

**MINUTES OF THE SELECTMEN'S MEETING**  
**WITH THE BIT EXECUTIVE COMMITTEE PARTICIPATING**  
**TOWN OF FRYE ISLAND**  
**SEPTEMBER 7, 2007**

The meeting was conducted at the Town Community Center Meeting Room.

The meeting was called to order at 7:02 PM by John Nun.

SELECTMEN: John Nun, Grace Morin.

BIT EXECUTIVE COMMITTEE: Bruce Nisula, Joe Potts, Bob Miner, John Nun, Grace Morin.

TOWN MANAGER: Wayne Fournier

TREASURER: Joe Potts

PUBLIC: Kathy Potts, John Crosby, Oleg Svetlichny

**PETITIONS FROM THE PUBLIC**

None

**OLD BUSINESS**

**Project Updates**

**Toomey Appeal Update:**

Wayne reported no change; the court still has to set a date for briefs.

**Frye Island vs. State of Maine Update:**

Wayne reported no change; the Town has appealed the Superior Court decision to the State Supreme Court.

**Water System Upgrade:**

Wayne reported that he will set up a briefing by CDM on the water system study for the public at the Town Meeting on 6 Oct. He and John Crosby have talked to two contractors about doing the installation with town help; their rates look good. They feel they should be able to ditch approximately 200 feet per day (ledge would take longer and cost extra) each; the supplier would provide OJT help on laying the pipe and making connections for one or two days; the town would continue laying pipe and backfill the ditches. He has quotes from two suppliers, Ferguson and EJ Prescott for 4 and 3 inch main artery pipe (probably

High Point, Birch and Leisure Lanes) and 2 inch pipe to complete. Wayne and John are working on alternate plans to execute but it appears that a start after water shutdown in November could finish High Point by December or early next season, depending on weather and ledge with Birch and Leisure Lane to probably come over the next one or two years, Ridge to follow and the circles and loops to come as we can afford. The Town has approximately \$100K available this year to start, with another \$100K available from taxes next year. Wayne has contacted Gorham Savings Bank about short term loans; he feels that we could get \$100K at 4.4% interest on Selectman signature loans. Joe asked Wayne to look at a schedule that would not require any long term loans, thereby potentially saving the taxpayers significant interest costs. At the end of the meeting the schedule was again discussed and it was decided to put off the start of the grid work until 2008 so as not to interfere with important work associated with conversion to the new East Pump House that must be completed this fall.

#### **Long Beach Marina Dredging:**

Wayne reported that the dredging permit application is at DEP awaiting approval from the Department of Inland Fisheries and Wildlife; approval is expected soon. The water level is low and difficulties have been reported at the marina entrance. Del Wescott has told Wayne that he could remove some silting if this becomes a real problem. We still plan to do the dredging after slip removal in the fall.

#### **East Pump House:**

The building is up; roofing has been completed. Installation of steel siding is expected to complete the building by 12 September. John has Pat Nanola as the electrical contractor and that is expected to start on 15 September.

#### **Town 2006 Audit:**

Joe and Calvin met with the auditor on 6 September. See Treasurer's report for details.

#### **Pending Permits/Applications:**

Wayne stated that the town still has only two pending permits; 1- Marina dredging, noted above, and 2 – Permit to operate the Transfer Station. There was a DEP (decimal point) error in computing the Marina permit cost and the cost dropped from approximately \$3K to approximately \$300.

#### **Winter Office:**

Wayne said that he had plans to continue the winter office at Calvin's house. Nun asked Wayne to look into using the ferry trailer as the winter office. This had already been looked at and had only been dropped from further consideration because of the lack of handicapped access. The ferry trailer has 3 desks, adequate room, good bath facilities, phone and internet access and is

accessible during the winter. John has plans to replace the trailer windows this fall anyway because of security and poor weather sealant. Very little work would be required to make it fully useable. Wayne has asked the State if we can go entirely to absentee voting for the fall election; he has not heard back yet. Board members generally agreed and Wayne agreed to pursue using the ferry trailer as the winter office.

**Fee Complaints from Paul Murphy Lot #1724, David O’Grady Lot # 1112 & Derek Yates Lot #1941:**

Wayne reported that the court has dismissed the complaints from Murphy and Yates because they were not filed on time. The O’Grady complaint is proceeding. Mr. O’Grady has filed a tax appeal to Cumberland County because he feels that his value has been affected by the high fees.

**Other Old Business:**

**Parking in Office Store Area:**

Wayne reported that work is on DPW’s list but has not started due to other priorities. It is still planned to be completed this year.

**Lot 273 Violation:**

Wayne had talked to the lot owner’s attorney and the Consent Agreement was not ready yet.

