

WISCASSET BOARD OF SELECTMEN,
BOARD OF ASSESSORS & OVERSEERS OF THE POOR
JANUARY 6, 2011

Preliminary Minutes

(tape recorded meeting)

Present: Bob Blagden, Vice Chairman Judy Colby, Pam Dunning, Chairman David Nichols, Ed Polewarczyk and Town Manager Laurie Smith

1. Call to Order

The meeting was called to order at 6 p.m.

2. Pledge of Allegiance to the Flag of the United States of America

3. Route One Wiscasset

The revision of a letter to the Commissioner of Transportation, which was presented to the selectmen on January 4, was discussed. The letter indicates the selectmen support the position of the Midcoast Bypass Task Force in proceeding with the selection of a bypass route. The routes that would be included in the selection process are not specified. The board declined to endorse a specific route until it was clear which routes were being considered by the MDOT, although it expressed the hope that all routes, including the southern routes, would be considered. A change in the wording to add, "...if a true bypass of the town can be effected without bisecting the town," was suggested.

Roy Farmer said that the best alternative for the bypass was proposed in 1978; it began at Birch Point Road and crossed Route 27 north of the high school. This route took a minimum of properties.

Don Jones said the issue was not whether other routes should be investigated, but whether the MDOT should move forward to complete a bypass route selection; the proposed change to the letter would be an indication the board was opposing the task force's motion.

David Nichols read the following letter, which will be sent to the Commissioner:

David A. Cole, Commissioner
Department of Transportation
16 Statehouse Station
Augusta, ME 04333

Dear Commissioner Cole:

At the December 15, meeting of the Midcoast Bypass Task Force, your department solicited public comment on the advisability of moving forward to identify a buildable corridor for a Route One bypass of Wiscasset village or terminating planning for the project. The Wiscasset Board of Selectmen supports the majority position of the Midcoast Bypass Task Force to move forward to complete a bypass route selection if a true bypass of the town can be effected rather than bisecting the town.

There are a number of features of the remaining alignments that are extremely burdensome to Wiscasset. Despite the fact that Wiscasset as the primary host town will bear the greatest burden of human displacements and tax loss we urge you to move forward.

On behalf of the Wiscasset Board of Selectmen, I am

Sincerely yours,

WISCASSET BOARD OF SELECTMEN,
BOARD OF ASSESSORS & OVERSEERS OF THE POOR
JANUARY 4, 2011

Preliminary Minutes

(tape recorded meeting)

Present: Bob Blagden, Vice Chairman Judy Colby, Pam Dunning, Chairman David Nichols, Ed Polewarczyk and Town Manager Laurie Smith

1. Call to Order

The chairman called the meeting to order at 7 p.m.

2. Pledge of Allegiance to the Flag of the United States of America

3. Approval of Treasurer's Warrant: December 28, 2010 and January 4, 2011

Ed Polewarczyk moved to approve the Treasurer's Warrant of December 28, 2010 as presented. Vote 5-0-0. Pam Dunning moved to approve the Treasurer's Warrant of January 4, 2011. Vote 5-0-0.

4. Approval of Minutes: December 21, 2010

Judy Colby moved to approve the minutes of December 21, 2010 as written. Vote 5-0-0.

5. Public Hearing on USDA loan/grant in the amount of \$1,000,000 for the purposes of sewer line replacements and \$840,000 for a force main and sewer upgrades from the USDA, Rural Development

Mike Ferrucci opposed the spending of any funds particularly if the town would be beholden to the federal government or anyone else.

Dan Sortwell said the work was definitely needed; the odor of sewage is evident on Federal Street during the summer.

Ed Polewarczyk expressed concern that the improvement of water mains on Main and Federal streets would have a significant impact on water rates and town taxes. He said if the work is not necessary, it may not be the right thing to do at this time.

The public hearing was closed at 7:05 p.m.

6. Special Presentations or Awards

Gerry Audibert regarding Route One Wiscasset

Audibert distributed charts indicating the number of traffic delays in 2009 and 2010 as indicated by the monitors at Birch Point Road and Wiscasset Ford and the resulting cost to individuals and truckers. He said the delays had a local, regional and state impact and were expected to increase in the future. He estimated that the total economic impact from congestion on Route 1 in Wiscasset in 2030 would be \$12 million per year and explained how the cost was calculated.

Ed Polewarczyk said he had lived with heavy traffic congestion and delays in other cities and the delays in Wiscasset were minor compared to those locations. He encouraged the continued gathering of data, but said it was hard to believe that it will cost \$80,000,000 to \$100,000,000 to solve this congestion problem. He said many properties in Wiscasset would be affected by the bypass valued at over \$20 million and the taking of these properties would result in a 3% increase

in taxes for Wiscasset residents forever. He pointed out that more than 30 property owners would never be able to recover costs and receive adequate compensation for the taking of their land just to avoid a 15- or 20-minute delay for a couple of days each year. However, he said one eagle's nest has trumped everything and provides an opportunity to explore all the options. He urged the board to establish a position on the bypass in the coming months.

