

BOARD OF SELECTMEN'S MEETING
October 24, 2013 5:30PM

Quorum noted

5:30 PM: Meeting called to order by Chairman Moynahan.

Roll Call: Mr. Moynahan, Mr. Dunkelberger, Mr. Murphy, Mr. Beckert and Mr. Hirst.

Pledge of Allegiance recited

Moment of Silence observed

Executive Session

5:31 PM Mr. Beckert moved, second by Mr. Murphy, that the Board of Selectmen enter into executive session as allowed by 1 M.R.S.A. § 405.6.E "Consultations between a body or agency and its attorney concerning the legal rights and duties...: Meet with attorney.

VOTE

4-0

Chair concurs

6:40 PM Out of executive session. No action was taken.

Approval of Minutes of Previous Meeting(s)

6:42 PM Motion by Mr. Beckert, seconded by Mr. Murphy, to approve the minutes of October 10, 2013, as amended.

VOTE

3-0

Chair concurs

Public Comment:

There was no public comment.

Department Head/Committee Reports

6:45 PM **Police Department – appointments**

This was a memo from Chief Short asking the Board to approve the swearing in of the full-time sworn members of the Kittery Police Department as Reserve Officers for the Eliot Police Department. It is Chief Short's intent to do the same with Eliot's Police Officers in Kittery.

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Mr. Beckert moved, second by Mr. Dunkelberger, that the Board of Selectmen appoint the following list of Kittery Officers for a one-year term as Reserves for the Town of Eliot to expire June 2014: Lt. Russell French, Sgt. Gary Eaton, Sgt. Donald Truax, Sgt. Joshua Stewart, Det. Raymond Hazen, Ptl. Jay Durgin, Ptl. John Brosnihan, Ptl. Robert Byrnes, Ptl. Brian Cummer, Ptl. Zachary Harmon, Ptl. William Walsh, Ptl. Christopher Kondos, Ptl. Christopher Daggett, Ptl. John Usher, Ptl. Molly Bossi, Ptl. Rachel Horning, and Ptl. Ryan Sanford.

VOTE

4-0

Chair concurs

Mr. Moynahan asked Mr. Blanchette to let Ms. Rawski know so that she could get that scheduled.

6:47 PM Dodge Cruiser Bids

This memo from Chief Short contained three bids for approved funds allocated for the purchase a police cruiser.

Mr. Dunkelberger moved, second by Mr. Hirst, that the Board of Selectmen release funds in the amount of \$22,498 for the purchase of a 2014 Dodge Charger from Newcastle Dodge, Newcastle, Maine.

VOTE

4-0

Chair concurs

6:51 PM Administration – Appointment of Warden for November 5, 2013 Election

Mr. Murphy moved, second by Mr. Hirst, that the Board of Selectmen approve the request of the Eliot Town Clerk to appoint J. Peter Dennett as Warden for the upcoming State Referendum Election.

VOTE

4-0

Chair concurs

New Business (Correspondence List):

6:53 PM

#1

TO : Board of Selectmen

FROM : Dan Blanchette

REF : Copy of Public Notice on Referendum Questions

At this time Mr. Moynahan opened the Public Hearing on the referendum questions being voted on November 5th, 2013.

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Mr. (John) Reed asked, regarding the November warrant, if there was a differentiation between the moderator and the warden.

Mr. Blanchette clarified that the moderator oversaw the Town part of it and the warden was appointed to oversee the State election.

Mr. Moynahan asked if anyone from the public wished to speak on the referendum questions.

6:55 PM Mr. (Russ) McMullen asked that #6 on tonight's agenda be injected into the beginning of the Public Hearing regarding the sewer expansion vote.

The Board agreed.

Mr. (Bob) Pomerleau said that he didn't think the Treasurer's projection sheet (TIF) should be put forward as an accurate assessment or projection other than for what it stood - one person's speculation and opinion. He discussed the original financial projections the Town hired professionals to do; that they knew some of the projections were inaccurate because the assessments have changed. He said that, on the bottom line, comparing the sheet (\$13 million revenue) passed out by the Treasurer the original document projected about \$8 million in revenue and about \$14 million in depreciation; that the Treasurer's sheet made the depreciation just disappear, the revenue projection has gone up around \$5 million while little has changed; that the two projections just don't match.

Mr. Moynahan said that from 2009 to 2013 conditions have changed and each year they worked with the Assessor, the Treasurer, the financial people; that each time the numbers have changed so the projections in 2009, which were projections, have turned into some real factual numbers that they have been using as a baseline and projecting from there. He added that the Treasurer was tasked to project out, with a 1% increase, over the twenty-year period, which would be a bond and something they had not provided before; that the most accurate information the Town had, to-date, was that this (TIF) would produce \$13,318,226. He said that he understood that Mr. Pomerleau did not agree, nor ever had; that he was trying to wrap his head around the differences, also, and this created a better picture for him.

7:00 PM Mr. Pomerleau said that, to him, the depreciation issue was too unsettling. He said that he went online and found Searsmont, which also has a compressor station that was built in 2009, and their assessment went from \$28 million to \$24 million from 2009 to 2011, with a reduction in tax revenue from \$459,000 to \$402,000 and that was around 5.6% and 6.4% depreciation on an annual basis, which was within the ballpark of their original TIF document. He asked what was fundamentally different from the Searsmont compressor station and the Eliot

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compressor station in how Eliot calculates depreciation and assessment values; that it was a total mystery to him. He had issues with calculating a 1% growth projection, adding that the compressor station was 90% of the revenue and was called an outlier – so far out from the average assessment of value down here in the TIF District that it was typically taken right out of a projection. He added that the document projected growth on the remaining businesses in the TIF and, if one took the compressor station out of that, then it wouldn't be 1% but more like ten-fold growth needed in order to produce those revenues. He said that he didn't know how anybody could draw a relationship on a \$36 million compressor station and how that would impact business growth down there in that business district.

