



Board of Selectmen
Tuesday, December 13, 2011 @ 6:00 P.M.
Southwest Harbor Town Office

MINUTES

- I. Call to Order/Roll Call: The meeting was called to order at 6:00 p.m.
Present: George Jellison, Jr., Dan Norwood, David Minctons, Ralph Dunbar, Jr., Tom Benson
Visitors: James Wadman, Ron Beard, Dick Dimond, Kristin Hutchins, Mike Magnani, Jason Wimbiscus, Lydia Goetze, Keith Clark, Sam Chisholm, Sandy Johnson, Don Lodge, Lee Worcester, Meredith Hutchins.
- II. Visitors to be heard not on the Agenda: Kristin Hutchins said the Islander reported an Executive Session recently and wanted to know why the Board felt it needed to go into Executive Session to appoint a Finance Director. Jellison said the Board checked with legal counsel who recommended the subject be held in Executive Session because it could impact current employees. Lydia Goetze said one of the things that came up at the Harbor Committee was the Hook Property and asked that a line item be considered in the capital improvement plan to acquire property and for improving the town docks. Dick Dimond suggested that in the new budget deliberations there be a CIP between \$100,000 and \$200,000 /year for funding infrastructure projects for water and sewer. In five years it could accumulate half a million dollars and would save against borrowing with likely increased interest rates. Hopefully the school budget would assist in that, which would indeed be acting as a town. He suggested bringing that up at the joint school/selectmen budget committee meetings. He said the water quality testing for the last quarter did not result in a letter citing high levels of HAA – but the actual measurement was well under the upper limit of 80, and averaged over the three quarters prior and was still under the limit of 80. Dimond suggested that if the measurement for the quarter ending in a couple of weeks is by itself, under the upper limit – this should be advertised to the public.
- III. Approval of Minutes of November 22, 2011 and December 7, 2011: It was Moved (Dunbar) and Seconded (Benson) to approve the minutes of November 22, 2011 as presented. Vote: 4 – 0 – 1 (Minctons abstained). It was Moved (Benson) and Seconded (Minctons) to approve the minutes of December 7, 2011 as presented. Vote: 5 - 0
- IV. Manager's Report: Turkeys were delivered by Lagrange and Grinnell on Wednesday before Thanksgiving. These were donated by John Goodwin Jr. Construction. The water department pickup truck has passed inspection as has the sewer department truck. Street signs have been partially reviewed and are in compliance with the new federal and state guidelines. Lagrange will have an inventory done and report in January. More study after a new public works director is hired. Lagrange expects the draft budget to be ready on approximately December 27th. There are a few other sections to be completed. The weight limit signs have been

posted on the town docks. The Manset pier was discussed at the Harbor Committee meeting Monday, and more information is needed from Johnston Engineering because the Harbor Committee feels the weight limit of 20,000 pounds is insufficient for the needs of that pier. After the next Harbor Committee meeting they will set up a method to report to the Board of Selectmen. Re advertised for the public works director as the one person we were interested in chose not to commit – other candidates were good but not fitting the package we were putting together. Pushing our luck with winter coming and being short handed right now – there is a reserve of people who will assist if needed, and we will be covered.

V. Warrants: Administration 93-96, 98, 100-105 Water 32-34
Sewer 23, 24 Mansell/Wesley 97, 99, 106

V. Old Business

a. Wesley/Mansell: We are nearly done for the season: items left are consideration of a safety grate on the culvert put in next to the Ball property this winter. Surface paving: the first coat is on and will be finished in the spring – there is a slight dip in a sanitary line on Wesley and its holding about an inch of water. That may need to be repaired in the Spring; the Town has a complaint from the bike shop. They feel they are getting more water in their basement than normal – engineers are discussing a remedy with them. Benson asked, on the safety grate, if the Town crew could put that in – Lagrange said it will have to be fabricated, pinned and hinged. Lagrange said he hasn't any pricing on it yet.

