

**ANNUAL TOWN MEETING MINUTES
TOWN OF MOUNT DESERT**

May 2 & 3, 2016

**Somesville Fire House
1157 Main Street, Somesville, Maine**

And

**Kelley Auditorium, Mount Desert Elementary School
8 Joy Road, Northeast Harbor, Maine**

Town Clerk Claire Woolfolk called the meeting to order at fifty minutes past seven o'clock in the forenoon, May 2, 2016. Printed copies of the Warrant and Town Report were made available.

Article 1. To elect a Moderator by written ballot.

Town Clerk Woolfolk called for nominations of moderator. By motion and second William Ferm was nominated to serve as Moderator. A written vote was conducted, three votes were cast for Mr. Ferm and he was duly declared Moderator. Town Clerk Woolfolk swore in Mr. Ferm as Moderator. Moderator Ferm appointed and swore in Nin Ferm as Deputy Moderator.

Moderator Ferm declared the polls open at eight o'clock in the forenoon. Voting on Article 2 took place until eight o'clock in the evening, at which time Moderator Ferm declared the polls closed. Votes cast were counted, and Moderator Ferm announced the results at twenty minutes after nine o'clock in the evening.

At ten minutes after ten o'clock in the evening it was moved and seconded to recess and reconvene the meeting at 6:00 p.m., Tuesday, May 3, 2016. A vote was called and the motion passed.

On Tuesday, May 3, 2016 following a delicious community supper provided by Neighborhood House, Moderator Ferm reconvened the meeting at eight minutes after six o'clock in the evening.

Moderator Ferm also acknowledged Selectman Tom Richardson who is leaving the Board and thanked him for his years of service. Selectman Macauley summarized Tom's service and invited residents to sign the map of Mount Desert that will be given to him in recognition of his time served as selectman.

Parents of the PTO and Jesse Greenbaum presented Principal Scott McFarland with a teak bench to acknowledge his many contributions as principal for fourteen years. Among his accomplishments is the creation of the Growing Gardens, Growing Minds project. Principal McFarland retires at the end of the school year.

Also presented was a matching bench to Bob Falt to acknowledge his contributions to building the school/community greenhouse. The benches will include brass plaques and be placed in

the garden area near the greenhouse for all to enjoy.

Article 2. To elect two members to the Board of Selectmen for a term of three years, two members to the Mount Desert Elementary School Board for a term of three years, one trustee to the Mount Desert Island Regional School District for a term of two years, and one trustee to the Mount Desert Island Regional School District for a term of three years.

Moderator Ferm explained that the offices for trustee to the Mount Desert Island Regional School District had no nominees, therefore was subject to write-in votes. The person receiving the majority of the write-in votes for the three-year term declined to serve; and according to the Act creating the District, vacancies shall be temporarily filled by appointment by the municipal officers until a successor trustee is elected at the next annual Town Meeting. Moderator Ferm then announced the official results of Article 2:

For **Selectman**, two members for a term of three years:

Matthew J. Hart	# votes:	<u>136</u>	ELECTED
Brian K. Reilly	# votes:	<u>129</u>	ELECTED

For **School Board**, two members for a term of three years each:

Todd J. Graham	# votes:	<u>92</u>	ELECTED
Teresa L. King-LeClair	# votes:	<u>89</u>	ELECTED

For **School District Trustee**, one member for a term of two years:

Mia Thompson	# votes:	<u>5</u>	ELECTED (by write-in)
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All newly elected officials were present and Town Clerk Woolfolk administered their oaths.

Moderator Ferm described the use of the “pink” cards for hand-count voting and the format the meeting would follow, including items to be raffled. (A composter, rain barrel, scrap pail, wingdigger for turning compost, and a compost thermometer were raffled throughout the meeting.)

Article 3. To see if non-voters shall be allowed, when recognized, to speak during the 2016 Annual Town Meeting.

The Warrant Committee moved and seconded to pass Article 3.
A voice vote was called and Article 3 passed.

Article 4. To see if the Inhabitants of the Town of Mount Desert will vote to approve an expenditure of \$500.00 from the Animal Welfare Reserve Account #4040700-24204 to Acadia Veterinary Hospital as a donation for the benefit of the Town of Mount Desert Feral Cat Program.

The Warrant Committee moved and seconded to pass Article 4.
A voice vote was called and Article 4 passed.

Article 5. Shall an ordinance dated May 3, 2016 and entitled “Town of Mount Desert Alewife Ordinance” be enacted? The ordinance reads, in its entirety, “Regulations for the

taking of alewives and blue back herring shall be as follows: For the year July 1, 2016 through June 30, 2017 there shall be no taking of Alewives and Blue Back Herring in the Town of Mount Desert.”

The Warrant Committee moved and seconded to pass Article 5.
A voice vote was called and Article 5 passed.

Article 6. Shall the ordinance entitled “Floodplain Management Ordinance of the Town of Mount Desert” that was enacted March 7, 2006 be repealed and be replaced by an ordinance entitled “Floodplain Management Ordinance for the Town of Mount Desert” in order to be in compliance with the National Flood Insurance Program (NFIP)?

The Warrant Committee moved and seconded to pass Article 6.
A voice vote was called and Article 6 passed.

Article 7. Shall the Land Use Zoning Ordinance of the Town of Mount Desert be amended as set forth below regarding land use districts and as set forth substantially in the form as the map on file at the Town Office?

Explanation: This Article changes the designation of Map 10, Lot 149 and a portion of Map 10, Lot 147 from Village Residential1 to Village Commercial.

SECTION 3 LAND USE DISTRICTS

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3.3 Map Changes: Amended at:

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Town Meeting May 3, 2016 change Map 10, Lot 149 from Village Residential 1 to Village Commercial and portion of Map 10, Lot 147 previously designated as Village Residential 1 to Village Commercial.

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The Warrant Committee moved and seconded to pass Article 7.
A voice vote was called and Article 7 passed.

Article 8. Shall the Land Use Zoning Ordinance of the Town of Mount Desert be amended as set forth below regarding the definition of living area?

SECTION 8 DEFINITIONS

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LIVING AREA. The total of all floor areas of a residential structure as measured from the interior walls. The following areas are excluded from living area calculations: ~~excluding~~ garage area; basement or attic area, except when these areas are used or intended to be used for human habitation; ~~and other building area;~~ that is not accessible by a stairway or where the floor to ceiling height is less than 5 feet; ~~and area between the outside of exterior walls and the inside of those walls;~~ and decks or open patios. ~~are excluded from living area calculations.~~

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The Warrant Committee moved and seconded to pass Article 8.
A voice vote was called and Article 8 passed.

Article 9. Shall an ordinance dated May 3, 2016 and entitled "Amendments to the Land Use Zoning Ordinance to allow Independent Schools" be enacted as set forth below? **See Appendix A**

The Warrant Committee moved and seconded to pass Article 9.
Question asked and answered regarding the abbreviations.
A voice vote was called and Article 9 passed.

Article 10. Shall the Reorganization of the Town of Mount Desert Planning Board Ordinance be amended as set forth below regarding technical revisions and planning board compensation?

Explanation: This Article authorizes the Town to compensate Planning Board members for serving on the Board and corrects the abbreviation from Maine Revised Statutes (MRS)

REORGANIZATION OF THE TOWN OF MOUNT DESERT PLANNING BOARD As amended March 4, 1997 As Further Amended May 3, 2016

1. Establishment

Pursuant to ~~MRSA Me.~~ Const. Art. VIII-A and 30-A ~~MRSA Section 19173001,~~ the Town of Mount Desert hereby establishes the Town of Mount Desert Planning Board. The

Planning Board shall also serve as the Municipal Reviewing Authority of Subdivisions pursuant to 30-A MRSA Section 4403.

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5. Compensation

Subject to annual appropriation at Town Meeting, all members of the Board (including associate members) shall receive compensation equivalent to \$3,000.00 annually if the member attends all meetings of the Board in that year, or a prorated sum of \$3,000.00 based upon the number of meetings the member actually attends and the total number of meetings of the Board in that year.

The Warrant Committee moved and seconded to pass Article 10.
A voice vote was called and Article 10 passed.

Article 11. Shall the Reorganization of the Town of Mount Desert Zoning Board of Appeals Ordinance be amended as set forth below regarding technical revisions and variances?

Explanation: This Article clarifies what variances are heard by the Zoning Board of Appeals and edits the abbreviation of Maine Revised Statutes (MRS).

1. Establishment

Pursuant to 30-A MRSA Sections 2691 and 4353, the Town of Mount Desert hereby establishes the Town of Mount Desert Zoning Board of Appeals.

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4. Scope of Authority

A. Powers and Duties:

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2. Variances. To hear variance requests and authorize variances as provided in Title 30-A MRSA Section 4353, as amended, and including but not limited to Section 4353 (4-A), (4-B) and (4-C). In hearing variance requests, the Board may receive evidence and make findings of fact as provided by statute.

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B. Limitations on Variances. The Board may grant a variance only in accordance with State law (30-A MRSA Section 4353, ~~or~~ as amended). A variance shall not be granted to permit a use otherwise prohibited in a particular district.