Audibert said the Army Corps of Engineers and Inland Fish and Wildlife had asked the MDOT to look at all the alternatives in the draft environmental impact statement, all to the north of the Davey Bridge. In response to comments on the hardships experienced by homeowners or prospective builders, he said he regretted the situation but the properties would be purchased for fair market value. Because of the change in administration, a decision would probably not be made for three to six months. After a decision is made, a design and the purchase of properties must begin within ten years. There is the possibility of stand-alone projects being completed first such as the connector spur and the Route 27 intersection in Edgecomb.

Laurie Smith suggested a possible partnership with the state to move pedestrian traffic in downtown Wiscasset.

Bill Curtis suggested that the monitoring on Routed 1 did not take into account the traffic that used Old Bath Road as a bypass.

Dan Sortwell recommended that, in the 20 years before a bypass could be completed, the MDOT, Lincoln County and Town of Wiscasset should explore ways to reduce traffic delays on the existing route without a bypass. He extended an invitation to a Route One Alternative Design meeting on January 10 at 7 p.m. in the 911 building to continue to work on improving the current route.

Bob Faunce, County Planner, said he had worked with the task force for seven years on the various alternatives to the bypass. He pointed out the disadvantages of both the non-build alternative and the suggested improvements to reduce traffic delays in the village such as a tunnel or overpass, or straightening the curve near the courthouse, a Route 27 roundabout, or a viaduct. He said there was no alternative to a bypass; the problem will continue and action should be taken now to identify the right of way.

Morrison Bonpasse, resident of Newcastle, said it should be determined that the existing two-lane Route 1 was the right of way and Wiscasset should follow the example of Skowhegan and abandon consideration of a bypass. He recommended time-lapse photography to analyze what is causing the traffic delays. He urged the selectmen to help improve the current route.

Don Jones, Chairman of the Transportation Committee, offered a draft letter to the Commissioner of Transportation from the selectmen recommending that the MDOT move forward to complete a bypass route selection. Several changes were suggested and a revision of the letter will be prepared by the town manager for approval of the board on January 6.

8. Public Comment

In response to Clark Jones' comment on putting the Koehling property out to bid as is rather than burning the building, Ed Polewarczyk said it was not feasible to improve the property and there was interest in the property without the building.

10. New Business

A. Appoint Christine Wolfe as registrar effective January 1, 2011 through January 1, 2013

Town Manager Laurie Smith described the rigorous certification process available to town or city clerks that Wolfe had completed for her certification. David Nichols read and presented the certificate to Wolfe. **Nichols moved that the Board of Selectmen appoint Christine Wolfe as Registrar of Voters for the Municipality of Wiscasset, effective January 1, 2011 through January 1, 2013. Vote 5-0-0.**

B. Town of Wiscasset Health Insurance Eligibility Requirements

Smith proposed eligibility requirements for the town's insurance that are the same as those of the Maine Municipal Employees Health Trust. She said the town has not had a clear policy in the past, and eligibility would allow an employee to join the program at their own cost unless otherwise covered by the Personnel Policy or Union Contract. **David Nichols moved that the Board of Selectmen adopt the attached Health Insurance Eligibility Requirements, effective January 1, 2011. Vote 5-0-0.**

11. Town Manager's Report

A. Job Description Update

Because the town has not had job descriptions in the past, Smith asked that the board adopt the newly completed descriptions at the next meeting, and any changes after that would require only an amendment. A binder with copies of all job descriptions will be available to the selectmen.

B. Discuss non-profit organizations' requests for funding

In response to Smith's inquiry, the board approved sending out the questionnaire she had prepared to organizations requesting funding and giving them an opportunity to make a presentation to the board. After discussion, it was the consensus of the board that there be a separate warrant article for each organization rather than a lump sum for all organizations.

C. General Update

The office will be closed on January 17.

12. Other Business

Ed Polewarczyk recommended that membership and tasks for all committees be defined at the next meeting.

13. Adjournment

At 8:40 p.m., Pam Dunning moved to adjourn. **Vote 5-0-0.**

10 B.

Town of Wiscasset Health Insurance Eligibility Requirements

The Town of Wiscasset has determined that the following criteria will determine eligibility to enroll in the Maine Municipal Health Trust program:

DEFINITION OF ELIGIBILITY

An individual must meet certain requirements in order to be eligible for coverage under the Town of Wiscasset Health Trust plans. The Maine Municipal Employees Health Trust and Town of Wiscasset's eligibility requirements are as stated below:

1. Employees who are hired on a full or part time basis and work an average of 20 hours per week on a year round basis are eligible for coverage.
2. Elected officials, whose term is of at least one year's duration, regardless of the work schedule, may be eligible for coverage.
3. Appointed officials, whose term is of at least one year's duration, provided they work an average of at least 20 hours per week, are eligible for coverage.

