

Town of Mount Desert
Board of Selectmen
Regular Meeting
Monday, March 19, 2018
Location: Meeting Room, Town Hall, Northeast Harbor

Present were Chairman John Macauley, Selectmen Matt Hart, Rick Mooers, Wendy Littlefield, and Martha Dudman.

Town Manager Durlin Lunt, Treasurer Kathy Mahar, Public Works Director Tony Smith, and Town Clerk Claire Woolfolk were in attendance.

Members of the public were also present.

I. Call to order at 6:00 p.m.

Chairman Macauley called the meeting to order at 6:00 PM.

II. Executive Session

A. *Pursuant to IMRSA§405 (6)(D) Discussion regarding union negotiations with Teamsters Local Union No. 340*

MOTION: Selectman Rick Mooers moved, with Selectman Wendy Littlefield seconding, to enter into Executive Session. Motion approved 4-0.

Selectman Dudman joined the Session in progress.

MOTION: Selectman Mooers moved, with Selectman Littlefield seconding, to leave Executive Session. Motion approved 5-0.

The Board left Executive Session at 6:28PM.

III. Public Hearing(s)

There were none scheduled.

IV. Minutes

No Minutes were presented.

V. Appointments/Recognitions/Resignations

A. *Resignation of Joey Chittenden from the Housing Authority as Tenant Representative*

MOTION: Selectman Hart moved, with Selectman Littlefield seconding, to accept the resignation of Joey Chittenden from the Housing Authority as Tenant Representative as presented and with many thanks. Motion approved 5-0.

VI. Consent Agenda

A. *Department Reports: Wastewater (January and February), Public Works (January and February)*

1 B. *Hancock County Commissioners' meeting minutes of February 6 and February 22,*
2 2018

3
4 MOTION: Selectman Mooers moved, with Selectman Littlefield seconding, acceptance of
5 the Consent Agenda as presented.

6
7 Selectman Dudman inquired about Gilpatrick Cove stormwater. Public Works Director
8 Smith reported there was no cause for concern. Should the situation change, he would
9 apprise the Board.

10
11 Motion approved 5-0.

12
13 **VII. Selectman's Reports**

14 Chairman Macauley reported that CEO Kimberly Keene requested the ordinance relating to
15 Boarding Houses be removed from the Warrant. The Article will need to be formally
16 withdrawn.

17
18 MOTION: Selectman Mooers moved, with Selectman Hart seconding, to withdraw the
19 Article from the Warrant. Motion approved 5-0.

20
21 Selectman Mooers reported that the Planning Board hoped to explore the possibility of
22 licensing for rooming houses. This would offer some level of checks and balances.

23
24 **VIII. Old Business**

25 No Old Business was presented.

26
27 **IX. New Business**

28 It was agreed to take some of the New Business items out of order.

29
30 A. *Presentation and review of FY 2016-2017 Audit by James W. Wadman, CPA*

31
32 James Wadman reviewed the audit with the Board. Points in the audit he covered include:

- 33
34 - Federal Funding has necessitated additional auditing, making the report thicker this year
35 than in years past.
36 - Pages 1 and 2 consist of the auditors' Opinion Letter. This year, the opinion is
37 unmodified, meaning there were no exceptions requiring mention.
38 - Pages 3 through 9 are the Management's Discussion and Analysis. The total ending fund
39 balances were \$10,003,898.00. A portion of that, the General Unassigned Fund Balance,
40 was \$2,893,357.00. This is the Surplus and represents approximately 18% of the cost of
41 expenses for the year.
42 - Financial Statements begin on Page 10 of the audit. The initial numbers on pages 10 and
43 11 are high because the figures include the Town's fixed assets. Page 12 statements use
44 the same figures used to prepare the budget and are lower.
45 - Page 41 shows Budget versus Actual Operating Statement. This shows any budget
46 modifications made during the year. The budget intended to reduce the Surplus by
47 \$400,000.00. The Surplus was actually increased by approximately \$400,000.00. This
48 makes a favorable budget variance of approximately \$800,000.00.

- 1 - Revenues exceeded budget by a little over \$50,000.00. However, the biggest change was
2 on the Expenditure side. Favorable Budget balances are at \$629,000.00.
3 - Pages 42 and 43 cover Disclosures regarding participation in the Maine Public
4 Employees' Retirement System. Looking at these estimated liabilities, they are
5 substantial. Eventually a ten-year comparison review will be created. Currently it shows
6 the liability is rising. Mr. Wadman noted these figures are a year behind in the Maine
7 System.