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Article 15. Shall the Town grant the United Church of Christ of Northeast Harbor and Seal Harbor (the "Church") a perpetual easement for a private sanitary sewer line under and across a portion of the Town's property on Main Street in the Village of Seal Harbor, identified as Map 30 Lot 2 and locally known as the Seal Harbor Village Green and the Seal Harbor Beach parking lot, permitting the Church access to a twenty foot wide strip centered over the existing private sanitary sewer line on that property? A copy of the easement is attached and is found in **Appendix B**.

The Warrant Committee moved and seconded to pass Article 15.
A voice vote was called and Article 15 passed.

Article 16. Shall the Town amend its existing sanitary sewer line easement with The Rockefeller Trust Company, N.A. whereby the Town would widen the existing easement and would have the right to construct a pump station and access roads and undertake related improvements, all as substantially described in an easement plan? A copy of the easement and easement plan is attached and is found in **Appendix C**.

The Warrant Committee moved and seconded to pass Article 16.
A voice vote was called and Article 16 passed.

Article 17. To see if the Town of Mount Desert will vote:

(i) to authorize the Town to continue as a member of the Municipal Review Committee, Inc. ("MRC"), organized as a Maine nonprofit corporation and acting as a regional association pursuant to Title 13-B and Title 38 of the Maine Revised Statutes, as amended (and specifically Section 1304-B (5-A) of Title 38) for the purposes of managing and facilitating solid waste disposal;

(ii) to adopt, ratify and confirm the Restated Articles of Incorporation and the Restated Bylaws of the MRC in substantially the form on file with the Town Clerk at the Town Office;

(iii) to authorize the Town to execute and deliver a Municipal Joinder Agreement with the MRC in substantially the form on file with the Town Clerk at the Town Office (the "Municipal Joinder Agreement") pursuant to which the Town will become a Joining Member of the MRC (as defined therein) and deliver its municipal solid waste for disposal to a waste management facility being developed by Fiberight, LLC and/or its affiliates (collectively, "Fiberight") in Hampden, Maine, or other waste disposal facility;

(iv) to authorize the MRC to take certain actions on behalf of the Town as set forth in the Municipal Joinder Agreement; and

(v) to authorize a majority of the Selectmen or their duly authorized designee or designees to execute and deliver the Municipal Joinder Agreement on behalf of the Town and to execute and deliver on behalf of the Town in conjunction therewith such other documents and to take such further actions as they may deem necessary or appropriate in order to effect the transactions contemplated by the Municipal Joinder Agreement.

The Warrant Committee moved and seconded to pass Article 17.
A voice vote was called and Article 17 passed.

Article 18. To see if the Inhabitants of the Town of Mount Desert will vote to authorize the Board of Selectmen to lease a portion of the so-called Visitor Center at the Northeast Harbor Marina to the Ticket Booth operators for a term of one (1) year under such terms and conditions as the Board of Selectmen, in its sole discretion, deems to be in the best interests of the Town.

The Warrant Committee moved and seconded to pass Article 18.
A voice vote was called and Article 18 passed.

Article 19. To see if the Inhabitants of the Town of Mount Desert will vote to authorize the Board of Selectmen, to lease a portion of the so-called Visitor Center at the Northeast Harbor Marina to the Mount Desert Chamber of Commerce for a term of one (1) year under such terms and conditions as the Board of Selectmen, in its sole discretion, deems to be in the best interests of the Town.

The Warrant Committee moved and seconded to pass Article 19.
A voice vote was called and Article 19 passed.

Article 20. To see if the Inhabitants of the Town of Mount Desert will authorize the Board of Selectmen, to negotiate and enter into an agreement with the Neighborhood House Club, Inc. for management and maintenance of the municipal swimming pool, under such terms and conditions as the Board of Selectmen, in its sole discretion, deems to be in the best interests of the Town.

The Warrant Committee moved and seconded to pass Article 20.
A voice vote was called and Article 20 passed.

Fiscal Policy

Article 21. Shall the Town of Mount Desert be authorized to issue general obligation bonds or notes of the Town in a principal amount not to exceed \$1,250,000 to finance professional technical and construction services associated with improvements to the Town's wastewater collection and conveyance system, including but not limited to, improvements to said wastewater collection and conveyance pipe system, and removal of an existing wastewater pumping station located off State Route 3 at Bracy Cove in Seal Harbor and the construction and installation in the same general area of a new wastewater pumping station and emergency power generator, both to be contained in a small wood-framed building, and related demolition, sitework, structural, mechanical, electrical, HVAC, instrumentation work, replacement of sanitary sewer pipes and other incidentals required to complete the improvements (the "Project"); and further to authorize the Municipal Officers to execute all things necessary or convenient to issue the bonds or notes of the Town, which may be callable, and to accomplish the Project.

FINANCIAL STATEMENT - TOWN OF MOUNT DESERT

1. Total Town Indebtedness

A.	Bonds outstanding and unpaid:	\$ 16,373,464.00
B.	Bonds authorized and unissued:	\$ 0.00
C.	Bonds to be issued under this Town Meeting Article	\$ <u>1,250,000.00</u>
	TOTAL	\$ 17,623,464.00

2. Costs

At an estimated interest rate of 1.0% for a term of Twenty (20) years, the estimated costs of this bond issue will be:

Principal	\$ 1,250,000.00
Interest	\$ 134,377.00
Costs	\$ 69,219.00
Total Debt Service	\$ 1,453,596.00

3. Validity

The validity of the bonds and the voters' ratification of the bonds may not be affected by any errors in the above estimates. If the actual amount of the total debt service for the bond issue varies from the estimate, the ratification by the voters is nevertheless conclusive and the validity of the bond issue is not affected by reason of the variance.

Treasurer, Town of Mount Desert, Maine Kathryn A. Mahar

Kathryn A. Mahar

Treasurer, Town of Mount Desert, Maine

The Warrant Committee moved and seconded to pass Article 21.

A voice vote was called and Article 21 passed.

Article 22. Shall the Town of Mount Desert be authorized to issue a general obligation bond to the Town in a principal amount not to exceed \$150,000 (one hundred, fifty thousand dollars) to finance the following project and further to authorize the Board of Selectmen to execute any and all contracts and documents and do any and all things necessary or convenient to issue the bonds or notes of the Town, which may be callable, and to accomplish the Street Light Project described as follows:

Street Light Replacement Project - \$150,000: To fund the cost of professional technical and construction services associated with improvements to the Town's street lights with said improvements to include, but not necessarily being limited to, preparation of a lighting plan for the Town, removal of existing street lights, and the subsequent installation of new dark-sky compliant LED street lights in general conformance with the aforementioned lighting plan (herewith referred to as "the Project").

FINANCIAL STATEMENT – TOWN OF MOUNT DESERT

1. Total Town Indebtedness

A.	Bonds outstanding and unpaid:	\$ 16,373,464.00
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B.	Bonds authorized and unissued:	\$	0.00
C.	Bonds to be issued under this Town Meeting Article	\$	<u>150,000.00</u>
	TOTAL	\$	16,523,464.00

2. Costs

At an estimated interest rate of 2.25% for a term of twenty (20) years, the estimated cost of this bond issue will be:

Principal	\$	150,000.00
Interest	\$	<u>19,480.00</u>
Total Debt Service	\$	169,480.00

3. Validity

The validity of the bonds and the voters' ratification of the bonds may not be affected by any errors in the above estimates. If the actual amount of the total debt service for the bond issue varies from the estimate, the ratification by the voters is nevertheless conclusive and the validity of the bond issue is not affected by reason of the variance.

Kathryn A. Mahar

Treasurer, Town of Mount Desert, Maine _____

Kathryn A. Mahar

Treasurer, Town of Mount Desert, Maine

The Warrant Committee moved and seconded to pass Article 22.
A voice vote was called and Article 22 passed at \$150,000.

Article 23. To see if the Inhabitants of the Town of Mount Desert will vote to create a new Assessors Department reserve account to be reflected in the Town's Capital Improvement Plan, said new reserve account to be entitled *Aerial Photography Reserve Account #4020600-24211* and said account to be considered for funding during each subsequent annual Town Meeting of the Town of Mount Desert.

Explanation: The initial funding of this reserve account, in the amount of three thousand three hundred and thirty-three dollars (\$3,333.00) for aerial photography services, is reflected in appropriation Article 50.

The Warrant Committee moved and seconded to pass Article 23.
A voice vote was called and Article 23 passed.

Article 24. To see if the Inhabitants of the Town of Mount Desert will vote to authorize the Board of Selectmen to accept and expend on behalf of the Town additional state, federal and other funds (including unconditional gifts of money) received during the fiscal year 2016-2017 for Town purposes, provided that such additional funds do not require expenditure of local funds not previously appropriated.

The Warrant Committee moved and seconded to pass Article 24.
A voice vote was called and Article 24 passed.

Article 25. To see if the Inhabitants of the Town of Mount Desert will amend the policy adopted March 1986 and amended May 4, 2010 and entitled *Town of Mount Desert Investment Policy* as described and deleted through ~~strikethrough markings~~ as noted in **Appendix D.**

The Warrant Committee moved and seconded to pass Article 25.
A voice vote was called and Article 25 passed.