Mr. Moynahan said that they could produce another one without the 1% increase, which would show a ballpark of about \$9 million and, again, showed that the TIF that was voted on in 2009 still produces enough for any capital improvement that the Town was planning on then. He added that, with the citizen's petition in front of the Town, the Board was trying to provide as much detail as they could to people and he thought they may not have been doing that as much as they could; that that was why the Treasurer was recently tasked to do 'this'.

Mr. Dunkelberger discussed comparing towns. He said that he thought the assessment for the Town of Eliot may have changed 1% each year for the past 4-5 years.

Mr. Blanchette agreed that it had changed but that it wasn't much.

Mr. Dunkelberger said that Mr. Pomerleau was comparing the compressor station assessments in the different towns and asked why not compare the State assessments of the towns and the valuation of the towns.

Mr. Pomerleau said that he didn't know how that would have anything to do with the individual compressor station evaluations.

7:05 PM

Mr. McMullen discussed a BC meeting he attended; that he presented a letter because he was also concerned about the representations made regarding the depreciation of the compressor station. He said that he met with the Assessor and Mr. Blanchette and that he asked the Assessor at that meeting if it would be appropriate to write a letter that stated that there had not been any depreciation of the compressor station since 2009 through 2013; that she consulted with Mr. Blanchette and said that it would be fine to state that. He added that he tried to give that letter to the Chairman of the BC that night who refused to take it because he was told that it was not a legal letter; that they wanted a letter from someone who had greater credentials. He said that the letter was created, it was given to him, and he wanted to make a presentation to the BC that there are severe changes versus the green sheet that they (BC) read that night and considered to be their

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bible to make a decision as to whether they would recommend yes or no on the vote; that they read the green sheet and totally ignored everything he brought before the BC, which amounted to millions of dollars in differences. He added that the compressor station was not depreciating and the letter stated that there was no intention of depreciating it. He said that this information was offered at the Eliot Expansion Committee and it was ignored then, as well; that a lot of things were being ignored in this Town that were factual. He added that he was told in that meeting of three that these people had been told this before, face-to-face with the Tax Assessor, and they were just completely ignoring it. He said that this project, if it passes, would not cost the taxpayers money out of their pockets. He added that the document that Mr. Dunkelberger just handed to him is very similar to the document that was created by Mr. Donhauser, which was a spreadsheet that showed what happened after 20 years of the TIF – the projected payments and the surplus that would be well over \$1 million after 20 years. Mr. McMullen said that he thought that there had been a misrepresentation and he thought that somebody needed to find out why this misrepresentation was being accepted. He added that he thought that this was a very critical vote for the Town. He added that, when people got something that was offered to the Town, accepted by the State of Maine, accepted by the taxpayers of Eliot, and people were being talked out of it and told it was not good for the Town – how can it not be good when it wasn't costing the Town any money; that that didn't make sense to him. He said that he sat through the hearings and had been on almost every board in Town leading up to this TIF and sewer project; that what was represented back in the TIF Committee was a possibility because they didn't know what was going to happen to that compressor station, adding that those figures were presented in 2009 as an example of what could happen and never to be taken as factual, certified numbers, period. He said that he felt very good about the representation of Mr. Blanchette and Ms. Martine; that they were wonderful employees and knew what they were doing and he thought it was high time that the taxpayers realized that these people are representing the interests of the Town; that they were telling the truth. He added that he was getting very tired of seeing these misrepresentations influence the vote and the future of this Town.

7:10 PM Ms. (Rebecca) Davis said that she thought the point trying to be made was that Searsmont, having a comparable compressor station to Eliot, has been experiencing depreciation. She added that the problem the BC had on this particular issue was that there has been no professional back-up documentation to explain why there has been no depreciation, so far, and no professional documentation from MNP to state what the future held for the compressor station. She asked, if Searsmont was depreciating at 5% a year, then why wasn't Eliot and, if there was a reason for that, then why hasn't the documentation been presented. She added that, if one was taking a 20-year projection with zero depreciation when the original documentation showed a \$14 million depreciation, then somebody was way off. She asked if it could have been the professionals that

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got together, initially, to develop the TIF documentation or was it the Town's new Treasurer that started a month ago who developed these numbers and didn't have the experience to determine...

Mr. Moynahan said that the Treasurer was very experienced and more than qualified to come up with these numbers. He added that what she was going on was history; that they now had four years of live history and that showed appreciation, not depreciation.

Ms. Davis asked what the rationale was behind that.

Mr. Moynahan said that the Assessor was the agent of the State for assessing the Town; that she has been asked about the depreciation with MNP.

Mr. Blanchette said that they now had four years and the compressor station has not depreciated. He suggested that the question might be why Searsmont would depreciate theirs if Eliot was not. He added that Eliot was not depreciating its compressor station at this point in time; that he couldn't tell them what the future would hold but only what has happened in the last four years.

7:12 PM

Ms. (Nancy) Shapleigh said that the information that they had was that this was very technical; that they (MNP) had to constantly upgrade the equipment. She added that, as more and more equipment came in to be taxed and it cost more money, it appreciated, not depreciated.

Mr. Reed said that whether the Town decided to accept the idea that the compressor station had depreciated, or not, is a choice; that it was a choice in how bookkeeping was done. He added that most businesses that had equipment and infrastructure found it fiscally prudent to depreciate stuff that would need repairs and, ultimately, replacement; that it was a matter of coming up with a realistic idea of what was going on and planning finances accordingly. He said that, to him, if Mr. Blanchette didn't understand why this other town was depreciating their compressor station, then he wasn't sure why it was that Mr. Blanchette thought that he could sign off on this letter saying that it was fine that Eliot didn't accept any depreciation. He added that, as far as this other town that was depreciating its compressor station, it seemed to him that they probably had a better idea of what was going on as far as what their finances were than Eliot had. He said that the fact that Eliot has chosen not to depreciate their compressor station in their bookkeeping scheme just said to him that that was a choice Eliot has decided to make and nothing more; that the difference in dollars could be quite significant. He said that he thought that, if Eliot was going to plan their finances that Eliot should do something that was accepted as reasonable practice and every company with equipment and infrastructure planned on depreciation. He used the current sewer system as an example of not planning well enough for depreciation and the current \$1.6 million in repairs that were needed. He said that

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the letter said Eliot made the choice to not depreciate the compressor station for the last four years but it didn't guarantee that it won't depreciate, or lose value, in the coming years and that was the thing residents needed to be concerned about because that was the thing that was going to affect the number of dollars Eliot needed to make up.