**NEW BUSINESS**

**Water Hook-up Fees for Leisure Living Properties:**

Wayne reported that the town attorney has looked into the issue and the town has no legal obligation to honor any agreements between owners and Leisure Living Properties. He was unable to find any record of such transaction between owners and LLP. The lot owner who raised the issue has paid the current water hookup fee and was supposed to have sent a letter to Wayne about 3 weeks ago but no letter has been received. It was agreed that no action was needed and to drop the issue unless it comes up again.

**Teleconference Policy:**

Wayne reported that Tim Toomey had not been able to teleconference into the Budget meeting on 1 September and had emailed Wayne asking if there was a policy on absentee teleconferencing. Nun stated that the unwritten policy has been that teleconferencing was only set up to accommodate absent board members and necessary principals, such as the winter board meetings; that, during the summer months it is not normally set up for absent board members because there is a quorum without the absent members. There is a setup fee and a connection by minute fee for all participants, fees being quite high, and the budget for such items is very low. While the public can certainly participate in

board meetings was agreed that we should stay with the current unwritten policy and not encourage teleconference participation by non-essential parties.

**Purchase of Dump Truck:**

MOTION by Nun to expend up to \$8145 from DOT grant money for the first of 4 annual payments for a new dump truck for Public Works Dept, subject to dealer agreement that town may terminate the lease to purchase at the end of any year without penalty; Morin second. Treasurer disclosed during discussion that Selectmen may not commit funds beyond one year without a no penalty termination clause. The old dump truck has received extensive recent repairs and will be turned over to the Golf Course Operation. The Golf Course will advertise to dispose of their old truck which is on its last legs. UNANIMOUS.

**Purchase of York Rake:**

Wayne and John Crosby reported that the current York Rake is approaching end of life, still useable the remainder of this year.

MOTION by Nun to expend up to \$8000 from DOT grant money, when adequate grant monies become available, to purchase a new York Rake for the Public Works Dept, second by Morin, UNANIMOUS.

**Purchase of Brush Hog:**

All agreed that brush along island roads and particularly at intersections needed to be occasionally cut back for safety reasons. John Crosby said that he had a quote from Lucas of approximately \$3500 for a single cutting along about 65% of the island roads. At that rate we could pay for an island brush hog in one to two years.

MOTION by Nun to expend up to \$7300 from the Island Equipment Reserve for purchase of a Brush Hog for the Public Works Dept, second by Morin, UNANIMOUS.

**Purchase of Pontoon Boat Trailer:**

John Crosby requested a trailer to haul, launch and store the island pontoon boat, that Don Hadley's boat was no longer available to be borrowed.

MOTION by Nun to expend up to \$1800 from the Island Equipment Reserve for purchase of a 20 foot pontoon boat trailer for the Public Works Dept, second by Morin, UNANIMOUS.

**Expiration of Current Store Lease – 31 Dec 2007:**

Wayne provided a copy of the current lease for discussion. The Russo's are required to exercise their next 5 year option by 1 October 2007. No action required by the EC.

### **Candidates for Town Offices:**

Wayne reported that Phil Perry has indicated that he will run for the 1 year vacancy for Selectman, there is no candidate for the 3 year term. Bruce Nisula indicated that he will run for another term on the BIT. Oleg Svetlichny indicated that he will run for SAD 6 School Board town position again.

### **2003 Edition of the International Building Code:**

MOTION by Nun to hold public hearing prior to the Town Meeting to adopt the 2003 Edition of the International Building Code, second by Morin, UNANIMOUS.

### **2008 Budget Draft:**

Wayne presented the 2<sup>nd</sup> edition changes to the draft Town budget.

- Reduction of CEO position to 3 days a week for 6 months and addition of 1 day per week for Assessment Officer for 6 months. This is a reduction from a single full time position for both functions. This could result in continuity problems.
- Reduction of CEO total permit fees from \$40,000 to \$20,000 caused by the reduction of CEO costs. If this passes in the budget, the Selectmen must act to reduce permit fees accordingly.
- Added \$2,000 to the Recreation Budget for Beach expenses.
- Adjusted the total town value up based on latest projections. Even with the increased town value, municipal expenses (\$949,931), driven primarily by reasonable wage increases and increased employee costs, insurance, and legal fees will drive the mil rate up from 7.70 in 2007 to 7.80 in 2008, approximately 1.3%.
- A Special Warrant for \$2,000 for beach improvements beyond the LD-1 limit would increase the mil rate to 7.82 if approved.
- The non-municipal expenses (\$1,076,458) over which the town has no control increased the mil rate from 9.95 in 2007 to 10.53 in 2008, approximately 6%.
- There were no significant changes in the Enterprise Fund budgets, all showing some profit margin.
- There was discussion of just how big the Fund Balance should be (currently at approximately \$140K) and the need for a policy on other reserve balances. Wayne suggested a reserve for the Transfer Station using its income for the reserve to cover future capital expenses such as trash compactor, cardboard compactor, etc. That will not happen in 2008.