VI. New Business

a. Audit Report/Wadman: Mr. Wadman reviewed the Audit: Pages 3 – 7 bring the financial statements into a written format. He explained General Unassigned Fund Balance (surplus) of \$1,363,371. Peer comparisons are other towns that have completed their audit. The Town is in a better financial position with the increase to 19% of the surplus. Pages 8 and 9 are part of the required presentation of the governmental standards board. This shows all assets and all debts – to make the financial statements comparable to the “for profit” sector. Page 10 shows the current assets and liabilities. The remainder of the report is in that format. Pages 12 – 14 are assets/liabilities for water and sewer. Page 13: the changes in the fund balance for those two funds. Pages 17-28 notes include accounting policies and procedures that area required to be in the report. Wadman said the GASB added a statement this year which resulted in reassigning fund balances; non-spendable (trusts), restricted fund balances (school, grants) and committed fund balances (voted by the town to be used for a specific purpose); assigned fund balances (board designation) and unassigned fund balances. Dunbar asked about the old reserve funds – Bean said these are under committed funds, and on pages 33 and 34 there is a breakdown of those CIP funds. Dunbar asked if those funds could be rolled into the reserve fund. The Auditors recommended a

Town vote to move any of those funds into surplus. The Town may spend monies from the older reserve accounts for the purposes they were designed to. Bean said there are some that may be rolled into the reserve account by Town Vote.

Page 30: This takes the operating lines by department and breaks them down into more detail by department. Operated this past year at \$311,380 under budget. The Town added close to \$200,000 to reserves this year.

Page 35 is the schedule of changes in unassigned fund balance – this page shows the pluses and minuses of the surplus. This year there was \$69,000 and change back into surplus from tax monies. The water department has been doing better this year and while Sewer lost some ground, it is expected to be better in the coming year. It has been making good progress in the last couple of years. The Audit findings are the typical finding that most governmental units of our size have. Auditors have very few clients that bring their financial statements to the point that Wadman only reviews them – most towns have the same statement in their letter summary and it is a required statement.

Dunbar asked where unvested money is in the retirement program – where does that show up. Bean said it will not show up unless the Town hasn't put in their fund portion. It is an internal employee situation and is not an asset or liability to the Town.

- b. Fire Truck / Chisholm: Update on the new truck coming – Chisholm circulated a picture of the nearly completed truck. He and Jack Martel are going to Louisiana to do a final inspection. It is expected to be in Town by the 30th.
- c. Proposed Water-Sewer Board Meeting-January 31: Lagrange said there are some items to discuss – one item is interest for unpaid sewer/water bills. Board agreed to January 31st as the meeting date and 6:00 p.m. at the Town Office as the time and place.
- d. Seasonal Water Commitment \$19,805.36: It was Moved (Norwood) and Seconded (Benson) to accept the seasonal water commitment of \$19,805.36. Vote 5 - 0
- e. Seasonal Sewer Commitment \$2,576.00: It was Moved (Benson) and Seconded (Norwood) to accept the seasonal water commitment of \$2,576.00. Vote: 5 - 0
- f. Determine Schedule for Budget Meetings: Dates recommended on the calendar were agreed upon (January 11,12,17,18,and 19). The meetings will start at 5:00 p.m. at the Town Office. Goetze asked if the water and sewer budgets will be made public – Lagrange said it would be discussed on the 31st and he agrees the public should be able to see what is happening.
- g. School Preliminary Budget Meeting: The Board agreed to meet at 5:30 p.m. on Jan 4th with the School Board to review a draft budget.
- h. Quarterly RE Tax Assessment Review: net gain in valuation on the quarterly report- the number of changes is the changes to the property.
- i. Town Manager Appointment : Jellison – thanks to the citizens who started out assisting in this search. The Board did numerous interviews and made some offers to some candidates. The Board has negotiated a new employment contract with Donald Lagrange

that combines the position of Town Manager and Code Enforcement. It was Moved Dunbar and Seconded Minctons to approve the contract negotiated with Donald Lagrange to act as Town Manager and Code Officer for the Town of Southwest Harbor. Vote; 5 - 0

IX. Other Business: Norwood said he would like to post something in the paper thanking all Board and Committee volunteers, as many did not attend the Holiday thank you dinner. Lagrange asked if the Board wanted to cancel the December 27th meeting because of the busy holiday. There are no items that need to be discussed – Lagrange will have the draft budget delivered to Selectmen and doesn't feel there is a need to meet It was Moved (Dunbar) and (Seconded) Benson to cancel the 27th of December meeting of the Board of Selectmen. Vote 5 - 0

X. Sign Warrants: It was Moved (Benson) and Seconded (Minctons) to approve the warrants as presented. Vote: 5 – 0.

XI. Adjournment: It was Moved (Benson) and Seconded (Minctons) to adjourn the meeting at 7:15 p.m. Vote: 5 – 0.