

**North Berwick Board of Selectmen Minutes January 23, 2018**

**NORTH BERWICK BOARD OF SELECTMEN MINUTES  
JANUARY 23, 2018**

**Present:** Chairman Hall, Selectman Johnson, Sr., Selectman Johnson, Jr.,  
Selectman Cowan

**Absent:** Selectman Galemmo

**Also Present:** Rebecca Reed, Mark Reed, William Hall, Gregg Drew

Chairman Hall called the meeting to order at 6:30 pm.

**1. Pledge of Allegiance**

**2. Review and Approve Minutes of January 9, 25018**

Dwayne stated that on Page 6, in the 2<sup>nd</sup> sentence of the 4<sup>th</sup> paragraph, he changed “Ocean State” to “Oceanside”.

Selectman Cowan motioned to approve the minutes of January 9, 2018 as amended. Selectman Johnson, Sr. seconded the motion. VOTE: 4-0

**5. Unfinished Business:**

**A. Tax Acquired Property: Malcolm Hilton**

Dwayne stated that they went to court yesterday to get the forcible entry writ. That writ will be obtained by the Town on the 12th of February. When they went to court, the current occupant agreed to sign the stipulation. The Judge authorized a writ to be ordered on the 12<sup>th</sup> of February. The current occupant needs to be off the property by 4:00 on the 12<sup>th</sup>. If the current occupant is not out by then, we would serve the writ and then in 48 hours, we would take possession of the property.

**B. Code Enforcement: Update on Medical Leave**

Dwayne stated Roger Frechette saw the doctor today and was given approval to come back to work full time with no limitations. He has only been able to work 4 hours a day for the past couple of weeks and Dwayne has been driving him everywhere.

**C. Budget Committee: Resignation of David Bentley**

Dwayne stated that David Bentley has resigned from the Budget Committee. At the last meeting, the Selectmen had asked Dwayne to check with the next 2 vote getters that had ended up in a tie. Neither one of them are interested in the position at this time. The Board can do one of two things. They can go through this year without a 12<sup>th</sup> member or the Board can appoint somebody else. Dwayne stated that if they appoint somebody else, they would not have to run for the position in April. They would be on the Committee for 3 years. Selectman Johnson, Jr. asked if there was anyone that had expressed an interest. Dwayne stated that Rebecca Reed, who is present tonight, is set up to run for the position. Chairman Hall asked her if she wanted to still run or just be appointed. Rebecca Reed said she would like to be appointed.

Selectman Cowan motioned to appoint Rebecca Reed to the Budget Committee. Selectman Johnson, Jr. seconded the motion. VOTE: 4-0

**2. Public Hearing – 6:35 PM – Liquor License – Johnson Seafood and Steak**

Chairman Hall read the legal notice into the minutes:

Legal Advertisement  
Town of North Berwick  
Public Hearing  
Liquor License for Johnson's Seafood and Steak Restaurant  
6:35 p.m. January 23, 2018

The North Berwick Board of Selectmen, pursuant to Section 753 Title 28A, M.R.S.A., will hold a Public Hearing on Tuesday, January 23, 2018 at 6:35 p.m. at the Town of North Berwick Municipal Building Room 212 for the purposes of issuing a liquor license to Johnson's Seafood and Steak Restaurant under sections 654 and 1051, Title 28A M.R.S.A.

All persons who are interested are encouraged to attend.

Dwayne stated that for the first 5 years of a new restaurant or an established restaurant with new owners, they need to come before the Board for approval of a liquor license. This is their 2<sup>nd</sup> time for approval. Dwayne stated that they have had no issues with Johnson's with either the Police Department or Code Enforcement Office.

There was no public input.

Chairman Hall closed the Public Hearing at 6:37 pm.

Selectman Johnson, Jr. motioned to reapprove the liquor license for Johnson's Seafood and Steak Restaurant for another year. Selectman Cowan seconded the motion. VOTE: 4-0

#### **4. Public Input**

Gregg Drew stated that for several years, he has asked the Selectmen for permission to tap the maple trees at the Mill Field.

