

TOWN OF MADISON - PUBLIC NOTICE

The Inhabitants of the Town of Madison are hereby notified of a public meeting. The time, place and purpose of which are as follows:

**MINUTES
BOARD OF SELECTMEN
OLD POINT SCHOOL MEETING ROOM
April 10, 2017
6:30 p.m.**

- A. **Salute to the flag:** Meeting was called to order at 630pm
- B. **Roll Call:** Selectmen Al Veneziano, Jack Ducharme, Paul Fortin, Mike Edgerly and Ronald Moody were in attendance. Town Manager Tim Curtis, Road Commissioner Glen Mantor and MEW Superintendent Calvin Ames were also in attendance.
- C. **Consent Agenda:** Warrants Dated: #26 (3/27/2017 - \$450,418.88); #27 (3/27/2017 - \$2,500.09); Payroll Register's: #13 (3/30/2017 - \$10,967.06); #14 (4/06/2017 - \$10,260.40): Motion to approve from Selectman Edgerly, seconded by Selectman Moody. Motion carries 5-0.

Application for pole location Fairpoint (River Road): Town Manager Curtis clarified that this pole would not be in the way of any work done by the Highway Department on River Road. Motion from Mr. Ducharme to approve, seconded by Mr. Fortin. Motion carries 5-0.

Liquor License application for Somerset Abbey. Motion to approve by Mr. Moody, seconded by Mr. Edgerly. Motion carries 5-0.

- D. **Discuss acceptance of meeting minutes of March 27, 2017 & Advisory Board Meeting March 29, 2017:** Motion to approve from Mr. Fortin, seconded by Mr. Ducharme. Motion carries 5-0.
- E. **Old business (Selectmen's Concerns from immediately preceding meeting):** None
- F. **Items of Communication:** Town Manager Curtis explained that the Board had asked for clarification at the Budget meeting about whether or not a resident at Town Meeting can raise or lower a recommended budget amount. From the Town Meeting and Elections handbook published by Maine Municipal shows the difference between open and closed articles. Mr. Curtis said he had checked back 10 years and the Town has been using the open article format which allows for recommended budget amounts to be increased or decreased.

Town Manager Curtis notified the Board that the Town Office received payment of approximately \$880 for past due personal property taxes from Labonte & Associates. A hearing in Small Claims court was scheduled for this Thursday for that same amount. Al Labonte asked if in light of this payment the Town would be willing to write off the amount owed for 2007 & 2008. The remainder is approximately \$345. It was the consensus of the board that he owes the money and directed the Town Manager to seek to collect the remaining money.

The Town Manager informed the board of legislation that Madison Electric Works has submitted (LD1299) to amend the charter of MEW. Superintendent Calvin Ames explained that it has been a conversation within the MEW board of directors for at least a year to find out why other local utilities like the Water & Sanitary Districts can bond or borrow without Town Meeting approval but MEW cannot. After meeting with both districts Mr. Ames reported back to his board about the language in the districts charter that allows them to borrow. Mr. Ames said that his board then instructed him to have MEW's charter amended to allow for borrowing without Town Meeting approval and he sought out counsel from Bernstien Shur to draft legislation.

Selectman Veneziano asked what the timeline was for putting together this legislation. Mr. Ames said he met with Representative Brad Farrin in January 2017 to ask him to put the bill into the legislature for the current session. Mr. Veneziano asked if there was any plan over the past four months to let the Town Office or the Board of Selectmen know about this legislation, saying that this was a significant change. Mr. Ames said the consensus of his board was that this was not really that big of a change, since the MEW charter already allows the Electric Works to borrow up to \$1.5M.

Mr. Veneziano said he was in favor of having this legislation pulled or at least killed in committee, because he believes the public has not been notified of this proposed change. Mr. Ames thought since the Water and Sanitary District could do it that MEW didn't think it was a big deal.

Selectman Edgerly asked if MEW was to take out a bond or borrow who would be ultimately responsible the rate payers or the tax payers. Mr. Ames said there are not any clear examples to point to within the last 20 years, and if they did borrow then the assets of MEW would be collateral. Mr. Edgerly wanted to clarify that any debt assumed by MEW is or is not also Town Debt. Mr. Edgerly says his opinion is that the borrowing or bonding of large amounts for MEW should still require Town Meeting approval.

Selectman Moody asked if the source of the legislation came from the MEW Board of Directors and if so then the Selectmen should be asking questions directly to those board members. Mr. Moody asked if the intent of LD1299 was to relieve the Town of any debt burden for MEW borrowing. Mr. Ames said that was his understanding. Mr. Moody said this legislation is very significant and should be discussed publicly, and the fact that it wasn't discussed publicly raises questions in his mind.