Mr. Blanchette said that, as far as the future, no one could say it would depreciate, or not; that he never said that it wouldn't.

Mr. Dunkelberger said that there was a difference in terms; that there was corporate depreciation, which is what Mr. Reed referred to, that MNP would do as part of their tax strategy and the other, regarding appreciation or depreciation, within the Town of Eliot that corresponded to the assessment that was done; that there was no appreciation or depreciation until an assessment was done; that when there was a Town-wide assessment then it was determined whether the land and plant would appreciate or depreciate. He added that in the case of Searsmont, if they have had a significant change in overall town values, then they were required by the State to do an overall town assessment in which they would then depreciate their town land and plant. He said that Eliot, because of its stability with regard to values, has not required an assessment in a while.

Mr. Reed asked Mr. Dunkelberger if he was saying that was a good thing or bad as far as planning for the future.

Mr. Dunkelberger said that the State periodically compared market values with town-assessed values and, if they fell within a certain range (70% below or 10% above), then the State required an assessment; that as long as Eliot was keeping up with the assessed values, as well as the market values, there was no need or requirement to do an assessment (revaluation).

7:17 PM

Mr. Pomerleau said that it was a giant pump run by a big jet engine; that he went to the station and talked with the general manager; that there has been no change, no upgrades. He reiterated that it was a pump; that that was why they were replacing the current sewer system – because pumps fail. He added that common sense said that it was going to wear out and lose its value. He said that he had copies of the actual data sheet here in Eliot from the Assessor, which was hard to reconcile with the assessment; that it showed the 2009 valuation at \$34 million and the 2012 valuation at \$28 million; that it has gone down almost 9% a year on the Assessor's data sheets in real numbers. He asked why is it showing data sheets with 9% depreciation and the assessment value never drops.

After some discussion, Mr. Moynahan asked Mr. Blanchette to get some clarification on the Assessor's data sheets.

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Ms. Davis said that, by Mr. Dunkelberger's theory, Searsmont has had an assessment every year for the past three years to change the assessment of their gas compressor station. She added that it wasn't reasonable to think Eliot's situation was that much different than Searsmont's; that it was the same general valuation for the Searsmont compressor station and it was depreciating. She added that the assessment for the compressor station in Eliot has changed every year and the BC would like to see the basis upon which that assessment was made. She said that he was saying that it only changed during a reassessment but there hasn't been a reassessment and the value of the compressor station has changed every year – why. She added that she would like to see some paperwork stating, specifically, every year what has changed to make that number different. She said that it was not unreasonable that the residents should understand why this thing was valued at a certain value every year and they had no idea why that was happening. She said that in the past she has requested correspondence from MNP; that Ms. Painchaud was not going over there and assessing the station but was getting information from MNP professionals and she would like to see paperwork on this, a history on this right from the get-go of why this stuff was changing.

Mr. Moynahan asked for clarification in that, with the valuation of the Town the State gave the Town a dollar figure and then the Assessor had to break it down into each property owner, whether it was commercial or residential, so a property's assessed value would probably increase in the year if the Town's assessed value has gone up.

Mr. Blanchette said no; that one's property value would not necessarily go up; that it did not necessarily change until the Town had a revaluation or something was happening to a particular property.

Mr. Dunkelberger said that he thought that the value that Mr. Pomerleau pointed out on the cards actually came from MNP; that that was what he thought was on the card but the assessment didn't change as far as how it related to the Town; that how MNP valued it may change.

Ms. Davis reiterated that the Town's assessment of that compressor station has changed pretty much every year – why; that she would like to see the details and have a clear explanation of why that value has changed.

Mr. Dunkelberger said that Ms. Painchaud should be able to answer that.

Mr. Blanchette agreed.

7:22 PM

Mr. (Bob) Fisher said that if the Searsmont station was not in a TIF district, he could see why they would want to depreciate it, as they wouldn't have to pay higher taxes to the county and State; whereas Eliot's compressor station was in a

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TIF district and they were protecting the system, with the money staying in the Town and not going to the county or State.

Mr. McMullen agreed with Mr. Dunkelberger; that he spoke with an accountant who has been involved with this project for quite some time and the explanation he received was that assessment was one issue and depreciation was another. Using his own business property on Route 236, he said that his assessment has remained the same for many years; that when he depreciated it through the IRS that was a whole different ballgame and he did that for tax purposes. He said that assessment was not depreciation; that it was the assessment of a property in the Town of Eliot; that Ms. Painchaud has already stated, in writing and otherwise, that they were not depreciating the station. He asked why they were not getting letters from MNP complaining about their taxes – they were paying their taxes, point blank. He added that, in his opinion, this was foolish conversation because they were talking IRS versus Town assessment; that it was a whole different issue and the accountant backed this up and everyone in this room knows that accountant.

Mr. Pomerleau referred back to the original document and said that the Town hired experts in this field to do these revenue projections and people were trying to make it sound like they didn't understand the difference between depreciation and assessment when they put this together.

Mr. Moynahan suggested they could give projections that were given in 2009, if the Board wanted to do that; that they had to show some type of revenue projection because there was something there; that that was just not something they had offered to citizens throughout these votes.

