

WISCASSET BOARD OF SELECTMEN,
BOARD OF ASSESSORS AND OVERSEERS OF THE POOR
SEPTEMBER 3, 2013

Preliminary Minutes

Tape recorded meeting

Present: Vice Chair Judy Colby, Pam Dunning, Tim Merry, Chair Ed Polewarczyk, Jeff Slack 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: September 3, 2013

Pam Dunning moved to approve the Treasurer's Warrant. Vote 5-0-0.

5. Approval of Minutes: August 27, 2013

Judy Colby moved to approve the minutes. Vote 5-0-0.

6. Public Comment – none

7. Department Head or Committee Chair report – none

8. Unfinished Business – none

9. New Business

A. Investment Committee Discussion of Withdrawal of Reserve Funds to pay for RSU 12 Withdrawal Costs

Daniel Lay of H. M. Payson discussed the impact of using \$2,000,000 from the reserve fund for withdrawal costs. He reviewed the historical performance of the fund since H. M. Payson took over management, which at that time was invested in fixed income assets. The Investment Advisory Committee developed an investment policy for the town which has resulted in a 60% equity position. The value has been increasing since the change in policy. Since inception of the policy, the annualized return on the portfolio is just under 8% per annum; equities have increased 22%. Lay displayed a slide showing the expected returns analyses over a five- and a ten-year period. At 4% per year, over ten years the expected value of \$2 million would be \$3 million. In other words, if \$2 million were withdrawn for the RSU withdrawal costs, the annual draw for capital improvements from the reserve account, based on a percentage of the growth, would necessarily be less.

Lay said the total payment of a \$2 million loan over ten years at 3-1/2% would be \$2.45 million. Pam Dunning pointed out that if the town used \$2 million of the reserve fund, over ten years the town would be losing not only \$2 million but \$1 million in anticipated earnings. A loan would cost the town \$443,000 in interest over ten years, but the reserve fund would not be reduced. Lay said in order to

recuperate the \$2 million the town would need to not withdraw funds for capital improvement for a period of years.

In response to Judy Colby's question regarding the board's ability under the investment policy to take money from the reserve account for the RSU withdrawal, Lay deferred to the town attorney's opinion.

Lay said from a financial perspective, he would recommend bonding rather than taking \$2 million from the reserve account. The latter alternative would defeat the purpose of the reserve fund.

Pam Dunning pointed out that the \$2 million would not be needed immediately if the town voted to withdraw from the RSU and the board had time to consider the best way to fund the withdrawal. Judy Colby said that a petition which is being circulated asking that the funds for the withdrawal come from the reserve account would be on the ballot but the selectmen and budget committee would have an opportunity to recommend for or against.

Ed Polewarczyk said he had not seen the petition but whether the Town borrows the money or uses the reserve fund, it will affect taxes.

B. Appointment of Selectmen Subcommittee for communications with Mason Station LLC

Pam Dunning moved to appoint Ed Polewarczyk and Tim Merry as the Selectmen's representatives to communicate with Mason Station LLC regarding Town affairs and the disposition of Town property. Vote 5-0-0.

10. Town Manager's Report

Smith reported that the MMA convention will be held on October 2 and 3; a vote on the amendments to the bylaws will be taken on October 2 at 1:30 p.m. She asked board members to let her know if they plan to attend, as an official delegate must be appointed.

The caucuses for municipal officers will take place on September 12 at 7 p.m. at the Lincoln County Courthouse Commissioner's meeting room. The attendance of all selectmen from each town is required by law.

The state preliminary valuation numbers had been distributed to the board.

An anticipated opening for a Code Enforcement Officer will be advertised in the newspapers on September 12.

In response to Smith's inquiry, it was the consensus of the board that a general information newsletter be sent with the tax bills as usual, but a separate information sheet be included regarding the RSU withdrawal issues including costs. Smith will submit drafts to the selectmen.

11. Other Business

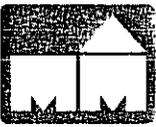
A. Executive Session regarding the possible expansion project and TIF with Molnlycke

Judy Colby moved to go into executive session pursuant to 1 MRSA Section 405 (6)(C) to discuss a TIF agreement proposal for the Molnlycke project. Vote 5-0-0.

The board exited executive session at 8:32 p.m.

12. Adjournment

The board adjourned at 8:33 p.m.



