

Town of Mount Desert  
Board of Selectmen  
Minutes  
May 26, 2022

Board Members Present: Chair John Macauley, Geoff Wood, Wendy Littlefield, Martha Dudman, Rick Mooers

Town Officials Present: Town Clerk Claire Woolfolk, Town Manager Durlin Lunt, Finance Director Jake Wright, Fire Chief Mike Bender, Tax Assessor Kyle Avila

Members of the Public were also in attendance.

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

Chair Macauley called the Meeting to order at 6:00PM.

**II. Consent Agenda**

*A. Department of Marine Resources Notice of Public Hearing on June 15, 2022;  
Registering to participate by May 31, 2022*

*B. Conservation Easement to Acadia National Park on Parker Farm Road*

MOTION: Ms. Dudman moved, with Mr. Wood seconding, acceptance of the Consent Agenda as presented.

Motion approved 5-0.

**III. Selectmen's Reports**

Chair Macauley reported the Otter Creek Cemetery is considering asking the Town to take over maintenance of the cemetery. Town Manager Lunt suggested the Cemetery Association make a formal request via Warrant Article.

**IV. New Business**

*A. Mount Desert Regional High School Scholarship/Stipend Authorization*

MOTION: Ms. Dudman moved, with Mr. Wood seconding, authorization of the Mount Desert Regional High School Scholarship/Stipend, as presented.

Motion approved 5-0.

Finance Director Wright reported that the Town may not be dispensing these funds as intended by the creators of the funds, per the original Warrant Articles. Funds that have been approved and expended on behalf of the Trusts have been in-line with the original Trust requirements. However, there may be additional costs meant to be funded by the Trusts that have not been in the past. For example, Director Wright had found no evidence that maintenance of Stanley Field had been subsidized by Trust funds in the past. He suggested reaching out to representatives of the assets mentioned in the original trust articles, discussing historical application, future expectations, and returning to the Board with a proposal on how to move forward.

1  
2 *B. Ordinance Reviews – Public Safety*

3 *a. Consumer Fireworks Ordinance - enacted in 2012*

4 *b. Dogs - last amended in 2009*

5 *c. Limiting Motor Vehicle Access to Ponds - last amended in 2009*

6 *d. No Swimming Hadlock & Jordon Ponds - last amended in 2009*

7 *e. Use of Public Places - last amended in 2009*

8 Chair Macauley suggested tabling Items IV.B.c and IV.B.d, and forwarding them to  
9 the LUZO Committee for review. It was noted the water addressed in Items c and d  
10 is public drinking water. These ordinances are already in effect.

11  
12 Mr. Mooers noted that Clerk Woolfolk asked Police Chief Willis to review the  
13 Ordinances. Chief Willis reported that all the ordinances in question are still relevant  
14 and used regularly.

15  
16 Ms. Dudman asked about Item IV.B.a, Consumer Fireworks. Approval of fireworks  
17 is made through the State Fire Marshal's office. Fire Chief Bender explained the  
18 State Fire Marshal contacts the Town, and the Town is directed to make an  
19 inspection. The Town's Ordinance states that consumer fireworks are not allowed  
20 within the Town.

21  
22 Regarding Item IV.B.b, Dogs, Ms. Dudman asked whether cleaning up after pets  
23 could be added to the ordinance. Manager Lunt said changes in the Ordinance must  
24 be approved at Town Meeting.

25  
26 Paul Slack requested proposed ordinance changes:

- 27 - With regard to ice shacks, they can fall into a water body and the Water Company  
28 would like the authority to remove one if it becomes such a risk.  
29 - With regard to water withdrawal in Upper Hadlock Pond, the Water Company  
30 requests an ordinance allowing them to ban seeding and fertilizing companies from  
31 accessing the water and potentially contaminating it.  
32 - With regard to craft on certain water bodies, the Water Company requests a ban  
33 on sailboarding, oar boarding, and paddleboarding be added to an ordinance.

34  
35 Manager Lunt suggested taking these suggestions under advisement for next year's  
36 Town Meeting.

37  
38 Chair Macauley brought up for discussion swimming in Hadlock and Jordan Ponds.  
39 Mr. Wood suggested a clear definition of what is considered swimming, as well as the  
40 ban of sailboarding, oar boarding, and paddleboarding.

41  
42 Regarding the use of Public Places, Manager Lunt noted this is a stand-alone  
43 ordinance at this time, but perhaps motor vehicle access and other suggestions could  
44 be rolled into it.  
45

1 It was reiterated changes to the Ordinance must be approved at Town Meeting.  
2

3 MOTION: Ms. Dudman moved, with Mr. Wood seconding, confirmation of the  
4 Board's review, and recommendation of the following revisions for Town Meeting  
5 review:

6 IV.B.b. Dogs - last amended in 2009 – revision requiring owners to clean up after  
7 their dogs

8 IV.B.c. Limiting Motor Vehicle Access to Ponds - last amended in 2009  
9 and

10 IV.B.d. No Swimming Hadlock & Jordon Ponds - last amended in 2009 –  
11 revisions as outlined in Water Company Representative Paul Slack's letter.

