

**MINUTES OF THE SELECTMEN/EXECUTIVE
COMMITTEE MEETING
TOWN OF FRYE ISLAND
FEBRUARY 07, 2009**

The meeting was conducted by teleconference.

The meeting was called to order at 09:04 AM by John Nun.

SELECTMEN: John Nun, Mark Thomas, Jimmy Kuiken.

BIT EXECUTIVE COMMITTEE: Bruce Nisula, Joe Potts, Bob Miner, Dave Bond, John Nun, Mark Thomas, Jimmy Kuiken.

TOWN MANAGER: Wayne Fournier

TREASURER: Joe Potts

PUBLIC: Betsy Gleysteen, Tim Toomey, Carl & Marge Hommel.

PETITIONS FROM THE PUBLIC

1. Betsy Gleysteen had two requests:

a) Could the Town Budget be approved by the voters at the Department level vs the current total budget approach; how could this be changed? Joe Potts provided the answer that the budget approval approach could be changed (it is not currently specified in the Town Charter) by three methods: a. By input at the budget preparation/public hearings asking the BOS to incorporate change(s) in the Budget Warrant; b. if that failed get a petition to place an article in the Budget Warrant; c. line item changes (reductions only) could be introduced by motion at the Town meeting.

b) Would the Town be able to reimburse Election volunteers with complimentary ferry tickets? Wayne said he could do that. He will consider modifying the Ferry Ticket Policy for EXCOM approval, if required (he did not feel it would be required).

2. Tim Toomey had two requests, both for information:

- a) He was not satisfied with what he felt was lack of response by the Town to his two September 20, 2008 information requests. Wayne said he would work with Tim to get him what was available.
 - b) He questioned the ICMA entries in the Payroll Summary. Joe and Wayne explained that these were the 5% Town contribution to those employees' retirement accounts.
3. Marge Hommel questioned "why the next day delay for tickets after purchase?" in the Ferry Ticket RFP. Joe explained that charges/checks were often not posted and cleared within the same day and the delay was to protect the Town from a ticket being used without assurance of available funds.

OLD BUSINESS

1. Project Updates (see Attachment A, Manager's Notes):

Nothing to add.

2. Ferry Tickets/Electronic System:

RFP status discussed in New Business, Item 2. Discussions under this item centered on use of ferry tickets as compensation for volunteers, primarily those volunteering for ferry work and being reimbursed (unreported) with ferry passes. Wayne had checked with the Town attorney who informed him that there were probably no issues associated with this form of reimbursement for infrequent, unscheduled occasions but that reimbursement for frequent (not further defined) or regularly scheduled services by "volunteers" should be handled as if they were full-time or part-time employees. Compensation might be exempt from taxes under new Maine legislation but, if allowed, there would probably be conditions that could adversely affect all or part of a potential exemption. There may also be Workmen's Compensation issues. Jimmy Kuiken said that the Town is probably required to issue a Form 1099 to any person earning over \$600; Wayne will verify requirements for 1099 reporting. Further/final resolution of the issue was deferred to the April 09 EXCOM meeting.

3. Raymond Rescue Payment – Dispatching Service:

The Town has received a bill from the Town of Raymond in the amount of \$25,903.31 for dispatching (\$10,000) and eighteen EMS Service calls (\$15,903.31 for an average of \$883.52 per call) for 2006 and 2007. Prior to that the Town was being billed on the order of \$200 per EMS call. At meetings in 2008 Raymond officials said that they had changed their bill procedures; basically they divide all EMS related costs by the total number of calls and bill accordingly. EXCOM members are concerned that Frye Island should not be paying for pro-rated services when the town is closed for 5-6 months of the year. Wayne was asked to work with Chief Persson to determine if the Raymond formula can be changed. BOS agreed that \$5,000 dispatching fees for 2006 and 2007 were owed by the Town and should be paid without question.

MOTION by Mark Thomas to authorize expenditure of \$10,000 for the 2006 and 2007 dispatching fees from 2008 Admin Operations, second by Jimmy Kuiken, UNANIMOUS.

4. Police Vehicle:

Wayne said the Crown Victoria has been sold for \$1,400 net; the Chief is ready to sell the Impala as soon as he has authorization to replace it. A low mileage Ford Explorer in good condition has been located at a dealer who will sell it to the Town for \$11,000.

