

BOARD OF SELECTMEN'S MEETING
April 9, 2015 5:30PM

Quorum noted

A. 5:30 PM: Meeting called to order by Chairman Beckert.

B. Roll Call: Mr. Beckert, Mr. Hirst, Mr. Fernald, Mr. Murphy and Ms. Davis.

C. Pledge of Allegiance recited

D. Moment of Silence observed

5:31 PM Public Hearing for 'The Maine Course' and Waste Recycling & Disposal Ordinance

Mr. Beckert explained the rules for the public hearings.

Mr. Beckert said that the first Public Hearing was for a Liquor License and Special Amusement Permit; that the Board should have a Memorandum from Ms. Albert and this is for 'The Maine Course'. The applicant was present.

Mr. (Darryl) Boyd said that they were changing the name of the restaurant from Sue's II to The Maine Course and we are going to be closing for breakfast and open for lunch and dinner. He added that they thought the liquor license would be an asset for them.

5:33 PM Mr. Beckert opened the Public Hearing.

No one from the public spoke on this application.

5:34 PM Mr. Beckert closed the Public Hearing.

Mr. Murphy asked if he was going to have three or four employee parking spaces.

Mr. Boyd said it was four.

Mr. Murphy said that he showed the dining room with no bar and asked if the counter there is going to be moved.

Mr. Boyd said that it would be moved against the wall and would be the bar.

Mr. Murphy moved, second by Mr. Hirst, that the Board of Selectmen approve this application, as presented.

VOTE

4-0

Chair concurs

At this time, the BOS signed the pertinent documents.

5:37 PM Mr. Beckert said that the second Public Hearing was for the Waste Recycling and Disposal Ordinance and asked if there was anyone from the Solid Waste Committee here.

Mr. Lee said that Mr. Tessier couldn't be here tonight but that Mr. Moulton and Ms. Pelletier were here.

5:38 PM Mr. Beckert opened the Public Hearing.

No one from the public spoke to this proposed ordinance.

5:39 PM Mr. Beckert closed the Public Hearing.

Mr. Murphy gave several suggestions and corrections:

Page 2 – "...to enter into contracts..."; "...to operate and maintain...".

Page 4 (H) – replace 'compost' with 'compostable'.

BOARD OF SELECTMEN'S MEETING
April 9, 2015 5:30PM (continued)

Page 5 – definition – ‘compostable material means natural waste or residue’ (compost is distinct from compostable); suggestion to define ‘medical waste’ as blood, stained bandages, test strips, diabetic lancets and syringes, and all medicines, drugs and external prescriptions (like salves).

Ms. Pelletier said that medical waste was included in the definition of hazardous waste; that they tried to stay as consistent as possible with State DEP definitions. She added that they could further define it for clarification.

Mr. Murphy said that it is sort of buried down in there and it may be an important one to draw people’s attention to.

Mr. Moulton said that they did take needles as long as they are properly containerized (clorox bottle, sealed and labelled).

Mr. Lee said that, if it is under Hazardous Waste, it is therefore not acceptable; that he thought if the intent was to accept it we would have to move it out of that and/or make an exception.

Ms. Pelletier said that that would be under the list of things that the Selectmen have the ability to change whenever they need to; that that list can be amended at any point by a vote from the BOS.

Mr. Lee added that there is some soft language in there that says, “...and whatever other materials the Selectmen may...”.

Mr. Murphy said that on page 6 there was a definition for ‘Special handling items’ and he did not notice batteries, mattresses, rugs, carpets. He asked if those were indicated anywhere.

Ms. Pelletier said that they are not; that most of that is accepted; that batteries fall under ‘universal waste’ and the rest under ‘bulky’.

Mr. Hirst said that he has no objection to Mr. Murphy’s proposed changes.

Mr. Lee said that he thought it was very good feedback.

Mr. Beckert suggested those changes would be made and brought back to the BOS but he wasn’t sure they were substantive enough; that he thought if the BOS agreed with the changes then he thought they could move forward and have it prepared for the warrant.

Mr. Murphy moved, second by Mr. Fernald, that the Board of Selectmen approve this Waste Recycling and Disposal Ordinance, as amended, so long as the indicated changes are inserted.

VOTE
4-0
Chair concurs

5:45 PM **At this time, the public hearing portion was adjourned and the BOS entered into the regular business meeting.**

E. Approval of Minutes of Previous Meeting(s)

5:46 PM Motion by Mr. Fernald, seconded by Mr. Hirst, to approve the minutes of March 12, 2015, as amended.

VOTE
3-1 (Ms. Davis abstained)
Chair concurs

BOARD OF SELECTMEN'S MEETING
April 9, 2015 5:30PM (continued)

Motion by Mr. Fernald, seconded by Mr. Hirst, to approve the minutes of March 24, 2015, as amended.

VOTE

4-0

Chair concurs

F. Public Comment:

5:52 PM Ms. (Carol) Selsberg said that she rose to urge the Board to not give up video-streaming; that a video record protects you and informs and educates the public. She added that we all can't come to these meetings but, as elected officials of the community, you can't and should not be reluctant to be seen and heard while doing the people's business; that the people deserve to see and hear the business you are doing on our behalf. She said that she thought that \$250/month was a paltry sum for total transparency.

G1. Department Head/Committee Reports

5:54 PM 1) Sewer Abatement Appeal: R. Sylvester, \$2,485.82 (13 accounts)

Mr. Beckert said that Mr. Murphy did some research and asked him to speak on it.

Mr. Murphy said that he couldn't make a decision on this until he knew more about the system so, with the help of the front office, he obtained 252 pages of the detailed quarterly pay-outs for the year 2014, which is the year in question. He gave out copies of his research and discussed what he found. He said that, in the third quarter, he found that the average sewer user used 54.53% more water, generally. In comparing Cole Brown Estates units with Sawgrass Lane, Pickering Drive, and Blueberry Lane units, he found that the averages are fairly similar for quarters one and two; that the third quarter is very high and the fourth quarter is somewhat high, indicating the curve of water use spills over into the fourth quarter. Mr. Murphy said that his research led him to the feeling that Cole Brown Estates is not that different from a lot of the Town and the rest of the Town is not asking for an abatement.

6:10 PM Ms. Davis asked Mr. Murphy if he was saying that he disagreed with the numbers that are being requested for the abatement based on these averages.

Mr. Murphy said that, no, his numbers may be nearly correct and could not argue with his figures except for the \$5 average difference because Mr. Sylvester used the 2013 fourth quarter, as the 2014 figure was not yet available. He added it was more whether this Town wanted to consider this type of abatement when the use of the water is to simply grow grass, for the most part. He said that he didn't have a similar statement from the residents or management of the other three groups he used; and why was there an increase in that third quarter that spills over into the fourth; that it may be different from place to place or street by street or business by business. He added that, in this case, he thought that Mr. Sylvester said that they had a strict requirement to water the lawns to keep them green and have the neighborhood look nice to bring more people to live there, which is a legitimate concern, but whether the process of achieving that concern should have the Town adjusting for this and approving an abatement. He added that the abatement criteria for this kind of abatement is fuzzy because it so rarely occurs. He said that the most recent case that he was aware of is for one of these thirteen; that he thought it was two years ago and was for a personal need for assistance rather than the community; that suddenly, now, the whole community wants the same treatment. He asked, if this community gets it, what other communities and neighborhoods are going to want it. He said that the payment is difficult, and Mr. Moulton may want to speak to that, because we are modernizing the way these costs are assessed and measured; that up until now and, sort of, now the only way to spread the sewerage costs was to use the spread that comes from the Kittery

BOARD OF SELECTMEN'S MEETING
April 9, 2015 5:30PM (continued)

Water District, which is assumed to be the basis of all sewerage but, in this case, it's different because watering a lawn doesn't go into the sewer and that is the crux of the problem, as Mr. Sylvester explained.