Selectman Cowan motioned to approve for Gregg Drew to tap the maple trees at the Mill Field. Selectman Johnson, Jr. seconded the motion. VOTE: 4-0

**Reminders: Next Board of Selectmen's Meeting** – Feb. 6, 2018 – 6:30 pm Municipal Building

#### **6. New Business:**

##### **A. Audit:** Review of Audit for FY17 with RHR Smith and Company

William Hall from RHR Smith & Company is here to discuss the audit. Mr. Hall stated that the most important pages in the audit are pages 1, 2 and 3. This is where they form their opinion on the Independent Auditors Report. Our opinion for FY17 is a non-qualified opinion which is the opinion that we want. The other 2 opinions would be a qualified opinion or an adverse opinion. On pages 4-11 is the Management's Discussion and Analysis. He stated that, currently, North Berwick uses their boiler plate, but if management chose to put in some pie graphs or any other kind of information, this is where it would be done.

On page 15 is Statement C. On June 30, 2017, we had \$3.6 million in cash in our General Fund. We had outstanding taxes of about \$258,000, liens of about \$59,000, other AR of about \$44,000, and AR due from other governments of about \$44,000. This gives us total assets of about \$4 million. We have liabilities of about a half million dollars and deferred taxes of about \$168,000. The Total Fund balance is about \$3.3 million of which about \$563,000 of that was assigned towards our FY2018 budget. We had an unassigned fund balance of \$2.7 million. Mr. Hall stated that there are no regulations in the State of Maine that towns have to be capped at a certain amount.

On page 17 is the statement of revenues and expenditures for the current year. The General Fund took in just over \$10 million and most of that was in property taxes and intergovernmental revenue. Our expenditures were at \$9.9 million of which most of it was for education. We had excess revenues of \$190,000 and we transferred out \$15,800. Our Fund Balance grew from \$3.1 million to \$3.3 million.

On pages 19, 20 and 21 is the statement for our Pay-Per-Throw program. On June 30, we had \$205,000 of unrestricted net assets. Mr. Hall stated that the Pay-Per-Throw is a business type proprietary fund so it is a net asset. Our program is pretty healthy. It went from \$157,000 to \$205,000 so we had a net income of \$48,000.

The next section is Note to Financial Statements. Note 1 gives you definitions and descriptions of what some of the numbers are on the statements and schedules.

On page 51 is Schedule 1, which shows our Budget to Actual. In FY17 we had about a \$9.8 million budget. We received \$68,000 in extra revenue than what we budgeted. Our excise taxes came in at about \$106,000 more than what we budgeted. Our charges for services came in about \$85,000 higher. We saved \$594,000 in expenditures compared to what we budgeted and most of that was in unclassified of \$296,000 and a capital outlay of \$106,000. On pages 56-59, it gives you a breakdown of what is included on the Schedule 1. Pages 60 & 61 is a summary balance sheet and revenue of our capital projects funds and revenue funds. The pages that follow gives the breakdown of these funds. Mr. Hall stated that the last 2 pages of the audit is the Yellow Book Audit. We have a bond that is tied to the USDA which requires us to do a Yellow Book Audit.

Mr. Hall stated that the Town of North Berwick is very healthy. We have a very healthy fund balance and a pretty healthy reserve account. He said that if he had to give us a grade, he would say that we are a good solid A.

**B. FY2019: Establish COLA Increases for Employees**

Dwayne stated that every year, at this meeting, the Board establishes COLA increase for the employees for the ensuing year. Typically, the Board uses the CPI that is published for the previous year. The CPI for 2017 was 2.12%. He has a 2.2% increase inserted for the numbers in the budget. He stated that on pages 28-30, there is a list of what the salaries would be for each employee. There is one employee that he will be increasing by a little bit more and that is for Rebecca Carter. She will go from \$18.50 to \$19.50 because her salary was down compared to what the market is.

Selectman Johnson, Sr. motioned to approve the increase in wages by 2.2%. Selectman Cowan seconded the motion. VOTE: 4-0

**C. William Hill Firefighters Assoc.: Acceptance of Donated Equipment**

Dwayne stated that every year, the William Hill Firefighters Association purchases equipment for the Fire Department. This year, we needed 5 Motorola Minitor VI Fire Pagers for a cost of \$2,260.00. They donate the equipment back to the town once it is purchased.