MOTION by Mark Thomas that the following steps be approved to provide for a replacement vehicle for use as a Frye Island Police Car:

1. Trade in or sell the existing police vehicle (Impala) and the existing Crown Victoria vehicle on the purchase of a replacement police vehicle with any unused amount being applied to the Police expense budget;
2. Allocate up to \$12,000 from the Capital Reserve Fund (1-300-10) to cover the purchase of a used vehicle and the refitting of the necessary equipments;
3. Reduce the existing Police Equipment Maintenance budget (15-3-25-05) from \$1,500 to \$500 and reduce the existing Police Vehicle Maintenance budget (15-3-25-10) from \$2,000 to \$500;
4. Establish a reserve contribution schedule of \$2,500 per year beginning in 2009 so that monies will be available for a replacement police vehicle in five years;
5. Rename the Fire/Safety Reserve as Public Safety Reserve and split the reserve into two partitions with all existing monies in the fund going into the Fire partition and the police vehicle reserve contribution going into the Police partition.

second by John Nun, UNANIMOUS.

5. Zea Ferry Fee:

Wayne to set up a meeting between Town officials and Zea(s), without attorneys present, early after island opening in May/June to negotiate payment terms. Agreements reached in this meeting will be documented in writing. Separately, not restricted to Zea, Wayne will provide the EXCOM members with a listing of all outstanding bad checks for ferry services.

6. Other Old Business:

a) Unused Volunteer Ferry Passes:

Wayne has stopped issuance of ferry passes as reimbursement for “volunteer” services. Unused passes will be honored until they are used; they will be tracked as complimentary tickets.

b) Time Warner Cable:

Neither Wayne nor Jimmy has had any feedback from Time Warner in response to their queries for island service. Wayne will try again.

NEW BUSINESS

1. Winter Break-Ins:

The Board discussed the recent break-ins and what should or could be done in the future. Items such as additional police presence and installation of cameras were discussed with no conclusions. Dave Bond said that certain interim measures were being taken but should not be discussed in open forum until law enforcement officials agree to release details, probably near the end of the ongoing investigation. The Board agreed that it would be prudent to place such a discussion before the town population at the July 09 meeting.

2. RFPs Ferry Revenue/Data Collection System:

The Town received two responses to the RFP but one of those was not responsive to the requirements and Wayne is evaluating the one responsive proposal, provided by ICS. Joe Potts recommended that the Board authorize Wayne to proceed through the Planning Phase followed by a decision to proceed further through the design phase.

MOTION by Mark Thomas to authorize expenditure of an additional \$25,000 from the Ferry Capital Reserve to complete the Design Phase of the Ferry Revenue/Data Collection System; contract award contingent on IC Solutions providing sufficient information to the Town Manager that projected costs to completion (including installation, testing, training and 1st year warranty support) will not exceed \$30,000 and that they have the capability to service and maintain the system, second by John Nun, further discussion: Jimmy Kuiken requested that Wayne advise the Board of IC Solutions response to the motion conditions; Wayne to resend the ICS proposal to Board members – UNANIMOUS (Dave Bond was opposed.).

3. Compensation for Ferry Support Team: See Items 2. and 6.b) above.

4. 2009 Ferry Schedule:

Wayne provided the final draft ferry schedule for 2009. The 6:00 AM run had been inadvertently omitted on several high season Mondays and on the Monday following Columbus weekend. Betsy Gleysteen recommended that Wayne add a

second ferry 10:00 AM to 2:00 PM on Memorial weekend Saturday to preempt predictable traffic backups into the Cape Road. Wayne will incorporate changes and provide to Joe for posting to the web site. Wayne said that the 2009 ferry budget is based on this full schedule.

MOTION by Joe Potts to approve the schedule with corrections as discussed, second by Bruce Nisula - UNANIMOUS

5. FI Capital Replacement Schedule:

Wayne had provided a start on a FI Capital Replacement Schedule. It was limited to selected equipments within the DPW and Police Department. Joe Potts had expanded on that schedule to add future funding implications on a long term basis, going out to FY 2019. Wayne explained that there are many capital items not yet considered (buildings, ferry infrastructure, golf, marina, etc) and that this would be a complex process to complete. John Nun said that he would like to see Wayne put together a committee to try to complete the process in time for the FY 2010 Budget Process this coming fall, Nun volunteered to help this committee over the summer. Wayne will advertise for a committee to work this.