6:13 PM Mr. Beckert asked if Mr. Moulton wished to speak to this.

Mr. Moulton said that, basically from the beginning, there was a change in the ordinance voted by the residents of the Town, approved November 2013. He added that part of that ordinance approval was that any abatement request required that it be metered; that it would either be read by Town staff at a charge per quarter or by Kittery Water – a deduct meter. He added that what it came down to was the administrative cost for the Town to offset for all these abatements; that it was costing more to abatement than it was to give people their abatements. He added that there were a lot of gray areas in abatement determinations and, so, to make it fair and equitable for everyone, it was a matter of having it metered. He said that people could purchase a meter from Kittery Water District and have it installed by a licensed plumber; that the average cost would be between \$275 to \$300 for each resident. He added that, of the 13 abatements that Mr. Sylvester was asking for, only seven were prior to the ordinance change and anything after that, in his opinion, was on Mr. Sylvester's behalf to change in accordance with the ordinance. He said that he thought that, if the Board chose to give an abatement, he felt they would set a precedent for others; that as Mr. Murphy pointed out, it (third-quarter water usage) is a common thing throughout the Town and, if the Board chooses to do an abatement, they may want to only consider seven of the thirteen because of the timing of the ordinance change. He added that Mr. Sylvester mandated that the lawns be green and one of Mr. Moulton's reasons for denying the abatement was that the Town should not have to cover for something that somebody (privately) mandates. He said that that was why the general ordinance was changed in the Town for abatements for increased efficiency and accuracy with abatements based on a meter. He added that watering lawns was a big use, along with livestock, pools, and such, so those are the things that people are looking for abatements from; that you are looking at thousands of gallons of water that should be abated for. He said that Spinney Creek Shellfish has an abatement; that they put in a meter, Kittery Water reads it, and we have a deduct meter; that it's all done electronically and fair and equitable for everybody.

6:18 PM Mr. (Russell) Sylvester said that he appreciated what Mr. Murphy had to present; that he wanted to point out, and he thought it was pretty obvious, that different neighborhoods use water in different ways; that residential neighborhoods, such as Blueberry Lane, he didn't believe had irrigation systems and he didn't know how Baran Place designated how the water was used. He added that every one of these is different. He said that, as far as setting a precedent, he didn't know how you could ever set a precedent if you examine each case on its own merits. He said that he thought it was pretty obvious where the water went in the third quarter of 2014. He added that these are neighborhoods with elderly residents and it's a proven fact that the elderly use less water than a family or a rental. He added that what other sewer users are doing on the system he didn't think had any effect on why he was here; that he thought, no offense, that that was pointless. He said that his concern was that it skyrocketed and it did so because they were watering their lawns, and that's the only reason. He added that the question was brought up regarding why some of these were lower than others and he explained that there are three residents who do not have sprinkler systems; that they manually water them and they don't use as much water. He said that those were probably the biggest reasons he could point out. He added that the one big thing he wanted to add to this whole thing, and nobody brought up, although he brought it up last time and that was the letter dated December 31st, 2014 and signed by Mr. Moulton. He said it was an excellent letter and brings out a lot of facts and information; all things that should have been presented to all the sewer users long before that date; presented to help educate and guide them so they didn't get stuck

BOARD OF SELECTMEN'S MEETING
April 9, 2015 5:30PM (continued)

with these high bills during this third quarter; that it was like closing the barn door after the horse is out and he doesn't think the Town made its best effort to protect and advise the citizens, taxpayers, and, specifically, the sewer users in South Eliot of this potential. Mr. Sylvester said that he pointed out at the last meeting that the procedural defects in this whole process are insurmountable; that he wasted a lot of time, the Sewer Committee wasted a lot of time; that the solutions that Mr. Moulton and Mr. Rogers ultimately came up with make a lot of sense and they are being implemented as we speak. He said that we had 17 units that were existing when this was brought forward and those are being retrofitted; that the last three new houses that went in are automatically fitted with the meters and it will work fine. He added that the cost that was quoted was pretty accurate. He said that he thought the third quarter spoke for itself; that he thought these people weren't notified appropriately on the financial impact that was going to take place; therefore, he asked the Board to consider abating the sewer charges for all of those residents for that third quarter.

6:23 PM

Ms. Davis said that it sounds like there was a slight problem with notification; that the ordinance passed in November, you guys went through a summer without realizing what you were doing to yourselves. She added that the last time this came up she was not under the impression that you were making a good-faith effort to put the meters on but you are making an effort to put the meters on. She said that we do have a history of granting abatements so this is not an unusual procedure and it's not, in a sense, costing the Town any money because it's a service that was not used. She added that, granted, we took money in and we'd like to hold on to it because now we've got it but the truth is we didn't pay it to Kittery because the water didn't go into the sewer system; that what he's asking for is to get his own money back for a service he did not use; that it would probably be put towards the cost of the meters that will handle the problem in the future. She said that it only seems fair to give him back money for something that he did not use.

Mr. Sylvester said that, if these payments are approved, that money will go back to the user, it won't go to me; that he is bearing the financial burden of buying the meters and installing them in their homes so they can enjoy the benefit of not having to pay for it again. He added that he thought that was the appropriate thing to do.

6:25 PM

Mr. Fernald said that this was a really tough one. He added that he has known the people at Mr. Sylvester's park for years; that he grew up with them and all are very good friends. He said that he just can't see where the Town, itself, was the neglecting party of what happened; that he thought it was Mr. Sylvester's company, itself, because you should have known what was going to happen to the sewer and how it would be reported at that time because of the sprinkler system over there. He added that everyone in Town are all treated the same; that Kittery Water District come up with the sewer bills and do the calculations the same way with everyone and that's his (Mr. Fernald's) problem. He said that he truly didn't believe it was a Town problem; that he did acknowledge the Town could do a better job and we are looking at putting meters on those systems so that it will be split apart and we will know what the usage is for watering lawns, and so forth. He reiterated that he just can't say yes to the abatement because of the reason he stated.

6:27 PM

Mr. Sylvester said that if everybody took the time to dig into every ordinance, law, rule, and statute that is put before the governing body and everybody analyzed it right to the end, you would probably have the result that you are asking for; that he didn't have that time and he knew all those users didn't have that time. He added that he did think the Town erred or this letter would have never been written after-the-fact. He said that, if there was enough reason or need for the Town Manager or the Superintendent to put this forth to the sewer users, after-the-fact, then it should have been done before the fact. He added that this is

BOARD OF SELECTMEN'S MEETING
April 9, 2015 5:30PM (continued)

an education process and he does believe it's the Town's responsibility to help educate its citizens, equally, as Mr. Fernald said; everyone treated the same way. He said that this was a blanket letter that went out to every sewer users, not just Cole Brown Estates.

Mr. Murphy asked Mr. Sylvester if he thought the Town should be leery, or maybe expecting, that Sawgrass Lane to appear at our next meeting for an abatement of their water excesses.

6:28 PM Mr. Sylvester said that he didn't know if they had a definite use of water during that third quarter that would push them to ask for that abatement; that we do, we have sprinkler systems and that is peak watering season.

Mr. Murphy said that this is a definite use of water because these are the gallons that come from the Kittery Water District or those users and applied to break out the sewer cost in the same pattern as the water usage.

Mr. Sylvester said that he understood that. He asked if Mr. Murphy thought they all might show up and say they all had swimming pools that they filled; that it's a bit unique at Cole Brown because we all have sprinkler systems. He added that you can go down Main Street, as Mr. Murphy said, and there may be various places that have a need for use of excessive water that doesn't go through the sewer system; that his guess was that those were very much in the minority. He said that Cole Brown has a concentrated number of houses that all have the same common water usage during the third quarter. He added that he guessed he would challenge that there was a concentration of that much usage in other places. He said that, to him, it was very clear that that water went to watering lawns and didn't go down the sewer system.

