



Board of Selectmen
Tuesday, March 22, 2011 @ 6:00 P.M.
Southwest Harbor Town Office

Minutes

- I. Call to Order/Roll Call The meeting was called to order at 6PM. Present Town Manager Robin M. Bennett, Selectmen George Jellison, Jr., David Minctons, Ralph Dunbar, Jr., Trudy Bickford. Excused: Dorr Skip Wilson.
Visitors: Melissa Berry, Sandy Johnson, Mark Good, Jason Wimbiscus, Sam Chisholm, Pat Biegler, Donald Lodge, Tom Benson, Carolyn Maling, James Wadman and Ron Bean.
- II. Visitors to be heard not on the agenda: none
- III. Approval of Minutes: Selectmen Minutes of March 8, 2011 and Water Sewer Board Minutes of March 15, 2011. It was Moved (Bickford) and Seconded (Jellison) to approve the minutes of March 8, 2011 as presented at the meeting. Vote: 4 - 0
It was Moved (Bickford) and Seconded (Minctons) to approve the minutes of the March 15, 2011 Water/Sewer Board as presented. 4 - 0
- IV. Manager's Report: Bennett said Thurston has completed the Maine Criminal Justice Academy 100 hour course. The staff is working on the Town report. This is due at the printers on April 1st. The street sweeper is having it's annual maintenance, and the Sewer operator has reported high flows with the spring rain and snow melt; Public Work is installing the fall protection items purchased with the Safety Grant received from MMA Risk Management. The new heater has been installed at the water filtration plant and there is another leak in the water storage tank that will be drained and patched when the season allows. The water pump station has had the new motor installed; there is a list of upcoming meetings – next Wednesday is the LOT collaboration meeting in Somesville. Dunbar asked if the street sweeper is prepared to take care of the storm drains early this year. Biegler said it is.
- V. Warrants: Administration 145-152A Water 8
Sewer 34
- VI. Old Business: none

VII.

New Business

a. FY 09-10 Audit Presentation - James Wadman, the Town's Auditor presented a highlight sheet to help with the review of the Town's audit. This outline will be attached to the minutes. Wadman noted that his firm does not do the audit for the Water Department and the numbers in the report are for year end December 31st while the rest of the audit is on the June 30th fiscal year. Construction projects in the Water Department looks not only at the financial aspects, but the procedures as well because of a Federal grant. In pages 3 –6, talking about ending financial position for the year, there was an increase. The surplus represents about 13% of the annual expenses – MMA recommends 10-12% so SWH is right there.

Pages 7 – 8 contain government – wide financial statements. The majority of the assets are the Town's capital assets. These are listed net of the depreciation. These are not part of the budget process.

Page 9 - 10: the assets on page 9 are less than the previous. These are cash, investments, receivables, inventory, etc. Liabilities do not include long term debt on this page. The fund balance section is also in a liquid form, and doesn't look at equity in fixed assets.

Pages 11 -13 are the Water and Wastewater balance sheets and are separate, and they are proprietary funds.

Page 20 These notes to the financial statement begin on page 16 and go through page 26. There are a few disclosures in these – one item called deposits and investments. At the end of the FY 2010 the Town did not have any uninsured or uncollateralized deposits. There is also a schedule for debt retirement.

Page 27 – Budget vs. Actual – there are two different budget columns.

Pages 28 – 30 shows the breakout in detail comparing budget to actual.

Pages 31-32 are all of the Town's reserve funds. At the bottom of page 32 it shows that there is a net increase of \$66,251. Auditors said it appears the Capital Improvement Plan (CIP) is working well for the Town.

Bickford asked Wadman his opinion of Capital Improvement Plan vs. Reserve funding. He said what he sees here using the CIP is what most Towns do, and this is a better way to go about setting aside funds. From an audit perspective it provides more detail.

Page 33 is the final page of the audit which explains the undesignated funds. Surplus was increased by almost \$490,000 this year.