6. Town Dump Truck:

Wayne Board members generally agreed that costs to keep the current larger dump truck operational were excessive and that it should be replaced. That said, they also agreed that we really could not afford the cost of a new truck. Wayne was asked to have DPW look at the used truck market, to include asking Jeff Snow, for a newer truck in good condition that the Town might be able to afford.

7. Fire Truck:

Wayne reported that the Fire Chief had located a 1,800 gallon tanker fire engine in North Conway, NH that will be up for sale, probably in the \$30-35,000 range, in March when they get a new one. The engine appears to be in excellent condition. It generally matches the physical requirements of the new engine that the town did not get several years ago (price on the order of \$150,000). There are sufficient funds in the Fire Reserve to purchase this engine if it is determined that we need it. Wayne said this is not a request for approval but merely a heads-up at this time.

7. Other New Business:

a) Shifting Back Reserve Funds:

MOTION by Jimmie Kuiken to approve the following actions recommended by the Treasurer:

1. Return the \$10,000 that was appropriated at the 10/27/08 BoS/EC meeting for the planning of parking on Raymond Cape from Expense account 61-5-75-10 to the Island Improvement Reserve account, and keep the BoS/EC authorization intact so the monies are available for expenditure in the future.

2. Return the \$3,000 that was appropriated at the 10/27/08 BoS/EC meeting for the gift in support of the Raymond Fire Boat operation from Expense account 63-4-75-10 to the Island Improvement Reserve account, and keep the BoS/EC authorization intact so the monies are available for expenditure in the future.
3. Return the unused \$21,253.56 that was appropriated at the 6/18/08 BoS/EC meeting for the installation of new waterline from Expense account 65-1-75-10 to the Water Reserve account.
4. Return the unused \$1,058.53 that was appropriated at the 9/25/07 BoS/EC meeting for the construction of the new Water System Pump House from Expense account 65-6-28-15 to the Water Reserve account.

Second by Mark Thomas – UNANIMOUS.

b) Standish Letter to SAD-6:

MOTION by John Nun to support the Standish Town Council in their petition to SAD-6 to delay their school budget referendum vote from May 2009 to the same date as the June Primary election so that Town voters would have more opportunity to vote, Wayne to send letter in same fashion as Standish, second by Jimmy Kuiken – UNANIMOUS.

c) Lightning Damage Costs:

Wayne reported that out insurance company had fully reimbursed the \$6,700 costs to repair the lightning damage to the East Pump House electronics during last years storms.

d) **Winter Newsletter:**

Wayne is preparing the Winter Newsletter for release in early March. He reminded all Board members to provide their inputs ASAP.

REVIEWS and REPORTS

1. **Meeting Minutes:**

MOTION by Nun to approve minutes of EXCOM meeting of 13 Decembers 08, second by Kuiken – UNANIMOUS.

2. **Treasurers Report (See Attachment B):**

- Summaries and recaps of Town financial information are now all on line on the Town web page; this should significantly reduce the number of FOIA requests. The “why’s” backing up this data can normally be found in the Town budget and various minutes, also on line. The 2009 budget is now posted to the web site and is reflected in the Net column in the monthly reports.
- Town Investment and Savings accounts now reconcile to zero difference; the checking account difference is down to \$83 (from an initial \$500+) discrepancy – this could go down more. Joe is still not happy with the response time from Calvin to reconcile the checking account.
- Wayne said that the Insurance bill has not yet been sub-allocated to the various department accounts; Calvin is awaiting additional info from the insurance company.
- Jimmy asked if the CMP bill for \$570.10 for the transfer station power had been paid yet. Joe thought not, that it was still in reserve account awaiting CMP billing. Wayne said he would check.

3. **Golf Report:**

The winter meeting of the Golf Committee will be on 15 February 09.

4. **Marina Report:**

Nothing to Report

MOTION by John Nun to adjourn at 2:43 PM seconded by Mark Thomas – UNANIMOUS.

Respectfully submitted,

John B. Nun
First Selectman

Attachment A: Manager’s Report, February 07, 2009

Attachment B: Treasurer Report February 07, 2009

**Attachment A
Managers Report
December 13, 2008**

1. **Water System Upgrade:** The 4" line has been installed from Sunset Road, down High Point Drive to the intersection of Birch and Ridge Roads. All of the connections to the 2" circle feeders and the ¾" property feeds have been completed. The 4" main line has been successfully leak tested but it is next to impossible to test all of the connections. The next big test will be in the spring when we fill and start the system. The 4" line for the next phase has been purchased.