Selectman Johnson, Sr. motioned to accept the 5 Motorola Minitor VI Fire Pagers as a gift from the William Hill Firefighters Association. Selectman Johnson, Jr. seconded the motion. VOTE: 4-0

**D. Spirit of America: Request to Pick a Spirit of America Recipient for North Berwick**

Dwayne stated that a couple of years ago, we participated in the Spirit of America program. They are asking if the Town would like to pick someone again for this coming year for the award. He does not have a name at this point but would like to have the Board think about it. They need to have a name by 2/28.

**E. FY2019: Review Budget for FY2019**

Dwayne stated that starting on Page 34 of their packet is the budget. He stated that it is a 2.94% increase from last year and about a \$140,000 increase on the taxation side. This will be about a \$25 increase to the average tax payer. Dwayne stated that salaries account for about 43% of our budget. He stated that we have had some cost increases that we will not be able to avoid. One of the largest ones was when the school moved out of the building. They left us holding a \$45,000 bill. He said that he has been able to reduce that to about \$27,000 by doing things like reducing our janitor to a 20 hour work week, cutting off the heat on the 3<sup>rd</sup> floor and reducing our electrical costs. Our oil bills have not been going down but that is because it has just been very cold.

Dwayne stated that last year, our budget was \$4.4 million. Our budget requests that came in for this budget was at almost \$4.8 million but he is recommending a \$4.544 million budget which is a 2.94% increase. Our Operation is at about 2.3% and our Capital at about a 6% increase. He stated that the 6% was already built in and not much changed this year regarding our Capital.

Dwayne stated that General Government is about a \$47,000 increase. This includes many different categories. The Town Office category makes up the majority of the increase. This has a lot to do with the school moving out. Selectmen stayed the same. Code Enforcement is up about 3.58%.

Dwayne recommended that the Selectmen go to Page 48 of the packet which shows all of the true figures and percentages. The Police budget is up but 1.08%. This is mostly because of the cruiser costs which went from \$34,500 to \$39,250. He stated that they were able to save costs in other areas. The Insurance costs went down primarily because of the way that people are taking the insurance. There are a few people that have dropped off of the family plans and some that didn't take the insurance. The total increase for the Police budget will be around \$9,000.

Dwayne stated that Protection is about a 1% increase and this is due mostly to our dispatch costs and street lights. Dispatch costs went up about 1.6%. This is due to our contract with Sanford going up 2.2%. Dwayne stated that the Street Light costs are actually staying the same but the increase is with all of the other miscellaneous electrical costs. He stated that the electric bill has gone up 10%.

Dwayne stated that Public Works is a fairly big increase of about 7% which is primarily due to Capital. There are also some increases in salaries, insurance and MSRS. There is an increase for Roads and Bridges. Dwayne stated that every other year we do different striping and this is the year for it. Dwayne stated that they have 3 road projects that they are looking to do. They are Bauneg Beg Hill Road, resurfacing of Diamond Hill Road and Quarry Road. He stated that they have been putting money away for a wheeler which they will buy in a couple of years. He said that the one thing that they didn't budget for originally but are now adding is a plow for the loader at a cost of \$10,000 which is located under Small Equipment purchases. We had \$25,000 but we are only going to spend \$10,000. Winter Public Works will stay the same at \$125,000.

Dwayne stated that the Transfer Station is increasing by about 2.68%. He said that in terms of the actual operating costs, there is an increase of about 3%. This is due to our hauling and tipping fee. There will be an automatic 3% increase every year. Insurance has a drastic increase. This is because when Kenny was working for us, he didn't take the insurance. Now, Kate works for us and she does take the insurance. There is a decrease of about 9.24% in Salaries, which is due to the Single Sort process. We do not need as many people. We are running 2 people and a 3<sup>rd</sup> person on Saturdays. We will need to buy bags again this year at a cost of \$14,000. The \$13,000 for Capital Improvements is to replace the waste oil furnace at a cost of about \$6,800 and do some paving from where they moved the container.