8
9 Selectman Mooers asked about the proportionate share of the net pension liability; it
10 appears to have doubled in three years. Was this a trend that would be recurring? Mr.
11 Wadman noted the investment side and the actuary side both would have to be looked at,
12 and how they're growing. Local contributions can be used to offset and control these
13 liabilities. The figures are dependent on salaries, so as they change, so will the figures.

- 14
15 - The Participating Local Districts Plan is on page 44. At this point no one is taking action
16 or funding these figures, but they do bear watching. In the Notes it goes into detail about
17 the assumptions and estimations involved.
18 - On Page 49 is a statement of changes in unassigned fund balance in the Surplus. The
19 Town began the year with \$2,479,562.00 and ended with \$2,893,457.00. There is a
20 favorable budget variance of over \$813,000.00, minus the \$400,000.00 used to reduce
21 taxation.
22 - There are financial statements included for various reserve funds and CIP funds.
23 - Pages 64 through 73 refer to the Federal Funds. On Page 70 is the Schedule of Findings
24 and Question Cost. This is where Management Letter Comments will be found. There
25 are none included this year, which is an improvement.
26 - Page 2 of a handout Mr. Wadman presented, relates to Long-term Debt. Mount Desert's
27 debt is between 16 and 17 million in total debt. In comparison to the State Valuation,
28 Mount Desert is at less than 1%, and well within any State statutes. It can be as high as
29 15%.
30

31 Chairman Macauley asked about the low-risk oddity. Mr. Wadman explained that in order to
32 qualify as a low-risk oddity for federal funding, the Town must have for the previous two
33 years federal funding audits and had no findings during those two years. Because Mount
34 Desert had no federal funding the previous two years, they can't qualify as low-risk oddity.

35
36 *B. Katelyn Buell d/b/a The Fork & Table (Tasteful Tides LLC) 102 Main Street,*
37 *Northeast Harbor request for Liquor License Renewal*

38
39 MOTION: Selectman Hart moved, with Selectman Mooers seconding, approval of Katelyn
40 Buell d/b/a The Fork & Table (Tasteful Tides LLC) 102 Main Street, Northeast Harbor
41 request for Liquor License Renewal, as presented. Motion approved 5-0.

42
43 *C. Winter Spring Inc. d/b/a Colonel's Restaurant 143 Main Street, Northeast Harbor*
44 *request for Liquor License Renewal*

45
46 MOTION: Selectman Hart moved, with Selectman Dudman seconding, approval of Winter
47 Spring Inc. d/b/a Colonel's Restaurant 143 Main Street, Northeast Harbor request for Liquor
48 License Renewal, as presented. Motion approved 5-0.

1 D. *Discussion with Citizen Steven Smith concerning the past, present, and future of*
2 *Otter Creek*

3
4 Otter Creek resident Steven Smith requested to know the status of the proposed turn-around
5 space at the bottom of the Town Landing in Otter Creek.

6
7 Public Works Director Tony Smith reported that he has begun discussions with Acadia
8 National Park regarding the turn-around. Follow up and a site visit are planned for the next
9 week or two. It was agreed that Public Works Director Smith was authorized to move
10 forward on this project.

11
12 Mr. Smith suggested Acadia National Park Superintendent Kevin Schneider report on the
13 Park's stance on the proposed work. Public Works Director Smith felt it was premature to
14 ask the Park for a position. Now that the Public Works Director has been authorized to
15 pursue the work, he will follow up with the Park.

16
17 Otter Creek resident Dennis Smith commented on the estuary area. He stated the openings to
18 the causeway have changed over the years. They are no longer as big as they were.
19 Reclamation of these areas can be done, as evidenced by the removal of dams on rivers in
20 Maine. Steven Smith stated that there were several conservancy agencies in support of
21 cleaning up the estuary area.

22
23 Steven Smith voiced frustration at a lack of cooperation from Acadia National Park. He read
24 a letter he had written to the Board and Public in attendance. This letter is a part of the
25 Board's packet.

26
27 Mr. Smith asked for comment from Acadia National Park Superintendent Kevin Schneider.

28
29 Chairman Macauley acknowledged that there were things out of the Park Superintendent's
30 control. There are things that the Town is happy to support. But the Town can only support
31 things that are appropriate and legal. The Turn-around and landing can be improved.
32 Perhaps some vista clearing can be done. But the Town must operate within parameters so
33 they don't encroach on the Park's bailiwick. The two entities must work together.

34
35 Mr. Smith requested water connected to the fish house. Mr. Smith referred to a drawing and
36 alleged that the Park has encroached on the Village of Otter Creek's boundaries. This
37 encroachment has taken from the village quarrying opportunities, wood, and proper ingress
38 and egress. Mr. Smith stated the lack of stewardship in the woodland surrounding Otter
39 Creek has created a fire hazard. If the woods were maintained, there was no reason the
40 villagers couldn't use cut wood from the area wood for themselves.