Mr. Murphy said that, to him, this demonstrated excess usage is spread all through Town and, so, there are lots of people who are doing the same thing, or something else, that wasn't sewerage, whatever that is. He added that Mr. Sylvester chose watering lawns, someone else may have chosen something else but, nevertheless, they might say that it wasn't sewerage and ask why they are being charged for this other.

6:30 PM Mr. Sylvester said that maybe it's sewerage; that maybe there are six kids in the house and they do four loads of laundry every day; that if Mr. Murphy could guess at it, then he was a better man than Mr. Sylvester is.

Mr. Beckert asked for the Board's pleasure.

Ms. Davis moved that the Board of Selectmen grant the abatement for \$2,485.82. There was no second and the motion fails.

Mr. Murphy said that he was, perhaps, too deeply into all of this but he sees the picture all over Town so he feels that he must protect the taxpayers of this Town and encourage the water users to move quickly to alter their necessary expenses by denying this abatement.

Mr. Beckert asked if that was in the form of a motion.

Mr. Murphy moved, second by Mr. Hirst, that the Board of Selectmen deny the requested abatement.

DISCUSSION

6:32 PM Ms. Davis said that she thought it seemed a little unfair that, based on past practice and the letter that came in, after-the-fact, over the summertime that does demonstrate that there were complaints that needed to be addressed, once people began to see their bills and there was a problem. She added that she thought the

BOARD OF SELECTMEN'S MEETING
April 9, 2015 5:30PM (continued)

other people who spent their money deserve their abatement, too; that we took money for a service we did not provide.

Mr. Murphy said that he thought that Mr. Sylvester really had a prior knowledge of this at the time because the Town, two years ago, gave an abatement to one of his current clients for the same reason; but that it was more a personal inability to pay an unexpected cost. He added that it was for water usage, he understood, for that time and that should have given him notice; yet, two years later it suddenly appears; that maybe he has misunderstood that case.

Mr. Sylvester said that he didn't know what Mr. Murphy was talking about but that certainly doesn't equate to his ability to know about abatements and what the effect would be.

Mr. Murphy said that he thought he should apologize; that he probably confabulated these and made assumptions about it; that he was probably wrong.

Mr. Hirst said that, if he has correctly guessed what Mr. Murphy is talking about, it was not an abatement granted but was Mr. Sylvester paying that bill for the gentleman involved.

Mr. Beckert clarified that the one Mr. Murphy was talking about was an inability to pay, which is not appropriate to discuss.

6:35 PM Mr. Sylvester said that he did, in fact, pay one of the sewer users' bill; that he did it because it was so significantly higher than the average anywhere; that it was the highest usage in Cole Brown Estates, almost \$600 for that quarter and was from watering the grass. He added that, as Ms. Davis pointed out, it was for service that was not provided.

DISCUSSION ENDED

VOTE

3-1 (Ms. Davis)

**Chair concurs in the affirmative
and the abatement is denied.**

2) TIF Alternative Committee Minutes

This was informational.

6:37 PM Sewer Issue Update (not on agenda)

Mr. Moulton said that last Saturday afternoon we had a minor illicit discharge at Pump Station #2, again; that the cause was a failed float which shorted out part of the panel that had been slightly rehabilitated. He added that an alarm wasn't sounded but reported to him by dispatch; that we responded immediately and found that the downstream sewer manhole was seeping septage out and responded accordingly. He added that, since then, the temporary panel has been installed, the new check valve has been installed, and we continue to monitor and track it carefully for continued issues. He said that this was an approximately \$5,000 repair and we are starting to accrue costs of \$40,000 to \$50,000 for a system that continues to be old and worn out. He reiterated that it is critical, in his opinion, that if something happens to the pump stations should the vote fail in June, we are going to continue to be in crisis mode and it is getting very expensive.

G2. Administrative Department

6:39 PM 1) Town Manager Activities Report

BOARD OF SELECTMEN'S MEETING
April 9, 2015 5:30PM (continued)

Mr. Lee highlighted a couple of things from the report. He said that they now have a snapshot budget for the Sewer Department, if you call it that, and, likewise, we have our first snapshot profit-and-loss statement for the ECSD 'enterprise funds' so we are making progress. He added that, for the enterprise funds, it won't be until after we close this year's books that we'll be able to put together a budget, a projection, per se; that we now have a system to know what fees are coming in, where they're going, how they're going to be coded, etc.; that a lot of work has been done on the three funds under the sewer account.

a) Governor's Budget – Telecommunication Property's value

Mr. Lee said that this memo from MMA talks about the two-way telecommunication assessed property value data; that Eliot has about \$1.167 million of telecommunication personal property that, under the Governor's proposal, we would be able to collect the taxes on that and not the State. He added that he asked the Assessor to confirm that amount and go over those accounts to see if there is any reason to believe that we didn't assess it properly. He added that because we haven't been getting the revenue a lot of times, such as with non-profits, you don't care what the assessment looks like because it isn't going to yield anything one way or the other. He added that she has done that and felt pretty comfortable with the numbers the State was putting out.

6:42 PM b) Revised Employment Application

Mr. Lee said that, after some discussion with other town managers and things he'd recently read, he revised the Town's generic employment application and ran it by the staff for their comments; that he thought this was a far better application, more thorough, has several types of things in it we didn't have in the prior version and is very careful not to ask questions that you cannot ask.

Mr. Hirst asked if they could put this on the Town web site in lieu of the one that is there now.

Mr. Lee said that he thought that Ms. Rawski had already done it or it is on her hot-list.

6:45 PM 2) Budget Warrant (updated)

Mr. Beckert informed everyone that the agenda is a revised one and everything in the packet is numbered differently after this. He asked the Board how they wanted to deal with this budget warrant; that the Board has had time to review it and everyone agreed, through consensus, at the last meeting that this was going to be resolved and decided tonight; that the Chair is not going to entertain putting it off any further.

Mr. Murphy said that, in the 5th Article there is a statement of fact, "While this bond is required by law to be a general obligation of the Town, it is also intended that the annual debt service for the bond be paid for in part by the Town (45%)..." He asked if that intention was going to be rigid, in concrete, or does that imply that that breakout of a portion of the cost could be altered in the future, assuming that the central issue is to pass the bond.

Mr. Lee said that this is the language that was provided by the attorney and, when we get later in the warrant, there is an article regarding amounts and it sort of reiterates that the amount we are asking for in this is the 45% portion from the Town; that he thought that increases to the point of no question as to what the intent is because the amount we are asking to be appropriated equals the 45% amount; that this was the best way, according to the attorney, to put in the 45%/55% split. He added that he was told that it generally didn't go in the body

BOARD OF SELECTMEN'S MEETING
April 9, 2015 5:30PM (continued)

but is put in as a statement of fact; that as the Board knows he has gone round and round with legal opinions on this nine different ways and this is where we ended up. He said that, under the 5th Article, we got very clear legal guidance that you better not make it a multiple choice thing because we will not be able to give an affirmative legal opinion that the voters' will was clear. He added that he has been left with this even though he knows the Board would like to see at least one other option but reiterated that he was told that, if we do that, we will not get a positive legal opinion.

6:47 PM Ms. Davis said that she thought that, given the Director's warnings about the system, that any attempt to put this on the ballot leads to a higher risk of failure of passing the bond. She added that she was wondering what we are thinking of here; that it doesn't seem like the best course of action to ensure success for this.

Mr. Fernald said that, if this fails, we still have the option to come back in November with a revised article.