Eligibility for the program does not equate to the employer covering or sharing in the cost of employee health insurance. Eligibility only allows an employee to join the program at their own cost unless otherwise covered by the Personnel Policy or Union Contract. Employees cost share be covered in advance of payment to the Health Trust.

Adopted by Board of Selectmen

January 4th, 2011

Maine Power Reliability Program (MPRP)

Montsweag Brook Compensation Parcel

Wiscasset/Woolwich

Central Maine Power Company's (CMP) Maine Power Reliability Program (MPRP) is a proposed upgrade to CMP's bulk transmission line system. The vast majority of Maine's bulk power transmission system (115 kV and 345 kV lines) was placed into service in the early 1970s and is now reaching the limits of its ability to meet the growing electrical demand of Maine customers. Since the last major transmission infrastructure construction was completed more four decades ago, the patterns of both available generation and customer load have shifted significantly.

The MPRP project consists of construction of 440 miles of new and/or upgrade transmission lines and construction and/or expansion of eleven substations in approximately 75 municipalities within the CMP system.

CMP conducted resource inventories and mapping of natural resources (wetlands, vernal pools, deer wintering areas, inland wading waterfowl habitat, RTE habitat) on all of the transmission line corridors and substation sites over the course of three field seasons. This information was used to determine the level of compensation and mitigation CMP would need to provide under Maine Department of Environmental Protection and U. S. Army Corp of Engineers rules and regulations to offset project impacts.

Based on the cumulative project impacts to natural resources, CMP assembled a robust compensation package consisting of a \$1.5 million payment to the MDEP Natural Resources Mitigation Fund and 14 parcels of land consisting of 4,700 acres. Many of the compensation properties were recently purchased by CMP specifically for this purpose, while others, such as the Montsweag Brook parcel, had been owned by CMP for many years.

These compensation parcels contain the same types of natural resources being impacted by the MPRP; though under the regulatory agencies requirements, CMP is required to protect a higher ratio (as much as 8 to 1) of impacted resources with the compensation parcels (i.e., for every acre of wetlands impacted by MPRP, CMP must provide and protect 8 acres of compensation parcel wetlands).

Pursuant to MDEP and USACE requirements, CMP has placed restrictions and covenants on each of the compensation parcels to ensure the properties remain in a near natural state and their sensitive natural resources are protected in perpetuity. These covenants and restrictions run with the land.

Working with local land trusts, state agencies, and other interested parties, CMP will transfer the compensation parcels to such entities. Prior to the transfer to the conservation organizations, CMP has completed boundary surveys (lines blazed/painted, pins set), Phase 1 Environmental Site Assessment,

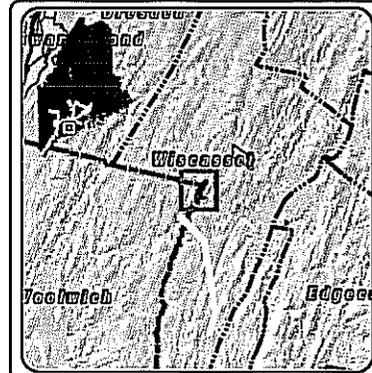
site cleanup and debris disposal, title search and insurance, and established a one-time stewardship fund payment for each parcel.

Monstweag Brook Compensation Parcel

This parcel consists of 22 acres in Wiscasset and Woolwich; 3 acres of wetland and 19 acres of upland buffer also designated as a Maine Department of Inland Fisheries & Wildlife deer wintering area (indeterminate value). Access to the property is over the Freedom Song Road.

Monstweag brook flows through the center of the parcel and is impounded by a dam near the southern end of the property. The dam was constructed in 1941 as a back-up water source for Mason Station.

CMP has offered this property to The Chewonki Foundation. CMP and Chewonki have met several times to discuss the potential transfer and the best way to structure the transfer to the benefit of the parties involved. CMP and Chewonki continue to work towards this goal.



Legend

- Approximate Site Boundary
- Conserved Lands
- MPRP Property (CMP)
- Vernal Pool Depression - Not Significant (TRC)
- Significant Vernal Pool Depression (TRC)
- Significant Vernal Pool Habitat - 750 (TRC)
- Waterfowl/Wading Bird Habitat (IF&W)
- Approximate Location of Stream (TRC)
- Approximate Location of Wetlands (TRC)
- Deer Wintering Area - Indeterminate (IF&W)

* Wetlands outside of site boundary are from NWI maps

Montsweag Brook Site Summary

Town:	Wiscasset & Woolwich
County:	Lincoln & Sagadahoc
HUC & Watershed:	Coastal Drainages East of Smol Point
Ecoregion Name:	03-Casco Bay Coast Subsection
Total Site Area (Acres):	22 +/-
Site Characteristics	
Stream Length (Ln feet):	0 +/-
Wetland (Acres):	2 +/-
Significant Vernal Pool Habitat (Acres):	0 +/-
Inland Waterfowl and Wading Bird Habitat (Acres):	0 +/-
Indeterminate Deer Wintering Area (Acres):	21 +/-

Other: Project includes financial contribution to the Chewonki Foundation to facilitate dam removal feasibility study and property stewardship.

