



TOWN OF MINOT

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Board of Selectman Meeting
Minot Town Office
Monday, July 16, 2018, 6:30 pm
Meeting Minutes

Present: Chairman Steven French, Vice Chair Daniel Gilpatric, Daniel Callahan, Lisa Cesare, and Brittany Hemond.

Town Staff: Danielle Loring, Town Administrator; Denis Berube, Assessors' Agent; and Jim Allen, Fire Chief

Other: Eriks Peterson, Journalist

1. **Call to Order:** Chairman French called the meeting to order at 6:30pm and a quorum was present.
2. **Pledge of Allegiance**
3. **Approval of Meeting Minutes:**

a. July 2, 2018

MOTION: Lisa Cesare motions to accept the minutes dated July 2, 2018 as presented; seconded by Daniel Callahan.

DISCUSSION: None.

VOTE: UNANIMOUS APPROVAL (5/0)

4. Fiscal Warrants

a. Payroll Warrant – July 16, 2018

MOTION: Daniel Gilpatric motioned to accept the Payroll Warrant, dated July 16, 2018, in the amount of \$14,754.10; seconded by Brittany Hemond.

DISCUSSION: None.

VOTE: UNANIMOUS APPROVAL (5/0)

b. Treasurer's Warrant – July 16, 2018

MOTION: Daniel Gilpatric motioned to accept the Treasurer's Warrant, dated July 16, 2018, in the amount of \$239,877.51; seconded Lisa Cesare.

DISCUSSION: Mrs. Cesare asked what was included in the amount, and Mrs. Loring answered that it was the school payment, striping, dispatching contract payment and general operations. Mr. Gilpatric confirmed.

VOTE: UNANIMOUS APPROVAL (5/0)

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5. Public Comment: NONE

6. New Business

a. Tax Commitment and Setting of 2018 Mil Rate

Denis Berube, Assessors' Agent, introduced himself and his role in assisting the Board in committing the 2018 tax rate. He then began to review the Tax Rate Calculator. He explained that there was a \$3.1 million increase in real estate, which included \$600,000 from one Central Maine Power (CMP) client, and there was a \$200,000 increase in Personal Property. He continued that this year there would be a greater return for Homestead Exemptions from the State from 50% of the exempted amount to 62.5%, which amounted to about \$30,000 in revenue.

Danielle Loring, Town Administrator, reviewed the figures under the "Assessments" portion of the calculator which included the County Tax, Municipal Appropriations, TIF funds (not applicable) and local education appropriation. She explained that this year the Town's fiscal year was only 11 months, due to shifting the start and end of the fiscal year. However, she was not adjusting the appropriations, given that the bulk of the operating costs fall during the summer months but she had adjusted the school payments to only reflect 11 months, which was a reduction of about \$190,000. Mr Callahan asked if that meant that there would be 13 months for 2019, and she stated that there would still only be 12 months of payments the following year but we would not realize this savings the following year. Mrs. Loring continued through the "Allowable Deductions" portion of the calculator and explained that she was conservative in her allowances for Revenue Share and Excise Tax reimbursement, given the 11 months, which caused a reduction in revenue, but this was offset with an increase in use of Undesignated Fund Balance from \$125,000 to \$150,000.

Mrs. Loring continued the discussion by presenting the options for tax rates (dollars per \$1,000 taxable valuation) and their associated overlays, which are additional funds collected in the event that there are shortfalls in revenue or tax collections:

- Tax Rate 1: Mil Rate of \$15.75 with overlay of \$16,189.05
- Tax Rate 2: Mil Rate of \$15.85 with overlay of \$35,668.29
- Tax Rate 3: Mil Rate of \$15.95 with overlay of \$53,526.64

She continued that she and Mr. Berube were recommending a rate of \$15.85, which was a \$0.40 increase, because it was consistent with the historical trend of maintaining an overlay around \$30,000. [Recording Secretary Note: For a \$200,000 property, this would be an increase of \$90].

MOTION: Lisa Cesare motioned to set the mill rate for 2018 at \$15.85; seconded by Brittany Hemond.

DISCUSSION: None.

VOTE: UNANIMOUS APPROVAL (5/0)

b. Discussion Regarding the Creation of "Policy for Use of Undesignated Fund Balance"

Mrs. Loring explained that it made sense for the Town to consider adopting a policy that set guidelines for the use of its Undesignated Fund Balance, especially to assist staff in making recommendations for large scale purchases or utilizing funds to offset tax rate increases. Because, even though it was likely that funds could be returned to the fund at the end of the fiscal year, the reality was that the Town needed that amount of cash on hand because it went almost a full year before taxes were due for the budget year that they

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needed to fund. Expending to much of the funds put the Town at risk of needing a Tax Anticipation Note (TAN) from the bank. Mr. Callahan confirmed that this was already in place, and Mrs Loring agreed but stated that she did not believe that the Town had used one in recently.

Chairman French asked if the Town was scheduled for a revaluation to potentially realize more taxable value, and Mr. Berube explained that it was traditionally done every 10 years and Minot has completed theirs in 2014. He explained that his was done to keep equitable dispersion in check through recalibrating the values and this was monitored through the annual real estate sales.