Dwayne stated that they will see some big jumps in the Town Office budget primarily because of the school leaving. The first jump is in Computer going from \$15,000 to \$18,000. He stated that TRIO had told us that they will be moving to a new platform. We need to update our platform in order to do this. Our yearly costs will be increasing \$2,000 per year so that is part of the \$3,000 increase. Also, maintenance on our computers has increased by about \$1,000 per year. Utilities increased from \$17,255 to \$30,000. There was also a \$5,000 increase in Electricity. This is because the school is no longer here to assist with some of these costs. Most of the other things, he has been able to hold. There is a decrease in the Insurance because one person went from a family plan to a single plan. MSRS is up about 6%. Salaries are at the 2.2% with the exception of Part time. This is for the salaries for Rebecca and Sue. Audit went up from \$7,500 to \$8,000 because we signed a new contract. The server is located under Building Maintenance. Last year, we had \$30,000 that will do the parking lot. This year, it is \$20,000 for the server. There will be additional costs because we need to add a sql server at a cost of \$3,000 but it is built into the \$20,000. Our server is 5 years old and is in need of replacement. This adds up to about a 5.5% increase.

Dwayne stated that the Selectmen is staying the same. Code Enforcement is up about 3.5% mostly due to salary and insurance. There is a decrease in the MSRS because they over budgeted last year. Tax Assessment came to about a 1.3% increase. This is primarily because South Berwick did what we did and went to an HRA. This has reduced their costs and we are seeing some benefit from this in our contract with them. The Town Manager office went up 3% primarily due to salary, insurance and MSRS. He is keeping General Assistance steady at \$7,500. Cemeteries asked for \$23,535 but he is budgeting \$15,800.

Dwayne stated that for Fire, they will see an increase of 3.9% but on the whole, it is not that big of an increase. The increases are mostly Capital related. There is an increase in Pay per call from \$24,000 to \$26,000 primarily because we have more fire fighters. The overall increase is about \$10,000 more than last year. Rescue is up by 2.03% in terms of their operation costs. The biggest increase is on the ambulance side. The total cost of the ambulance will be about \$193,000. He is only budgeting \$65,000 this year. We will buy it out of surplus and then reimburse ourselves at \$45,000 for the next 3 years.

Dwayne stated that the Library came in at \$247,620. He was able to get 3 years' worth of reports from them. He found that we have been over budgeting on the Social Security costs. Dwayne is only recommending to budget for \$243,000 bringing their budget increase to about 3%. Their increases are basically due to salaries because of the minimum wage increase. They wanted some additional costs for books. They asked for \$2,000 but he is recommending \$1,500.

Parks and Recreation has increased at about 2%. This is mostly due to salaries and insurance. There is a little bit of decrease on the operations cost but it is only \$500. Mill Field stayed at \$5,000. Community Center is up 15% but it looks worse than it actually is. The Electric went from \$2,600 to \$2,730 and Water went from \$200 to \$250. Under Rec Complex, they requested \$3,235. He is recommending that we don't budget this because there is still money left over from the trail account. The Committee wanted to put in an outside water fountain and put in some planting along the entry road. There is about \$12,000 left in that account so we can use that. They are going to fix the handicap ramp and replace the ceiling tiles in the Community Center with that money.

The Planning Board and Appeals Board are staying the same. The Historical Society stayed the same. The operation costs is to replace the 2<sup>nd</sup> half of the windows. Conservation Commission is staying the same.

Grants increased by 3.8%. SMRPC went up 10% but when you look at the actual dollar amount it is only about a \$180 increase. Everything else stayed the same with the exception of Visiting Nurse Services. They always bill us in arrears so whatever their unfunded was for our town in the previous year then that is what they bill us for the coming year. They provide a great service.

Dwayne stated that, regarding the Town Wide budget, our insurance went from \$102,350 to \$108,250. The insurance includes our Workers Comp, Unemployment, Property and Casualty. FICA & Medicare increased at 2.2% just like the wages. The Town Office Building Fund is our loan payment for the amount of \$95,915. Unanticipated Expenses stayed the same at \$5,000. The HRA is being replenished at what we spent the year before which was \$9,800 so he budgeted \$10,000. Mill Field is staying the same at \$5,000. Dwayne stated that they still have a balance in that account of about \$11,000. He also put in \$4,000 for Committee Appreciation.