**MAINE POWER
RELIABILITY PROGRAM**
A CENTRAL MAINE POWER COMPANY PROGRAM

**Exhibit 13-41
MONTSWEAG
BROOK**

Wiscasset & Woolwich, ME

13.1 MONTSWEAG BROOK (WISCASSET AND WOOLWICH)

13.1.1 Site Location Information

Town(s): Wiscasset and Woolwich **County:** Lincoln and Sagadahoc

Biophysical Region: Casco Bay Coast

Watershed (HUC 8): Coastal Drainages East of Small Point (01050002)

MPRP Components Within this Watershed: Segments: 6, 10, 15, 16, 29, & 35; Substations: Cooper’s Mills and Maine Yankee Substation

Closest MPRP Components: Segment 29 (0.5 miles)

Coordinates of Site Centroid (Lat/Long WGS 84): 44.0043 / -69.7016

13.1.2 Natural Resource Inventory Summary (quantities are +/-):

Total Site Area	22 acres
Wetland Area	3 acres
Upland Buffer Area.....	19 acres
MDIF&W-mapped DWA (indeterminate value).....	19 acres
Potential Riparian Wetland Enhancement Area	6 acres
Potential Stream Restoration Area (length of stream on property above dam)	2,100 linear feet

13.1.3 Site Description

The Montsweag Brook property is a single 22 acre parcel that straddles the town line between Woolwich and Wiscasset. The Montsweag Brook site includes 3 acres of existing wetland and approximately 19 acres of surrounding forested buffers. The property is surrounded by forested land and transmission line corridors, and access to the site is via Freedom Song Lane (a gravel road that dead-ends at the site). Montsweag Brook flows north to south through the center of the site, and is impounded by a dam near the southern end of the property. The dam was constructed in 1941 as a back-up water source for nearby Mason Station. The pond that has been created by the dam is no longer used as a water source for Mason Station. There are a few small wetland drainages that flow into the pond from the power line corridors to the west and north, although aside from the pond, the site is primarily upland. The Chewonki Foundation has performed a feasibility study of removing obstacles to fish passage along Montsweag Brook, and is financing a study of a dam removal downstream from the site. Chewonki visited both of the downstream

crosses mostly through forested land for about 2.5 miles upstream from the site. Approximately 2.5 miles north of the site, the brook is abutted on the east by agricultural fields. From the fields to about 0.75 miles north to its headwater bog, the brook is again surrounded by undeveloped forestland. Montsweag Brook flows through culverts under three roads north of the site (one-half mile, 2 miles and 2.7 miles upstream from the project site).

Several protected open space and recreational properties exist in the vicinity of the Montsweag Brook property. The site is:

- Connected to the *Chewonki Foundation's Back River Trail* easement
- Within 1 mile of the Town of Wiscasset's *Sortwell Memorial Forest* (99 acres)
- Within 5 miles of the *Earl E. Kelley WMA (AKA Dresden Bog)* (>500 acres)
- Within 5 miles of the *Steve Kelley WMA* (>1,500 acres)
- Within 5 miles of the *Green Point WMA* (220 acres)

In addition, when Chewonki acquired title to the lower dam through the Maine Yankee decommissioning settlement, it was also granted an easement to a 60-foot-wide strip of land along Montsweag Brook. This land extends from the lower dam north to the upper dam on the Montsweag Brook property. Conservation of the site will enhance the recreation and wildlife benefits of Chewonki's existing easement along Montsweag Brook by extending it approximately three miles upstream.

Such proximity to other open space or conservation areas generally enhances the value of compensation sites, because in aggregate the protected lands create landscape connectivity and provide greater functionality. Thus, in the context of local and regional conservation planning, the proximity of these other existing conserved and public lands enhance the value of the Montsweag Brook property.