Ms. Davis suggested that prudence would dictate that we put this on at 100% (sewer users) to more likely guarantee its success in June so that repairs can be commenced; that in November, if the Board so decides, they could put before the people the opportunity to voluntarily contribute 45% towards the cost of these repairs.

Ms. (Roseann) Adams asked what would happen if the people approved the bond but did not approve Article 36, the funding; would that mean that the entire bond would be paid for by the citizens of this Town.

6:49 PM Mr. Lee said that that was one legal opinion he didn't seek out. He expressed his own belief, stating that he is not an attorney, that where there is a general obligation bond being issued by the Town, he would think that the Town would be on the hook for the G.O. bond debt, not the sewer users. He added that, if that is the case, Article 36 does not contain the full amount of debt service, it only contains a small portion and that would put him in the position of having to find the remainder of that debt service payment elsewhere in the budget because we would be obligated to make that 55% payment; that it would have to come out of the municipal budget somewhere and come up with additional cuts to the budget.

Ms. Davis said that it sort of begs the question, then, that if we put it on at 100% it solves both problems.

6:51 PM Mr. Lee said that he understood that it would be easier; that it would be the easy thing to go on at 100% and it would only be easier, frankly, because there are, apparently, a number of people that will oppose it at the 45/55% but he does believe the logic behind the 45/55% breakdown is strong, justifiable; that he thought, if we thought of this project as part of a community system, then he thought it was the fair and appropriate way to go. He added that he believes that, if we lose on this 45/55, then we come back in November and we do it with the way that has been suggested where we ask sewer users to pick up the entirety of it. He said that he thought that, from his philosophical and policy standpoint, that that is a wrong-headed way to be thinking about this problem.

6:52 PM Ms. Adams said that back when this bonding was supposed to be under the TIF she supported that because it would not raise our taxes, because it was fair to the sewer users, and because that TIF money is also sewer user TIF money. She added that she cannot support it now because, now, it raises the tax rate for everyone; that she doesn't believe that's the way we should go and that, with the last three votes that have taken place, she thought the people would reject this.

Mr. (Bob) Pomerleau disagreed with the logic of the split being justified; that it is flawed in so many ways he didn't even know where to begin. He added that you

BOARD OF SELECTMEN'S MEETING
April 9, 2015 5:30PM (continued)

could go back to the original contract where it was clearly specified in black and white that all repairs and maintenance would be borne by sewer users. He said that he hasn't found a community anywhere around us that doesn't use sewer users for the funding of repairs and maintenance. He added that you are deciding to take this risk; that it's on you and nobody else; that there are 2,000 households that don't use sewer and 640 that do. He said that no matter how hard you might try to separate this from the three past votes on the expense and the failures, there will be people that will go to the polls and will tie them right back together. He said that he thought the odds of this passing are very poor and you are taking a very serious risk, if we're to believe what Mr. Moulton is telling us but that's the decision you are making tonight.

6:54 PM Mr. Beckert commented that, based on the engineers' recommendation, the 45/55 was explained because of the percentage allocation that is currently being used by the sewer users, which is 110,000 gallons per day; that the remaining portion of the 200,000 is the 45%, which belongs to the Town that is for future use for sewer users.

Mr. Lee agreed that that is exactly how the math came out – 200,000 gallons per day, 110,000 gallons is being used by a certain group of people, and 90,000 is not being used by the rest of the Town but could be at some point.

Mr. Beckert said that, right now, 90,000 gallons belongs to the Town, as a municipality, as does the system, regardless of how anybody can spin it, fabricate it, or anything else; that it is the Town's sewer system and the general bond is the responsibility of the Town. He added that, if it fails to be paid by any other entity, such as the sewer users, then the Town picks it up; that that was the same with the original sewer bond.

6:56 PM Mr. Lee added one other thing, speaking to Mr. Pomerleau's point; that we had a fellow who came down from Augusta and had been with the sewer program for 32 years; that he had a publication and it went across the entire State showing how towns and cities pay for their sewer and it was anywhere, and everywhere, all over the map. He added that what we found was that, in the wealthier communities and mill towns, the taxpayers paid 100% of anything associated with that sewer system; that in many cases it was 50/50 or 75/25 or 40/60; that there are so many mix-and-match combinations across this State that it doesn't take much to find those. He reiterated that we have an entire publication that shows just page after page of any different types of scenarios so this is not unusual. He said that, when you talk about sewer users paying for repairs, he didn't think there was any disagreement; that he thought that everyone understood that that was part of what they had to do – usage and repairs. He added that he didn't think upgrades were part of that definition and this is both, in his estimation. He said that his hope was that we do take the chance on the 45/50, as he does believe it's the right thing; that it may be the riskier thing but he reiterated that he thought it was the right thing. He added that, if we're wrong about that, then shame on us and we go back in November and accept the spanking.

Mr. Murphy said that he thought it could be argued or a part of Eliot's history that the Town management did not insist on accumulating replacement funds over a long period of time under the feeling that they were giving the users a bargain and they were not upsetting the apple cart with respect to Kittery; that we had a wonderful bargain in the contract we had with the Town and, so, years went by with not enough money; now, the Town did that to the users, not the users to the Town and, so, the Town is responsible for our being in this position, now, where we need more money than we have in the system replenishing the pocketbook. He reiterated that it is the Town's responsibility to do what is necessary for even a small set of the Town; that that set of people produce 22% of our taxes, not just for their own lives, but for everything needed in Town. He said that they pay 22%

BOARD OF SELECTMEN'S MEETING
April 9, 2015 5:30PM (continued)

of the school, 22% of all the roads, of the Fire Department, Public Works, and so forth; that they're there and part of us. He added to set them apart is wrong.

6:58 PM Mr. Selsberg said that he must have missed it somewhere because he learned tonight that 90,000 gallons are not attributable to the sewer users.

Mr. Beckert said that it was allocation that was not being used right now. He added that we have a 200,000 gallon per day allotment that we are allowed; that we can possibly send that much to Kittery on a daily basis. He added that, right now, the sewer users are sending 110,000 gallons so that means there are 90,000 sitting there not being used that belong to the Town of Eliot. He added that that was where the engineering recommendation to have a 45/55 split came from.

7:00 PM Mr. Moulton said that at the previous meeting with Christie Rabasca and information as to how it relates to fines, should the Town have a significant illicit discharge a number of \$25,000/day was thrown out there for fines; that the entire community would pay that fine until the situation was resolved. He added that he did believe, and correct me if I'm wrong, that Mr. Lee had calculated the debt service based on a bond at \$38,000 per year so you're looking at \$38,000 a year based on the 45/55 split; that everything is pointing to, in that we are having more and more issues (18 in the last twelve months), and if that should continue we will have more and it will cost more money. He added that \$25,000/day is a potential versus \$38,000/year – simple math.

Ms. (Donna) Murphy said that the 90,000 he speaks of she has sat in many meetings where there was concern because that actually is allocated but isn't being used; that there was some concern that people coming in would not be able to get allocations because of that. She added that voters have rejected this three times; that we have 2,000 households, here, who have no access to that sewer that have to pay for their own septic systems. She said that it seemed to her that it would be prudent to put it on, as Ms. Davis suggested. She added that she doesn't support this and, if my septic fails, it will cost me a lot more money than it's going to cost the sewer users to pick up the cost of this bond; that it has been figured out that it would cost sewer users \$10.70/month; far cheaper than if my system fails and she has to pull \$25,000 to repair that.

7:03 PM Mr. Lentz said that he thought you keep confusing this thing and you keep mixing it together, using the threat of fines as an example. He added that he believed that's probably on the 110,000 gallons/day that were using it and has nothing anything at all to do with the 90,000 that isn't being used; that he is going to wind up paying for it and he can't use it and he probably will never be able to use it where he is located. He said that there is a moral issue here, he agrees; that he didn't mind helping people out but don't confuse it with all the fines and the threat of that stuff; that that's a whole different issue; that he thought it was what Mr. Murphy said – mismanagement over the years that didn't put the money away to fix that and he understands that it's got to be paid for. He said that he's against it.