Dwayne stated that the budget went from a \$4.4 million budget to \$4.54 million which is a 2.94% increase. He said that we have seen some pretty good increases in revenue so he was able to offset the increase. Excise Tax budgeting of \$820,000 and this budget comes out to \$818,850. Designated Surplus of \$10,000 is for the ACO officer because we are carrying a big balance in Animal Control. Undesignated Surplus of \$200,250 is to help offset some of the costs. It is money that we are not actually going to end up spending but we have to budget for. Miscellaneous fees is \$320,000 and he budgeted \$317,590. State Revenue Sharing is at \$137,000. We are using about \$78,000 out of our Equipment Fund for purchases of the plow, and police cruiser. State Aid is at \$70,500 and for the Other Funds are PAYP and costs attributed from the Transfer Station.

Dwayne stated that he is estimating that we will take in \$15 million in new valuation which equals about \$189,000 in new tax revenue. Half goes to the town and half goes to the school so that is \$94,500. He has budgeted \$146,895 so that leaves about \$55,000. He stated that every \$.05 cent increase in our mil rate is about \$37,000. He stated that if we realize the same amount of value that we received this past year, there would be no tax increase.

Dwayne stated that he kept the Warrant in the same format as last year. He does need the Board to approve a draft Warrant so he can move forward with the Budget Committee.

Selectman Cowan motioned to move forward with the Draft Warrant. Selectman Johnson, Sr. seconded the motion. VOTE: 4-0

## **7. Other Business:**

Chairman Hall asked if there was any way that they could add a sharp corner sign on the road near his house. People go around the corner so fast. He would like one added where you come around the corner and start going up the hill. Dwayne said that he will have one added in the spring.

Selectman Cowan asked if we had an Ordinance in place regarding people living in campers. Dwayne asked if she meant the one on Buffum Road. She said it was and he said that it was no longer there.

Dwayne stated that, after our last meeting, he was contacted by Sue Austin. Her email said that they were moving forward with the Ryan House Project and everybody is positive about it. He emailed her back and told her that almost everything that he has heard has been mostly negative. He told her about some of the concerns that he had heard so she could be aware. She did state that she would like to come in and meet with the Selectmen. Dwayne said she will be coming to the next Selectmen meeting. One of the things that they are doing is eliminating it from the school. They will set up their own 401C and will not be part of the school budget. They may contract with the school for services but will not be part of the budget. They are holding a Public Hearing on 1/30/18 to discuss the project.

Selectman Johnson, Sr. asked how many people they could have in the building. Dwayne said that it would be a total of 10 – 8 students and 2 house parents. Dwayne stated that, under our Ordinance, it is treated as a single family residence. Under our Ordinance, each single family residence can have up to 5 unrelated people living there. In this zone, they are allowed up to a duplex without going through the Planning Board process. They are basically going to call it a duplex and will be allowed 10 unrelated people. Selectman Cowan asked if the townspeople of North Berwick will have to approve the project and Dwayne said they will not. From the town's perspective, it is a permitted use.

**8. Review and Approve Warrants and Correspondence:**

Warrant:	January 16, 2018	- \$	0.00
Warrant:	January 23, 2018	- \$	668,535.75

Selectman Johnson, Jr. motioned to approve the Warrant of January 23, 2018 for the amount of \$668,535.75. Selectman Cowan seconded the motion. VOTE: 4-0

**9. Adjournment:**

Selectman Cowan motioned to go into Executive Session at 8:44 pm and come out of Executive Session at 8:50 pm. She also motioned to adjourn the meeting at 8:50 pm. Selectman Johnson, Jr. seconded the motion. VOTE: 4-0

Respectively Submitted,  
Susan Niehoff, Stenographer

Original to Town Clerk

Chairman: Jonathan Hall

Selectman: Wendy Cowan

Selectman: Michael Johnson, Jr.

Selectman: Charles Galemmo

Selectman: Michael Johnson, Sr.