13.17.5 Wildlife Use

Both landscape (*i.e.*, map-scale) and on-site investigations were performed to review the site for potential wildlife usage. There is suitable habitat on the property to support a wide range of bird species. Habitat types include the stream area, the riparian shrub wetlands, the pond areas, and

Table 13-14 (Montsweag Brook): Summary of Existing Functions and Values of the Wetlands on the Site

Function/Value	Notes
Groundwater Recharge/Discharge	The wetlands on the site are associated with the perennial Montsweag Brook, and the pond has a constricted outlet (the dam), thus allowing for groundwater recharge. If the dam is removed, the site will have a lower capacity for recharge, but discharge will remain unchanged.
Floodflow Alteration	The pond currently provides flood storage above the dam. If the dam is removed, the site will have a diminished capacity for floodwater storage by the pond, however, the increase in riparian wetland area will allow for some floodflow alteration.
Fish and Shellfish Habitat	The stream and pond provide fish and shellfish habitat.
Production Export	The site has berry and nut-producing vegetation and the pond provides fish and shellfish habitat.
Sediment/Toxicant Retention	The pond may trap sediments from upstream sources, although this function is probably only marginally provided.
Nutrient Removal	The pond may trap sediments from upstream sources, although this function is probably only marginally provided.
Sediment/Shoreline Stabilization	Floodflow is partially attenuated by the dam, but this function is probably only marginally provided.
Wildlife Habitat	The pond, stream and wetland provide habitat for a variety of birds, fish, amphibians, and mammals.
Educational/Scientific Value	The site contains a pond and wetlands; moreover, Chewonki is a non-profit environmental education provider that will presumably be able use this site for future excursions and educational benefits.
Recreation	The pond and stream provide fishing opportunities, and there are deer on the site for hunting. Additionally, with donation to Chewonki the site will be linked to an easement that follows the Montsweag Brook south and provides hiking and nature watching opportunities.
Uniqueness/Heritage	The pond is approximately 3-acres and undeveloped around its perimeter. The site also provides opportunities for wildlife viewing.
Visual Quality/Aesthetics	The pond is approximately 3-acres and undeveloped around its perimeter. The site also provides opportunities for wildlife viewing.
Endangered Species Habitat	The property is not known to provide habitat for RTE species. If the lower dam is removed, this allows for improved habitat and possible passage of Atlantic salmon from the Sheepscot River.

TOWN OF WISCASSET RESERVE AND ENDOWMENT (TRUST) INVESTMENT POLICY

This Investment Policy has been adopted by the Board of Selectmen of the Town of Wiscasset on January 18, 2011 and it replaces any previously dated investment policies, guidelines or lists of authorized investments.

1. PURPOSE

The intent of the Board of Selectmen is to establish an Investment Policy that provides clear guidelines for management of the Town's Reserve and Endowment (Trust) funds. The Policy is designed to allow for management of Town monies, subject to the Policy, in a manner that will satisfy budgeted withdrawals, as approved by the Selectmen, garner a market rate of return tempered by an appropriate risk profile and conform to all Federal, State of Maine and local laws governing investment of public funds.

2. GOVERNANCE

A. Investment Committee

The Town of Wiscasset Board of Selectmen shall establish an Investment Committee (the Committee) to act in an advisory role to the Town Treasurer, Town Manager and Board of Selectmen. The Investment Committee shall consist of the Town Treasurer, Town Manager, a member of the Board of Selectmen, and two citizens appointed by the Selectmen. The Selectmen will have a one year term and each citizen will have a three year term. The Committee shall meet on a monthly basis to review the investment statements and shall make quarterly reports to the Board of Selectmen. The Committee shall also meet at least annually with the Board of Selectmen.

B. Delegation of Authority

1. As provided in M.R.S.A Title 30-A, Section 5706 (4), the municipal officers may contract with a qualified financial institution (Investment Advisors or Managers) for professional advice and portfolio management related to the Reserve and Endowment (Trust) Funds. This allows the Town, when appropriate, to benefit from economies of scale and contract for investment/financial expertise that may be unavailable from the Town staff at a given point in time. Maine State law, and this policy, to the extent it does not conflict with State law, will define and control the risks and management of the Town's portfolios and establish performance criteria for monitoring and evaluating results.

2. Under the Maine Revised Statutes Title 30-A Sections 5706 through 5719, responsibility for the investment of the Town's funds covered by this Investment Policy resides with the Board of Selectmen, as the Town's Municipal Officers. The Board, in consultation with the Committee is responsible for developing a policy regarding the investment and custody of the Town's Reserve and Endowment (Trust) funds. The Board of Selectmen have directed the Town Manager and the Town Treasurer to implement this Policy after its approval by the Board of Selectmen and to act as primary points of contact for the Investment Advisor.
3. The Town Treasurer is the primary contact for the Investment Advisors. All communication regarding the investment funds and management issues will be conducted through the Treasurer's office. The Town Treasurer shall keep the Town Manager fully apprised of transactions.
4. The Town's Investment Advisors are required to understand and abide by this policy as they act on behalf of the Town of Wiscasset in any financial transactions.

C. Scope

This Policy shall apply to the investment management of the Reserve and Endowment (Trust) Funds under the control of the Town and accounted for within the Town's Annual Audit Report.

Many of these funds are pooled for investment purposes. The investment income derived from the pooled investment account will be allocated to each of the various funds on a monthly basis and reported to the Town Treasurer as needed, but no more frequently than monthly.

