

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
MADISON TOWN OFFICE, 26 WESTON AVENUE, MADISON
Monday, August 18, 2014
6:00 p.m.**

- A. Roll Call. Present were Albert Veneziano, Jack Ducharme, Paul Fortin, Mike Edgerly and Cyp Johnson.
- B. New Business.
1. Executive Session to Consult with legal counsel pursuant to 1 M.R.S.A. §405 (6)(E). Selectman Ducharme made a motion to go into executive session. Selectman Fortin seconded. The Board went into executive session at 6:01 p.m. The Board came out of executive session at 7:15 p.m. No action taken. The Board took a short break, back at 7:22 p.m.
 2. Executive Session to discuss Personnel matters pursuant to 1 M.R.S.A. §405 (6)(A). Selectman Edgerly made a motion to go into executive session. Selectman Ducharme seconded. The Board went into executive session at 7:23 p.m. The Board came out of executive session at 7:42 p.m. Selectman Fortin made a motion to direct the Town Manager to complete the new Personnel Policy no later than November 1st and regard to that, bring all the employees that we shifted under the Personnel Policy benefits back to the 85% until the new policy is voted in. Selectman Ducharme seconded. (Note to minutes – the subject matter of discussion is health insurance.) Motion carried.
 3. Discuss informational meeting scheduled for September 8, 2014. Town Manager Berry would like to have the Board vote to authorize the Town Manager and the Assessor's and the Assistant to the Assessors to work with the legislative community to see if we can get immediate relief and to use current valuation for 2015. To go along with that, he shared a draft of an Act that MMA has helped us develop. Also there's a Resolve that would maybe do almost the same thing but might cause less controversy. We can start anytime contacting the legislative body. Town Manager Berry asked if we want to form a coalition with Skowhegan – then you would have the two largest towns in the Senator's district that might encourage them to support assisting the two towns.

Another possibility would be to do some short-term borrowing basically through a line of credit. Town Manager had MMA attorneys and Bernstein & Shur develop an article which meets the legal requirements to borrow up to 2.5 million over a five year period. This would be used to offset the increase in mil rate (to roughly \$1.50 per \$1,000 of value over the 2013 rate). We would set it up as a revolving loan so that we could spend down all surplus then if we needed money to operate, we could transfer funds from the loan into the general fund. This avenue would help mitigate the impact to taxpayers until 1) relief through the legislative body for 2015 or 2) the State, over a two year period, would come to the new valuation.

The question about using TIF revenue came up. Town Manager Berry thought we can probably use some of the TIF but we would need to be very careful of the BETE portion of it. According to information provided by Bill VanTuinen, BETE valuation is \$325,000, non BETE is \$166,000 with the company getting back \$388,000. So the total incremental financing is \$491,000 that the Town would realize over a one year period and the grand total of the company and the Town is \$888,000. Town Manager talked to Joan Fortin who suggested that if there are other ways of making up the difference, we might be better doing it. He called another state agency in revenue about using the TIF. They thought that maybe we could use some of it, but we have some commitments on some of those funds

that if we took \$150,000 out of TIF, then next year the value would be reduced to the Town, and we would have to declare the valuation on that amount.

Town Manager discussed the valuation loss of the \$140,000,000. If the State recognized the reduction of \$140 million for next year, the impact on funding for education would be about \$1.2 million, the impact on County funding – we would save about \$300,000, the impact on revenue sharing – we would add another \$134,000 to our revenue stream – a total of \$1.6 million on a loss at last year's tax rate of \$2.4 million.

Town Manager recommends we consider setting up a line of credit with a commercial bank. We need to have a Special Town Meeting vote prior to setting the commitment to do a line of credit. That would mitigate our mil rate for 2014 at around \$19.03 per \$1,000 of value. This action will buy us time so that we can go to the legislative body and seek legislative relief. If we are unsuccessful there, we would have to wait until the State recognizes the new valuation which will take two years and state aid to education would take three years (it's a three year average).

Selectman Ducharme suggested directing the Town Manager to talk with his department heads to cut \$250,000 from the budget and asking the school to cut \$250,000 from their budget. Selectman Veneziano stated that Town Meeting has already set the budget therefore any cuts wouldn't affect the mil rate. Selectman Fortin suggested that we freeze both spending and hiring. The Board could control spending which would ultimately affect the balance of surplus. Then we could use more from surplus.

Town Manager Berry said that he has met with the school and we have another meeting with the school on Thursday.

Selectman Fortin will make a call to the Governor's Office Wednesday and ask them to support us. Town Manager will get in touch with Senator Whittemore after he hears from Mr. Fortin.

The Town Manager will work on getting some numbers to the Board for Monday's meeting. Selectman Edgerly said we'll need to know the amount of money we'll need to secure from a line of credit so for the time being we'll leave that number at \$2,500,000. It was clarified that this is a line of credit not a tax anticipation note. Town Manager Berry will need to recalculate surplus for Monday's meeting. The Board is looking for the Town Manager to come in under budget in the amount of \$250,000.

The Board would like the Town Manager to be actively be involved in the central legislative action,

Selectman Fortin discussed the Police Department vehicles. He believes we need a plan to reduce the amount of miles we put on the vehicle so that we're not looking to repurchase a vehicle next year. He suggested looking at the patrol pattern and making some fundamental changes. Selectman Veneziano thinks we need to buy the vehicle then put a plan in place. The Police Department has put 9,000 miles on the cruiser in one month. Town Manager will work with the Police Department on this.

C. Selectmen's Concerns. None.

D. Adjournment. Selectman Johnson made a motion to adjourn. Selectman Ducharme seconded. The meeting adjourned at 9:05 p.m.