MAINE MUNICIPAL ASSOCIATION

Risk Management Services

60 Community Drive
P.O. Box 9109
Augusta, Maine 04332-9109

Telephone No. *126*
(207) 626-5583
(800) 590-5583 Maine Only
Fax No. (207) 626-0513

DATE: August 8, 2013

TO: Members of the Workers Compensation Fund and the Property & Casualty Pool

FROM: Patricia Kablitz, CPCU, ARM
Director, Risk Management Services

RE: Dividend Payments

We are pleased to announce that the Board of Trustees of the **MMA Workers Compensation Fund** voted at its May 23, 2013 meeting to allow a dividend to the members of the Fund who meet the established criteria. Continuing members whose contributions are greater than \$25,000 annually, whose 2012 loss ratio is less than 40% and whose three-year loss ratio is less than 75% will receive a 6.55% dividend. Continuing members whose contributions are less than \$25,000 annually and whose loss ratio is less than 50% for the three years ending December 31, 2012, will receive a 6.55% dividend. All losses are valued as of June 30, 2013.

The Board of Directors of the **MMA Property & Casualty Pool** voted at its May 23, 2013 meeting to allow a dividend to current members of the Pool who meet the established criteria. To earn a dividend, a member must have a loss ratio of 50% or less for the qualifying year of July 1, 2011 to June 30, 2012, calculated and valued as of June 30, 2013. Continuing members whose participation began on July 1, 2007 or prior will earn a 5.32% dividend and members who joined after July 1, 2007 will receive a 4.32% dividend.

Cost savings are realized in providing services to members who participate in both the Property & Casualty Pool and the Workers Compensation Fund. In recognition of the savings, both boards voted to add 1% to the dividends for each program for members who qualify and earn a dividend. You are among the members who participate in both the Workers Compensation Fund and the Property & Casualty Pool. Therefore, if you earned a dividend for either or both programs, the additional 1% has been included in the calculation.

Dividends are being paid in the Workers Compensation Fund and Property & Casualty Pool totaling \$1,198,714. Both governing boards are very pleased with the results of their respective programs and thank you for your support and continued participation. Good management practices and sound loss prevention measures on the part of all of the members have contributed to the success of these programs. Your entity is a big part of this success.

Your check is enclosed with this letter. We have also enclosed a press release that may be used to announce the result of your successful risk management activities and good loss experience to your community. If you have any questions about the dividends or any of the Risk Management Services programs, please call me at 800-590-5583. Additional copies of this letter are included for your elected officials.



Town of Wiscasset 1/c

MEMORANDUM

To: Board of Selectmen
Fr: Laurie Smith, Town Manager
Re: September 10th election results
Dt: September 12, 2013

As you know the Town did not vote in favor of the Assessing Budget on September 10th. The Town had already served the Assessor with a layoff notice due to the potential of a negative vote and so Susan Varney's last day will be Friday, September 20th. The union contract and labor law requires the payout of several financial obligations. These include earned vacation time, one-half the value of earned sick time and two weeks of severance pay for each year of service up to one year. Due to the impacts of this town vote the Selectmen will need to make several decisions:

1. How will Selectmen absorb the Assessor duties? The Selectmen are the Assessors and have the responsibility to fulfill this role. It will be a violation of the union contract and create legal issues if any Town staff, contracted employees, or consultants are involved in the work.
2. The Town has a legal obligation to pay the severance pay in the employee's final paycheck from the town. Currently there is no approval for the funding of the severance package and the Selectmen will need to secure legislative approval or face legal action. I will have an updated calculation of the cost on Tuesday night.
3. Currently there is no assessing budget and the Selectmen will have costs associated with assessing throughout the year including the map updates, deed costs from the registry, the printing of commitment books, etc. How do the Selectmen wish to proceed with the Assessing costs?
4. There has been no adoption of the Assessing budget and there will be operational costs, as well as the costs associated with the severance payout. The Selectmen will need to secure funding for these and hence I do not recommend that the Board commit taxes at this time until approval for funds can be secured. If we prolong commitment then the Town will need to vote for a new tax due date. The legislative body vote each June to set the tax due dates which are currently set for October 25th and April 25th. I would recommend the Board consider the adoption of a new tax due date of December 6th or January 3rd.
5. The Town has issued a tax anticipation note of up to \$3,000,000 to assist with cash flow until the taxes are due. We currently have borrowed \$1.5 million of the \$3.0 and it is anticipated we will need additional cash resources if the tax due date is extended. Shari Fredette is currently developing an extended cash flow analysis and we will have additional information on the potential impacts for you at your meeting.