2. **Marina Dredging:** The application to amend the dredging permit has been submitted to the Department of Environmental Protection. Approval of the amendment will allow us to rebuild and enlarge the jetty to reduce the amount of sand that washes into the marina channel and thereby reduce the frequency of the required dredging. We are in the process of responding to agency questions.

At a meeting held with the DEP, IF&W, Main-Land Development and attended by Dave Bond, It was obvious that we were not going to be granted the amendment to increase the length of the jetty. They did however discuss the possibility of a 10 year permit to dredge the marina entrance when we felt it necessary. They also indicated that dredging the channel from shore and dewatering the fines on the beach was possible. This could be done with an excavator which would be considerably less expensive than with the barge, having to dewater aboard the barge and hauling the dredgings away immediately. I have asked Main-Land to pursue this permit.

3. **David O'Grady Fee Complaint:** The Court has determined that Mr. O'Grady's complaint does not constitute an appeal but is a complaint that requires a legal opinion and will place the complaint on the non-jury court calendar. A trial date will be set sometime in July 2009. In the mean time, I have sent all relative material, requested by the Court to our attorney. He will in turn supply what he determines pertinent to the Court and to Mr. O'Grady.

Mr. O'Grady has decided to withdraw his complaint in it entirety.

4. **Derek Yates Fee Complaint:** The Court has determined that Mr. O'Grady's complaint does not constitute an appeal but is a complaint that requires a legal opinion and will place the complaint on the non-jury court calendar. A trial date will be set sometime in July 2009. In the mean time, I have sent all relative material, requested by the Court to our attorney. He will in turn supply what he determines pertinent to the Court and to Mr. O'Grady.

Nothing more will be done until the Island opens.

5. **Lot 273:** The replanting plan has been approved by the DEP and Frye Island and has been recorded at the Registry of Deeds. Mr. Zea has acknowledged the approved plan and has committed to having it done by June 23, 2009.

Mr. Zea has also stated that he accepts the Boards decision to deny his appeal for a reduction in the cost of the ferry passage for his construction vehicles and will pay the full amount. The Town's attorney has filed a legal complaint in Court to recover the outstanding debt. Mr. and Mrs. Zea have now stated through their attorney that they are not responsible for the debt. We will now have to go through the discovery process and have the Court make a determination.

Mr. Zea has stated that he and his attorney feel that the Code Officer was, in part, responsible for the placement of the foundation and plan to appeal this to the Superior Court. I have written a letter, at the Executive Committee's request, giving Mrs. Zea until June 1, 2009 to correct the setback violations. If not corrected by that date the Town has the option to refer the matter to the Superior Court. There has been no change.

The town attorney is working with Mr. Zea's attorney to resolve the issues.

6. **Discretionary Ferry Funding Program:** The application for phase 1 has been submitted through the Maine DOT to the Federal Highway Administration. The application is making the rounds in DC. We recently learned that Senator Collins has been appointed to the Senate Appropriations Committee in addition to her other committee assignments. With Senator Snowe on Finance, the town is well positioned to make its case for Ferry infrastructure support.

7. **Labor Department Inspection:** We have been granted an extension until May to complete the corrections required by the inspection. The majority of these discrepancies are procedural and will be completed this winter and presented to the employees when we open in the spring.

8. **Raw Water Pump House:** Work has continued on the control circuitry for the raw water supply system. It was felt that much of the lightning damage to the control circuit resulted because the control wires between the treatment building and the pump house were on the ground and very susceptible to the lightning strikes. In an effort to correct this, we have leased lines from the phone company that will carry the control circuits. A small heater is being installed in the control panel to eliminate moisture during the off season when the system is shut down.

9. **Dispatch Services:** I have spoken with Bill Holmes, director for Cumberland County Communications. He has informed me that Raymond, Casco, Naples and Harrison will all be using the County for their dispatching services next year. If

Frye Island opted to go with the County as well our total dispatching bill would be \$7,564 for the 2009 year. We presently pay the County \$4,256 for police dispatching and Raymond \$5000 for fire and rescue dispatching. Raymond has said that if the Town agrees to the \$30,000 fee dispatching will be included. If the Town decides not to do the \$30K, Raymond has said that we will be phased out of their coverage.