Ms. (Rosanne) Adams said that she felt it was very simple to understand; that the 2009 document showed both depreciation and projections out; that it was a document to show best-case and worst-case scenarios and that was all it was; that it wasn't meant to be what was supposed to happen. She added that they had to do that to show that, if it depreciated on 'this' scale, they would have the revenue to be able to fund the project and it showed that they do; that there was no doubt about that. She said that she thought that people were making more of this than was really necessary and the Townspeople got confused and didn't understand it; that it was hard enough to understand sitting here. She reiterated that she did know that that was a document to show worst- and best-case scenario; that it was not cut in stone.

7:25 PM

Ms. Davis said that Searsmont did demonstrate a depreciation in assessment so they had to take that as an example of a situation that could occur. She added that the fact that they couldn't get any documentation to back this thing up, one way or another, and that there has been no contact with MNP that has been submitted to

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the BC so that they could see why this was occurring...that she would feel a lot better if she could talk to the tax manager at MNP and get some idea of why this occurs at Searsmont and why the situation in Eliot, so far, has been different, and what the likely outlook was for the next few years. She said that for a new accountant in Town and a new Treasurer to come up with zero depreciation on a gas compressor station about which they know very little about except what they have gotten so far, it didn't make sense; that they need more information if they were going to base revenue to pay for an \$8 million bond. She added that pretty much 92% of the revenue was coming from this gas compressor station; that it was a serious issue.

Mr. Moynahan said that, even with the original revenue projections (\$8.4 million), it still paid for the bond. He added that they could provide as much information as they could but the TIF was set up to pay for any improvements; no more, no going to voters saying they needed more as it wasn't enough; that the initial projections, if they lived by those estimates, still paid for the sewer improvements that were proposed in 2009, in which they had moved forward through to today. He added that the projections they have today...granted some think the staff was green or whatever...were based on real figures and those have increased. He said that he didn't tell the Treasurer to put \$13 million in a form, he tasked her with a job; that her job was to review assessed values, work with the Assessor, Mr. Blanchette and her finances, and that was what she came up with; that that was one of her very first tasks as a very experienced financial person.

Ms. Shapleigh said that she thought the BC was overstepping their authority in their questions and the things that they asked; that she didn't think they had experts on the BC that were qualified to say the things they were saying over the professionals the Town paid to come and talk with the Town and tell the Town that they were way ahead of any other TIF that the professionals had seen, as far as the money flowing in. She added that the Town was very fortunate that they already had money to start and they could do this project; that the only reason not to do this project would be that people would not want to see any development on Route 236, which was exactly where the community voted to put industrial and commercial development.

Mr. Beckert said that Ms. Davis had mentioned a couple of times wanting information from MNP and he asked her if she had asked MNP for information.

Ms. Davis said that she had and MNP told her she had to go through the Assessor.

Mr. Beckert said that the Board could not force the gas company to tell them why they chose not to change their depreciation on their equipment and property. He added that he didn't know how else they could get it; that it was two different things – assessment and depreciation. He added that, if Ms. Davis has asked for it

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and they haven't given it to her, that was a private company and that was their prerogative.

Ms. Davis discussed the protocol used by MNP in funneling information through the Assessor.

Mr. Beckert asked her if she had asked the Assessor for the information.

7:35 PM

Ms. Davis said that she has; that she has not received any documentation that explains why these assessments keep changing. She added that she has not seen that any conversation and documentation has occurred to explain why the depreciation has not occurred, as projected, and what the outlook is for the next few years, and why. She said that that has been very specifically requested and no reply.

Mr. Moynahan said that she has gotten answers, just not at the level of information she was after. He added that the answers that have come back every time have come back saying that the gas compressor station has not depreciated. He said that she was looking for emails or back-and-forth conversations, which might not occur, but to say that the Assessor has not provided her something...it was just not at the level of detail she has been after.

Mr. Murphy said that the company did not have to disclose all their plans or the way they operate their company.

Ms. Davis said that the assessment came from somewhere and for some reason and that has not been provided.

Mr. Reed discussed that Eliot citizens voted that Route 236 be the business corridor as part of the Comp Plan and voted for the TIF District, and Eliot citizens voted down the sewer project twice, now, so his question is how do we claim that Eliot citizens were acting on behalf of Eliot citizens to implement their vote in the first two cases and, in the case of the TIF sewer project, we're ignoring the votes of Eliot citizens – twice.

Mr. Moynahan said that, first, the Board has a petition in front of them. He added that, when Eliot voted to initiate a TIF, which was sheltering the money, it was for capital improvements specific to sewer and water improvements along Route 236, so, you go and create a project, and that was what we moved forward to. He said that, if that was rejected, it could be the sewer design that people didn't like. He added that we were still living within the 2009 tax sheltering and community development plan that we had, which was specific for water and sewer improvements along Route 236.

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Mr. Reed said that it had been rejected twice and asked what was different this time.

Mr. Moynahan said that there was nothing different with the sewer design plan right now because the petition requires it to be exactly as it was presented last time.

Mr. Blanchette confirmed that the wording of the petition was for the wording to be exactly as it was last time.

Mr. Reed asked why the Board felt that the people of Eliot were going to change their minds; was there something they had done or voted on or implemented that they felt was going to improve the chances of this sewer project passing.