Mr. Fernald said that the sewer users, themselves, are sewer users and taxpayers and asked if they would get charged twice.

Mr. Lee said yes, that they would get both sides of it anyway.

Mr. Fernald asked how much the Town, itself, would have to pay in the amount of their taxes.

Mr. Lee said that the calculation on the \$38,000, if divided over the entire tax base and you further go down to the level of a \$250,000 home, it comes in at just

BOARD OF SELECTMEN'S MEETING
April 9, 2015 5:30PM (continued)

about \$10/year additional taxes on a home in Eliot for their portion of this sewer debt.

7:05 PM Ms. Davis said that she has heard from many people that they won't pay \$2 towards this; so, your logic might be accurate but it is an emotional subject and holding the 2,000 households hostage by threatening them with these fines when you have, right now, the opportunity to do the right thing by putting this on at 100%. She added that it's too bad, if this does happen, you won't be held financially responsible for it because you are the ones making this decision. She said that, as far as that 90,000 gallons, it is an allocation; that nobody pays for it because it's unused; so, to say that the Town owns that 90,000, it doesn't go there and nobody is being charged for it because it's not used; that we pay Capital Investment costs at 200,000 and maybe we should think about reducing the 200,000 if we're not using it. She added that Underwood said, unequivocally, that this was not an upgrade; that they said it was maintenance and they said that, even though the pumps might be a little bit better, it still fell under the heading of maintenance. She suggested that, with having had 18 issues and this thing becoming imminent and all receiving emails from Mr. Moulton stating the seriousness of the situation, we should not fool around with this; that there are a lot of people who are not for this and you are risking it and you have been told that this is the situation. She said that for \$5 per taxpayer you guys are risking this and it's not good.

7:07 PM Mr. Beckert said not to say 'you guys'; it's a Board and we are here to represent all 6,000 residents of this Town. He asked Mr. Murphy to address the 90,000 gallons because what Ms. Davis said was not quite true.

Mr. Murphy said that the Town is on the hook because Kittery expects us to pay the percentage of any repairs to support the treatment plant on the basis of 200,000 as the percentage of their total capacity of 2.4 million a day; so, the Town is using that and pays for having that, even though it isn't in the sewage amount.

Ms. Davis said that that was a capital improvement to the plant and is not a daily use that we get charged for every month with the sewer bill; that it's a smaller percentage, it doesn't happen every month; that when users use it they are using 110,000 gallons/day and they pay for that. She added that the 90,000 is 'up here' and, aside from being calculated into the CIP for Kittery's water treatment plant, there is no charge for unused usage.

Mr. Murphy said that he has had more people come up to him on the system and say that they don't think they should be paying anything; that this is a Town system and this is a big issue and they aren't going to vote for it; that Ms. Davis is saying that other people want them to pay it all and, so, because the Town is slated to pay something on this, they aren't going to vote for it, either. He added that both sides are saying they want it the other way and, so, they are both going to vote against it – let's see what happens.

7:09 PM Ms. Davis said that that may be true but there are 2,000 households that don't use it, either; that the odds are against you and you are risking this.

Mr. Murphy said that he wasn't risking anything; that Ms. Davis was saying that, unless we do what she says.

Ms. Davis said yes.

Mr. Beckert asked if there was any other discussion from the Board on this particular portion of the budget and the warrant. He added that the Chair wanted to pull the discussion to the Board about the warrant, in general. He asked if there were any other concerns over the warrant.

BOARD OF SELECTMEN'S MEETING
April 9, 2015 5:30PM (continued)

7:10 PM Ms. Davis said that she did have some comments and questions on almost all of the articles.

Mr. Beckert asked for the Board's pleasure.

Mr. Murphy said that he couldn't imagine what they would be and asked if they were general or about particular final wording or the dollar amount.

Ms. Davis said it was the dollar amounts.

Mr. Beckert said that all Board members agreed that we would finalize this tonight; that it was consensus. He added that he had heard from Ms. Davis that she wanted more discussion but he wanted to hear from the rest of the Board.

Mr. Fernald said that he thought the Board needed to move forward.

Mr. Beckert asked if they wanted to go down through each item. He said that it was his impression from last week's meeting that we were going to receive something from Ms. Davis after Sunday so that we had it to review before this evening's meeting.

Ms. Davis agreed and said that she hadn't done that; that she worked on Saturday from 9:30 AM until Sunday morning at 5:30; that her workload right now...

Mr. Beckert said that he understood that people have other commitments other than this but we did make the commitment and we did have the consensus that we would finalize this tonight.

Mr. Murphy asked Ms. Davis if her main concerns in the amounts for these articles that the Budget Committee is recommending; did she think they were wrong and how do you know that when we haven't heard from the Budget Committee.

7:11 PM Ms. Davis said that it had nothing to do with the Budget Committee. She added that she had questions on revenue and other information in the sheets but she would say this – the fact that there were no questions last week, when we were supposed to go over the budget, gave the impression that you guys were ready to stamp this thing and go; so, why don't you go ahead and approve this, without my vote of course, and she will take her problems and pull them together and, if you find them worthy of action, then you still have another week to take a look at it.

Mr. Murphy asked if we can be sure that she won't be interrupted by her own concerns that we haven't had time, once again.

Ms. Davis said no, you can't be sure of it, as she can't be sure of it. She added that she wanted to bring up one thing; that she was looking at the revenue, and this would give them a taste of where things are headed, on page 7 (worksheet dated 4/2/15), if you look at the carry-forward for the Charter and the carry-forward for Fire CIP painting, they are included in revenue offset for the year, and it's not money we are taking in to off-set the budget; so, that's \$21,000 that shouldn't be included, she thought, in the revenue total; that it was just technicalities like this. She said that she also has gone through and made a comparison with last year and feels as though the voter needs to be informed but, since she feels as though this is a given, that it's going to be passed tonight, there will be time after tonight for her to go through and assess these budgets and make recommendations to the Board and the taxpayer after tonight, so, go ahead.

7:14 PM Mr. Beckert asked, again, for the pleasure of the Board.

BOARD OF SELECTMEN'S MEETING
April 9, 2015 5:30PM (continued)

Mr. Fernald moved, second by Mr. Murphy, that the Board of Selectmen present the Town Manager's budget/warrant to the taxpayers, as written, under G2-2 and dated 4/9/2015.

DISCUSSION

Mr. Lee clarified that the motion that the Selectmen would recommend the same numbers that the Town Manager has recommended to them in this, as he will ultimately have to write "the Selectmen recommend".

Mr. Murphy said yes, recognizing that it may be incomplete and we don't know the future but it's the best we can do in a practical way; that there are reasons for having come up with these values. He added that that was what he would understand and that was why he would accept this.

Ms. Davis said that she would continue to work on this and pull some numbers together for the residents about exactly what they are spending and make a comparison with last year and the year before; give them the best that we've got so that they can make their decision.

7:16 PM Mr. Murphy asked if he might suggest that this fellow Selectperson, whatever she comes up with, brings to the Board so that we will also be informed; that she is not to be the mouthpiece of this Board to the public. He added that the Board can accept it and be critical and say yes this may need modification but, for Ms. Davis to go off, as just now, and proclaim that you will be telling the public, that bothers him. He asked why not be part of this Board and teach us and maybe we'll agree with you and you'll be more than one voice.

Ms. Davis said that she could do that.

Mr. Fernald said that he would like to point out that video-streaming is included in the budget.

Ms. (Donna) Murphy asked if, under Article 39, there was a typo regarding the \$500 still listed under York County Shelter Corporation.