12 Motion approved 5-0.  
13

14 *Ordinance Reviews – Assessor/Addressing Officer*

15 *a. Building and Street Numbering Ordinance*

16 Assessor Avila saw no need to revise the ordinance.  
17

18 *C. Review bids, discuss background, and financing alternatives for improvements to*  
19 *Northeast Harbor Fire Station and Fiber Connection Project as described in Articles*  
20 *19 and 20 of Annual Town Meeting held May 3, 2022*

21 Ms. Dudman stated she is abstaining from discussion and vote of the Item.  
22

23 Finance Director Wright reported two different types of proposals were requested  
24 from lending institutions:

- 25 - A two-year bond anticipation note that would pay for the initial cost of the  
26 construction and could be refinanced once final costs were established  
27 - A 20-year bond term, the maximum the Town can authorize subject to the  
28 authority established at Town Meeting.  
29

30 The most attractive options from these two types are:

- 31 - Machias Savings Bank with a 1.99% offer for the two-year BAN option.  
32 - Bar Harbor Bank & Trust with a 4.34% offer for the 20-year Bond option.  
33

34 Director Wright felt locking into the 20-year option provides insurance against  
35 possible extreme rate increases over the next couple years. It will be more expensive  
36 within the first two years; however, it can be refinanced when final costs are  
37 established if advantageous to do so at that time.  
38

39 Eaton Peabody Attorney and Bond Counsel Dan Pittman reiterated the 20-year option  
40 can be refinanced at any time. The two-year ~~bond~~ BAN option cannot be prepaid or  
41 refinanced prior to maturity of the term. Dan mentioned that the BAN would likely  
42 be refinanced through the Maine Municipal Bond Bank (MMBB). While MMBB  
43 issuances carry lower interest rates, they come with greater restrictions. Such as, an  
44 MMBB issuance may not be refinanced. There are certain circumstances where, after  
45 ten years, the ~~bank~~ MMBB can refinance such bonds at its own discretion. This

1 would happen without the Town's involvement. Using the ~~bond bank~~ MMBB option  
2 will save the Town money if they were to close today on a project of this size. ~~But~~  
3 ~~bond banks make their deals twice a year.~~ However, issuing with the MMBB is not a  
4 currently available option for two reasons: (1) The MMBB only has two funding  
5 cycles a year which would make funding unavailable until Fall 2022. (2) There are  
6 costly penalties associated with borrowing too much from the MMBB. As such, it is  
7 best to wait until a project is substantially complete prior to financing with the  
8 MMBB. This means comparing what is available today to what might be available  
9 two years from now, which is difficult to do in this rate environment.

10  
11 Director Wright's recommendation is to go with the 20-year bond option, with plans  
12 to consider refinancing at the completion of the projects. Additionally, the same is  
13 true for the Somesville project. If all projects are substantially complete and rates are  
14 advantageous to do so, they could be refinanced, and save on attorney costs and  
15 interest. Despite a higher interest percentage than originally estimated, Director  
16 Wright noted that the debt service for the 20-year option was not much higher than  
17 the estimate quoted at Town Meeting.

18  
19 **V. Other Business**

20 *A. Such other business as may be legally conducted*

21 There was no Other Business.

22  
23 **VI. Treasurer's Warrants**

24 **A. Approve & Sign Treasurer's Warrant as shown below:**

25 *A. Approve & Sign Treasurer's Warrant as shown below:*

Town Invoices	AP#2268	5/27/2022	\$2,610.34
<b>Total</b>			<b>\$2,610.34</b>

26  
27 MOTION: Ms. Dudman moved, with Mr. Wood seconding, approval and signature of  
28 Treasurer's Warrant as shown above.  
29 Motion approved 5-0.

30  
31 **VII. Public Hearing**

32 *A. Public Hearing regarding financing of improvements to Northeast Harbor Fire*  
33 *Station and Fiber Connection Project as described in Articles 19 and 20 of Annual*  
34 *Town Meeting held May 3, 2022*

35 MOTION: Ms. Littlefield moved, with Mr. Wood seconding, to open the Public  
36 Hearing regarding financing of improvements to Northeast Harbor Fire  
37 Station and Fiber Connection Project as described in Articles 19 and 20 of Annual  
38 Town Meeting held May 3, 2022

39 Motion approved 5-0.

40  
41 Chair Macauley opened the Public Hearing.  
42



1 A member of the public inquired about the amount of money saved with the bond-  
2 bank route.

3  
4 Attorney Pittman explained that a rate offered today, compared to what a bond bank  
5 would get if they sold it today, would be approximately 75 basis points lower. For a  
6 project cost of more than approximately \$500k it will likely be cheaper on any given  
7 day. The issue is that this is not the way the bond-bank operates. If one were to apply  
8 to a bond-bank today, the earliest they can sell is November 2022, and priced in mid-  
9 October 2022. The fact that bond-bank rates are lower right now is not relevant.  
10 Borrowing closer to substantial completion is preferred, because borrowing too much  
11 is a serious, expensive issue and difficult to fix. Bar Harbor can offer today 4.34%,  
12 compared to whatever the bond-bank might offer in May of 2024.

13  
14 There was no further discussion.

15  
16 MOTION: Ms. Littlefield moved, with Mr. Wood seconding to close the Public  
17 Hearing.

18 Motion approved 5-0.

19  
20 The Public Hearing closed.

21  
22 **VIII. Post Public Hearing**

23 *A. Consider resolutions authorizing selected financing option for improvements to*  
24 *Northeast Harbor Fire Station and Fiber Connection Project as described in Article*  
25 *19 and 20 of 2022 Annual Town Meeting.*

26 MOTION: Ms. Littlefield moved, with Mr. Mooers seconding, the Bond Award be  
27 made to Bar Harbor Bank and Trust Company in the principal amount of  
28 \$5,582,427.00 at 4.34% with no pre-payment penalty for a term of 20 years, as  
29 recommended by Finance Director Wright.

30 Motion approved 4-0-1 (Dudman in Abstention).


31  
32 **IX. Adjournment**

33 MOTION: Mr. Wood moved, with Ms. Littlefield seconding, to adjourn.

34 Motion approved 5-0.

35  
36 The Meeting adjourned at 6:35PM.

37  
38 Respectfully Submitted,

39  
40   
41  
42 Geoff Wood