D. Ethics and Conflicts of Interest

Elected officials and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair or create the appearance of an impairment of their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Town Manager any material financial interests they have in financial institutions that conduct business with the Town and they shall subordinate their personal investment transactions to those of the Town.

E. Prudence

As provided for in the Title 30-(A) Section 5706 (4) the standard of prudence to be used in managing the Town's assets shall be Title 18-B, Sections 802-807 and Chapter 9 (The Maine Prudent Investor Act) of the Maine Revised Statutes which broadly states that investments shall be made with the judgment and care that persons of prudence, discretion and intelligence, under circumstances then prevailing, exercise in the management of their own affairs, not for speculation but for investment.

The Town's investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The Town recognizes that no investment is totally without risk and that the investment activities of the Town are a matter of public record. Accordingly, the Town recognizes that occasional measured losses are inevitable in a diversified portfolio and shall be considered within the context of each portfolio's return, provided that adequate diversification has been implemented and that the purchase or sale of any security was perceived to be in the best long-term interest of the Town. The Board of Selectmen feels the approach articulated in the Maine Prudent Investor Act provides the Town with the best opportunity to preserve the long term purchasing power of the subject portfolios and to render those funds, to the extent practical, perpetual in nature; available for use by future generations to serve the best interests of the citizens of Wiscasset.

F. Statutory Compliance

Nothing in the City's Investment Policy shall be read to contravene with State law 30-A M.R.S.A. Sections 5706 through 5719 (the "Act"). Any amendments or additions to State statutes that impact allowable investment types, maturities, or percentage of allocations shall become incorporated as part of this policy.

G. Policy Amendments

Any amendment to this Policy shall be considered by the Board of Selectmen in a public hearing and adopted by a vote of no less than 75 percent of the Board, provided a quorum is present.

3. INVESTMENT ASSUMPTIONS AND GUIDELINES

A. Objectives

1. To provide - over the very long term - a stable, real (inflation-adjusted) cash flow to support the town budget and/or to meet needs specific to the sub-accounts as provided in the trusts that created them, or as adjusted under Maine's Uniform Principal and Income Act, as amended.

2. To achieve long-term portfolio total returns high enough to provide for current distributions (in accordance with the spending guidelines below) **and** maintain the real principal value of the portfolio through capital appreciation equal to or greater than inflation, plus the costs of administering and managing the portfolios.

B. Risks

These funds are *perpetual in nature*, i.e. the assets and the distributions they support must meet the needs of the town in equal measure now and in perpetuity, adjusting for inflation.

Investment risks include *any* factor that might prevent the portfolios from achieving their objectives. However, in terms of this investment policy, risk is broadly defined in terms of *time horizon*, and the policy aims to align the assets in the portfolios with the nature and timing of the liabilities the portfolios' need to fund with them.

In consideration of near term liabilities, the conventional measure of portfolio risk, *volatility*, matters most; to meet liabilities well into the future, *real (inflation adjusted) portfolio total returns* matter most and volatility very little. In between the long and short term, portfolio *cash flow (income)* matters most, and should comprise as much of the amounts distributed from the portfolios as practical.

C. Definitions

1. Total Return - equals the periodic change in principal value, *plus* all dividends and interest received and/or accrued over any measurement period.
2. Earnings - or "income", equals dividends and interest received over any measurement period.
3. Distribution - is any amount paid out of the portfolios to meet current spending needs which may be comprised of a combination of earnings *and* principal, depending on the provisions of the applicable trust document, if any, in the case of the Endowment (Trust) Funds.

D. Spending Guidelines – Reserve Funds

The policy recognizes the creative tension between the need for current income to meet operations today and the deleterious, long-term effects high current spending levels might have on the portfolios' ability to meet future spending needs.

Consistent with the “closed” nature of these Funds, i.e. there is a low expectation there might be future contributions to these portfolios to bolster principal growth, the policy adopts a long-term annual spending rate of 3.5% of the average market value of the portfolio, calculated over a four-year trailing period, using semi-annual portfolio market values as of the last business day of June and December [or six month intervals measured from the end of the fiscal year if the Town is not on a calendar fiscal year]. This results in eight portfolio market values being used in the calculation of the average market value for spending purposes under this guideline. The December 31, 2010 Reserve Fund market value shall determine the 2011 (the first under this policy) annual distribution. The 12/31/2010 Reserve Fund market value shall be deemed the starting point for the purpose of calculating future distributions consistent with the terms of this section 3 D.

In no case, however, shall the annual distribution exceed 4.5% of the most recent portfolio market value nor shall the annual distribution be less than 2.5% of the most recent portfolio market value in instances of extreme market volatility, either negative or positive, respectively.

The Board of Selectmen recognize there may be market or budget circumstances that would, on occasion, make full compliance with this spending guideline difficult, pressuring the Town to exceed the spending level prescribed under this policy. However, over time and to every extent practical, the Selectmen shall make every effort to manage distributions in accordance with these spending guidelines in an effort to properly balance current and future spending needs.