Mr. Lee said that he agreed; that after learning more about that he didn't think they should fund that \$500. He asked if Mr. Fernald would amend his motion to amend Article 39 and reduce York County Shelter Corporation by \$500.

Mr. Fernald said that he would.

Mr. Murphy asked if, in order not to change the total figures, could we move the \$500 to the Home Health Visiting Nurses, which has nothing, and we really should be supplying them because they come directly to lots of people's houses that need medical nurses.

7:18 PM Mr. Lee said that was true, also, and probably one of the better agencies that actually give direct support to some of our folks. He added that he would welcome that change, as well, and asked Mr. Beckert, Ms. Davis, and Mr. Hirst if they were okay with amending the original motion to move the \$500 in York County Shelter Corporation to Home Health Visiting Nurses.

Ms. Davis said yes. She asked the Board if they want to consider putting back some of these in order to allow the people to vote when they get to Town Meeting; that the way it is listed right now no one has the option to vote on the things that have been zeroed out.

Mr. Beckert said that, actually, they do; that that article can be raised.

BOARD OF SELECTMEN'S MEETING
April 9, 2015 5:30PM (continued)

Mr. Lee explained open-ended articles (to see what sum) and capped articles (raise and appropriate specific amount).

7:20 PM

Mr. Fernald moved, second by Mr. Murphy, to amend his original motion to amend Article 39 to reduce York County Shelter Corporation by \$500 and move that same amount to Home Health Visiting Nurses.

DISCUSSION ENDED

VOTE

3-1 (Ms. Davis opposed)

Chair concurs in the affirmative

Mr. Beckert said that the warrant recommended by the Town Manager is also the warrant recommended by the Selectmen.

Ms. (Donna) Murphy said that the Budget Committee has already voted on that article and she requested that they bring that one article back to look at; that they are meeting on Tuesday night.

Mr. Beckert said that that was fine.

Mr. Lee said that he didn't have any qualms about that one number; that he can change it at any time. He asked if they would be getting something from the Budget Committee about what specific cuts are being recommended, as he requested in his email.

Ms. (Donna) Murphy said that she had to bring that up to the Committee Tuesday; that she had the list.

Mr. Lee said that he had the list and he put the numbers in; that he guessed he didn't need to know but was just wondering if you were going to share which items you disagreed with.

Ms. (Donna) Murphy said sure.

Mr. Lee said that he thought that would be handy for the Board, to see what specific things you did, and like Ms. Davis is doing; sharing the ideas.

Ms. (Donna) Murphy said that she would get that typed up and bring it to the meeting on Tuesday and have it to Mr. Lee Tuesday night.

7:22 PM

Mr. Lee added that we still have Open Floor Town Meeting wherein, if we learn new things between even now and June, theoretically if both groups say at Town Meeting that they've changed their opinion of this and want to do something Ms. Davis has suggested or the Budget Committee, we can still do that. He said that he thought we should keep sharing information but we have to keep moving on in terms of timeline to get this book out and so forth.

Ms. (Donna) Murphy said that it shouldn't be an issue but she didn't want to speak for the whole Committee.

3) MMA Property & Casualty Report

This report discusses the benefit value of MMA membership; that this membership saved the Town \$3,250 for 2014/2015.

4) Gate Management at Spinney Creek

Mr. Lee said that this stems from the Selectmen's Policies document; that we identified 4 that were potentially unneeded and this was one. He explained that

BOARD OF SELECTMEN'S MEETING
April 9, 2015 5:30PM (continued)

MDOT has allowed the operation of the gate to be done by Spinney Creek Shellfish Company, in part because MDOT does not have the staff nor flexible schedules needed to open and close the gate; that no one has argued the gate schedule for many years and the system seems to work well. He added that the Town's role is to essentially "sign off" on the proposed schedule or object to one or more gate events/timing. He said that this may be something we want the Harbor Commission or Harbor Master to have as a duty. He added that he didn't know if the Board wanted to continue to have this as a Selectmen's Policy or if it is just some sort of institutional knowledge about how things work.

7:27 PM Mr. Beckert asked if this has been discussed with the Harbor Commission.

Mr. Lee said no.

Mr. Murphy said that he had a vague recollection that the association of the Selectmen with this process in the past has been because several of the Selectmen were directly involved with the waterfront and wanted to be involved; that they may or may not be part of the Select Board in the future so there may be a better place for it somewhere else.

Mr. Lee said that his initial thinking was that the Board might want to leave this in the Policies because it is an unusual policy and doesn't fall into any traditional categories. He added that if this is left in Policies he would probably reword it to say, "Annually, on or about, blah, blah, blah the Town receives notice about the gate schedule. It is the responsibility of the Selectmen, or their designee, to review said gate schedule and to offer any comments, if appropriate."

7:28 PM Mr. Beckert asked if it made sense to this Board that it remain in the Selectmen's Policies; however, the Selectmen appoint the duties to the Harbor Commission or Harbor Master, as our designee.

The Selectmen agreed by consensus that the Harbor Commission/Harbor Master be the designee for the Selectmen.

Mr. Lee will add the language to this policy.

5) Establish Hearing Date for Referendum Town Meeting Ordinance

There was discussion on venue in case the number of attendees was greater than the Town Hall Meeting Room could hold and a date to hold this public hearing. It was agreed that, if more than the room could hold, showed up, then they would have an arrangement in place to move it to the Grange Hall; that they would schedule it for a regular meeting night.

Mr. Lee would look into setting something up for the Board's first meeting in May.

7:32 PM **6) York River Steering Committee Request/Information**

Mr. Lee said that this was informational; that they have asked to do a brief presentation to the Board at their second meeting in May and this is background material for the Board to read up on.

Mr. Murphy said that he went to the presentation they held at the library this past Monday. He added that they talked about 'this' map that shows the York River Watershed. He discussed his excitement at learning the true headwater for this river.

Ms. (Jennifer) Fox said that she was happy to see Mr. Murphy and Mr. Hirst at the presentation, along with other Eliot citizens; that she thought it was a great

BOARD OF SELECTMEN'S MEETING
April 9, 2015 5:30PM (continued)

opportunity for Eliot that there was going to be this watershed approach – a study – for the next three years and with it comes funding of \$300,000 to accomplish this study; to look at the possibility of this watershed being designated Wild and Scenic. She added that at the end of the three years is when all the towns in the watershed (York, Eliot, Kittery, South Berwick) would have the opportunity to be part of it, or not; that she didn't see any downside to participating in the study. She said that they would keep the presentation short and would be happy to field any questions; that if anyone was looking to be a part of the Study Committee, they needed to have applications in by April 21st.

7:36 PM 7) Draft – Purchasing Policy

Mr. Lee said that this was the kind of purchasing policy that he was used to seeing more widely utilized offering the different ways that things can be acquired but still have a backbone to it as to how you would normally do everything, at what number do you bump it up to the next level (\$2,000, \$5,000, \$10,000), emergency situations, sole-sourcing, regional sourcing, etc. He added that he would like the Board to look it over very carefully, mark it up, and express any concerns early and often so we don't wait until the last minute and find we have a lot of problems with it.

Ms. Davis said that \$10,000 in Section 6 on page 6 seemed really high.

Mr. Lee said that that was the kind of feedback they were looking for.

This was scheduled for the April 23 regular meeting agenda.

G3. Public Works

7:40 PM 1) Request for I & I Engineering

Mr. Lee said that this was a request for Underwood to do some inflow and infiltration CCTV sewer inspections for areas 4, 5, and 6; that we are doing some work with them to cut down on costs. He added that the total cost for this project is \$21,100; that the purpose with this, as always, is to get all kinds of stormwater out of our sewer system so we aren't paying for it. He said that he would encourage the Board to allow us to continue the work to reduce the amount we are paying for when we send our waste to Kittery.