Page 36 lists the findings – each year the audit cites drafting the financial statements by the Auditors is the only weakness. This happens when the auditors have to prepare note disclosures and draft the financial statements. It is required that it be stated in the audit. Easily 90% of the small Towns the auditors work with have this statement attached to their findings.

b. Bottle Club Registration Renewal, American Legion Post # 69 It was Moved (Bickford) an Seconded (Minctons) to approve the Bottle Club Registration Renewal for the American Legion Post # 69 as presented. 4 – 0.

c. FY 11-12 Budget Finalization: Bennett said the Board needs to finalize the budget as they received recommendations from the Warrant Committee at last meeting. There is one additional change which is to add \$10,000 to the Unemployment Reserve – as the Town is self-insured. Chairman recommended starting with the proposed budget which is 5.2%. The school final numbers have not come in and Bennett said they are meeting on the 28th of March and it is expected there will be some reduction. We need to go to the printers on the 1st of April so the school will have to get these figures to us immediately. It doesn't affect us here – the Warrant needs to be finalized before it goes to the printer – changing numbers on the floor is less than ideal. The Warrant Committee is planning to meet on the 29th and since there is a League of Towns meeting on the 30th any recommendations regarding the school budget would necessitate an early meeting on the 30th prior to that LOT meeting. The Board will meet at the Town office at 4:30 p.m. on the 30th prior to going to the Somesville meeting.

Budgets were reviewed by the Board of Selectmen:

Administration: \$378,665 - It was Moved Bickford and Seconded Jellison to accept \$378,665 for Administration. 4 - 0

Assessor/Planning: \$151,295 – It was Moved Bickford and Seconded Minctons to accept \$151,295 for Assessor/Planning. 4 – 0

Police: \$445, 565 – It was Moved Minctons and Seconded Jellison to accept \$445,565 for Police. 4 – 0

Dispatch: \$256,360 It was Moved Bickford and Seconded Minctons to accept \$256,360 for Dispatch. 4 – 0

Highway: \$322,175 – It was Moved Bickford Seconded Minctons to accept \$322,175 for Highway. 4 – 0

Fire: \$76,975 – It was Moved Bickford Seconded Jellison to accept \$76,975 for Fire. 4 - 0

Municipal \$25,516 – It was Moved Bickford and Seconded Minctons to accept \$25,516 for Municipal. 4 - 0

General Assistance: \$5,000 It was Moved Bickford and Seconded Minctons to accept \$5,000 for General Assistance. 4-0

Boards and Committees: \$10,075 It was Moved Bickford and Seconded Minctons to accept \$10,075 for Boards & Committees. 4 - 0

Contracted Services: \$68,570 It was Moved Bickford and Seconded Minctons to accept \$68,570 for Contracted Services. 4 – 0

Insurance: \$36,850 – It was Moved Minctons and Seconded Bickford to accept \$36,850 for Insurance. 4 – 0

Debt: \$320,320 – It was Moved Bickford and Seconded Jellison to accept \$320,320 for Debt and was noted by Dunbar that \$110,045 is set aside for Wesley Avenue/Mansell Lane. 4 – 0

Community Services: Bickford asked if the Board missed giving the ambulance service what they needed. Warrant recommendation of \$53,290 takes into account the increase in the SWH Dispatch fee that was voted by the Selectmen. The Warrant Committee flat funded the Nursing Association, and then added their portion of the Dispatch Service which was 60% of \$12,000 for Southwest Harbor. The Warrant Committee allowed the Nursing Association to change their request to support the additional \$7,200 Dispatch Service fee. It was Moved Bickford and Seconded Dunbar to increase to \$53,290 the Nursing Association funding recommendation. 4-0 With that change, the total for Community Services is \$177,135 It was Moved Bickford and Seconded Minctons to accept \$177,135 for Community Services. 4 – 0

Capital Improvement Plan Budget:

Administration: \$25,850 It was Moved Bickford and Seconded Jellison to approve Administration at \$25,850. 4 – 0

Municipal Building: \$25,000 It was Moved Bickford and Seconded Minctons to approve Municipal Building at \$25,000. 4 – 0

Police: \$18,230 It was Moved Minctons and Seconded Bickford to approve Police at \$18,230. 4 – 0

Dispatch: \$3,000 It was Moved Bickford and Seconded Minctons to approve Dispatch at \$3,000. 4 – 0

Fire: \$31,960 It was Moved Minctons and Seconded Bickford to approve Fire at \$31,960. 4 – 0

Harbor: \$64,090 It was Moved Minctons and Seconded Bickford to approve Harbor at \$64,090. 4 – 0