E. Asset Allocation Guidelines

Consistent with the liabilities confronting these funds, the portfolios should provide the right balance of liquidity, income and real return. Generally, equities and hybrid securities (certain equity securities that produce high income (REITS, etc.) or bonds that are priced to yield equity like total returns (i.e. high-yield bonds) and/or may have an equity convertibility) are the best asset classes for total return, i.e. growth and income. Bonds and hybrid securities are most suitable for the production of current income in the form of high dividend yields or interest. Money market funds and very short term bonds are best for providing for short term liquidity needs.

The policy establishes the following Asset Allocation Guidelines within which the policy seeks to achieve the investment objectives while prudently addressing the timing and nature of current and future liabilities. For the most part, achieving the investment objectives will require the portfolios adopt and maintain a long-term investment horizon reflected in the following equity-oriented allocations, and that neither the Manager(s) nor the Town be swayed by short-term market experience

to deviate from these guidelines.

Wiscasset Investment Policy - Asset Allocation Guidelines
 Objectives: Growing Income & Real Capital Preservation

	Strategic Weight	Maximum	Minimum
Equities			
Core	60%	80%	40%
US Small Cap	0%	10%	0%
International Developed	10%	20%	5%
Emerging Markets	5%	15%	0%
REITs	0%	10%	0%
	75%	85%	60%
Fixed Income			
High Yield Bonds	5%	15%	0%
Investment Grade	15%	25%	5%
Government	5%	30%	0%
	25%	40%	15%
Cash	0%	10%	0%

Diversification must play a role in formulating asset allocation and portfolio construction. However, on balance the policy views diversification as a way to increase returns as much as to reduce market risk (volatility). The portfolios' long-term perspective makes diversification a lower policy and portfolio priority since real returns matter most – and portfolio volatility is something the Selectmen recognize as a risk the policy bears for the opportunity to earn higher real returns in the long-run.

F. Asset Allocation Exceptions

Portfolios governed by income-only spending provisions or statutes may suffer unacceptable loss of needed current income if they are constrained by the asset allocation guidelines in this policy to own very low income producing assets. Additionally, there might also be times when bond yields are too low to produce long-term total returns high enough to achieve the dual mandates of income and real capital preservation in portfolios not so constrained.

This policy exception provides that up to 5% of the total portfolio may be allocated in an equity and/or hybrid security *mutual fund or ETF* (exchange traded fund) to count toward the fixed-income allocation when the indicated current yield of such a fund (the “SEC Yield”) exceeds the yield on the generic 5-year US

treasury note.

The manager(s) shall monitor these yield differentials to ensure compliance with this section of the policy. However, the manager(s) may hold an equity/hybrid fund allocated under this exception *for up to one year* from the date of its acquisition regardless of the prevailing yield spreads, whereupon the manager(s) must bring the portfolios into compliance with the regular allocation guidelines should the required yield spread condition for this exception no longer exist.

G. Portfolio Performance Metrics and Benchmarks

The portfolio benchmark return shall be calculated using a 75%/25% weighted product of the Standard and Poor's 500 (S&P 500) and the Barclay's Capital Government/Credit indices, respectively.

Quarterly, the manager(s) shall provide the Committee portfolio return information comparing the aggregate equity and fixed-income portfolios to their respective benchmarks and the total portfolios to the policy benchmark.

Further, the manager(s) shall provide a current and historical perspective on asset allocations around the policy weights with attendant explanatory narrative on a semi-annual basis to augment and attribute portfolio returns.

4. ADMINISTRATION

A. Authorized Securities and Transactions

1. All investments of the Town shall be made in accordance with Title 30-A, Sections 5706 through 5719 of the Maine Revised Statutes. Any revisions or extensions of these sections of the Maine Revised Statutes will be assumed to be part of this Investment Policy immediately upon being enacted.

B. Internal Control

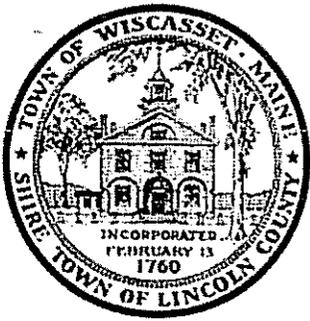
The Town's independent auditors shall review annually the Town's investment internal controls.

C. Accounting Method

Investments will be carried on the Town's books at market value as required by Governmental Accounting Standards Board (GASB) Statement No. 31. Interest on securities will be credited to investment income at the time of sale. The values of investment securities will be accrued as of each fiscal year end.

D. Reporting Authorities and Accounting Jurisdictions

1. Accounting and reporting on the Town's investment portfolio shall conform to Generally Accepted Accounting Principles (GAAP) and the Government Accounting Standards Boards (GASB) recommended practices.
2. The Committee will meet with the Investment Advisors on a quarterly basis and report to the Board of Selectmen on the financial performance and status of the investments. The Investment Advisors and the Committee will meet with the Board of Selectmen on an annual basis in January to review the prior calendar year.
3. Reports prepared by outside advisors shall be sent to the Town's Treasurer.