## **Other New Business:**

### **Tax Abatement:**

The Selectman signed a tax abatement for Steve Fleishmann, Cottage 340, which had been submitted in March 07. The CEO agreed with the abatement rationale with a reduction of assessment on the lot improvements of approximately \$20K resulting in an abatement of \$370.65.

### **Major Repairs:**

Miner requested that Wayne and John Crosby provide the EC for public consumption a list of the major repairs anticipated for next year.

### **Clearing of Town Property:**

Clearing of trees on Lots 1723 and 1724 along the Golf Course was discussed. Bruce Nisula will verify that the Golf Course concurred with the clearing and the issue will be considered closed unless it comes up again.

### **Clearing of Lot 273:**

Wayne reported the Town has to approve a re-vegetation plan. DEP has issued a permit for shore remediation but it is not clear just how much clearing was approved. The Consent Agreement is not yet ready.

## **REVIEW and APPROVALS**

### **Meeting Minutes:**

MOTION by Nun to approve minutes of 4 Aug 07 Board meeting, previously provided; seconded by Morin – UNANIMOUS.

### **Treasurers Report:**

Potts provided a short summary of the extensive report attached to these minutes. He and Calvin met with the auditor on 6 Sep – they had a discussion on how to implement allocation of funds. We are OK for next year. Distributing interest on the bank account to the various funds deposited has been a problem but appears to be solved now. Joe got an EXCEL spreadsheet for the audit which includes formulas and rationale – it is available and makes the audit much easier to interpret. There is still some cleanup going on with the ferry accounts.

### **Golf Report:**

Bruce Nisula provided a short summary of the details to be published for the 5 August 2007 meeting of the Golf Committee.

### **Marina Report:**

Nun provided a recap of the highlights of the 2 Sep meeting of the Marina Committee.

**Year to Date Financials:**

Wayne presented financials through August with a short discussion of significant items. Overall, the numbers are still in good shape compared to last year at the same time. The ferry projections are still on the positive with \$25K surplus unless something bad happens.

Wayne said that he had to have the completed assessment adjustments from Paul White before the next meeting to firm up the budget for final public hearing and warrant preparation.

**Executive Session:**

MOTION by Nun to go to Executive Session according to MRSA 1 Paragraph 405 (6) (A), seconded by Morin - UNANIMOUS.  
Returned from Executive Session - discussed personnel issues.

MOTION by Nun to adjourn at 10:23PM, seconded by Morin – UNANIMOUS.

Respectfully submitted,  
John B. Nun

## Treasurer's Report – August 29, 2007

The following paragraphs highlight the focus of work during August:

1. **Interest Distribution.** With the closing of the Bank of America (BoA) accounts and opening the Gorham Savings Bank (GSB) accounts the distribution of interest earned to the Reserve Accounts became complicated. In the BoA days, there was a savings account associated one-to-one with a Reserve Account. Posting the interest earned was very straight forward. The problem was that the interest rate on those individual savings accounts was poor. With the GSB arrangement we have two accounts: a checking account and a savings account. The checking account has an automatic sweep feature that allows idle cash to earn a much higher rate. The savings account has a better rate since the amount in the account entitles a respectable interest rate.

A spreadsheet was developed for Calvin to use that will do all of the calculations needed to determine the amount of interest earned for each Reserve Account. It takes into account the varying balances in the Reserve Accounts and the interest earned in both the GSB savings account and the interest earned in the Merrill Lynch investment account. Another advantage of the spreadsheet is creating a permanent record that the auditor can review to interest posting logic.

2. **Analysis of Auditor's 2006 Report.** A major amount of time in August was spent in analyzing the auditor's 2006 report in context with the Trio 2006 reports. A copy of that analysis is appended to this report. There are several areas where the two reports differ by a significant amount. We have not been able to set up a meeting in August due to their schedules. A meeting has been established for Thursday September 6<sup>th</sup>. The goal of this meeting is to resolve the reason for the differences and determine what changes need to be made to make the two reports link together in an understandable way.
3. **Remote Access.** The remote access to Town records for the Treasurer became operational the first full week of August. It has proven to be a great asset in completing the work of Treasurer. The access will allow the work of the Treasurer to be effective during the off-season.
4. **Interaction with the Bookkeeper.** I have had many interactions with Calvin, face-to-face, telephone, and email. He is a pleasure to work with concerning the Town's financial records. He has been very helpful in bringing me up curve in understanding Trio. When questions/problems are raised with him, our interactions have been very constructive. I find him to be a great asset to the Town. One of the outputs of these interactions is the development of a set of job objectives for him. I gathered input from Calvin and now will be interacting with Wayne to finalize these objectives.

Any questions that a BoS/EC member may have can be raised at the next regular BoS/EC meeting.

Joseph Potts, Treasurer – Town of Frye Island