Selectman Fortin pointed out that borrowing of any kind is dependent on collateral, and secondly he thought that the charters and governing bodies of the Water & Sanitary Districts were quite different from MEW. Recently MEW had put a bid in to purchase the hydro facilities from UPM/Madison Paper. Mr. Fortin did not understand how MEW could put a bid in for many millions of dollars without the authority to borrow that money. Mr. Ames said he was under the impression that MEW could borrow the money through a federal program without Town Meeting approval. Mr. Fortin said he didn't think that MEW could do that. Mr. Ames said that MEW didn't get the bid so it didn't matter. Mr. Fortin said it did matter because the same issue is at the center of trying to get this legislation passed without input from the taxpayers of Madison who own the assets of Madison Electric. Mr. Fortin asked if there was a vote of the MEW Board of Directors to put forth legislation to change the charter. Mr. Ames said the board discussed it last July and he believes they took a vote to move forward with the legislation. Mr. Fortin said that it has been since July of last year that MEW has known about this move to change the charter and during that time no one has informed the Town Office or the Selectmen. Mr. Ames said he is just doing what the Board of Directors asked him to do. Mr. Fortin asked for clarification as to whose idea it was. Mr. Ames said it was his recommendation to the board to seek legislation to amend the charter. Mr. Fortin says he can't support this legislation.

Selectman Ducharme asked if MEW could increase their rates without approval from the Public Utilities Commission (PUC) to allow for loan repayment. Mr. Ames explained that a municipal utility can raise rates up to 1% per year without going through a PUC hearing. The biggest increases recently have come from state taxes and ISO New England charges rather than rate increases. Mr. Ducharme asked about the impact of the closing of Madison Paper. Mr. Ames said the impact was greater than they thought it would be because of the ongoing negotiations for transmission fees from the hydro.

Mr. Edgerly said his understanding was that the assets of MEW belong to the taxpayers of Madison not the ratepayers. Mr. Ames said he believed that was the case. Mr. Edgerly asked the Town Manager why there could not be a simple black and white answer to the relationship between MEW and the Town. Town Manager Curtis said it is a very unique situation. There are only a handful (8) of municipal electric works in the state and each one is chartered a bit differently. According to his understanding of the original 1975 MEW charter, Mr. Curtis said it did grant the Electric Works some independence but it did not change their status as a department of the Town. As a result the assets of MEW should be viewed as Town assets just as the equipment of the Highway or Fire Departments.

The 1975 Charter however, established a separate board of directors for MEW and eliminated the comingling of funds between taxpayer and ratepayer revenues. Mr. Edgerly said if MEW wants to borrow money and put Town assets up as collateral he does not know how they could do that without public approval.

Mr. Veneziano asked if MEW could provide minutes of the meeting where the MEW board voted to pursue this legislation to change the charter. Mr. Ames said he is not sure if the board actually voted or if it was something that MEW board chair Steve Dean just told Mr. Ames to do, but he would research that. The bill was submitted by Representative Farrin and Mr. Veneziano recommended that the Select Board vote on asking Representative Farrin to kill LD1299 in committee. Motion to that effect by Mr. Fortin, seconded by Mr. Edgerly. Town Manager Curtis explained that his understanding is the bill would not be pulled from committee but Mr. Farrin could ask that the bill not be passed out of committee effectively killing it. Motion carries 5-0.

Mr. Veneziano said if MEW wants to pursue this type of charter change, they should keep the public informed. The next MEW Board of Director's meeting is scheduled for Monday April 17 at 6pm. Mr. Ames noted that the public is always welcome to attend.

G. New Business

1. **Public Hearing pertaining to proposed changes to Town Ordinance:** Chairman Veneziano opened the public hearing at 7:10pm. Town Manager Curtis explained that there should be three proposed ordinance changes for the coming year. The first would add language to the Appeals Board Ordinance (Chapter 7) to be consistent with practice. The Appeals Board grants variances in cases of Site Review and Subdivision but those two categories are not specifically addressed in the ordinance. This change would specifically name those categories. In addition language was added to allow for rationale to determine whether a variance is warranted.

The second proposed change will be another attempt to update the fee for after the fact permitting in Building Construction (Chapter 165). Currently the fee is \$20 and those projects started without a permit are charged an additional \$40. The proposed change would raise the additional fee from \$40 to \$500. Resident Randy Woodworth asked if there are any regulations in place to deal with someone who builds without a permit. Town Manager Curtis said in most cases if a person is found to build without a permit, the Code Enforcement Officer would begin the Site Review process with the Planning Board to ensure proper work was done. The message that the Town Office is trying to get across is that before you build, check with the Code Enforcement Officer.