Ms. Davis asked how this was different from the previous one; was this a different location.

Mr. Moulton said yes.

Mr. Pomerleau said that this has always somewhat intrigued him why Underwood got all our engineering work and asked why something like this didn't go out to bid.

7:43 PM Mr. Lee said that, in some ways, you pay for the familiarity that they have now got with our system; that he would believe that, if we started afresh with somebody else, there would be a lot of hours just getting to the point where they understand our system like Underwood understands our system.

Mr. Pomerleau asked if that would be reflected in their bid; that a sewer pipe is a sewer pipe and a pump is a pump; that he didn't know how complicated it would be for another engineering group to come in and say to them what your guidelines are, this is what we want- here's our price. He asked why we would care if they are familiar, or not, if they can do the job at a lower rate.

Mr. Lee said that he appreciated Mr. Pomerleau's input.

BOARD OF SELECTMEN'S MEETING
April 9, 2015 5:30PM (continued)

Ms. Davis said that that does bring up a point; that, upon reviewing the \$1.5 million estimate for the repairs in South Eliot, the engineering costs are really high and it seems a little bit odd that the same engineer that's recommending the work is the same engineer that expects to get the work. She asked how we would know, competitively speaking, what's going on with these bids.

Mr. Lee said that that was a good point; that he thinks they are going to have to talk and think about it to see if there is something about this that doesn't work right. He added that he would be happy to discuss that and get back to the Board on that and see what we might do to mix it up a little bit to make sure there isn't quite as much certainty for the one firm we are working with. Using a doctor as an example, he said it's sort of like seeing a doctor for a number of years and then you decide you might be able to find a cheaper doctor, which isn't always your best option.

7:45 PM Mr. Beckert said that Underwood was our second engineering firm.

Mr. Lee agreed that it was rebid from CLD and Underwood came up with a better proposal, good qualifications and, so, we've kind of stuck with them. He added that it is always good to get a fresh bid, maybe, even, every couple of years to make sure that's the engineering firm you want to stay with. He suggested the Board let him talk about this in-house and maybe generate some ideas of what we might be able to do.

Mr. Moulton said that, if you want to look at that, he would say he wouldn't technically put it out to bid for each item, initially; that we did a statement of qualifications and had a big review several years ago and, in his opinion, you would do something like that to show you are getting the best bang for your buck instead of taking each item and putting it out to bid; that then you will get all kinds of uncertainty and misinformation; that a statement of qualifications review would give the Board a better idea knowing you would get better bang for the buck than putting out each individual item out to bid. He added that Mr. Lee was right; that familiarity is everything and they were chosen back then by consensus of the group; that they took \$11.6 million to be spent in Kittery and flipped it around to spend all the money in Eliot and, so, they came up with a better plan a number of years ago. He reiterated that the Board might want a review of Statement of Qualifications versus putting individual items out to bid.

7:47 PM Mr. Lee concurred with Mr. Moulton; that that is the way to go – qualification-based first.

Mr. Beckert asked what the Board wanted to do with this request; did they want to hold off.

Mr. Lee said that he would ask the Board to let this bit of work to be done through this proposal and expect us to come back to you with some sort of a plan of how we might recheck qualifications and the pricing of the firms that are available to us. He said that, for now at least, finish this up.

Mr. Beckert said that this was a continuation of ongoing work that we said we were going to do to begin with.

Mr. Lee agreed that this was an extension of previous work we've had them do.

Mr. Hirst said that he thought this was a good point and suggested it might need to be discussed in our bidding policy; to at least make reference to professional services like this and how we might address it.

BOARD OF SELECTMEN'S MEETING
April 9, 2015 5:30PM (continued)

Mr. Lee said that he thought there were portions of that policy that Mr. Hirst will appreciate for that very reason, as he reads through it.

Mr. Murphy moved, second by Mr. Hirst, that the Board of Selectmen proceed with this proposal for engineering service request for Underwood Engineering to do further CCTV and assessment work in the total amount of \$21,100 (ESR #15).

DISCUSSION

7:49 PM Mr. Pomerleau said that he didn't want to belabor the point but you just used your history to prove his point; that you had another engineering firm here for years and, when you put it out to bid, you ended up with a better one and saved money. He added that you can't let them get so complacent, and Ms. Davis brought up an excellent point, they are putting out the costs for the work they are going to do; how do we know it costs that; that they're setting their own scale.

Mr. Lee said that he didn't think Mr. Pomerleau heard a lot of arguments from us; that he thought he was right.

DISCUSSION ENDED

VOTE

4-0

Chair concurs

G4. Public Safety

There was nothing under this.

H. New Business:

7:48 PM 1) Southern Maine Veteran's Memorial Cemetery Association request

Mr. Lee said that this was a request for funding and, because it came addressed to the Town, he included it as correspondence to the Board. He added that we don't have money to donate to it, even if we were inclined, so this is for the Board's information.

2) EB-5 Question and Answers, 5/28 Presentation/April 6 at Fogg Library

Mr. Lee said that the York County Managers have been discussing this for a while, that they are getting excited about this program and are thinking of trying to encourage the county government to budget the amount necessary to set up an EB-5 Program; that that amount is estimated to be about \$100,000 and brings immigrant investment capital into the US to support the creation of new or restructured commercial enterprises and jobs. He encouraged the Board to read through this memo; that it's interesting, an interesting program, very expensive to get up and running, there are a lot of mixed opinions about it; that it may be a topic coming the Board's way at some point if the county or, in our case, Commissioner Sinden were to look for your advice, then you would probably want to read up on it a little bit. He added that we are also trying to get a better question and answer thing on this program so you will have more information.

7:50 PM Mr. Hirst asked if the BDC should look at this.

Mr. Lee said that at some point he thought they would; that they have been focused on getting the Business Afterhours done; that that is done and it came out very well – 35+ businesses there and Mr. Morang was there to cover it. He added that he thought the BDC would probably like to talk about it and make a recommendation on this. He said that he thought the nature of the benefits of this program are very much specific to a community and what the make-up of that community is, their tax base, etc. He added that this money can go into restaurants

BOARD OF SELECTMEN'S MEETING
April 9, 2015 5:30PM (continued)

and hotels, for example, not just good manufacturing jobs, and the like; so, the more rural the community the less value, to some extent, there might be in it; that in a regional sense, if there are a lot of jobs and value created, it's a good thing. He said that he did a calculation, if the \$100,000 was put in the County taxes, that that would represent just under a \$3,000 increase in our County taxes to be a participant; that that would be our buy-in on the roll of the dice whether this would work out or not.

I. Old Business

7:53 PM 1) Investments Information

Mr. Lee said that he has tried to get as much information as he could about fees and so forth and he thinks this answers it; that he didn't know if the Board liked the answer, or not; that when he tried to express to him what we were after – show each fund, what it has for maturity, and where that money is going – he got this response that says they wouldn't do it by account but gather them into investment groups - as an example; that we want to get \$50,000 in order to get into this particular investment so we are taking these six or seven reserve funds and putting them all into 'here' because they all have a one-year term, they are all of the same ilk, etc. He added that Mr. Soucy hoped "his answer sufficed as it was difficult to break the assets out in the manner you want to see. The purpose of the Investment Policy Statement is to give the manager the latitude to manage within a framework of quality, maturity, and liquidity. I think that my recommendations follow the policy quite closely." He clarified that what Mr. Soucy was saying is that it is a question for which there really is no answer; that that is not the way it's done; it's not the way they think about the world; that they have given us about the best showing they can of how they intend to invest our money and they have tried to provide pretty clear answers as to what fees we can expect if we do the investments through them. He said that he doesn't know where it stands now except that he is putting the ball back into the court of the policy-makers.

