meeting, January 2, 2018, seconded by Dan Norwood and voted in favor 4/0/0

III. Southwest Harbor-Tremont Nursing Association (ambulance service) presented their budget request for community funds from SWH with an increase of \$5,000 from the previous request. George Jellison stated this service is vital to the Town and supported their request with a motion to approved, seconded by Dan Norwood and voted in favor 5/0/0.

Under recap, Manager Lagrange modified the Debt Service budget for more clarity to include Main Street bonds (3) on separate line items in place of a combined total. Also, all bond and note amortization schedules were reviewed for accurate posting of debt service which now totals \$609,110, inclusive of four (4) water-sewer district bonds.

Also, actual insurance costs and breakdown for FY 17-18 allowed for the modification of the insurance budget to separate costs into five (5) categories for more accuracy in budget proposals.

Upon review of the Municipal Expense budget, it was determined to reduce the proposal for fuel oil by \$500 due to the declining costs in previous years as a result of construction upgrades including insulated ceilings and heat pumps. The municipal CIP was postponed pending further review.

Foreman Scott Alley presented the budget request for the highway department. Selectmen reduced the electrical estimate by \$750 reflective of previous years and question if \$2,400 would be sufficient for propane considering the proposed expansion of the highway garage with a heated floor. Manager Lagrange suggested to get an estimate from service dealer. Also, the cable-internet line item to be removed due to non-use.

Scott Alley presented spec sheets to Selectmen for the purchase of new plow truck at a cost of \$153,000. The sanding mechanism of the 2004 International has rusted requiring a major reconstruction and considering the age of the vehicle, Manager Lagrange suggested it would be more prudent to purchase a new vehicle than put more dollars in the existing one. There is a combined total of \$163,000 in the CIP for two trucks, however the current Freightliner truck has a remaining life of seven (7) years to allow these funds in total to purchase truck. Dan Norwood moved to authorize Town Manager to purchase vehicle, seconded by Lydia Goetze and voted in favor 5/0/0.

Ingrid Kashmar represented the budget request for funding to the Harbor House with a brief summary of the curriculum and goals of Harbor House. Dan Norwood moved to approve the request (no increase from previous year), seconded by Chad Terry and voted in favor 5/0/0.

In other business, Selectmen agreed by consensus to meet with the School Board regarding their budget with warrant committee in attendance.

IV. There being no further business, Dan Norwood moved to adjourn the budget meeting at 6:15, seconded by Chad Terry and voted in favor 5/0/0.

Selectmen Budget Meeting
Southwest Harbor Meeting Room
Thursday, January 4, 2018 @ 9:30 PM

I. Lydia Goetze called Selectmen Budget Meeting to order at 9:34 AM. In attendance were Dan Norwood, George Jellison, Jr., Chad Terry, Ryan Donahue, Town Manager Donald Lagrange & Assistant Town Manager Marilyn Lowell.

II. Actual insurance costs and breakdown for FY 17-18 allowed for the modification of the insurance budget to separate the costs into five (5) categories for more accuracy in budget proposals. Manager Lagrange presented a revised budget format for future consistency in determining future insurance costs. Based on actual numbers presented by MMA, categories that generally remain consistent is Fidelity and Public Officials and do not require additional funds. The other three categories for Auto, Property & Liability and Police Liability should be anticipated to increase 10% annually. FY 17-18 actual is \$38,346 and adding 10% as mentioned, the budget for FY 18-19 should be \$41,617.

Chief Allen Brown presented the Police and Dispatch budgets with a request to include the Maine PERS pension program to offer to public safety personnel. The additional costs to the police personnel budget would be \$16,338. It is necessary to remain competitive with Mt Desert, Bar Harbor and Ellsworth to retain the police force we currently enjoy. Other than changing numerical date in the CIP programs, the proposal remained as proposed. The Board did authorize, by consensus, to authorize the Town Manager and Police Chief to discuss public safety issues with Mt Desert to also include Dispatch.

III. There being no further business, Dan Norwood moved to adjourn the budget meeting at 11:10 AM, seconded by Ryan Donahue and voted in favor 5/0/0.