Mrs. Cesare asked what staff needed from the Board to move forward, and Mrs. Loring explained that she was looking to see if there was any interest in creating a policy and, if so, for any particulars that they thought should be included. She explained that she had already spoken with the auditors and Maine Municipal Association (MMA) for model policies and they were not able to assist given Minot's unique situation of having a fiscal year that mirrored calendar year versus July-June and it would be likely that she would need to reach out to the Town Attorney for guidance. The Board agreed that it made sense to create and adopt a policy in order to maintain appropriate spending levels of the Undesignated Fund Balance.

c. Discussion of Disposition for Existing Engine 8

Chairman French explained that the Town was covered from a public safety standpoint for the time being and that all of the equipment had been stripped of Engine 8, so the truck itself was just sitting there in the yard so the question was what to do with it. Mr. Callahan asked if the Board should choose to just dispo it, or if they should make a warrant article for its repair, in the event that the option to purchase a replacement failed. Mr. Gilpatric stated that the truck was not worth the time or the money to repair.

Mrs. Cesare stated that there needed to be more information available to show the need such as what they had for available trucks and whether or not it could be provided through mutual aid. Mr. Callahan asked how old the truck was and Chief Allen responded that it was 24 years old and Chairman French added that the Town's rule of thumb had been a 25 year replacement schedule. Mr. Gilpatric added that it was a matter of time before more items on the truck began to fail and that there were some parts that could not be replaced. Mr. Callahan asked what the next truck in lined to be replaced was Engine 3, but Chief Allen added that it would last longer than the 25 year replacement schedule.

Mr. Callahan asked if Chairman French was looking to sell the truck now, and he responded that he was concerned with it sitting through the winter. Mrs. Cesare asked what the value would be, and Chairman French responded that \$2,000 would good be a good mark. He also explained that by maintaining their manpower and equipment available at favorable levels that would keep the ISO rating down, which reduce insurance premiums for Minot residents.

Mrs. Loring explained that she had met with Androscoggin Bank regarding their financing options for a new truck. The two that were available were either a General Obligation Bond, which required Town Meeting approval. This option could achieve a more favorable rate through the Bond Counsel, but there would be legal fees associated with applying and preparing the bond. There was also a non-appropriation lease, which did not require Town Meeting approval, but they recommended buying down the principle through either a trade or Town funds to lower the interest rate. The Town would be using the truck as collateral, so in the event that funds were not appropriated at Town Meeting, truck would be returned to the bank. The bank recommended holding a public hearing to see what the general feeling was regarding the purchase if they were not in a position to wait for Town Meeting, but the sooner the Town made payments and the shorter the term, the better the interest rate would be.

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Mrs. Cesare recommended holding a public hearing on September 10th at 6:00 pm regarding the truck's disposition, along with the other items for consideration, before moving forward with listing it for sale. The Board agreed and felt that it would give them a better direction.

7. Selectmen Comment

Chairman French asked whether a minimum real estate tax could be set on a property and gave the example of a tiny house, and Mr. Berube responded that valuation needed to be equitable and was not related to square footage, as even large buildings had a maximum valuation until size became obsolete.

8. Department Updates - Attached

9. Town Administrator's Report

a. Work Study Report

Mrs. Loring stated that the front staff were finishing their work study surveys and that she would be reviewing the results with each individual so that she could fully understand the results and report back to the Board.

b. Community Day Meeting

Mrs. Loring stated that the next Community Day meeting was at 6:00 pm on July 26th at the Town Office and all were welcome. Mrs. Cesare asked about funding where this was the first year the Town had appropriated funds for the event. She wanted to know if they were giving the funds to the Community Club group or reimbursing for expenses. She also wanted to know if the Fire Department would be assisting this year and Chief Allen explained that they would try but was concerned with the number of volunteers whether or not they would be able to. Mrs. Cesare asked whether they should have Board representation at the meeting and Mrs. Hemond stated that she would be present.

c. Homeland Security Grant

Mrs. Loring explained that she was finishing up the application for the Homeland Security Grant but the current quotes put the project in at \$21,000 and the anticipated award would be around \$2,400. She was recommending reducing the application request to a lower number that would likely be covered by the grant and either save the other items for a future grant or include as part of next year's budget. She was recommending the panic buttons for the Town Office and the ID printer for the Fire Department. She felt that the generator switch was also a priority but it well exceeded the amount covered by the grant. The Board agreed with her recommendation.

10. Scheduling Next Selectman's Meeting:

a. July 30, 2018 – Confirmed.

11. Adjourn

MOTION: Lisa Cesare motioned to adjourn; seconded by Brittany Hemond.

VOTE: UNANIMOUS APPROVAL (5/0)

Chairman Steve French adjourned the meeting at 8:05 pm.

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Recorded by Danielle Loring
Town Administrator

Steve French, Chairman

Daniel W. Gilpatric, Vice Chairman

Daniel Callahan Jr.

Lisa Cesare

Brittany Hemond

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