Town of Wiscasset

10 A.

MEMORANDUM

To: Board of Selectmen
Fr: Laurie Smith, Town Manager *LS*
Re: Lincoln County Planning Assistance
Dt: January 12, 2011

As part of the realignment of the Planner position duties we have secured an agreement with the Lincoln County Planning Office to assist the Town with ordinance development in the following areas:

1. Revision of zoning provisions
2. New shoreland zoning chapter
3. New Subdivision chapter
4. New site plan review chapter

The town budgeted \$5,000 in the planning budget to match the \$7,000 from the Department of Transportation. The project should be complete by the fall of 2011.

Memorandum

To: Jerry Douglass

Fm: Bob Faunce

Dt: January 6, 2011

RE: Wiscasset Ordinance Project

We previously discussed the possibility of using a portion of the task 4 undedicated funds in MDOT's Cooperative Agreement with Lincoln County to update Wiscasset's development ordinances, similar to the recently completed effort in Boothbay Harbor that was partly funded by the Department.

I have met with Town Manager Laurie Smith and Town Planner Jeffrey Hinderliter to discuss the project and we agreed that the work effort should focus on improving and simplifying the zoning ordinance by updating and transferring all shoreland zoning provisions to a new chapter of the code and consolidating remaining zoning provisions, land use and dimensional tables, administrative procedures and development standards into a separate chapter. This would also include re-examining the uses permitted in various zones in order to better control land use in the community. In addition, the current site plan review and subdivision ordinances would be replaced with updated ordinances based in part on the model developed for Boothbay Harbor and would include provisions to better address access management, road standards and impacts of development.

The total estimated cost of my portion of the project is \$12,000. The Town of Wiscasset has agreed to provide \$5,000 that would be matched with a maximum of \$7,000 from the Cooperative Agreement. Any costs associated with mapping, meetings, property research, mailings, legal advertisements, legal service or other activities necessary to complete the project will be borne by the Town of Wiscasset. The following table provides an approximate allocation of costs by work task and funding source. Please understand, however, that it is difficult to estimate at this time the precise work effort that will be required for each task so I reserve

the right to make adjustments to the work effort as long as the total budget is not exceeded.

Work task	Man-hours	Town Match @ \$70	MDOT Match @ \$70	Total
Revise zoning provisions	28	\$ 1,260	\$ 700	\$ 1,960
Develop separate shoreland zoning chapter	30	\$ 2,100		\$ 2,100
Prepare new subdivision chapter	35		\$ 2,450	\$ 2,450
Prepare new site plan review chapter	35		\$ 2,450	\$ 2,450
Meetings and administration	36	\$ 1,400	\$ 1,120	\$ 2,520
Expenses		\$ 240	\$ 280	\$ 520
Total	164	\$ 5,000	\$ 7,000	\$ 12,000

The work would be completed in coordination with town staff and the standing Ordinance Review Committee. It is anticipated that some of the new ordinance provisions could be ready for the June 2011 town meeting but because of the extent of the work effort required, the project would likely not be completed until the Fall of 2011.

I look forward to your comments on this proposal. If you have any questions, please do not hesitate to contact me.

**WISCASSET TOWN WARRANT
STATE OF MAINE**

To John Allen, resident of the Town of Wiscasset in the County of Lincoln.

GREETINGS:

In the name of the State of Maine, you are hereby required to notify and warn the inhabitants of the Town of Wiscasset, in said County and State, qualified by law, to vote in Town affairs to meet at the Wiscasset Community Center on Tuesday, the second day of March 1, 2011 from 12:00 PM until 8:00 PM, then and there to act on the following articles:

NAMELY:

Article 1. To elect a moderator to preside at said meeting.

And to vote by secret ballot on the following articles:

Article 2. Shall the Town vote to authorize the Wiscasset Board of Selectmen to enter into a lease with the State of Maine for a public safety tower site on Huntoon Hill?

The lease area will be 100 x 100 feet and will include an equipment building and tower site. Lease payments will be \$4,800 annually with a 2% escalator each year. The length of the lease will be 40 years.

Board of Selectmen-- Favor: _____ Oppose: _____

And you are directed to serve this warrant by posting a copy thereof, attested by you, in a public and conspicuous place in said town, seven days, at least, before the time of holding said meeting.

Hereof, fail not, and due return make of this warrant to the Selectmen or Town Clerk, with your doings thereon, on or before the time of holding said meeting.

Given under our hands this 18th day of January 2011.

David Nichols
Chairman, Board of Selectman

Pamela Dunning, Selectman

Judith Colby, Selectman

Edward Polewarczyk, Selectman