

**Town of Mount Desert
Board of Selectmen Meeting Minutes
Meeting Room, Town Hall
6:30 PM, March 18, 2019**

Present were Selectmen Rick Mooers, Matt Hart, Wendy Littlefield, and Martha Dudman. Chairman John Macauley arrived from another appointment near the end of the meeting.

Town Manager Durlin Lunt, Police Chief Jim Willis, Harbormaster John Lemoine, Public Works Director Tony Smith, Treasurer Kathy Mahar, and Town Clerk Claire Woolfolk were in attendance.

Members of the public were also in attendance.

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

Vice Chair Matt Hart called the Meeting to order at 5:58PM.

II. Executive Session

A. *Pursuant to 1 M.R.S.A. §405(6) (A) review request from employee for leave without pay*

MOTION: Selectman Mooers moved, with Selectman Littlefield seconding, to enter into Executive Session. Motion approved 4-0. The Board entered into Executive Session at 5:58PM.

MOTION: Selectman Rick Mooers moved with Selectman Littlefield seconding, to leave Executive Session. Motion approved 4-0. The Board left Executive Session at 6:12PM.

MOTION: Selectman Mooers moved, with Selectman Littlefield seconding, to return to the regular meeting. Motion approved 4-0. The Regular Meeting was resumed at 6:30PM.

III. Post Executive Session

A. *Employee Leave without Pay, action if necessary*

MOTION: Selectman Mooers moved, with Selectman Littlefield seconding, approval of employee's request for leave without pay extension of 60 days, beginning March 18, 2019, pursuant to 1 M.R.S.A. §(6) (A), as presented. Motion approved 4-0.

It was agreed by General Consensus to take Items out of order. Items IX. B and IX. C were heard first, followed by Item IX.A

IV. Minutes

A. *Approval of minutes from March 7, 2019 meeting*

MOTION: Selectman Dudman moved, with Selectman Mooers seconding, approval of the Minutes of March 7, 2019, as presented. Motion approved 4-0.

B. *Approval of minutes from March 11, 2019 meeting*

MOTION: Selectman Mooers moved, with Selectman Littlefield seconding, approval of the Minutes of March 11, 2019, as presented. Motion approved 4-0.

V. Appointments/Recognitions/Resignations

A. *Confirm re-appointment of Commissioner and Chairwoman Karol Hagberg to the Mount Desert Housing Authority Board of Commissioners for a 5-year term through March 2024*

MOTION: Selectman Mooers moved, with Selectman Littlefield seconding, confirmation of re-appointment of Commissioner and Chairwoman Karol Hagberg to the Mount Desert Housing Authority Board of Commissioners for a 5-year term through March 2024, as presented. Motion approved 4-0.

B. *Confirm appointment of Elizabeth Macul to the Mount Desert Housing Authority Board of Commissioners as Tenant Commissioner to complete the term of Frederick Marzoff (deceased) through November 2019*

MOTION: Selectman Mooers moved, with Selectman Littlefield seconding, confirmation of appointment of Elizabeth Macul to the Mount Desert Housing Authority Board of Commissioners as Tenant Commissioner to complete the term of Frederick Marzoff through November 2019, as presented. Motion approved 4-0.

C. *Recognition of Elizabeth Yeo's award for the designation of Certified Clerk of Maine from the Maine Town & City Clerks' Association*

MOTION: Selectman Mooers moved, with Selectman Dudman seconding, recognition of Elizabeth Yeo's award for the designation of Certified Clerk of Maine from the Maine Town & City Clerks' Association, as presented, and with congratulations. Motion approved 4-0.

VI. Consent Agenda *(These items are considered routine, and therefore, may be passed by the Selectmen in one blanket motion. Board members may remove any item for discussion by requesting such action prior to consideration of that portion of the agenda.)*

A. *Department Reports: Public Works*

B. *Hancock County Commissioners' meeting minutes of February 21, 2019*

MOTION: Selectman Dudman moved, with Selectman Littlefield seconding, approval of the Consent Agenda as presented. Motion approved 4-0.

VII. Selectmen's Reports

No Selectman's Reports were presented.

VIII. Unfinished Business

A. *Finalize and Sign Warrant for Annual Town Meeting May 6 & 7, 2019*

MOTION: Selectman Mooers moved, with Selectman Dudman seconding, finalization and signature of Warrant for Annual Town Meeting May 6 & 7, 2019, as presented. Motion approved 4-0.