Article 26. To see if the Inhabitants of the Town of Mount Desert will vote to approve July 1, each year, as the date on which all taxes shall be due and payable providing that all unpaid taxes on September 1, of each, year shall be charged interest at an annual rate of 7% (percent) per year (calculated daily and based on a 365 day year). (*Tax Club members are exempt within the terms and conditions of the Town's Tax Club Agreement.*)

The Warrant Committee moved and seconded to pass Article 26.
A voice vote was called and Article 26 passed.

Article 27. To see if the Inhabitants of the Town of Mount Desert will vote to authorize the Tax Collector to enter into a standard "tax club" agreement with taxpayers whereby: (1) the taxpayer agrees to pay specified monthly payments to the Town based on the taxpayer's estimated and actual tax obligation for current year property taxes; (2) the Town agrees to waive interest on timely payments; (3) the Town authorizes the Tax Collector to accept payment of taxes prior to commitment of taxes; (4) the agreement automatically terminates if two consecutive payments are missed and the taxpayer thereupon becomes subject to the same due date and interest rate as other, nonparticipating taxpayers; (5) only taxpayers who are current on their property tax obligations may participate; and (6) interested taxpayers shall apply annually for participation by the date shown on the application, date and application format to be determined by the Tax Collector.

The Warrant Committee moved and seconded to pass Article 27.
A voice vote was called and Article 27 passed.

Article 28. To see if the Inhabitants of the Town of Mount Desert will vote to authorize the Tax Collector to accept pre-payment of property taxes, with no interest to be paid on same.

The Warrant Committee moved and seconded to pass Article 28.
A voice vote was called and Article 28 passed.

Article 29. To see if the Inhabitants of the Town of Mount Desert will vote to set the interest rate to be paid by the Town for abated taxes that have been paid at the rate of 3% (percent) per year (calculated daily and based on a 365 day year).

The Warrant Committee moved and seconded to pass Article 29.
A voice vote was called and Article 29 passed.

Article 30. To see if the inhabitants of the Town of Mount Desert will vote to authorize expenditures to pay any tax abatements granted by the Assessor or Board of Assessment Review, together with any interest due thereon from the Town, during the fiscal year beginning July 1, 2016, in an aggregate amount not to exceed the property tax commitment overlay.

The Warrant Committee moved and seconded to pass Article 30.
A voice vote was called and Article 30 passed.

Article 31. To see if the Inhabitants of the Town of Mount Desert will vote to authorize the Board of Selectmen to dispose by public bid of Town-owned property, other than real property, with a value of ten thousand dollars (\$10,000.00) or less under such terms and conditions as it deems advisable.

The Warrant Committee moved and seconded to pass Article 31.
A voice vote was called and Article 31 passed.

Article 32. To see if the Inhabitants of the Town of Mount Desert will vote to authorize the Board of Selectmen to sell at public auction or by advertised sealed bid, and to convey titles obtained under tax deeds and under deeds of conveyance to the Inhabitants of the Town any land and/or buildings, including trailers, in lieu of payment of taxes except that the Selectmen have the power to authorize redemption.

The Warrant Committee moved and seconded to pass Article 32.
A voice vote was called and Article 32 passed.

Article 33. To see if the Inhabitants of the Town of Mount Desert will vote to authorize the Board of Selectmen to contract for services, in amounts not to exceed appropriation for same, under such terms and conditions as it deems advisable.

The Warrant Committee moved and seconded to pass Article 33.
A voice vote was called and Article 33 passed.

Article 34. To see if the Inhabitants of the Town of Mount Desert will vote to authorize the use of an amount not to exceed \$110,000.00 from the Marina Proprietary Fund's Undesignated Fund Balance Account #600-38300 (referred to here as "the Fund") to supplement the not-to-exceed amount of \$260,000.00 previously appropriated at the 2015 Town meeting also from the Fund for a total of up to \$370,000.00, for technical and construction services related to an expansion of the Northeast Harbor Marina North Dock located in the Village of Northeast Harbor, said expansion to include three new floats, 10 new pilings, three new utility pedestals and an underwater extension of all utilities including electricity, potable water and Wi-Fi; and further, to authorize the Board of Selectmen to enter into agreements for said technical and construction services under such terms and conditions, in its sole discretion, it deems to be in the best interests of the Town. Use of the total amount of \$370,000.00 would leave an estimated balance of \$1,005,903.00 in the Fund.

The Warrant Committee moved and seconded to pass Article 34.
A voice vote was called and Article 34 passed.

Municipal Revenue

Article 35. To see if the Inhabitants of the Town of Mount Desert will vote to transfer four hundred thousand dollars (\$400,000.00) from the Undesignated Fund Balance Account #100-38300 to reduce the 2016 – 2017 tax commitment.

The Warrant Committee moved and seconded to pass Article 35.
A voice vote was called and Article 35 passed.

Article 36. To see what sum the Inhabitants of the Town of Mount Desert will vote to raise and/or appropriate as Revenue through Excise Taxes, Service Fees and miscellaneous sources for the 2016 – 2017 Town Budget.

The Warrant Committee moved and seconded to pass Article 36 at \$1,131,162.00.
A voice vote was called; it was the opinion of the Moderator that the ayes prevailed, and Article 36 passed at \$1,131,162.00.

Municipal Appropriations

Article 37. To see what sum the Inhabitants of the Town of Mount Desert will vote to raise and appropriate for Department 1220 and 1221 General Government – Legislative (Board of Selectmen), Municipal Management, Town Clerk, Registrar, Elections, Planning Board, Finance, Treasurer, Tax Collector, Assessment, Code Enforcement, Unallocated Funds, Human Resources, and Technology for the 2016 – 2017 Town Budget.

The Warrant Committee moved and seconded to pass Article 37 at \$1,292,339.00.
A voice vote was called and Article 37 passed at \$1,292,339.00.

Article 38. To see what sum the Inhabitants of the Town of Mount Desert will vote to raise and appropriate for Department 1330 General Assistance Support for the 2016 – 2017 Town Budget.

The Warrant Committee moved and seconded to pass Article 38 at \$5,000.00.
Asked and answered how the money has been spent in the past.
A voice vote was called and Article 38 passed at \$5,000.00.

Article 39. To see what sum the Inhabitants of the Town of Mount Desert will vote to raise and appropriate for Department 1335 Rural Wastewater Support for the 2016 – 2017 Town Budget.

The Warrant Committee moved and seconded to pass Article 39 at \$179,517.00.
A voice vote was called and Article 39 passed at \$179,517.00.

Article 40. To see what sum the Inhabitants of the Town of Mount Desert will vote to raise and appropriate for Department 14406 Street Lights for the 2016-2017 Town Budget.

The Warrant Committee moved and seconded to pass Article 40 at \$42,350.00.
A voice vote was called Article 40 passed at \$42,350.00.

Article 41. To see what sum the Inhabitants of the Town of Mount Desert will vote to raise and appropriate for Department 14401 and 14408 Public Safety – Police and Communications (Dispatch) for the 2016 – 2017 Town Budget.

Police: \$760,272.00 ***Communications:*** \$313,472.00

The Warrant Committee moved and seconded to pass Article 41 at \$1,073,744.00.
A voice vote was called and Article 41 passed at \$1,073,744.00.

Article 42. To see what sum the Inhabitants of the Town of Mount Desert will vote to raise and appropriate for Department 14403, 14404 and 14409 Public Safety – Fire Department, Hydrants, and Emergency Management for the 2016 – 2017 Town Budget.

Fire: \$511,062.00 ***Hydrants:*** \$273,500.00 ***Emergency Management:*** \$6,000.00

The Warrant Committee moved and seconded to pass Article 42 at \$790,562.00.
A voice vote was called and Article 42 passed at \$790,562.00.

Article 43. To see what sum the Inhabitants of the Town of Mount Desert will vote to raise and appropriate for Department 15501, 15515, 15520 and 15525 Public Works - Roads, Waste Management, Buildings & Grounds, and Parks & Cemeteries for the 2016 – 2017 Town Budget.

Roads: \$1,576,804.00 ***Buildings/Grounds:*** \$217,571.00
Parks/Cemeteries: \$38,712.00 ***Waste Management:*** \$573,908.00

The Warrant Committee moved and seconded to pass Article 43 at \$2,406,995.00.
A voice vote was called and Article 43 passed at \$2,406,995.00.

Article 44. To see if the Inhabitants of the Town of Mount Desert will vote to raise and appropriate \$100,000 to supplement the \$320,000 amount included in the Highways,

Bridges and Roads section of the FY-17 appropriations budget of this warrant for the following work located in the Villages of Northeast Harbor, Somesville and Otter Creek including, but not necessarily limited to, construction of paved surfaces on Huntington Road; Pine, Sylvan and Spruce Roads; Beech Hill Road and; Walls Street, said work to also include any preparatory work necessary to facilitate this construction.

The Warrant Committee moved and seconded to pass Article 44 at \$100,000.00.
A voice vote was called and Article 44 passed at \$100,000.00.

Article 45. To see what sum the Inhabitants of the Town of Mount Desert will vote to raise and appropriate for Department 15505 and 15506 Sewer Capital and Sewers (Wastewater Treatment) for the 2016 – 2017 Town Budget.

The Warrant Committee moved and seconded to pass Article 45 at \$898,741.00.
A voice vote was called and Article 45 passed at \$898,741.00.

Article 46. To see what sum the Inhabitants of the Town of Mount Desert will vote to raise and appropriate for Department 1660 Recreation (Public Pool ~Utilities & Maintenance) for the 2016 – 2017 Town Budget.