11e

MUNICIPAL QUIT-CLAIM DEED

THAT THE INHABITANTS OF THE MUNICIPALITY OF WISCASSET, a body corporate, located at Wiscasset, County of Lincoln and State of Maine, for consideration paid, release to **Luis F. Gonzalez, III**, of Wiscasset, County of Lincoln and State of Maine,

A certain lot or parcel of land together with the buildings and improvements thereon situated in the Town of Wiscasset, County of Lincoln and State of Maine and being bounded and described as follows:

Beginning on the east side of Fort Hill Street at the northwesterly corner of land formerly owned or occupied by Benjamin Bailey and now owned by Lincoln Lodge No. 3 A.F. & A.M., and forty-five (45) feet southerly from the southwest corner of land now or formerly of William A. and Lavina E. McFadden; thence running easterly five (5) rods by land of the said Lincoln Lodge to the northeast corner of the said Lincoln Lodge lot; thence running northerly forty-five (45) feet, parallel with said Street to the land now or formerly of said McFaddens; thence westerly by the southerly line of the said McFaddens' land five (5) rods to the east side of said Fort Hill Street; thence southerly by the east side of said Street forty-five (45) feet to the point of beginning.

Also together with the right and privilege to continue to use and maintain the sewer and water mains over the land of Lincoln Lodge No. 3 A.F. & A.M. as described in deed of said Lincoln Lodge to Louise B. and Bertha E. LeBourdais by deed dated May 16, 1949 and recorded in the Lincoln County Registry of Deeds in Book 482, Page 324.

Subject to rights granted in instrument from Estella D. Cowley to Wiscasset Water Co., dated January 26, 1917 and recorded in said Registry of Deeds in Book 347, Page 293.

MEANING AND INTENDING hereby to release any interest grantor acquired by virtue of a matured tax lien recorded July 17, 2007 in the Lincoln County Registry of Deeds in Book 3881, Page 33 and a matured sewer lien recorded January 22, 2010 in said Registry of Deeds in Book 4243, Page 268 against the above-described premises.

The said Inhabitants of the Municipality of Wiscasset have caused this instrument to be signed in its corporate name by Edward Polewarczyk, Timothy A. Merry, Jefferson Slack, Judith Colby and Pamela Dunning, Selectmen for the Town of Wiscasset duly authorized this _____ day of September, 2013.

SIGNED, SEALED AND DELIVERED
IN PRESENCE OF

Town of Wiscasset

By: _____
Edward Polewarczyk, Chair

By: _____
Timothy A. Merry, Selectman

By: _____
Jefferson Slack, Selectman

By: _____
Judith Colby, Selectman

By: _____
Pamela Dunning, Selectman

STATE OF MAINE, LINCOLN, ss

_____, 2013

Personally appeared the above-named Edward Polewarczyk, Chairman of the Board of Selectman for the Town of Wiscasset and acknowledged the above instrument to be his free act and deed in said capacity, and the free act and deed of said body corporate.

Before me,

Notary Public
Printed Name:

11d

STATE OF MAINE

Lincoln ss

To the Assessors of the Town of Wiscasset in said County, GREETING:

Whereas, pursuant to 30-A, M.R.S.A., Section 791, the County Commissioners for said County, have fixed the sums necessary for defraying the charges of the County for the year ensuing, and exhibited by the Clerk of said Court, and have determined a tax of \$8,562,737.00,

Eight million, five hundred sixty two thousand, seven hundred thirty seven and 00/100ths Dollars to be assessed collected and paid according to law and applied for the purposes aforesaid.

And Whereas, the Court of County Commissioners, holden at Wiscasset, in and for the County of Lincoln, by adjournment, on the seventh day of May, A.D. 2013, made apportionment of said tax as the law directs upon several Towns and Cities in said County and ordered that the Clerk in said County forthwith send out warrants for assessing the Towns' proportion thereof as the law directs and for paying the same.

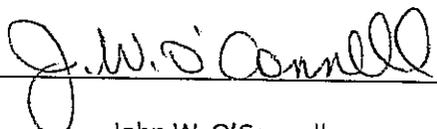
And Whereas upon a due apportionment of said sum, your Town's proportion thereof is found to be Four hundred ninety-five thousand, seven hundred nine and 63/100ths Dollars.