B. *Consideration of costs associated with the Eastside Option version of the Northeast Harbor Main Street Improvements Project and authorization for PW Director to schedule the contract signing for same*

Vice Chairman Hart made note of Public Works Director Smith's synopsis of the situation and noted that in October the Board authorized Public Works Director Smith to sign the contract for the Northeast Harbor Main Street Improvements Project. Director Smith added that he had agreed to bring the revised pricing back for approval prior to signing the contract.

1 MOTION: Selectman Dudman moved, with Selectman Littlefield seconding, approval of costs
2 associated with the Eastside Option version of the Northeast Harbor Main Street Improvements
3 Project and authorize Public Works Director Smith to schedule the contract, and sign for same,
4 as presented.

5
6 Selectman Dudman inquired what the cost of the additional storm drain work on Sea St. would
7 be. Director Smith noted it was \$97,000. The line would run from Sea Street, toward the end of
8 Main Street, and up Summit Road. Director Smith reported the stormdrain system there was
9 old and inadequate, and it would be wise to do the work while the road was opened. The plan
10 has been previously discussed.

11
12 A final plan from Emera has been received.

13
14 Resident Ben Moore noted that at the March 6 Planning Board Meeting, moving the pole from
15 the front of the garage to the museum was discussed. Power would come underground from
16 there to the existing pole. Mr. Moore recently received a letter from CES stating that all East
17 side service lines would be overhead. Mr. Moore requested clarification. Mr. Smith reported
18 that this would be to compensate the lack of guy-wires. There are guy-wires and foam wires
19 and power line wires going across the street that are serving the purpose of guy-wires. When
20 the pole is moved to eliminate the wires from going across there will be no place to put a guy-
21 wire or guide pole. The service line on the East side will be overhead from the pole to the
22 garage.

23
24 Mr. Moore thought everything going down Main Street would be overhead. However, Mr.
25 Moore received a request to sign a temporary easement for 600 square feet showing
26 underground electric running down Main St. Director Smith explained this was for the
27 lampposts.

28
29 Discussion of the easements ensued. Mr. Moore asked for confirmation that a temporary
30 easement on underground electric would actually become permanent. A property owner can't
31 build in an area with underground utilities. Director Smith agreed that a permanent
32 maintenance easement would have to be obtained for underground lines. Mr. Smith promised
33 to look into it and address the issue.

34
35 Resident Kathy Miller stated that she had received a similar letter, and it was noted that
36 separate easement requests for cable and phone companies would follow. Director Smith
37 explained that different contractors would require separate easements for the work they do.
38 The cable and phone connections would not be worked on till the following fall. Director Smith
39 estimated the requests for those easements would not come till later in the process.
40 Additionally, a separate easement would be requested from Emera. Ms. Miller noted that her
41 letter stated she could not build on the lot the easement was requested for. Director Smith
42 promised to look at the letter to clarify.

43
44 Mr. Moore asked Director Smith to clarify that the pole on the South Side of the garage, as you
45 travel down Firehouse Lane will have power going to it underground, and also will have power
46 going overhead to it. If the line was only coming the one way, he wondered how the guy-wire
47 would work back into the road. Director Smith promised to look at the plans with Mr. Moore.
48

Mr. Moore inquired about the savings. Mr. Moore's recollection was an estimate of \$1.1 million in savings. Director Smith reported Emera savings was \$96,623.00. The overall savings was \$843,881.00. Adding the extra stormdrain work to the project, adjusts the savings down to \$722,631.00.

Mr. Moore felt fiberglass poles were an expensive choice, as was eliminating some of the wires going to the West side of Main St. Director Smith noted these were choices the committee made.

Director Smith noted the handicap parking space on Main Street would not be impacted by pole placement. CES Engineering is in the process of tracking down all property owners. The Great Harbor Museum would be informed of the pole move, if they haven't already been.

Director Smith reported that Jordan's would begin work on April 1. The first steps of the work would include ordering materials and beginning to set up their work space. It did not mean groundbreaking would occur on April 1. Mr. Smith noted the scheduling was driven by the Water District's work, as water service had to be maintained, and also weather.

Mr. Moore noted that starting after Labor Day, rather than waiting till mid-October would give the contractors a longer working season. Director Smith stated the commitment made to the area business owners was to start after October 15. Scheduling would be weather dependent.