7:38 PM

Mr. Moynahan said that, in his opinion if that was what Mr. Reed was looking for, he thought it was going to pass the first time. He added that he thought this was a good project for Eliot; that he has spent more time – almost seven years - dealing with all the revenue projections, the TIF, the sewer design, and everything. He said that he thought a sewer project was a good project for the Town of Eliot; that it was good for the future – today, was it going to increase tax revenues, no – that there were no guarantees that that was going to happen but they have finances in place to pay for it; that it cost no additional dollars. He said that they have sheltered it and it was actually a benefit for the Town. He said that this wouldn't give them \$400,000 extra each year to offset our taxes, now, but they were looking at the future. He added, if we weren't looking at the future, we could stay stagnant all we want; that we've had to come up with \$800,000 in reductions this past year in taxes. He asked what else do we do; that we try to generate revenue. He said not today, it's not going to be on my watch. He said that without any business development or increased development in Town there is no increased revenue so it was all going to be borne on us and my tax bill continues to go up. He said that you think that it's only you guys that have taxes that go up in this Town; it's me, too. He reiterated that this is a good project for the Town and I support it 100%; that this is a no-brainer, it pays for itself, it has more possibilities than people can even imagine, but, what we do have is misinformation; that the online groups say I have some friend on Route 236 that was going to benefit from this because it's some back room deal that all these business owners that I'm buddies with are benefitting and that's why I'm trying to ramrod this thing through. He said no, I'm a pretty logical guy; that this is dollars and sense, this is information, this is me doing my homework; that I have no one that is going to benefit and, if they do benefit from this, good; they own the property on Route 236, good for them; that I'm looking at my kids benefitting 20 years from now, when they were grown and now we actually have a commercial base out there that generates more revenue for the Town.

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7:40 PM Mr. Reed said that you guys (BOS) are elected by the people of Eliot to implement Town policy and do the best thing for the Town; that you've gotten feedback twice now from the people of Eliot that says they don't agree with you. He said that he thought that the TIF sewer project would be a good thing for Eliot as well. He added that the Board needed to set up an Eliot Sewer District or Commission or structure that addresses the financial aspects of this thing and sets up some regulations and rules; that we didn't do that last time; that we are looking at the people on the current sewer system having to cough up \$1.6 million to fix it because we badly mismanaged the financial aspects of it last time and I would like to see us not repeat the same mistake. He added that, with the size of this new project, the stakes were much higher; that we were talking about a lot of money and nowhere does it say how the money is going to be managed, nowhere is there anything what the fees are, yet; that you guys have not voted to implement those kinds of things. He said that we paid a lot of money to Underwood to come up with a bunch of ideas, some details on existing stuff, some projections for the future; that the sewer rate study looks pretty complete to me but, if you go look at the new and improved ordinances regarding sewer systems of the municipal code of ordinances, there's no detail regarding rates or rules of how the money is managed or requiring certain amounts of reserves be set up and maintained or who's in charge of watching this stuff; that that, to me, is a serious problem with this sewer plan. He added that there is a lot of detail when it comes to the nuts and bolts of sewer and pipes and pumps but you guys have not made any decisions to present to the people of how the fiscal parts work and I really don't understand what the problem is because it seems to me it would, again, be a no-brainer if you would just say 'this' was how it was going to be – 'this' would be what people were going to pay for, these are the people that are going to pay this part, these were the people that were going to pay that part, this is the amount, these are our projections, and it doesn't exist. He added that he didn't understand how the Board expected people to vote on it and have it pass when there is nothing concrete to vote on when it comes to the financial management of this thing. He said that he would like to see the Board construct a structure that is the TIF sewer management plan that has details about how the money is going to be managed, who's going to define the rate structure, what the rates are going to be and what they will be going forward; what is going to happen with these different reserves. He discussed that he was reassured multiple times that we had enough reserves to pay for the current sewer system, that there was no problem, and now there is a \$1.6 million problem. He said that he was really hoping that the Board could put together a detailed plan for the management of the finances of this thing because, then, it could be a good thing for Eliot but, until that time, it's just a whole pile of money and no rules; that I'd like to see some rules in writing on paper.

7:43 PM Mr. Moynahan said that Underwood Engineers has been very involved with rate structures for the existing users as well as projections for the other piece of it and I think they will continue to be involved, along with the DPW Director and the

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SC. He added that the rate structure went in front of the SC and they had a subcommittee to review with surrounding communities to see if Underwood's recommendations worked in our local community; that I'm not sure the findings are done but we are ready to make a change with that rate structure now based on Underwood's information.

Mr. Dunkelberger said that it included reserves.

There was discussion of mechanisms already in place.

Mr. (Joel) Moulton said that the current rate study being reviewed has increased revenue for the maintenance and operation of the existing sewer as well as the possible expansion of the sewer, if it passes. He added that the other parts of it are that there are going to be rate reviews every two years and a solid rate review done every five years, there will be I&I work done constantly to keep the flows down, maintenance done; that this was the plan I have put forth and discussed with the SC and BOS; that these are all things that are going to be projected and managed accordingly each year, and every five years. He added that the plan has to be approved by the subcommittee and then brought before the BOS for their approval; that it is 'this' close; that they are waiting for a bill (from Kittery) for last quarter for the subcommittee to look at, discuss, and bring a recommendation to the BOS. He said that the only reason we were waiting was because of the new IMA and the new metering.

Mr. Dunkelberger said that we don't necessarily want to include rates in an ordinance because, then, in order to change the rates you would have to go to Town Meeting to change the ordinance so you want to make that separate.

Mr. Reed discussed the section of the new ordinance that included appendices but, unfortunately, there was no content. He added that his problem is that it has been several months since the last time we voted this down and what I see is that the sewer rate study offers a lot of suggestions but nothing has been codified based on those suggestions; that there isn't even a place to put it, yet, and reiterated his hope that they would concretely define what the financial structure would look like. He asked why the Board would expect people to vote on something if it's not done; that it's not even starting to be done.

Mr. Dunkelberger said that Mr. Moulton just said that he was 'that' far from having this codified so how can you say it's not starting to be done.

Mr. Reed said that it's not done and I think it's unfair to ask the people of Eliot to vote on something that's like some hand-wavy thing and it's going to be okay; that we got that story last time and it didn't work out so well.