\$495,709.63

You are, therefore, hereby required, in the name of the State of Maine, to assess the sum last mentioned, upon the inhabitants of said Town of Wiscasset, agreeably to the laws of said State, and cause the same in like manner to be collected and paid to the Treasurer of the said Town of Wiscasset to be paid by him to Richard H. Newell, Treasurer of Said County of Lincoln, or to his successor in office, upon his warrant issued for the same, on or before the first day of September next. **Interest payable on the thirty first day of October A.D. 2013 at annual rate of 7%** - see Title 36, Section 507 and 892A.

Whereof Fail Not, and make due return to the said County Treasurer, of the names of the person or persons to whom your list or lists of assessments shall be committed, as soon as may be thereafter.

Witness William B. Blodgett, Chairman of the Court of County Commissioners this Seventh day of May, A.D. 2013.



John W. O'Connell
County Administrator

ASSESSORS' RETURN

Pursuant to a Warrant to us directed, from John W. O'Connell Esq., Clerk of the Court of County Commissioners for the County of Lincoln, dated the seventh of May 2013, we have assessed the polls and estates of the Inhabitants, and the estates of the non-resident proprietors, of the Town of Wiscasset in said County, the sum of \$495,709.63 and have committed lists thereof to _____, Collector of said town, with a warrant in due form of law, for collecting and paying the same to _____ Treasurer of the Town of Wiscasset or his successor in office, to be paid by him/her to Richard H. Newell, Jr. Esq., Treasurer of the County of Lincoln, or his successor in said office, upon his warrant issued for the same, on or before the first day of September next.

In Witness Whereof, we have hereunto set our hands this _____ day of _____ 2013.

Assessors of Town of Wiscasset

\$495,709.63

To: Richard H. Newell, Jr. Esquire,
Treasurer of the County of Lincoln

To be filled out and forwarded to the County Treasurer as soon as the assessment shall be completed.

1/a

To Charles DiPerri, Constable, 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 5th day of November AD, 2013 from 8:00 A.M. until 8:00 P.M., then and there to act on the following articles:

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

And to vote by secret ballot on the following articles:

Article 2. Do you favor the withdrawal of the Town of Wiscasset from Regional School Unit 12 subject to the terms and conditions of the Withdrawal Agreement dated May 9, 2013?

WORDS OF EXPLANATION

ARTICLES THREE AND FOUR PRESENT ALTERNATE WAYS TO PAY FOR THE TOWN'S WITHDRAWAL FROM RSU 12. SINCE THEY ARE ALTERNATES, YOU SHOULD VOTE YES ON ONE ARTICLE AND NO ON THE OTHER.

Article 3. If Article 2 passes, do you favor funding the costs of withdrawal by authorizing the Treasurer and the Chairperson of the Board of Selectmen to issue general obligation securities of the Town of Wiscasset (including temporary notes in anticipation of the sale thereof) in an aggregate principal amount not to exceed \$2,000,000 and to delegate to the Treasurer and the Chairperson of the Board of Selectmen the discretion to fix the date(s), maturity(ies), interest rate(s), denomination(s), place(s) of payment, form and other detail of said securities, including execution and delivery of said security(ies) and to provide for the sale thereof.

Board of Selectmen recommendation: **-Favor; -Oppose**
Budget Committee recommendation: **-Favor; -Oppose**

NOTE: 30-A M.R.S.A. Section 2528(5)(B) requires the recommendations of the Municipal Officers and the Budget Committee when a secret ballot article requests an appropriation of money.

TOWN OF WISCASSET FINANCIAL STATEMENT

1.	<u>Total Town Indebtedness</u>	
	A. Bonds outstanding	\$ 1,011,715.65
	B. Bond authorized and unissued	\$ 0.00
	C. Bonds to be issued if this vote is approved	\$ 2,000,000.00
	Total	\$ 3,011,715.65

2. Costs

At an estimated interest rate of 3.5 percent, the estimated costs of this bond will be:

10 years	
Principal:	\$ 2,000,000.00
Interest:	\$ 443,500.00
 Total Debt Service	 \$ 2,443,500.00

Validity

The validity of the bond or the voters' ratification of the bond may not be affected by any errors in the above estimate. If the actual amount of the total debt services for the bond issues varies from the estimate, the ratification by the electors is nevertheless conclusive and the validity of the bond issues is not affected by reason of the variance.