7:55 PM Ms. Davis said that she thought that we need to get together and take the list of reserve accounts that we got for the budget and we need to look at how much we need in what years so we know how much we have to invest for each maturity level. She added that it didn't become clear to her, until she saw this, that we need to work it on our end; that he's not working it for us, we need to do it. She said that some of these maturities are out 16, 17, 18, 19, 20; even our TIF money might be required before that time; that it may not be we need to make that educated decision when we sit down and take a look at exactly how much we have to play with, here.

Mr. Beckert clarified that we need to tell them we need this much money 'this' year and, in 2017, we need 'this' much; that he needs to figure out how he's going to group them to get that money.

7:58 PM Mr. Lee said that in fairness to them, and he is certainly happy to have Selectmen input on this, this is a big task in recreating the Capital Improvement Plan completely, which is a great idea and we should get there; that he is worried about the time commitment that it will take along with all the other things we have going. He added that when he responded to him, knowing what he knew from the Fire Chief, DPW Director, Police Chief, etc., he gave them our best guess, which was whenever the next big block of money we needed might be; that the TIF he said two years but virtually every other account has the potential of being tapped every year, theoretically, giving examples. He added that the trust funds were a little different; that they could sit for five years at a time and it wouldn't make any difference; that there isn't much value in them, anyway, and even all of them put together aren't much money. He said that he gave that to Mr. Soucy and Mr. Soucy then provided what he just provided to us, there, the last couple of times we've looked at how he wants to invest it. He added that certainly Selectmen can

BOARD OF SELECTMEN'S MEETING
April 9, 2015 5:30PM (continued)

go in and do the same and he thought you would come up with very similar outcomes as to when things become due and payable. He said that he thought what Mr. Soucy was looking to do is have us say to proceed, we approve; that he didn't know what direction the Board wanted to go with this. He added that he thought what they were looking for was that the Town of Eliot understands your fees, they understand how you are investing and are prepared to give the go-ahead, that we trust them to get it done. He said that he didn't know what the Board wanted to do.

8:00PM Ms. Davis said that this is \$15,000 a year in fees; that she was also looking at the budget and seeing revenue coming in and she was thinking that, if these things mature out, is that really our revenue without the fees being taken out; that we aren't liquid, here, and some of these go out pretty far – 10, 15, 20.

Mr. Lee suggested that maybe Mr. Soucy just needs to come back, again; that what he thought Mr. Soucy does is that you can put them in these investment accounts that have these very, very long terms but has some sort of withdrawal capacity or some sort of way that he manages the funds in such a manner that that money becomes freed up; that he wants to put it in some longer-term stuff to get the rates. He added that he thought Mr. Soucy might have to come back to explain how you put something into a 20-year investment and tell us that we are liquid; do we want money locked up in this bad investment environment for so long when, two years from now, we may want a whole different thing.

Ms. Davis suggested saying that it sounded like Mr. Soucy, in the back of his mind, had a tentative plan regarding fire (example) and could he put that in writing; that she wants to see it in black and white; that she wanted to see all the reserve accounts and how long he planned for each one.

8:02 PM Mr. Lee said that he would go back through his emails because what he thought he did was email that; that he will make a note to send the Board the emails he sent to Mr. Soucy and what he presumed, after talking with the Chief; that in looking at our Comprehensive Capital Investment Plan, you can look down this column that shows the year of purchase so some of them are pretty self-evident.

Mr. Beckert suggested we look at Mr. Lee's emails and discuss it then consider having Mr. Soucy back.

Ms. Davis said that we have another tax collection coming up so the amount is going to increase by at least another \$500,000 (TIF) and asked if this was automatically deposited at his discretion or...how does that work.

Mr. Lee said that he believed it would be at Mr. Soucy's discretion based on the policy that we've adopted and the guidelines that we've given him; that what he has said to Mr. Soucy that he suspected that, at the end of two years, we might be in a position to need those TIF funds to start a project. He added that he believed that, if Mr. Soucy saw \$500,000 go into the TIF Account, he would use the policy and the latitude we've given him to invest for a two-year period, with the understanding that we still want to see that TIF money in two years and not tie it up for us forever. He said that he felt like he was answering medical questions and he's not a doctor.

Mr. Beckert again suggested Mr. Lee send the emails to us and, then, we'll talk about possibly having Mr. Soucy come back.

Mr. Lee said that he might give Mr. Soucy a call just to let him know where we are at, in that the treatment is great on every other thing but we don't quite get the investment piece.

BOARD OF SELECTMEN'S MEETING
April 9, 2015 5:30PM (continued)

8:05 PM Ms. Davis said that it's just that you said two years but, yet, \$300,000 is tied up from 2017 to 2020; that she was concerned with liquidity.

Mr. Lee said that he believed that Mr. Soucy looked at what we have for total money and, to him, it doesn't make any difference if we call it petroleum reserve or TIF; that we have \$2.5 million we can invest or whatever that number might be and he will focus on having the required amount of money when needed - one year out, two years out, three years out, etc.; that the Board can call it whatever they want but he will pull money out and the Board will put it towards whatever purchase the Board wants it for. He added that he also thought that when Mr. Soucy looks at it, he thinks they (Town) don't have any plan, really, for \$300,000 and we could safely put that out quite a long time because it doesn't look like they (Town) are going to need that. Mr. Lee said that he didn't think Mr. Soucy was thinking about it fund by fund by fund and he thought that was our disconnect, in large part.

8:07 PM Mr. Hirst asked what kind of reports we are getting from Key bank as to interest generated on deposits so that we can track earnings on deposits to make sure we are getting some; that the interest rates are horrendously low.

Mr. Lee said that he wasn't sure but that he would follow up on that for the Board.

2) Commercial Building Permit Fee Schedule

Mr. Lee asked that this be held off until the next meeting.

J. Selectmen's Report:

8:09 PM Ms. Davis said that several weeks ago she put out a list of questions and she received partial answers, but not thorough or complete answers.

Mr. Lee asked her to resend it to him because with so much going on it might have slipped.

Ms. Davis said that she would be happy to resend it to him.

K. Other Business as needed

8:10 PM Mr. Pomerleau said that, for the Board's information, which the Board may already have, he read last week that the Southern Maine Red Cross just got a huge grant to assist communities in Southern Maine with food assistance over and above whatever budgets they may have.

Ms. Davis asked to backtrack to the Town Manager's report. She asked if Line #13 was the Police Chief thing or the union negotiations thing.

Mr. Lee said that that had to do with a FOAA request from the defendants in that case; that there is a case that involves a rape and the people charged with that are trying desperately to get out of it by questioning the integrity of the Police Department and, as part of that, they put out a FOAA request for certain documents; that we had to redact certain information and work with the attorneys, etc.; that some of it's personal, a union contract had to be checked. He added that if the FOAA says you must release it and the union contract says that if you do they will come after you, which one takes priority, and things like that.

8:11 PM Ms. Davis asked if it was the same issue having to do with the contention regarding the GPS.

BOARD OF SELECTMEN'S MEETING
April 9, 2015 5:30PM (continued)

Mr. Lee said yes, that it was the same thing; that they just keep trying new avenues for FOAA. He added that they have the FOAA stuff they requested, now, and we are waiting to hear back from them if there is any more.

Ms. (Donna) Murphy asked, if the defendants don't prevail, does the Town have any recourse to recoup any of that money.

Mr. Lee said that he doubted it; that it would have to be pretty blatant, a frivolous lawsuit, and he didn't think they would do that with this particular case.

L. Executive Session

There were no executive sessions.

M. Adjourn

There was a motion and second to adjourn the meeting at 8:13 PM.

VOTE

4-0

Chair concurs

DATE

Mr. Grant Hirst, Secretary