Motion approved 4-0.

IX. New Business

A. Presentation and review of FY 2017-2018 Audit by James W. Wadman CPA

James Wadman explained the organization of the Audit materials and shared highlights from the report. The Opinion, on page 1, indicates that the audit was a fair presentation of the Town's finances.

Mr. Wadman reported the report is thicker this year, due to additionally required reports on post-employment benefits.

Pages 3 through 9 are the management's discussion and analysis; a narrative summary and condensed financial information. It allows a reader to get an overview of the report.

Total ending fund balances were in excess of \$14 million dollars. Of that amount, \$2,988,753.00 makes up the general unassigned fund balance, or surplus. This is a higher surplus than last year's amount of just under \$2.9 million.

Included in the report are some comparisons to other municipalities.

The Town is holding steady at approximately 16% - 18% of the Town's expenses. Maine Municipal Association recommends a Town should have a minimum of 10 - 12%. The Town is above that amount but it's not an excessive amount.

Financial Statements begin on Page 10 of the report. There is a Statement and Deposition showing a government-wide balance sheet for the Town. Total assets are at over \$61 Million.

1 The majority of these assets are capital assets. Liabilities are included. Pension liabilities are
2 estimated at \$874,000. Other post-employment benefits add an estimated liability of \$316,000.
3 These are new disclosures added this year.

4
5 The next page shows a Statement of Activities. This shows the cost to operate the Town and the
6 revenues that fund the Town. Estimated depreciation of capital assets is included as well as
7 outflows of cash.

8
9 Page 16 through 18 include financial statements for business-type of activity within the Town.
10 Notes for the financial statements begin on page 21.

11
12 Page 50 details the general operating fund and the budgeted versus actual spending results.
13 Some budget modifications were made during the year, but overall operations ran close to
14 budgeted estimates. The Net Change in Fund Balance is \$95,396.00. The budget was to reduce
15 the surplus by \$400,000.00, which did not occur. Together these figures show a surplus of
16 \$495,000.00.

17
18 Revenues were \$52,000.00 and close to budget estimates.

19
20 Expenses were \$440,000.00 below budget.

21
22 Page 51 shows required information for the Maine Public Employees Retirement System.
23 Currently there's four years' worth of data: ten years accumulated data is currently required.
24 Reports include costs for both teaching and non-teaching positions in the Town.

25
26 Reports are now required on the other estimated benefits of retirees. Ten years' worth of data
27 are required for these reports as well.

28
29 Page 60 shows a Statement of Changes in Unassigned Fund Balance or Statement of Changes in
30 Surplus.

31
32 Additional reports on other funds such as the CIP Fund and Reserve Fund follow.

33
34 There were no manager comments included.

35
36 Mr. Wadman pointed out the handout presented to the Board. The second page shows a debt
37 service comparison – in terms of dollars and percentage of state valuation - to other Towns. In
38 terms of dollars, Mount Desert shows an excess of \$20 million, in terms of debt and capital
39 leases. In terms of a percentage, Mount Desert is below one percent in state valuation. It was
40 noted a Town can't exceed 7.5%.

41
42 The auditors lauded Treasurer Mahar's work. Treasurer Mahar complimented the Department
43 Heads for their work staying under budget.

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

1 MOTION: Selectman Littlefield moved, with Selectman Dudman seconding, approval of Winter
2 Spring Inc. d/b/a Colonel's Restaurant 143 Main Street, Northeast Harbor request for Liquor
3 License Renewal, as presented. Motion approved 4-0.

4
5 *C. Katelyn Buell d/b/a The Fork & Table (Tasteful Tides LLC) 102 Main Street, Northeast Harbor*
6 *request for Liquor License Renewal*

7 MOTION: Selectman Dudman moved, with Selectman Littlefield seconding, approval of Katelyn
8 Buell d/b/a The Fork & Table (Tasteful Tides LLC) 102 Main Street, Northeast Harbor request for
9 Liquor License Renewal, as presented. Motion approved 4-0.

10
11 *D. Review and Comment on DMR application for a limited-purpose 3-year experimental*
12 *aquaculture lease submitted by Victor Doyle*

13 Resident Victor Doyle explained that as part of his DMR application, he was required to bring the
14 project before the Board for a chance to comment. No vote was required. The State of Maine is
15 the entity to approve or disapprove such an application.