Treasurer, Town of Wiscasset

WORDS OF EXPLANATION

ARTICLES THREE AND FOUR PRESENT ALTERNATE WAYS TO PAY FOR THE TOWN'S WITHDRAWAL FROM RSU 12. SINCE THEY ARE ALTERNATES, YOU SHOULD VOTE YES ON ONE ARTICLE AND NO ON THE OTHER.

Article 4. By Petition:

To see if the Town will vote:

1. To transfer \$2.0 million from the Town of Wiscasset Reserve Account to the Town's active account for current budget items, for the purpose of having ample funds available to pay a withdrawal fee to RSU 12, and to cover any other legally required expenses related to a withdrawal from RSU 12; and
2. To appropriate that sum to pay for any expenses needed to accomplish the withdrawal from RSU 12, and thereafter,
3. To return to the Reserve Account any balance remaining of that sum after payment of all such expenses.

Explanatory Note: To accomplish a withdrawal from RSU 12, the Town of Wiscasset needs to pay a withdrawal fee to RSU 12 of approximately \$1.5 million to cover equipment, existing service contracts and improvements that were made. In addition, the town will be required to pay the summer salaries of the teachers prior to the beginning of the first of the school year, which may cost up to \$500,000. The Reserve Account contains \$11,418,000 as of July 31, 2013.

Board of Selectmen recommendation: **-Favor; -Oppose**

Budget Committee recommendation: **-Favor; -Oppose**

NOTE: 30-A M.R.S.A. Section 2528(5)(B) requires the recommendations of the Municipal Officers and the Budget Committee when a secret ballot article requests an appropriation of money.

Article 5. To see if the Town will vote to approve capital improvement projects consisting of force main replacements, interceptor improvements and pump station upgrades for a sum not to exceed \$1,200,000; to fund the capital improvement project, to apply for a grant and a loan from the United States Department of Agriculture, Rural Development in the sums of \$226,000 and \$974,000 respectively; to authorize the Treasurer and the Chairperson of the Board of Selectmen to issue general obligation securities of the Town of Wiscasset (including temporary notes in anticipation of the sale thereof) in an aggregate principal amount not to exceed \$974,000.00; and to delegate to the Treasurer and the Chairperson of the Board of Selectmen the discretion to fix the date(s), maturity(ies), interest rate(s), denomination(s), place(s) of payment, form and other detail of said securities, including execution and delivery of said security(ies) and to provide for the sale thereof.

Board of Selectmen recommendation: **-Favor; -Oppose**
 Budget Committee recommendation: **-Favor; -Oppose**

TOWN OF WISCASSET FINANCIAL STATEMENT

1.	<u>Total Town Indebtedness</u>	
	A. Bonds outstanding	\$ 1,011,715.65
	B. Bond authorized and unissued	\$ 0.00
	C. Bonds to be issued if this vote is approved	\$ 974,000.00
	Total	\$ 1,985,715.65

2. Costs

At an estimated interest rate of 2.75 percent, the estimated costs of this bond will be:

29 years	
Principal:	\$ 974,000.00
Interest:	\$ 452,116.78
Total Debt Service	\$ 1,426,116.78

Validity

The validity of the bond or the voters' ratification of the bond may not be affected by any errors in the above estimate. If the actual amount of the total debt services for the bond issues varies from the estimate, the ratification by the electors is nevertheless conclusive and the validity of the bond issues is not affected by reason of the variance.

Treasurer, Town of Wiscasset

Article 6. Shall Article X – Miscellaneous Ordinance be amended to enact “Adult Entertainment Establishment Ordinance”?

Due to the length of the ordinance the full text is available in the Town Clerk’s office.

Article 7. Shall Article X – Miscellaneous Ordinance and Article VII – Subdivision Ordinance be amended to enact “Road Standard Ordinance”?

Due to the length of the ordinance the full text is available in the Town Clerk’s office.

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 ___ day of September, 2013.

Edward Polewarczyk, Chairman

Judith Colby, Vice Chairman

Pamela Dunning, Selectman

Timothy Merry, Selectman

Jefferson Slack, Selectman

True Attest Copy: _____

Posted on: _____