The Warrant Committee moved and seconded to pass Article 46 at \$5,700.00.
A voice vote was called and Article 46 passed at \$5,700.00.

Article 47. To see what sum the Inhabitants of the Town of Mount Desert will vote to raise and appropriate for Department 1770 Economic/Community Development for the 2016 – 2017 Town Budget.

The Warrant Committee moved and seconded to pass Article 47 at \$52,000.00.00.
A question was asked and answered regarding how the Town could judge the effectiveness of the expenditure and of future funding.
A voice vote was called; it was the opinion of the Moderator that the ayes prevailed and Article 47 passed at \$52,000.00.00.

Article 48. To see what sum the Inhabitants of the Town of Mount Desert will vote to raise and appropriate for Department 1880 Debt Service for the 2016 – 2017 Town Budget.

The Warrant Committee moved and seconded to pass Article 48 at \$1,389,601.00.
A voice vote was called and Article 48 passed at \$1,389,601.00.

Article 49. To see what sum the Inhabitants of the Town of Mount Desert will vote to raise and appropriate for Department 1885 Libraries, Village Improvement Societies, Recreation, and Public/Social Service Agencies for the 2016 – 2017 Town Budget.

The Warrant Committee moved and seconded to pass Article 49 at \$295,265.00.
After a general discussion of what comprised the amount, it was moved and seconded to move

the question. A voice vote was called and the motion passed. Citizen Stephen Smith commented on the history of the Park Loop Road and Otter Creek. A voice vote was called on the main motion and Article 49 passed at \$295,265.00.

Article 50. To see what sum the Inhabitants of the Town of Mount Desert will vote to raise and appropriate for Department 1999 Capital Improvement Plan transfers for the 2016 – 2017 Town Budget.

Note: Includes \$3,333.00 from Article 23.

The Warrant Committee moved and seconded to pass Article 50 at \$506,151.00. A voice vote was called and Article 50 passed at \$506,151.00.

Written Ballot required for Article 51

Article 51. To see what sum the Inhabitants of the Town of Mount Desert will vote to increase the property tax levy limit for the 2016 – 2017 Town Budget. **See Appendix E.**

Explanation: *The State Legislature passed a “tax reform” law known as LD#1. This bill created a maximum municipal tax levy based upon this year’s tax, plus an allowance for inflation and the Town’s tax base growth due to new construction. However, LD#1 allows Mount Desert voters to increase that tax cap with the approval of a simple majority of the voters at Town Meeting. The only requirement is that a secret vote must be taken by written ballot.*

The Warrant Committee moved and seconded to pass Article 51 at \$62,042.00.

After a general discussion of what comprised the amount, it was moved and seconded to move the question. It was noted that Article 51 includes \$40,000.00 to continue programs and projects that were previously run by the Events Committee.

A written ballot vote was conducted and Article 51 passed at \$62,042.00 with 71 ayes and 16 nays.

Marina Proprietary Fund

Article 52. To see if the Inhabitants of the Town of Mount Desert will vote to ratify the Board of Selectmen’s approval of the Marina Proprietary Fund budget.

Revenue: \$757,650.00

Expense: \$757,650.00

The Warrant Committee moved and seconded to pass Article 52. A voice vote was called and Article 52 passed.

Mount Desert Elementary School Appropriations

Principal Scott McFarland discussed the School Appropriations and gave thanks for the fourteen years he was able to serve the community and school. He stated that the work has made him wealthy in experience.

Town Manager Durlin Lunt recognized the children of the second grade art class for their contributions of artwork to the Town Report. Each child received a personal copy of the Town Report which featured their artwork.

Note: Articles 53 through 63 authorize expenditures in cost center

Article 53. To see what sum the School Board will be authorized to expend for Regular Instruction for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

Note: 2015-16 Amount was \$1,426,640.00

The Warrant Committee moved and seconded to pass Article 53 at \$1,537,421.00. A voice vote was called and Article 53 passed at \$1,537,421.00.

Article 54. To see what sum the School Board will be authorized to expend for Special Education for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

Note: 2015-16 Amount was \$676,932.00

The Warrant Committee moved and seconded to pass Article 54 at \$665,347.00. A voice vote was called and Article 54 passed at \$665,347.00.

Article 55. To see what sum the School Board will be authorized to expend for Career and Technical Education for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

Note: 2015-16 Amount was \$ -0-

The Warrant Committee moved and seconded to pass Article 55 at \$-0-. A voice vote was called and Article 55 passed at \$-0-.

Article 56. To see what sum the School Board will be authorized to expend for Other Instruction for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

Note: 2015-16 Amount was \$ 50,673.00

The Warrant Committee moved and seconded to pass Article 56 at \$57,572.00. A voice vote was called and Article 56 passed at \$57,572.00.

Article 57. To see what sum the School Board will be authorized to expend for Student & Staff Support for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

Note: 2015-16 Amount was \$346,478.00

The Warrant Committee moved and seconded to pass Article 57 at \$380,641.00.
A voice vote was called and Article 57 passed at \$380,641.00.

Article 58. To see what sum the School Board will be authorized to expend for System Administration for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

Note: 2015-16 Amount was \$ 67,386.00

The Warrant Committee moved and seconded to pass Article 58 at \$70,201.00.
A voice vote was called and Article 58 passed at \$70,201.00.

Article 59. To see what sum the School Board will be authorized to expend for School Administration for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

Note: 2015-16 Amount was \$219,431.00

The Warrant Committee moved and seconded to pass Article 59 at \$234,510.00.
A voice vote was called and Article 59 passed at \$234,510.00.

Article 60. To see what sum the School Board will be authorized to expend for Transportation & Buses for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

Note: 2015-16 Amount was \$145,993.00

The Warrant Committee moved and seconded to pass Article 60 at \$168,823.00.
A voice vote was called and Article 60 passed at \$168,823.00.

Article 61. To see what sum the School Board will be authorized to expend for Facilities Maintenance for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

Note: 2015-16 Amount was \$ 423,277.00

The Warrant Committee moved and seconded to pass Article 61 at \$411,686.00.
A voice vote was called and Article 61 passed at \$411,686.00.

Article 62. To see what sum the School Board will be authorized to expend for Debt Service and Other Commitments for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

Note: 2015-16 Amount was \$394,807.00

The Warrant Committee moved and seconded to pass Article 62 at \$379,477.00.
A voice vote was called and Article 62 passed at \$379,477.00.

Article 63. To see what sum the School Board will be authorized to expend for All Other Expenditures for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

Note: 2015-16 Amount was \$ 45,000.00

The Warrant Committee moved and seconded to pass Article 63 at \$55,000.00.
A voice vote was called and Article 63 passed at \$55,000.00.

Note: Articles 53 – 63 authorize a total budget of \$3,960,678.00
(2015-16 Amount was \$3,796,617.00)

Note: Articles 64 – 66 raise funds for the Proposed School Budget

Hand Count required for Article 64.

Article 64. To see what sum the voters of the Town of Mount Desert will appropriate for the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act (Recommend \$2,123,529.00) and to see what sum the voters of the Town of Mount Desert will raise as the Town's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act in accordance with the Maine Revised Statutes, Title 20-A, section 15688 for the period July 1, 2016 and ending June 30, 2017.

Explanation: The Town of Mount Desert's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act is the amount of money determined by state law to be the minimum amount that a municipality must raise in order to receive the full amount of state dollars.

Warrant Committee moved and seconded to pass Article 64 at \$1,923,594.00.
A hand count voted was conducted and Article 64 passed at \$1,923,594.00 with 82 Ayes and 0 Nays.

Hand Count required for Article 65.

Article 65. To see what sum the voters of the Town of Mount Desert will raise and appropriate for the annual payments on debt service previously approved by the legislative

body for non-state-funded school construction projects, non-state funded portions of school construction projects and minor capital projects in addition to the funds appropriated as the local share of the Town of Mount Desert's contribution to the total cost of funding public education from kindergarten to grade 12 for the period July 1, 2016 and ending June 30, 2017.

Explanation: Non-state-funded debt service is the amount of money needed for the annual payments on the Town of Mount Desert's long-term debt for major capital school construction projects and minor capital renovation projects that are not approved for state subsidy. The bonding of this long-term debt was approved by the voters on November 6, 2001.

Warrant Committee moved and seconded to pass Article 65 at \$379,477.00.
A hand count voted was conducted and Article 65 passed at \$379,477.00 with 83 Ayes and 0 Nays.

Written Ballot vote required for Article 66

Article 66. To see what sum the voters of the Town of Mount Desert will raise and appropriate in additional local funds for school purposes (Recommend: \$1,365,462.00) for the period July 1, 2016 and ending June 30, 2017, which exceeds the State's Essential Programs and Services allocation model by (Recommend: \$1,325,922.00) as required to fund the budget recommended by the school Board.

The School Board recommends \$1,365,462.00 for additional local funds and gives the following reasons for exceeding the State's Essential Programs and Services funding model by \$1,325,922.00: The State funding model underestimates the actual costs to fully fund the 2016-2017 budget.

The Warrant Committee recommends \$1,365,462.00 for additional local funds and gives the following reasons for exceeding the State's Essential Programs and Services funding model by \$1,325,922.00: The State funding model underestimates the actual costs to fully fund the 2016 – 2017 budget.