BOARD OF SELECTMEN'S MEETING
October 24, 2013 5:30PM (continued)

7:50 PM

Mr. Pomerleau discussed hearing this was not costing the taxpayers anything, saying that the sheltered money that goes in the TIF is 75% new money; that 25% of every dollar that goes into that TIF account are revenues (\$143,000) that would be sitting in the Town's general fund if there were not a TIF; that those would be monies that would be reducing our taxes so it will always cost us something to have that TIF.

Mr. Moynahan said that the voters knew that in 2009 when they voted for that and, at that point, it cost those taxpayers money; today it cost no more and tomorrow it will cost no more, so, to say that we go back to 2009 and say it's costing taxpayers money is just providing too much misinformation.

Ms. Adams asked if the appendices would be filled out so that we could see what the new rates will be and what the cost is.

Mr. Murphy said no; that we don't have the information, yet, so we can't promise it will be available before the vote.

Ms. Adams said that we are always talking about this \$143,000 that could be in our coffers. She said that, so far, what I'm hearing from people about what they think they should do with the TIF are things that will cost us money; that this is a fine project for Eliot. She said that she was concerned about the people in South Eliot; that they entered into a sewer that they didn't ask for; that they had to do it; that they have been paying their fees, dutifully, over the years thinking that it was going to go to the maintenance and that didn't work. She said that we are all responsible to those people in South Eliot; that we all let them down – the people that managed it, the BOS, and me, as a citizen, who didn't stick my nose in and ask what was going on with their system; that now I'm hearing people ask if they are going to pay for my system when it breaks down and, well, they (S. Eliot) didn't ask for it, they did it in good faith and they deserve for us, the whole Town, to pay for those repairs. She said to put that in a bond that only they would pay for, we are projecting a 23% to 35% increase in fees to pay for the future and that bond; that I think that's unfair to the citizens of South Eliot. She added that the TIF would provide that money and I think it's a good use of money; that when I did projections I took the loss - and this was from the 'green paper' that ECIN did - that you take the loss to the general fund plus the projected cost of the project – that's \$13,179,000 against revenue from the TIF properties coming in and the tax benefit that's been deferred – that's \$19,451,000; that I say it's a benefit to the Town, it is not a loss to the Town; that I think we need to think for the future; that I'm not going to be here forever; that everyone in this room would not be here forever but I would hope that economic development occurs on Route 236; that's where we placed it and I don't want it in East Eliot; that I don't want more farmland to be taken; that I want the development to occur there and I think the TIF is a fine way to do it and, also, to bail out our fellow citizens in South Eliot.

BOARD OF SELECTMEN'S MEETING
October 24, 2013 5:30PM (continued)

7:55 PM Mr. DePaul discussed the property tax cards and said that he believed there was a depreciation line on every card with an amount. He asked if there was anyone here that knew how that depreciation occurs. He added that he assumed that the Town depreciated every property because it aged; that he believed every property got depreciated somehow; that there's got to be a formula for what depreciation occurs on property. He added that he was a little suspect that the compressor station had not depreciated in four years because it seemed to him that it should be in accordance with every other property regarding depreciation.

Mr. Moynahan said that he didn't know off the top of his head; that he thought that it was just on the physical portion and not the land portion. He added that he didn't know how the Assessor did it but he would try to find out.

7:57 PM Ms. Davis said that we are talking about this as widening the tax base but we have done some calculations; that it would take \$200,000,000 to provide a \$250,000 house with a \$200 tax break; that it's a level of development that is just unimaginable between the Town line and Eliot Commons; that this thing was not going to provide us with tax relief. She added that we are concerned about the residents in South Eliot; that this \$1.6 million is only going to cost them a total of \$1,800 plus interest spread over a 20-year bond and, with interest, I believe that's \$10.37 a month. She said that she went to the Kittery Water Treatment Director and he said that Eliot users have been underpaying for years; that she has pity for them but we are talking about \$1,800 plus interest; that this is not a deal breaker. She added that, if you had to replace your leach field, it would cost you anywhere from \$10,000 to \$25,000 depending on what you had to replace; that this was \$1,800 spread over 20 years. She said that what we're getting into, also, is double our investment with Kittery's infrastructure; that if, and I know you could argue with me that the EPA nitrogen requirements are not going to occur, but I have a report that estimates Kittery's investment as having to increase by \$25 million; that Portsmouth is right now discussing giving up the battle against this fight and their bill is going up to \$80 million, so, a \$25 million upgrade for Kittery is conceivable; that that increases the sewer user's share from \$2 million to over \$4 million. She said that if they think this \$1 million savings is going to be a good thing, it was a short-term good thing; that if things happen in Kittery they are going to be in the soup for some big money; that it will make this savings look like nothing. Ms. Davis said that she looked at a lot for sale on Route 236 that is a 35-acre lot and has 10 acres of usable space on it; that's not a good ratio if we're looking at big-time development down there; that we don't even know how much land we have to develop. She said that my final concern is that the warrant article does not reference any financial calculations so what the voters are doing is voting a \$7.8 million bond with no financial report to tie it to; that there was nothing on paper and no management structure.

BOARD OF SELECTMEN'S MEETING
October 24, 2013 5:30PM (continued)

Mr. Moynahan said that every time we put something on paper it is argued or not believed.

8:00 PM Mr. (Denny) Lentz said that I have a more general request when it comes to the sewer expansion; that there are two factions in Town and you guys know it as well as I do; that there are those who want and those who don't want, and the majority of voters at the last election said they either didn't understand it or they didn't want it. He said that I think, as our governing Board, it's up to you guys (BOS) to get the key players in these two factions together, sit down at the table, and figure out what's right and what's wrong, what's factual and not factual in all the stuff that's being thrown around; that you're putting this Town in a tailspin and it's never going to get resolved if we don't sit down with these guys, put it out, and say, "This is it. This is the way it is."