10. Golf Course Club House addition: The plans and application were submitted to the Code Enforcement Officer and the building permit has been issued. In addition, we have received a new waste water system design from Main-Land Development. The new system is not required as part of the expansion because the construction only affects the kitchen facilities but will be required should the existing system fail.

11. Ferry / DPW: Following the Island closing, the water system was drained and blown-out thanks to the efforts of Rich Purtell and Dave Bond. Public Works completed fusing all of the connection to the new water line on High Point Drive, removed the boulders that were dug up during the pipe installation, replaced a lot of culverts, enlarged the storm water retention area at beach 6, finished painting the hulls and super structure of both ferries, replaced the large wooden bumper on the Island gantry, painted the chapel, worked on the ferries and winterized the Island and the island vehicles. The last day the ferry ran was Friday Dec. 5th

12. Break-Ins: Following the final ferry run, the Island experienced a number of Break-ins. Identifying when they actually occurred is difficult but a report from a contractor on the Island prompted the inspection on January 21st. At that time it was noted that a number of cottages were broken into by having doors pushed open. We had a crew composed of Public Works Employees with volunteers Tom "Cappy" Capobianco and Dave Bond return to the Island to secure all of the cottages that were broken into. Chief Beaulieu, along with other local law enforcement agencies, is involved in the investigation.

**Attachment B
Treasurer Report
13 December, 08**

1. **Year End 2008 Financial Report.** My January 2nd email I gave you a quick look at 2008 year-end finances, then my February 1st email gave you the complete 2008 Year-end Financial Report (after “month thirteen” entries were made). Even though the Town voter’s in October 2008 authorized up to \$40K to come from the Fund Balance to cover a budget shortfall, the Town Manager was able to reduce expenses to cover the significant overrun in school costs; Wayne deserves kudos. The final result is the annual actual expenses were less than the approved budget.
2. **Online Financial Information.** All of the Town finances are now on the FI website (<http://www.fryeisland.com/t doc/financial.htm>) for the public to review. This includes (1) summary information for Revenue & Expenses, Reserve Funds, and Payroll; (2) Annual Audit Reports; and (3) Town Grand List. Also available are the detail & summary annual finance reports and all of the journal entry records. The public can find this information on the website by selecting **Find Information & Topic Index** from the menu system, then going to **T, Town Documents** and selecting **Financial Information**.
3. **Monthly Financial Report.** My February 1st email provided you with January 2009 Financial Reports and the January Reserve Funds Report. Because of this being an off-season month the Town expenses were minor. The first-half Town tax revenues received were on target. The Reserve Funds Report indicates that we have \$588K in dedicated reserve and \$351K in the Fund Balance. We also have \$735K of working fund money in savings/investment accounts; this money will be rolled back into the trivial-interest-bearing checking account when needed.
4. **Bank Interest Rates.** The Gorham Savings Bank (GSB) interest rates on the Town checking and savings accounts were respectable in most of 2008. At year-end the interest rates dropped to 0.05%. I contacted executive staff at GSB, and was able to get the savings account rate raised to 2%; they could not change the checking account. Unfortunately, they indicated the new 2% rate was subject to change. Because of that I got GSB to shift \$400K of the savings account money into a three month CD at 2%. At the end of January, the savings rate dropped from 2% to 1.5%. This is an area that requires constant attention.
5. **Investment Safety.** The investments that we have at Merrill Lynch are in FDIC insured CDs and have not lost any value.

6. **Maturing CDs.** In addition to the three month \$400K CD at GSB mentioned earlier, we have three CDs in our Merrill Lynch account maturing in 2009: March two \$59K CDs and October one \$99K CD. Hopefully, interest rates will increase between now and then.
7. **Bank Reconciliation.** As you saw in my February 2nd email to Calvin Nutting, the GSB savings account and the Merrill Lynch investment account are in perfect balance, i.e. Trio with the monthly bank statements; this represents 94% of our liquid assets. The GSB checking account reconciliation handled by Calvin is not where I would like it. The good news is as of the end of 2008, the unbalance is \$517. This is much better than where we were a year ago. It remains an important target to (1) get the reconciliation done earlier and (2) to get the unbalance figure to zero.