Explanation: The additional local funds are those locally raised funds over and above the Town of Mount Desert's local contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act and local amounts raised for the annual payment on non-state funded debt service that will help achieve the Town of Mount Desert's budget for educational programs.

The Warrant Committee moved and seconded to pass Article 66 at \$1,365,462.00 for additional local funds and gives the following reasons for exceeding the State's Essential Programs and Services funding model by \$1,325,922.00: The State funding model underestimates the actual costs to fully fund the 2016-2017 budget.

A written ballot vote was conducted and Article 66 passed with 79 Ayes and 1 Nay.

Note: Articles 64, 65, & 66 raise a total town appropriation of \$3,668,533.00
(2015-16 Total Town Appropriation was \$3,536,768.00)

Note: Article 67 summarizes the proposed school budget and does not authorize any additional expenditures

Hand Count required for Article 67.

Article 67. To see what sum the voters of the Town of Mount Desert will authorize the School Board to expend for the fiscal year beginning July 1, 2016 and ending June 30, 2017 from the Town's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act, non-state-funded school construction projects, additional local funds for school purposes under the Maine Revised Statutes, Title 20-A, section 15690, unexpended balances, tuition receipts, state subsidy and other receipts for the support of schools.

Note: 2015-16 Total Budget was \$3,796,617

The Warrant Committee moved and seconded to pass Article 67 at \$3,960,678.00.
A hand count was conducted and Article 67 passed at \$3,960,678.00 with 78 Ayes and 0 Nays.

Article 68. In addition to the amount in Articles 53 – 67, shall the School Board be authorized to expend such other sums as may be received from state or federal grants or programs or other sources during the fiscal year 2016-2017 for school purposes provided that such grants, programs or other sources do not require the expenditure of other funds not previously appropriated?

Current Year Totals: \$104,986.00

The Warrant Committee moved and seconded to pass Article 68.
A voice vote was called and Article 68 passed.

Moderator Ferm thanked the Warrant Committee and School Board for their work with this Warrant and for the motions; he went on to thank the Town Clerk, Board of Selectmen, and Department Heads for their hard work and contributions; he thanked the voters and public for their attendance.

Moderator Ferm paid tribute to Superintendent Howard Coulter and Principal Scott McFarland for their many years of dedicated service to the schools. Both gentlemen will retire at the end of the school year. Moderator Ferm also thanked Selectman Richardson for his years of service to the Town of Mount Desert and acknowledged Town Clerk Woolfolk for the successful completion of her first Town Meeting.

At 8:25 p.m. Moderator Ferm made his favorite motion – to adjourn the meeting, there was a second, and the motion passed by voice vote.

Appendices

An underline indicates an addition and a ~~strike through~~ indicates a deletion.

Appendix A (Article 9)

3.4 Permitted, Conditional, and Excluded Uses by District:

All land use activities, as indicated in the following table, shall conform with all of the applicable land use standards in Sections 6.A., 6.B., and 6.C. The district designation for a particular site shall be determined from the Official Land Use Zoning map.

P	Use allowed without a permit (but the use must comply with all applicable land use standards)
C	Use allowed with conditional use approval from the Planning Board
X	Use is prohibited
CEO	Use allowed with a permit from the code enforcement officer

VR1	VILLAGE RESIDENTIAL ONE
VR2	VILLAGE RESIDENTIAL TWO
R1	RESIDENTIAL ONE
R2	RESIDENTIAL TWO
SR1	SHORELAND RESIDENTIAL ONE
SR2	SHORELAND RESIDENTIAL TWO
SR3	SHORELAND RESIDENTIAL THREE
SR5	SHORELAND RESIDENTIAL FIVE
RW2	RURAL OR WOODLAND TWO
RW3	RURAL OR WOODLAND THREE
VC	VILLAGE COMMERCIAL
SC	SHORELAND COMMERCIAL
RP	RESOURCE PROTECTION
C	CONSERVATION
SP	STREAM PROTECTION

See table of uses on following pages

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(Continued on next page)

Section 3.4 Permitted, Conditional, and Excluded Uses by District

LAND USE:	Districts								
	VR 1 VR 2	R 1 R 2	SR 1 SR 2 SR 3 SR 5	RW 2 RW 3	VC	SC	C	RP	SP
PUBLIC									
Church, school, library, museum, community building	C	C	X	C	C	X	X	X	X
<u>Independent School</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>
State, Federal & Municipal Buildings	C	C	X	C	C	C	X	X	X
Park, playground, recreation structures	C	C	X	C	C	X	X	X	X
Municipal activities	C	C	C	C	C	C	C	X	X
Cemeteries	X	X	X	C	X	X	X	X	X

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SECTION 8 DEFINITIONS

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INCREASE IN NONCONFORMITY OF A STRUCTURE: Any change in a structure or property which causes further deviation from the dimensional standard(s) creating the nonconformity such as, but not limited to, reduction in water body, tributary stream, wetland, or property line setback distance, increase in lot coverage, or increase in height of a structure. Property changes or structure expansions which either meet the dimensional standard or which cause no further increase in the linear extent of nonconformance of the existing structure shall not be considered to increase nonconformity. For example, there is no increase in nonconformity with the setback requirement for water bodies, wetlands, or tributary streams if the expansion extends no further into the required setback area than does any portion of the existing nonconforming structure. Hence, a structure may be expanded laterally provided that the expansion extends no closer to the water body, tributary stream, or wetland than the closest portion of the existing structure from that water body, tributary stream, or wetland. Included in this allowance are expansions which in-fill irregularly shaped structures.

INDEPENDENT SCHOOL: A non-profit entity or institution offering academic curriculum for grades k-8 as an alternative to traditional public schools. Independent Schools also offer non-academic activities related to life on the coast in the immediate neighborhood and Mount Desert Island generally, and serve as a community center.

INDIVIDUAL PRIVATE CAMPSITE: An area of land which is not associated with a campground, but which is used for tent camping.

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Appendix B (Article 15)
EASEMENT AGREEMENT

THIS AGREEMENT is made this ____ day of _____, 2016, by and between the **TOWN OF MOUNT DESERT**, a body corporate and politic in Hancock County, Maine, with a mailing address of P.O. Box 248, Northeast Harbor, ME 04662 (the “Town”) and the **UNITED CHURCH OF CHRIST OF NORTHEAST HARBOR AND SEAL HARBOR**, formerly known as **UNION CONGREGATIONAL CHURCH OF SEAL HARBOR**, (the “Church”), a Maine non-profit corporation in Northeast Harbor, Maine, with a mailing address of P.O. Box 555, Northeast Harbor, ME 04662. For consideration paid, the Town hereby grants to the Church a perpetual easement for a sanitary sewer line situated under and across a portion of the Town’s property on Main Street, in the Village of Seal Harbor, in the Town of **Mount Desert**, Hancock County, Maine, on the following terms and conditions (the “Easement”):

The Easement burdens a portion of the property of the Town described in the deed from Richard G. Rockefeller to The Inhabitants of the Town of Mount Desert, dated January 1, 1980 and recorded in the Hancock County Registry of Deeds in Book 1375, Page 518 (the “Property”). The easement area over which the Easement rights may be exercised is under and across that portion of the Property described as follows: a twenty foot (20') wide strip, the centerline of which is the center of the existing sewer line, said sewer line generally as depicted on the attached photo (the “Easement Area”).

This Easement is appurtenant to and for the benefit of the property of the Church described in the following deeds to the Trustees of The Union Congregational Church of Seal Harbor: (1) from John D. Rockefeller, dated February 26, 1970 and recorded in said Registry in Book 1108, Page 567; (2) Laurance S Rockefeller, dated February 26, 1970 and recorded in said Registry in Book 1108, Page 571; (3) Winthrop Rockefeller, dated March 6, 1970 and recorded in said Registry in Book 1108, Page 575; (4) Nelson A. Rockefeller, dated March 11, 1970 and recorded in said Registry in Book 1108, Page 579; and (5) David Rockefeller, dated March 12, 1970 and recorded in said Registry in Book 1108, Page 583 (the “Benefited Property”).

This Easement shall be for the existing sanitary sewer line and any appurtenances thereto, and shall include the right to enter the Easement Area with or without vehicles and equipment for the Church and their agents, employees, or contractors to install, inspect, clean, maintain, repair, upgrade and replace said line and appurtenances thereto.

It is understood and agreed that this Easement includes the right, after the Church’s consultation with the Town, (1) to excavate; (2) to clear and trim trees, shrubs and other growth; (3) to temporarily remove fences, posts, and similar minor structures within the Easement Area; (4) to fill and grade low areas in a manner as to prevent ponding of water and to provide a minimum cover over said line and appurtenances thereto; and (5) to cross other portions of the Property as necessary, within the narrowest practical confines, to accomplish any work reasonably related to the Easement. The Town shall otherwise have full use and enjoyment of the Property (including the right to pave and otherwise improve the Property) and it shall not be the Town’s responsibility to maintain the ground surface of the Property.