16
17 Mr. Doyle is proposing enlarging his original 400-square foot site to a one-acre area and adding
18 a float. The area in question is not in an area the Shellfish Committee signs off on.
19 Harbormaster John Lemoine voiced no concern over the proposed project. Mr. Doyle reported
20 there were no navigational conflicts of issues, and no concern voiced from nearby landowners.

21
22 Selectman Mooers voiced his support for this application.

23
24 *E. Personnel Policy Adjustment for Benefit Accruals*

25 Vice Chairman Hart suggested that no vote on the policy should be made tonight, but the Board
26 could perhaps encourage Town Manager Lunt to proceed with looking into the issue.

27
28 Selectman Rick Mooers provided some background to the issue: nearly 15 years ago, there
29 were two different policies in play in the Town. Some long-term employees were receiving their
30 vacation time in one lump sum at the beginning of the calendar year, and most employees were
31 receiving their vacation time through monthly accrual. By 2011/12, employees were not able to
32 use their vacation time as readily as they once had been and the limit on maximum-hour accrual
33 became a problem. People were accruing time beyond the maximum they were allowed to
34 accrue.

35
36 Selectman Mooers felt that a possible solution was to move all employees to the monthly
37 accrual system starting on July 1, 2019, which would involve a refiguring of the accrued time of
38 those employees receiving their time in one lump sum, removing the balance lump sum accrual
39 so it could then be distributed monthly, then provide a deadline by which all employees must
40 use any already-accrued hours spanning beyond the maximum allowed vacation hours for
41 accrual. Those employees with hours beyond the maximum allowed vacation hours on the
42 books after that deadline will lose the extra hours. Going forward if there is a circumstance
43 where someone can't use their time due to work requirements, they would have to be paid for
44 those days. The cost of this accrued time payout can be given its own CIP line item.

45
46 Treasurer Mahar pointed out the plan increases the liability and inflates the total liability. She
47 estimated the Town would be required to fund an extra \$300,000.00 for accrual. Selectman
48 Mooers noted that if the number of hours is carefully ascertained and employees are not able to

go over that amount, then the amount should be manageable. Treasurer Mahar noted it wouldn't be simply funding the overages. It would have to be funding for in case something happens to cover the liability.

Director Smith noted that he, Police Chief Jim Willis, and Treasurer Mahar had been working on a solution. A plan has been drafted to clean up the overages in two years. At that point Director Smith felt it would not be necessary to budget the full amount of the liability. He noted further study was needed.

Town Manager Lunt noted that auditor James Wadman suggested using a CIP.

Treasurer Mahar maintained it wasn't just the overage that required coverage.

MOTION: Selectman Mooers moved, with Selectman Dudman seconding, to direct Town Manager Lunt to further explore the issue. Motion approved 4-0.

X. Other Business

A. Such other business as may be legally conducted

There was no Other Business.

XI. Treasurer's Warrants

A. Approve & Sign Treasurer's Warrant AP1954 in the amount of \$203,231.85

MOTION: Selectman Dudman moved, with Selectman Littlefield seconding approval and signature of Treasurer's Warrant AP1954 in the amount of \$203,231.85, as presented. Motion approved 4-0.

B. Approve Signed Treasurer's Payroll, State Fees, & PR Benefit Warrants AP1952, AP1953, and PR1918 in the amounts of \$68,592.28, \$25,145.21, and \$98,686.78, respectively

MOTION: Selectman Dudman moved, with Selectman Mooers seconding, approval of signed Treasurer's Payroll, State Fees, & PR Benefit Warrants AP1952, AP1953, and PR1918 in the amounts of \$68,592.28, \$25,145.21, and \$98,686.78, respectively, as presented. Motion approved 3-0-1 (Littlefield in Abstention).

C. Acknowledge Treasurer's School Board AP/Payroll Warrants 09 and 19 in the amounts of \$42,777.28 and \$78,672.16, respectively

MOTION: Selectman Littlefield moved, with Selectman Mooers seconding, acknowledgement of Treasurer's School Board AP/Payroll Warrants 09 and 19 in the amounts of \$42,777.28 and \$78,672.16, respectively, as presented. Motion approved 4-0-1 (Macauley in Abstention)

XII. Adjournment

MOTION: Selectman Mooers moved, with Selectman Littlefield seconding, adjournment. Motion approved 5-0.

The Meeting was adjourned at 7:35PM

Respectfully Submitted,


Wendy Littlefield, Secretary