There were no further public comments and the public hearing was closed at 7:17pm. Motion from Mr. Fortin to include the proposed changes to Chapter 7 and Chapter 165 of the Town Code of Ordinances as warrant articles for Town Meeting in June 2017, seconded by Mr. Moody. Motion carries 5-0.

2. **Department Head Reports (Highway, Fire & Police):** Road Commissioner Glen Mantor reported that it was nice to have a week without a snowstorm. His crew had been working to release water from the East Madison Dam, filling potholes and cleaning and repairing equipment. Spring cleanup is scheduled for the last week of April and the first week of May. Hopefully most of the snow will be gone. Mr. Veneziano asked if there were plans to remove any of the snow from the Main Street parking lot near the Junior High. Mr. Mantor said he is afraid that some of the pavement may come up too. He noted a spot on the sidewalk on Preble where removing snow and ice tore a section of pavement up with it and he recommends letting it melt.

Written reports from Fire and Sheriff's office were accepted as information.

3. **Quarterly Revenue/Expenditure Review:** Town Manager Curtis noted that expenditures should be at 75% at this point in the fiscal year and most categories are in line with the exception of Town Owned Properties which is overspent due to repairs and maintenance. Mr. Curtis asked if the Board had ever

discussed adding an article to Town Meeting to authorize the Selectmen to go over budget in the case of emergency rather than calling for a special Town Meeting. Mr. Ducharme said he understanding is that the Selectmen have the authority to move expenditures from one category to another, therefore this type of article was not necessary.

The Town Manager reviewed revenues year to date showing that tax collections are at 91% and other revenues are at 84%. There were no questions from the board.

4. **Discuss Town Owned Property (Old Point, John Street & Sugarloaf Lane):** Town Manager Curtis outlined several of the key expenses for maintaining the Old Point School facility. Expenditures for updating lighting were more than anticipated for this year and there are several recommended upgrades to fire suppression and electrical. The Town Manager anticipates spending upwards of \$3,000 in upgrades just to meet standards set by the Fire Marshall's office and our liability insurance carrier.

Selectman Ducharme was concerned that the Fire Marshall and insurance carriers dictate such costly standards for property that doesn't have 100 people in it all the time. Road Commissioner Mantor mentioned that in at least one instance he did encounter a crowd of people using the food cupboard where the sprinkler system is located.

The Town Manager updated the board on the properties that have been tax acquired by the town and the progress toward collecting back taxes. There are two properties the Town acquired last year that have been for sale over the winter (51 John Street and a property on Sugarloaf Lane). The total expenses related to those properties including back taxes and fees for disposal of buildings is approximately \$22,000.

It was the consensus of the Board to seek out a local realtor to sell those properties for the amounts owed. Furthermore, Mr. Ducharme made the motion to classify the properties from 51 John Street and Sugarloaf Lane as Town Owned to not accrue more taxes if not sold by August of 2017. Seconded by Mr. Edgerly. Mr. Fortin clarified that the motion was not writing off back taxes. Town Manager said the sale of the properties would go toward back taxes, this motion would just assure that any future taxes would not be added while the Town owned it.

- H. **Selectman Concerns:** Selectman Moody asked about the property at the end of John Street where the building appears to be in poor condition and there are pigs and other farm animals. The Town Manager said that the Town had considered creating an ordinance to regulate in town farms but there was not much public support for it. Mr. Moody asked if the Code Enforcement Officer could look into any health related issues there.

Selectman Fortin asked how the Town gets clarification on the separation between Madison Electric and the Town. He asked the Town Manager to pull together legal opinions to create a position paper for the Town to bring back to the Board that could be used to clarify the Town's position.

Selectman Ducharme said he wondered if the Select Board should continue to move toward forming a committee made up of School Board members and Select Board members from both Madison and Anson to discuss possible solutions for the costs of education.

- I. **Citizen Concerns:** None
- J. **Executive Session pursuant to 1 MRSA 405(6) (A) to discuss a personnel matter (Town Manager Performance Review):** Motion to enter executive session by Mr. Edgerly, seconded by Mr. Fortin. Motion carries 5-0. The board entered executive session at 8:00pm. The board came out of executive session at 8:57pm with no action taken.
- K. **Adjournment:** Meeting adjourned at 8:58pm.