The Church agrees that any exercise of its rights and obligations hereunder shall: (1) cause the least disruption reasonably practicable to the Property and use thereof; (2) be confined to the narrowest practical limits of the Property; (3) not unreasonably impair the safe and reasonable flow of pedestrian and vehicular traffic to, on and/or from the Property; (4) not unreasonably affect the use of the Property by the Town or the public; (5) be performed in a good and workmanlike manner and in accordance with applicable laws, rules and regulations; and (6) except in cases of emergency, be performed after notification to the Town, which notice shall specify the work to be performed and an estimated timeframe for completion of such work.

Further, the Church agrees as follows:

(1) Following any such installation, inspection, cleaning, maintenance, repair, upgrade or replacement, it shall restore the Property as nearly as practicable to its condition that was existing prior to the same. Such restoration work shall include but not be limited to reseedling and replacing any disturbed areas or foliage or other growth which was removed and restoring any disturbed ground surface, including but not limited to re-graveling and repaving, and restriping of the parking area.

(2) It shall keep said line and appurtenances thereto in good maintenance and repair at its sole cost and expense.

(3) In the event of any damage to the Property or improvements or installations thereon caused by any activities hereunder or any exercise of the easement rights herein granted and not corrected, repaired or restored by the Church, the Town shall have the right, but not the obligation, to conduct such repairs on behalf of the Church and is entitled to demand repayment from the Church of the expenses and costs paid by the Town. The Church shall promptly reimburse the Town for such expenses and costs upon receipt of a statement or invoice for the same.

(4) To the extent permissible by applicable law, the Church shall defend, hold harmless and indemnify the Town and its employees, agents, contractors, successors and assigns, from and against any and all claims, actions, proceedings, damages, liabilities, costs and expenses (including but not limited to reasonable attorney's and paralegal's fees, consultants' fees, court costs and other reasonable litigation expenses) for injuries to any persons arising out of, in connection with, or as a direct result or consequence of the Church's exercise of the easement rights herein granted.

(Continued on next page)

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed in their names by the undersigned this ____ day of _____, 2016.

Town of Mount Desert

By: _____

Name: _____

Its: _____

United Church of Christ of Northeast Harbor
and Seal Harbor

By: _____

Name: _____

Its: _____

STATE OF MAINE

_____ County

_____, 2016

Personally appeared the above named _____,
of the Town of Mount Desert and acknowledged before me the foregoing instrument to be
his/her free act and deed in his/her said capacity and the free act and deed of the Town of Mount
Desert.

Notary Public/Attorney at Law

Print or type name as signed

(Continued on next page)



Appendix C (Article 16)

AMENDMENT TO EASEMENT

THIS AMENDMENT TO EASEMENT (this “Amendment”) is entered into this ____ day of _____, 2016 between **ROCKEFELLER TRUST COMPANY, N.A.** (formerly known as **THE ROCKEFELLER TRUST COMPANY**), with a mailing address of 10 Rockefeller Plaza, New York, NY 10020, as **Trustee under a certain INDENTURE OF TRUST DATED JULY 10, 1996** (the “Trust”) and **THE INHABITANTS OF THE TOWN OF MOUNT DESERT**, a body corporate located in Hancock County, Maine, with a mailing address of P.O. Box 248, Northeast Harbor, Maine 04662 (the “Town”).

WHEREAS, by an instrument from David Rockefeller and Margaret McGrath Rockefeller to the Inhabitants of the Town of Mount Desert dated January 8, 1974 and recorded in the Hancock County Registry of Deeds in **Book 1185, Page 234**, the Town was granted a sanitary sewer line easement (the “Easement”) over, across and under a portion of the property then-owned by David Rockefeller and Margaret McGrath Rockefeller on the southerly side line of the right of way of Maine State Highway No. 3 in Seal Harbor, **Town of Mount Desert**, Hancock, County, Maine, as described in the Easement deed (the “Burdened Property”);

WHEREAS, the Trust is the current owner of the Burdened Property pursuant to the following deeds:

1. David Rockefeller and Margret McGrath Rockefeller to Neva R. Kaiser, dated December 27, 1976 and recorded in said Registry in Book 1277, Page 534; and
2. Neva R. Goodwin, formerly known as Neva R. Kaiser, to The Rockefeller Trust Company as Trustee under a certain Indenture of Trust dated July 10, 1996, dated August 1, 1996 and recorded in said Registry in Book 2570, Page 270;

WHEREAS, pursuant to the Easement the Town has the “perpetual right to pass and repass and to enter and re-enter with men, materials, supplies, vehicles, equipment and machinery for the purposes of installing, laying and relaying or repairing the underground pipe or piles with the necessary fittings, appurtenances and attached facilities for the transmission of sewerage to the sewerage treatment plant at Seal Harbor”;

WHEREAS, the area of the Easement is described as two strips—twelve (12) feet wide and then becoming fifteen (15) feet wide at the Bracy Cove Pumping Station—centered on a certain described line beginning on the southerly sideline of Route 3 and ending on the northwesterly side line of the land now or formerly of The Harbor Club (the “Original Easement Area”);

WHEREAS, the Town now desires to widen the Original Easement Area and to place on the Burdened Property a covered pump station and gravel access road leading to said pump station;

NOW THEREFORE, in consideration of the terms set forth herein and for other good and valuable consideration, the parties hereby agree that the Easement is amended as follows:

1. The parties hereby agree that the Original Easement Area shall be replaced by the new easement area (the "New Easement Area") depicted on Exhibit A attached hereto (the "Plan"). The area of the Burdened Property over, under and across which the Town has the right to exercise its easement rights is now deemed to be the New Easement Area.

2. In addition to the Town's existing rights under the Easement, the Trust hereby grants to the Town the following additional rights, all in the locations depicted on the Plan:

a. to construct, install, repair, replace and maintain a pump station and appurtenances thereto including a generator and wet well (the "Pump Station");

b. to construct, install, repair, replace and maintain a wood framed building with porch for the Pump Station including an underdrain around the building perimeter (the "Building"), provided, however, the Town plants mature plantings as a visual screen along the two (2) sides of the Building which front on Route 3 and Bracy Cove, respectively;

c. to construct, install, repair, replace and maintain a twelve (12) foot wide gravel access road leading to the Pump Station, including culverts, and a parking area for service vehicles (the "Road"); and

d. to re-grade the Burdened Property to slope the ground away from the Building and the Road and pursue other measures on the Burdened Property for erosion protection, as reasonably necessary to protect the Building and Road.

3. In addition to the perpetual Easement, the Trust hereby grants to the Town temporary construction easements for the duration of the construction of the Pump Station, Building and Road. The dimensions of these temporary easement areas are as follows, both as depicted on the Plan: (a) a strip thirty (30) feet, more or less, in width for the construction of the Road; and (b) a one hundred (100) foot by one hundred (100) foot, more or less, area for the construction of the Building and said parking area. The Town agrees that its construction work will be on the following terms and conditions: (a) all work is to be confined to the narrowest practical limits; (b) fences, posts, bridges, and other removed structures are to be reset as nearly as possible in their original location; (c) disturbed areas of lawn, garden and field will be reseeded and replaced; and (d) trees, shrubs and other growth that are removed will be replaced. The Town agrees that prior to the construction work it will construct a temporary chain link fence around the project area.

Except as specifically amended by the terms of this Amendment, all of the terms, conditions and provisions of the Easement shall remain in full force and effect and the Easement remains otherwise unchanged.

(Continued on next page)

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals as of the date first written above.

Town of Mount Desert

By: _____

Name: _____

Its: _____

Rockefeller Trust Company, N.A. as Trustee of
Indenture of Trust dated July 10, 1996:

By: _____

Name: _____

Its: _____

_____, 2016
[insert name of commonwealth or state]
_____ County

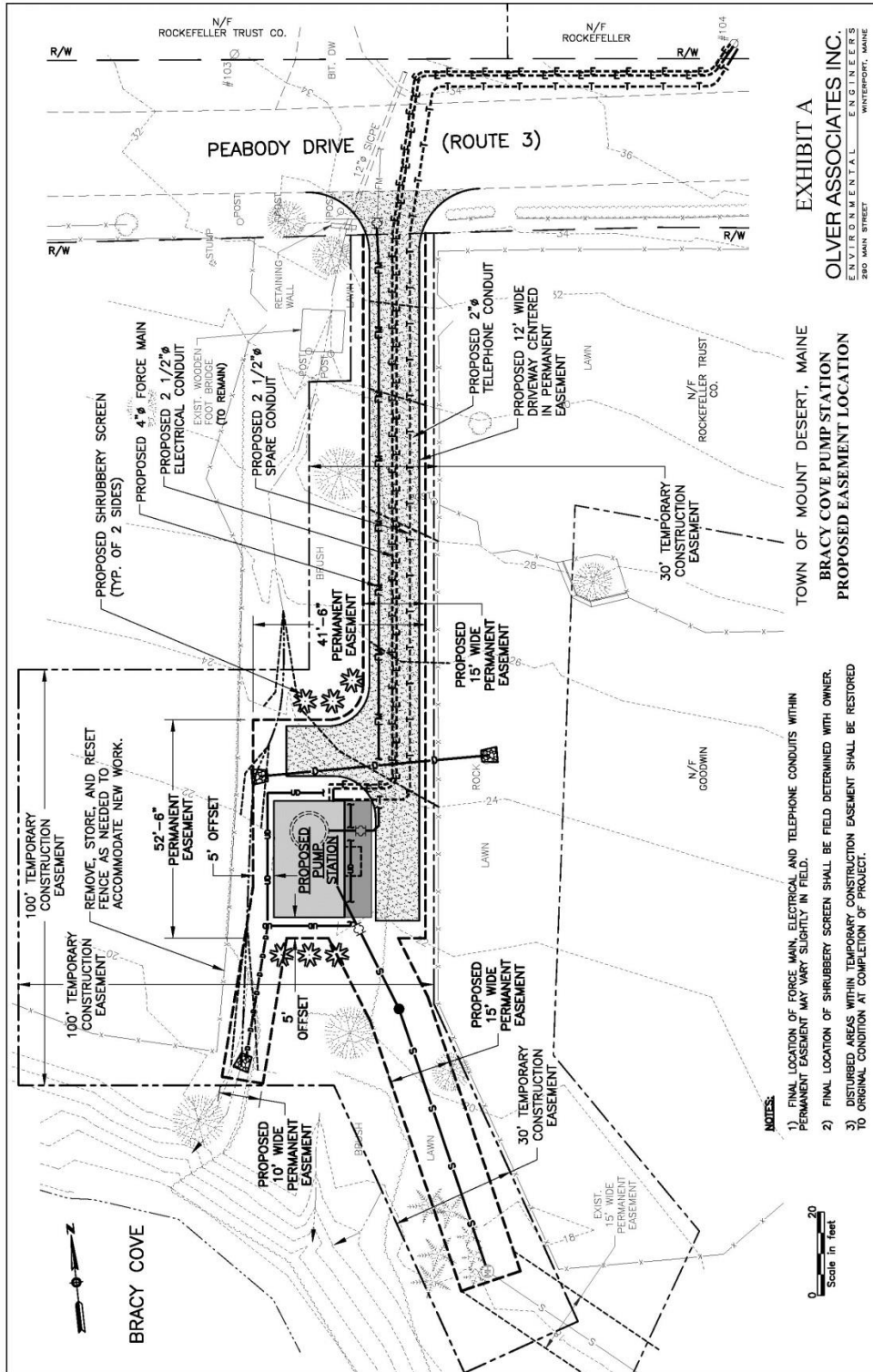
Personally appeared the above named _____,
_____ of the Rockefeller Trust Company, N.A. as Trustee of the certain
Indenture of Trust dated July 10, 1996, and acknowledged before me the foregoing instrument to
be his/her free act and deed in his/her said capacity and the free act and deed of the Rockefeller
Trust Company, N.A. in its capacity as Trustee of the certain Indenture of Trust dated July 10,
1996.

Notary Public

Print or type name as signed

(Continued on next page)

New Easement Area



Appendix D (Article 25)

Town of Mount Desert
Investment Policy
Adopted March 1986
Amended May 4, 2010
Amended May 3, 2016

PURPOSE

Maine state statutes authorize Treasurers to deposit or invest municipal funds by direction of the municipal officers.

Pursuant to 30-A MSR 5706-5717; the municipality of Town of Mount Desert, Maine shall adopt the following investment objectives in the management and investment of municipal funds:

The primary objective of the municipality's investment activities is the preservation of capital and the protection of investment principal.

In investing public funds, the municipality will strive to maximize the return on the portfolio.

The municipality's investment portfolio will remain sufficiently liquid to enable the municipality to meet operating requirements which might be reasonably anticipated.

The municipality will diversify its investments to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions.

The municipal Treasurer shall invest funds for which there is no immediate need, consistent with 30-A MSR5706-5717, sell and exchange securities so purchased, and deposit such securities for safekeeping. All investment decisions shall be made considering the investment objectives contained herein and exercising judgment and care under the circumstances then prevailing.

The Treasurer may utilize Trust Department services of approved banks.

BACKGROUND

In addition to short term investment of operational funds, the Town has put aside for investment certain funds accumulated over time for which there is not an immediate need. It is these funds which will generally be invested through the Trust companies.

Although these monies are not to be considered as permanent endowment, it is not contemplated that they will be expended in the immediate future. They should be regarded as reserve funds, and it is the desire of the Selectmen to develop investment guidelines to be followed by the fund managers in selecting securities for investment.

Broadly speaking, the funds are to be divided into two parts. One part, ~~representing about one third or~~ at least (\$500,000) of the total, is to be considered a relatively short term reserve to be available on short notice for use by the Town. The second part, consisting of the balance, shall be held as a long-term reserve.

~~A separate trust may be used, if the Treasurer deems it advantageous, for the one third short term reserve.~~

SPECIFIC GUIDELINES FOR THE TRUST COMPANIES:

The managers of the funds are directed to invest both the long term and the short term reserves ~~so that with the goal, at a minimum, the~~ that the total return of the funds shall at least equal the rate of inflation over a five year time span as measured by the GNP price deflator.

SHORT TERM RESERVE

The short term reserve shall be invested in certificates of deposit, money market funds, U.S. Treasury obligations, U.S. Government agency obligations, and corporate debt instruments with at least an A rating.

No security shall carry a maturity of more than five years, and the average maturity of all assets in the short term reserve shall be no longer than three years.

The securities of any one issuer shall not constitute more than 5% of the short term reserve. Obligations of the U.S. Treasury, or Government agencies, guaranteed by the U.S. Government, shall not be subject to this restriction.

The current yield on the short term reserve fund as a whole shall at least equal the U. S. Treasury one year bill rate.

LONGER TERM RESERVE

The fund manager shall invest the assets of this portion of the fund similarly to those securities listed in the SHORT TERM RESERVE guidelines above, but without limitation as to maturity on fixed income instruments.

In addition, equities, and convertible debt securities may be bought, subject to the limitation that the percentage of common stocks and convertible securities should not exceed 65%, as measured by market value.

Investments will also be subject to the limitation that the securities of any one issuer shall not exceed 5% of the total fund, except for obligations of the U.S. Treasury and Government agency bonds as defined above.

PERFORMANCE:

The total return of the long term reserve should be compared to ~~standard~~ appropriate investment indices.

The performance figures should be prepared semi-annually, on the first and third quarters of the fiscal year, and will be compared over a three to five year time span. Reports from the trusts should be utilizing an investment basis format rather than a trust format.

REPORTING

The Treasurer shall report quarterly to the Board of Selectmen for the purpose of monitoring the performance and structure of the municipal investments.

In addition, the Treasurer shall issue an annual investment report due no later than 30 days after the end of the fiscal year. The report shall include an evaluation of the performance of the investment program for the previous year.

REVIEW

It shall be the duty of the Investment Committee, as appointed by the Board of Selectmen, to review the reports of the Treasurer and the Trusts.

The committee shall be composed of: - a member of the Board of Selectmen; a member of the Warrant Committee; and three citizens of the Town. The Town Treasurer and Town Manager participate as ex officio members.

Said committee will meet quarterly for this purpose. The Committee may make recommendations to the Board of Selectmen for redistribution of the funds, withdrawal or adjustment of Trust balances and reinvestment, and/or withdrawal or application to reduce taxes of any interest earnings on the investments.

It is the express intention of the Board of Selectmen to protect future value of the funds, and therefore, it shall be the policy of the Board of Selectmen to disregard any realized or unrealized capital gain in the fund when considering earnings available for withdrawal.

All municipal personnel involved in the investment program shall adhere to the Town's Charter to prevent any real or perceived violation of their fiduciary responsibilities

TOWN OF MOUNT DESERT RESERVE FUND INVESTMENT POLICY

A. Investment Objectives

- ✓ Preservation of capital/protection of investment principal
- ✓ Total rate of return at least equal to the inflation rate (GDP price deflator) over five-year periods
- ✓ Total fund return to compare favorably with established market indices over 3-5 year periods

B. Investment Guidelines and Constraints

- ✓ Liquidity requirement – up to \$500,000
- ✓ Social/Moral Constraints – None
- ✓ Equity Securities (common stocks and convertible securities):
 - Portfolio maximum = 65% of total fund
 - Portfolio minimum = 35% of total fund
 - Position/issuer maximum = 5% of total fund
- ✓ Fixed-income Securities:
 - Credit quality = "A" minimum
 - Maturity Limitations = None
 - Portfolio maximum = 65% of total fund
 - Portfolio minimum = 35% of total fund
 - Position/issuer maximum = 5% (exception: U.S. Treasury and government agency securities)

C. Spending Policy

- ✓ 100% of income (interest and dividend income) distributed within the trust
- ✓ Principal, realized, and unrealized capital gains may be distributed in conformance with the Town Charter. ~~0% of principal (including realized and unrealized capital gains) distributed.~~

Estimated Tax Rate

2016-2017 ESTIMATED TAX RATE				
	F.Y. 2016-2017	F.Y. 2015-2016	Increase / (Decrease)	% Change
Municipal Budget (a)	\$9,035,412	\$8,638,802	\$396,610	4.39%
Less Projected Revenues (b)	\$1,531,162	\$1,419,042	\$112,120	7.32%
Net Municipal Budget	\$7,504,250	\$7,219,760	\$284,490	3.79%
Elementary School (c)	\$3,668,533	\$3,536,768	\$131,765	3.59%
High School (d)	\$2,920,173	\$2,802,351	\$117,822	4.03%
Hancock County Tax (e)	\$805,932	\$819,278	(\$13,346)	-1.66%
Total	\$16,430,050	\$15,797,199	\$632,851	3.85%
Amount To Be Raised	\$14,898,888	\$14,469,851	\$429,037	2.88%
Estimated Taxable Valuation (f)	\$2,040,774,335	\$2,038,152,535	\$2,621,800	0.13%
Estimated 2016-2017 Tax Rate	\$7.35	\$7.11	\$0.24	3.27%