Highway: \$258,170: Comment – Dunbar said with the increases added, the Town is probably looking at a 5.8% increase in taxes this year. He would like to propose the Board reconsider the front end loader scheduled

for replacement in 2013. That number was \$50,670 and Dunbar proposed dropping the figure to \$20,000 as he believes the loader has a lot longer life than 2013. He suggested changing the replacement date, saying this decrease won't hurt the Town's business. Minctons agreed and feels that it is not an item that is dangerous or getting ready to fall apart. He has looked over the equipment and believes it can last a lot longer than a 2013 replacement date. Bennett asked if the Board understood that was two years down the line. Bickford expressed concern about the road work that is upcoming and asked Biegler if the loader is still working in two years, don't buy a replacement, but don't take the money away. Dunbar said the Town will not be using this to do the road work. Biegler said the work will be predominantly done by contract – certainly we will use it for Marshall Brook in addition to some rental equipment. Biegler does feel the need to plan for the replacement purchase of this piece of equipment. It was Moved Dunbar and Seconded Minctons to reduce the CIP commitment for the loader from \$50,670 to \$20,000. Vote 3 – 1 (Bickford)

Highway Projects: Dunbar said the Board had discussed the Lower Town Dock project for the future at about \$30,000. He suggested cutting that \$100,000 to \$50,000. Bickford said we are in the mess we are in because we did not put money aside for infrastructure – it will cost more in the long run. Lodge asked if the \$100,000 had a project assigned. Bennett said the Board does have a list of projects lined up, and from the study we are looking at immediate benefits. The biggest one is Marshall Brook Road. There is grant money that needs to be matched. Currently there is approx. \$100,000 of which \$60,000 goes to the Marshall Brook project, Recommendations would be forthcoming from Biegler on other highway projects. Reducing this to \$50,000 would put \$150,000 in the fund. Bennett said she sees this as being an annual cost to the Town, as the sooner we do it the cheaper it will be. She discouraged cutting this line item. Johnson said if the Town has been spending \$120,000 and Dunbar's cut would get us to \$150,000 why would that be a problem? Bennett said the Town held back spending some of the funds last year in anticipation of expensive projects upcoming this year. Biegler said the Town would need between \$200,000 and \$250,000 a mile. Dunbar said he is not trying to cut any road projects and there already is \$100,000 in debt service for Wesley and Mansell, but he looks at this as a step to help control the budget number. Bennett said the Town flat funded the CIP for the last two years. Dunbar pointed out that debt service has grown 76%. It was Moved Dunbar and Seconded Minctons to cut the Highway CIP from \$100,000 to \$50,000 Vote: 2 – 2 motion did not carry. It was Moved Dunbar and Seconded Minctons to approve \$227,500 for Highway CIP. 3 – 1 (Bickford)

Proposal to add \$10,000 to the budget for unemployment insurance. It was Moved Bickford and Seconded Dunbar to add \$10,000 to the FY 11-12 Budget for unemployment insurance. 4 - 0

d. Newsletter: Dunbar suggested going through the warrant articles that will be voted on and using the format from last year's newsletter. Bennett said there are 6 LUO's, 4 Water/Sewer, 2 BOA, 4 Harbor plus the fire truck warrant to be voted on. The Newsletter should also mention the water tower's second leak and the need eventually to replacing that tank. Jellison said water test results should be included in the Newsletter.

Ordinance change/funding:

e. Sign LU Ordinance Cover Sheets: Bennett asked the Board to sign the official sheet for the LUO changes that were agreed upon last week. Board signed.

f. Town Meeting Warrant: Bennett said the biggest concern is the School Board changes and meeting at 4:30 on the 30th will take care of that. A draft will be out to the Board barring the school changes, and delivered on Friday before the Wednesday meeting. The Warrant Committee made a recommendation to move the school articles to the front of the warrant – there are 14 – 18 articles – does the Board wish to do that? Bennett said they have been in the middle section of the Warrant in prior years. Bickford said the school articles should be at the front. The Board agreed to try that approach. Bennett said the four larger community service organizations would have their articles and the combined smaller organizations next. Bennett will line up the moderator. Bennett asked the Board to call her with any errors they see in the draft warrant.

IX. Other Business: none

X. Sign Warrants. It was Moved (Bickford) and Seconded (Jellison) to approve the warrants as presented. Vote: 4 - 0

XI. Adjournment: It was Moved (Bickford) and Seconded (Minctons) to adjourn the meeting at 7:42 p.m. Vote: 4 - 0