8:02 PM Mr. McMullen agreed with Mr. Lentz; that this needs to be brought to the surface and ironed out face-to-face. He said that he went and spoke with the Kittery Water Department Superintendent and he has clearly stated that they are working with the State of NH; that the combined efforts of the State of NH and State of Maine are going to determine whatever problem may exist there; that his (Superintendent) opinion is now that the figure of \$25 million was thrown out there and feels it has absolutely nothing to do with reality of the Kittery Sewer Department; that he (McMullen) thought it was another misleading figure that was being thrown out to scare taxpayers; that he encouraged the Board to go talk with the Kittery Superintendent directly.

Mr. Pomerleau said that the \$25 million comes directly from the NH Department of Environmental Services (NHDES); that they did an analysis for all the towns in the Great Bay Estuary and that's what they came up with for the Kittery treatment plant.

Mr. Moynahan said that it was something that needed to be planned on, the unknown that was out there – the planning and management of any system.

8:05 PM Mr. Moynahan closed the Public Hearing.

8:08 PM
#2 TO : Board of Selectmen
FROM : York County Community Action
REF : Eliot Heating Assistance Program

This program would focus on those Eliot households that were struggling but were not eligible for General Assistance. Funding for this effort will be donations as allowed under Town Meeting vote.

BOARD OF SELECTMEN'S MEETING
October 24, 2013 5:30PM (continued)

Mr. Beckert moved, second by Mr. Hirst, that the Board of Selectmen adopt the Eliot Heating Assistance Program as outlined in the Memo

VOTE

4-0

Chair concurs

There will be a link on the Town website to make donations to this program.

8:10 PM

#3

TO : Board of Selectmen

FROM : Victoria Dute, Maine Housing Authority

REF : Proposed Senior Housing

This was a letter from Maine State Housing Authority acknowledging receipt of a request to assist with development for senior low-income housing in Eliot on Levesque Drive.

8:12 PM

#4

TO : Board of Selectmen

FROM : Police Chief

REF : Ordinance Regulating the Operation of All Vehicles in the Public Ways...

After acknowledging the date on page 3 needed to be updated, the Board agreed this was a final reading.

Mr. Murphy moved, second by Mr. Beckert, that the Board of Selectmen, as authorized by M.R.S.A. 30A §3009, agree to enact this ordinance regulating the operation of all vehicles in the public ways and on public-owned property within the Town of Eliot.

VOTE

4-0

Chair concurs

Mr. Moynahan said that this could be taken off the AIL.

#5

TO : Board of Selectmen

FROM : Michael Morrison

REF : EEE and WNV in York County

This was a Memo from Swamp Inc. providing costs and actions to be taken for the prevention of EEE and WNV.

BOARD OF SELECTMEN'S MEETING
October 24, 2013 5:30PM (continued)

Mr. Moynahan asked if this was something the Board wanted to look at budgeting for this year in the Administrative, DPW, or ECSD budgets; was this something we wanted to have these folks in to answer questions.

The Board agreed they would like to have Swamp Inc. in to get more information.

#6 TO : Board of Selectmen
FROM : Treasurer
REF : Route 236 Tax Increment Finance District

Mr. Moynahan asked the Board if this projection, based on actual history, from the Treasurer was something they wanted to provide for the residents.

The Board agreed they wanted to have this available to residents and that it would be uploaded to the Town website in the TIF section. They also agreed that, with this, the original 2009 projections would be there, as well.

8:17 PM
#7

TO : Board of Selectmen
FROM : Mike Moynahan
REF : Realignment of duties – Administration (no correspondence)

Mr. Moynahan said that, as we move forward towards a Town Manager form and we're moving into budget season, who are we going to go to, who was going to prepare budgets, and all that knowing that Mr. Blanchette is looking to depart and we will be changing to a Town Manager form of government. He asked how we phased this out, how do we make sure that tasks are completed, that there is some type of overlap and oversight in this transition period so that not one person has the burden of knowing all this. He asked if we should get additional people involved in General Assistance, for instance, or preparing a general budget or some of the discussion with legal so that there is another person intimately involved with some of the day-to-day functions that Mr. Blanchette has provided for 30+ years.

Mr. Dunkelberger said that he thought they absolutely had to because Mr. Blanchette was leaving in the middle of the budget cycle, as far as budget planning for next year, as well as the execution of this year. He added that he thought it behooved the Board, from a fiscal as well as an ethical standpoint, to just make sure we get a solid hand-off. He suggested sitting down with the staff and appoint people to work the different areas.

8:19 PM Mr. Moynahan said that he thought it was a sensible approach; that he thought it would be easy; that Mr. Blanchette worked well with all the staff. He added that he thought it would be beneficial for one of the Board members to be involved

BOARD OF SELECTMEN'S MEETING
October 24, 2013 5:30PM (continued)

with some of that and work with Mr. Blanchette to help and get an intimate knowledge on some of this and how it worked.

Mr. Dunkelberger volunteered to work with Mr. Blanchette on the transition to decide how and who we would farm out the different responsibilities

Old Business (Action List):

This was not discussed tonight.

1. Tax Increment Finance Program – Potential projects, next steps, schedule workshop
2. Good Neighbor Petition
3. Police Union Contract – Mr. Moynahan, Mr. Dunkelberger, Mr. Blanchette, & Chief Short
4. Community Service Space: Relocation to Elementary School – explore school space – fit up costs, service impacts, insurance, MSAD #35 contract - CSD Director, Mr. Dunkelberger, Mr. Hirst, & Mr. Blanchette
5. Town Manager - Job description, sample contracts, hiring committee
6. Policy creation/review – Selectmen's Policies
7. Employees – cross-training, charting earned times, job descriptions - BOS
8. Liaisons to boards, committees, and commissions – review existing members, try to fill open spots; Committee/Board – Mission Statement Review - BOS
9. Budget Preparation – Fiscal year 2015, goals, formats, etc. Department Head Workshop - BOS
10. Pay-per-Bag Recycling – 6-month trial, public information sessions
11. Regionalization – explore areas of potential collaboration, cost reductions & enhancements to services – Mr. Moynahan, Mr. Hirst
12. Legal issues – BOS
13. Sewer - User Rates, reserved allotments, odor, maintenance– Sewer Committee, Underwood Engineers, Mr. Moulton
14. Department Heads – monthly reports, employee reviews, financial oversight, policy reviews, and department reviews – BOS