2016-2017 ESTIMATED TAX RATE / OVERLAY				
Est. 2016-2017 Valuation times mill rate of	\$7.35	\$14,999,691	2015-2016 Tax Rate	\$7.11 per \$1,000
2016-2017 amount to be raised		\$14,898,888	2016-2017 Tax Rate	\$7.35 per \$1,000
Estimated Overlay		\$100,803	% Increase In Tax Rate	3.27%

Each \$0.10 on the tax rate raises \$204,100

To Reduce Mill Rate by:	\$0.10	Requires either reducing	\$204,100
	\$0.20	spending or increasing	\$408,200
	\$0.30	revenues by some	\$612,300
	\$0.40	combination thereof.	\$816,400
	\$0.50		\$1,020,500
	\$0.60		\$1,224,600
	\$0.70		\$1,428,700
	\$0.80		\$1,632,800
	\$0.90		\$1,836,900
	\$1.00		\$2,041,000

- (a) = Current Version of Budget
 (b) = 2015-2016 Projected Revenue
 (c) = Elementary School Budget
 (d) = High School Budget
 (e) = Hancock County Budget
 (f) = Assessed RE & PP Total

Appendix E - pg. 1 (Article 51)

2016 MUNICIPAL PROPERTY TAX LEVY LIMIT WORKSHEET	
Municipality: MOUNT DESERT	Contact Person*: KYLE AVILA
Phone Number: 276-5531	
* The Contact Person should be able to answer clarifying questions about the reported information.	
<p>The following two pages show how to calculate your municipality's property tax levy limit. Completing these pages is not mandatory, but doing so will help ensure that your municipality complies with Maine law on the rate of property tax increases. Information on new property, appropriations, and deductions should be collected from the assessor and the valuation book before completing these pages.</p> <p>Calendar Year Municipalities - For communities with "calendar year" budgets, the use of the term 2015 refers to the budget year that ended at the end of 2015 or early 2016. The use of the term 2016 refers to the budget year that will end at the end of 2016 or in early 2017.</p> <p>Fiscal Year Municipalities - For communities with "fiscal year" budgets, the use of the term 2015 refers to the July 1, 2015 to June 30, 2016 budget year. The use of the term 2016 refers to the July 1, 2016 to June 30, 2017 budget year.</p>	
<p>LAST YEAR'S (2015) MUNICIPAL PROPERTY TAX LEVY LIMIT</p> <p>This is the portion of 2015 property tax revenue used for municipal services.</p> <ul style="list-style-type: none"> - If last year the municipality committed <u>LESS THAN</u> or <u>EQUAL TO</u> the limit, enter last year's limit on Line 1 below. - If last year the municipality voted to <u>EXCEED</u> the limit <u>ONCE</u> (just last year), enter last year's limit on Line 1 below. <p>1. LAST YEAR'S MUNICIPAL PROPERTY TAX LEVY LIMIT <u>\$7,219,760</u></p> <p style="text-align: center;"><u>OR</u></p> <ul style="list-style-type: none"> - If last year the municipality voted to <u>INCREASE</u> the limit <u>PERMANENTLY</u>, complete Steps A-D below. The information needed for this calculation is on the <i>Municipal Tax Assessment Warrant</i>, filed in the Valuation Book. <p>A. Last year's Municipal Appropriations (Line 2, 2015 <i>Municipal Tax Assessment Warrant</i>) \$ _____</p> <p>B. Last year's Total Deductions (Line 11, 2015 <i>Municipal Tax Assessment Warrant</i>) \$ _____</p> <p>C. If necessary, enter any revenue included in Total Deductions that paid for non-municipal appropriations, such as schools. (If all deductions paid for municipal appropriations, enter "0".) \$ _____</p> <p>D. Add Lines A and C, and subtract Line B. Enter result on Line 1 above.</p>	
<p>CALCULATE GROWTH LIMITATION FACTOR</p> <ul style="list-style-type: none"> - Each municipality's Growth Limitation Factor is based on local property growth and statewide income growth. <p>2. Total New Taxable Value of lots (splits), buildings, building improvements, and personal property first taxed on April 1, 2015 (or most recent year available) <u>\$9,085,980</u></p> <p>3. Total Taxable Value of Municipality on April 1, 2015 (or most recent year available) <u>\$2,035,140,735</u></p> <p>4. Property Growth Factor (Line 2 divided by Line 3) <u>0.0045</u></p> <p>5. Income Growth Factor (provided by Office of Policy and Management) <u>0.0267</u></p> <p>6. Growth Limitation Factor (Line 4 plus Line 5) <u>0.0312</u></p> <p>7. Add 1 to the Growth Limitation Factor calculated in Line 6. <u>1.0312</u></p> <p>(For example, if Line 6 is 0.0362, then enter 1.0362 on Line 7.)</p>	
2016 MUNICIPAL PROPERTY TAX LEVY LIMIT WORKSHEET	

Appendix E - pg. 2 (Article 51)

2016 MUNICIPAL PROPERTY TAX LEVY LIMIT WORKSHEET	
<p>CALCULATE 2015-2016 CHANGE IN REVENUE SHARING (previously "NET NEW STATE FUNDS")</p> <p>- Determine if revenue sharing increased or decreased. Years refer to municipal fiscal year.</p> <p>8. 2015 Municipal Revenue Sharing \$30,246</p> <p>9. 2016 Estimated Municipal Revenue Sharing \$30,739</p> <p>10. If Line 8 is greater than Line 9, then calculate Line 8 minus Line 9. Enter result at right; skip Line 11 \$</p> <p>11. If Line 9 is greater than Line 8, then complete 11A & 11B below.</p> <p style="margin-left: 20px;">A. Multiply Line 8 by Line 7. \$31,188</p> <p style="margin-left: 20px;">B. Calculate Line 9 minus Line 11A. Enter result at right. \$0</p> <p style="margin-left: 20px;">(If result is negative, enter "0".)</p>	
<p>CALCULATE THIS YEAR'S (2016) MUNICIPAL PROPERTY TAX LEVY LIMIT</p> <p>- This year's Property Tax Levy Limit is last year's limit increased by the Growth Factor and adjusted for revenue sharing.</p> <p>12 Apply Growth Limitation Factor to last year's limit. (Line 1 multiplied by Line 7) \$7,444,761</p> <p>13 THIS YEAR'S MUNICIPAL PROPERTY TAX LEVY LIMIT</p> <p style="margin-left: 20px;">If Line 9 is greater than Line 8 (revenue sharing increased), you <u>MUST</u> subtract Line 11B from Line 12. This is <u>required</u>.</p> <p style="margin-left: 20px;">OR If Line 9 is less than Line 8 (revenue sharing decreased), you <u>MAY</u> add Line 10 to Line 12. This is <u>optional</u>.</p> <p>- Enter result at right. \$7,444,761</p>	
<p>CALCULATE THIS YEAR'S (2016) MUNICIPAL PROPERTY TAX LEVY</p> <p>- The information needed for this calculation is on the 2015 <i>Municipal Tax Assessment Warrant</i>, filed in the Valuation Book. Use estimates if necessary.</p> <p>A. This year's Municipal Appropriations (Line 2, 2016 <i>Municipal Tax Assessment Warrant</i>) \$9,035,412</p> <p>B. This year's Total Deductions (Line 11, 2016 <i>Municipal Tax Assessment Warrant</i>) \$1,531,162</p> <p>C. If necessary, enter any revenue included in Total Deductions that paid for non-municipal appropriations, such as schools. (If all deductions paid for municipal appropriations, enter "0".) \$</p> <p>14 THIS YEAR'S MUNICIPAL PROPERTY TAX LEVY (Add Lines A and C, and subtract Line B) \$7,504,250</p>	
<p>15 COMPARE this year's MUNICIPAL PROPERTY TAX LEVY to the LIMIT (Line 13 minus Line 14) (\$59,489)</p> <p style="margin-left: 20px;">(If the result is negative, then this year's municipal property tax levy is greater than the limit and a vote must be taken.)</p> <p>16 Did the municipality vote to <u>EXCEED</u> the limit <u>ONCE</u> (just this year)? <input type="checkbox"/> NO <input type="checkbox"/> YES</p> <p style="margin-left: 20px;">(Voting to exceed the limit means the municipality will calculate next year's limit based on line 13.)</p> <p>If "yes", please describe why: _____</p> <p>_____</p> <p>_____</p> <p>17 Did the municipality vote to <u>INCREASE</u> the limit <u>PERMANENTLY</u> (for current and future years)? <input type="checkbox"/> NO <input type="checkbox"/> YES</p> <p style="margin-left: 20px;">(Voting to increase the limit means the municipality will calculate next year's limit based on line 14.)</p> <p>If "yes", please describe why: _____</p> <p>_____</p> <p>_____</p>	
2016 MUNICIPAL PROPERTY TAX LEVY LIMIT WORKSHEET	