41
42 Superintendent Kevin Schneider spoke. He assured the Board that working with
43 communities is of the utmost importance to the Park. The Park has built trails to the
44 waterfront, completed ethnographic assessments to document the cultural history, and
45 worked with the Town to provide a boat launch. Superintendent Schneider was not aware of
46 the need for a turn-around. Acadia National Park is happy to work with any interested group.
47 Some of these issues could be solved by cooperating. A clear list of needs and prioritization
48 needs to be created.

1
2 Dennis Smith discussed the Otter Creek Causeway. He stated he had pictures from the 1930s
3 showing many fish that can no longer be found in the waters. Chairman Macauley noted the
4 causeway was a famous structure, and not a major river with dams that can be removed.
5 Some realistic expectations need to be agreed upon. He did not feel it was realistic to remove
6 the causeway. Mr. Smith felt it should be removed, and alleged that the estuary was built due
7 to illegal decisions and votes. The estuary is just as important as the major rivers. Mr. Smith
8 stated the path that was built was at the expense of the road. Mr. Smith is not allowed to use
9 the road to access his property. Mr. Smith felt the Park will not cooperate, therefore he
10 insisted the Town write a letter to the Secretary of the Interior.

11
12 Public Works Director Smith and Chairman Macauley both agreed that a comprehensive list
13 of concerns and a committee to prioritize them should be the first step.

14
15 Town Manager Lunt stated he needed more information before a letter could be written. He
16 suggested getting a comprehensive list of concerns together, work to complete what can be
17 done, and write to the Secretary of Interior with the list of concerns that Superintendent
18 Schneider can't help with. The list is the first step.

19
20 Selectman Mooers noted that the letter will have to reflect that a diligent effort has been
21 made to resolve the issues.

22
23 Mr. Smith agreed to pull a full list together.

24
25 *E. Authorization to open Electronic Payments Bank Account*

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27 MOTION: Selectman Dudman moved, with Selectman Littlefield seconding, authorization
28 to open Electronic Payments Bank Account, as presented (1. Authorization to establish Non-
29 Profit Business Checking Account #8330077028 with Bar Harbor Bank and Trust Company for
30 Credit Card Payment transactions as stated in the attached Corporate Authorization Resolution,
31 and 2. Authorization for the Treasurer Kathryn Mahar and Deputy Treasurer Durlin Lunt Jr. to
32 be signatories on the account.). Motion approved 5-0.

33
34 **X. Other Business**

35 Treasurer Mahar pointed out that based on her analysis, another \$100,000.00 could be taken
36 from the Town's surplus for offsetting taxes. \$400,000.00 has already been taken for this
37 year. It would bring the rate down to 14%, and remove the requirement to vote on the LD1.

38
39 MOTION: Selectman Dudman moved, with Selectman Mooers seconding, to authorize
40 using an additional \$100,000.00 to offset taxes, as presented by Treasurer Mahar. Motion
41 approved 5-0.

42
43 **XI. Treasurer's Warrants**

44 *A. Approve & Sign Treasurer's Warrant AP1856 in the amount of \$428,514.89*

45
46 MOTION: Selectman Mooers moved, with Selectman Littlefield seconding, approval and
47 Signature of Treasurer's Warrant AP1856 in the amount of \$428,514.89, as presented.
48 Motion approved 5-0.

1 *B. Approve Signed Treasurer's Payroll, State Fees, & PR Benefit Warrants AP1854,*
2 *AP1855, and PR1820 in the amounts of \$86,540.12, \$1,432.25, and \$88,659.88, respectively*

3
4 MOTION: Selectman Dudman moved, with Selectman Hart seconding, approval of signed
5 Treasurer's Payroll, State Fees, & PR Benefit Warrants AP1854, AP1855, and PR1820 in the
6 amounts of \$86,540.12, \$1,432.25, and \$88,659.88, respectively. As presented. Motion
7 approved 4-0-1 (Littlefield in Abstention).
8

9 *C. Acknowledge Treasurer's School Board AP/Payroll Warrants 19 in the amount of*
10 *\$73,509.20*

11
12 MOTION: Selectman Dudman moved, with Selectman Littlefield seconding
13 acknowledgement of the Treasurer's School Board AP/Payroll Warrant 19 in the amount of
14 \$73,509.20, as presented. Motion approved 4-0-1 (Macauley in Abstention).
15

16 **XII. Adjournment**

17 MOTION: Selectman Mooers moved, with Selectman Littlefield seconding, adjournment.
18 Motion approved 5-0.
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20 The meeting was adjourned at 7:30 PM.
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22

23 Respectfully Submitted,
24
25

26 Wendy Littlefield, Secretary
27
28