**BOARD OF SELECTMEN'S MEETING
October 24, 2013 5:30PM (continued)**

15. Research grant opportunities – AED's for Town buildings
16. Comp Plan follow-up
17. Public Works Union Negotiations – Mr. Moynahan, Mr. Dunkelberger, Mr. Moulton and Mr. Dave Barrett

Town Hall/Recreation Union Negotiations - Mr. Moynahan, Mr. Dunkelberger, Mr. Moulton and Mr. Dave Barrett
18. Public Hearings Scheduled – November Referendum for Municipal Charter, Sewer Improvements and Sewer Ordinance

Selectmen's Report:

There were no Selectmen's reports tonight.

8:20 PM

Other Business as Needed

Mr. Blanchette had several things.

There would be a **DOT meeting in South Berwick** to discuss replacement of culverts on Shorey Brook and Quamphegan Brook, at the property line between Eliot and South Berwick. The culverts were being replaced in the spring but the meeting was November 8.

The DPW and EEC will give a **tour of the solar installation** on the Town Garage on November 2nd at 9AM for the BOS and at 10AM for others.

This Memo is an **update from Ms. Rawski on the charter commission** and what needs to be done and when. If this is voted in the Board has to make the three appointments within 30 days.

The **Board** agreed that they would **not meet on Thursday, November 28th**, as that was Thanksgiving.

8:23 PM

This is a **proposal from 2-Way Communications** to replace the ECSD server along with the policies for purchase of goods and services; that it clarified that any expenditure over \$5,000 required three estimates and between \$2,000 and \$5,000 it was up to the Board.

There was discussion by the Board

BOARD OF SELECTMEN'S MEETING
October 24, 2013 5:30PM (continued)

8:25 PM Mr. Hirst mover, second by Mr. Murphy, that the Board of Selectmen move forward with this proposal for \$4,377.64

VOTE

4-0

Chair concurs

Mr. Moynahan clarified that the funds would come out of capital improvement.

Contract between Eliot and GIS Mapping & Analysis.

Mr. Blanchette said that this was the company that had been doing it for a couple of years; that most of this had to do with stormwater management but also affects mapping and other things, which is a federal thing that we have to do. He said that this was something we budget for yearly.

Mr. Beckert moved, second by Mr. Hirst, that the Board of Selectmen contract with GIS Mapping & Analysis for a one-year contract at the sum of \$4,800.

VOTE

4-0

Chair concurs

Introductory 6-month period completed for Ms. Albert.

Mr. Blanchette said that Melissa Albert has completed her introductory period successfully; that when they hired her the Board had stated that there would be a review of wages at this time; that he would recommend a step increase to \$17.17 per hour with an effective pay date beginning October 24, 2013.

Mr. Hirst moved, second by Mr. Murphy, that the Board of Selectmen raise Ms. Melissa Albert's step increase to \$17.17 per hour effective pay week beginning October 24, 2013.

VOTE

4-0

Chair concurs

Mr. Blanchette said that Ms. Albert was working with the new Treasurer to do some of the work and one of the things that they are looking at is payroll.

8:27 PM Mr. Moynahan said that he **provided the Board with a timeline** based on our meeting with department heads last week. He discussed dates and said that he added an additional date of May 29 for a public information meeting on all budget items to be voted. He also reviewed directives that came out of that meeting and asked the Board to review and bring back comments, if any. He said that he would correct dates to reflect correct days.

BOARD OF SELECTMEN'S MEETING
October 24, 2013 5:30PM (continued)

8:33 PM Mr. (Mike) Dupuis, SC, said that he just wanted to make sure that the work the SC has done on **Chapter 18 Sewer Ordinance** was acknowledged at tonight's meeting.

Mr. Dunkelberger said that, reading through it, he did not have any questions on it and that he thought that they did an exceptional job on it.

8:35 PM Mr. Beckert reported that the **Building Committee** will be meeting Monday at 4:30 PM at the Town Hall; hopefully with Michelle Shields with a preliminary plan for the move of the ECSD to the school; that they hoped to have members of the school department in attendance, as well as the CEO.

8:37 PM Mr. Pomerleau said that last night at the BDC meeting Mr. McMullen brought up that, legally today, a business had to have a sprinkler system; that they weren't allowed to do that on a well; that that made water supply critical in any development and he didn't remember seeing even one item in the whole planning process about water coming in to the Route 236 sewer zone.

Mr. Moynahan said that he thought there had been discussions with the Kittery Water District all along with this; that it was not in parallel with the sewer. He added that they were waiting to see if anything moved forward; that they were more than willing to continue that line up (Route 236) and just waiting for a reason to do that.

Mr. Pomerleau said that the Board was implying that Kittery would supply water.

Mr. Moynahan said that that was correct.

Mr. Beckert said that, going back a few years, the correspondence with Kittery Water District was that they would run a line up and put in hydrants up through Route 236 at so much per hydrant.

Mr. Blanchette added that there had been different proposals. He added that Route 236 does have water out there up to Beech Road. He said that one proposal was from the South Berwick Water District to bring water to them and Kittery Water District said that they had enough water to supply that but that was never followed through on; that Eliot was contacted at that time to see, if they were to do that, if Eliot wanted fire hydrants on the water main. He said that there was nothing definite as to the expansion of water on Route 236

Executive Session

There was no executive session.

**BOARD OF SELECTMEN'S MEETING
October 24, 2013 5:30PM (continued)**

Adjourn

There was a motion and second to adjourn the meeting at 8:40 PM.

VOTE

4-0

Chair concurs

DATE

Mr. John J. Murphy, Secretary