

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 AVENUE FACILITY, 108 OLD POINT AVENUE, MADISON  
Monday, August 25, 2014  
7:00 p.m.**

- A. Salute to the flag. Done.
- B. Roll Call. Present were Albert Veneziano, Jack Ducharme, Cyp Johnson, Paul Fortin and Mike Edgerly.
- C. Consent Agenda.
1. Warrants dated: #6 (08/11/14). Payroll Registers dated: Week #33 (08/14/14), #34 (08/21/14).  
Selectman Ducharme made a motion to accept the warrants. Selectman Fortin seconded. Motion carried.
- D. Discuss meeting minutes of August 11, 2014 and August 18, 2014. Town Manager noted a typographical error on the August 11<sup>th</sup> minutes , page 4 item 4, second paragraph, third sentence up, should be “changing the grant part “way”” not “was”. Selectman Fortin made a motion to accept the minutes of August 11 and August 18<sup>th</sup>. Selectman Johnson seconded. Motion carried.
- E. Old business (Selectmen’s Concerns from immediately preceding meeting). None.
- F. Items of Communication.
1. Road Commissioner and Town Manager met with DOT and Sanitary District about the flooding on Main Street. They need to look at another catch basin and then we can have another meeting to decide what we’re going to do.
2. Railroad crossing on Main Street is scheduled to start work on September 9<sup>th</sup>.
3. Madison Anson Days was very successful. This is Kathy Estes last year as chairman of the committee. Rhonda Emerson is also stepping down from the committee. We need to be looking for a take charge person to assume the leadership role.
4. We moved the audit to the week of September 22<sup>nd</sup>.
- G. New Business.
1. Department head reports: Highway, Fire Department and Economic Development.  
Highway – Road Commissioner Mantor said that the gas pipeline construction crews are up by the Town Garage and the School and are putting a 2” gas pipeline in. They’re hurrying to get it done before school starts. Glen passed out information on work they’ve done on some roads that can be reimbursed from TIF. Highway is busy ditching and replacing culverts.
- Fire Department – Fire Chief Howard couldn’t be here so he gave Town Manager a report. They had 15 emergency calls for the month of August. They are working on the grant update – working with Skowhegan and Rangeley departments on a joint purchase of air packs. Combined they’re purchasing 60 so by going in together, we can save some money. Bids for the SCBA filling station are due back on September 29<sup>th</sup>. Radio tower quote to install a new radio system is in. Town Manager is working with insurance company to see if we can get some of the replacement costs covered by insurance. Firefighter Kevin Berry has completed his firefighter I training – he’s now a certified interior firefighter. As we get closer to winter, Chief Howard wanted to remind residents to have their chimneys and heating systems cleaned and serviced.

Tim Curtis gave an update – Madison-Anson Days Youth Triathlon went well – all 28 participants went through the course safely, talking of a race next year; the business friendly project is due to the State next Friday; sidewalk project – working with data from Highway to create a priority list of sidewalk needs. We're planning to do a video inventory of our local sidewalks. The Congregational Church held an open house during Madison Anson Days which was taped by Channel 11 to create a video and YouTube Video of this historic building. Grant applications – we received \$2,500 from Redington Fairview Hospital to work on some bridges at our recreational trails on Preble Avenue. Boat landing docks were moved by the Highway Department during Madison Anson Days – in doing so they had to make some repairs. Both docks are eligible for a replacement grant so Glen and Tim are looking into it. Matching grant loan – to date we have awarded \$97,000 in grants over a two year period, \$64,000 has been paid out so there are still grants to be settled - \$33,000. Review policies and procedures for the matching grants – Tim attached a sheet to address certain issues. He believed that a Catastrophic Event should not be a specific program but molded into the current application. Business meetings have been held. Selectman Fortin would like to create a catastrophic program that has a broader structure. The Board agreed to explore this item further.

2. Discuss Informational Meeting and Special Town Meeting. Town Manager feels that an informational meeting needs to be done along with a Special Town Meeting because the Boards' actions may require a Town Meeting vote. We're looking at all avenues we can take to minimize the increase to the tax rate. We're looking at revenues, expenses, use of TIF funds in some manner, establishing a line of credit to draw down our reserves, using the line of credit if needed to cover expenses until more money comes in.

The paper mills value came into question. A citizen said we should have an independent appraiser come in to appraise the mill. Selectman Ducharme explained about LD 1627 which kept all discussions and financial information about the paper mill confidential. The Board of Assessors and their assessing agent had completed a reassessment of the mill. They set the value of the Town.

Town Manager Berry discussed a revolving line of credit which is based upon a line of credit of \$1.6 million. The total impact over a five year period on \$1.6 million would be \$200,000 in interest. This is tied to going to the legislature and getting relief in 2015. The proposed mil rate would be somewhere around \$19 this year, \$19 next year, \$19.10 the third year, \$19.25 the fourth year and \$19.60 in year five. The line of credit would be paid off and there should be some additional relief at that point in time.

A citizen asked the Board if they would bring in a third party to appraise the mill. Selectman Fortin is favorable to hiring a third party for something this substantial. The expertise of the Board of Assessors came into question. Town Manager explained that Bill VanTuinen has been in the assessing business for a long time. He's been very deeply involved in the pulp and paper industry throughout the State and has been involved in most paper mills in the State of Maine. If the Board went out and got a second opinion or an appraisal, based upon Bill VanTuinen's expertise, he would have the ability to do the appraisal of the mill as a primary contractor or as a subcontractor. Selectman Ducharme asked if there was any benefit to us getting a couple bids to appraise the mill. A citizen asked about the appraisal report – is it public? That is a question for the Board of Assessors. Selectman Veneziano asked the Town Manager to research the Board of Selectmen's authority to go out and hire an independent appraisal of the mill over the Board of Assessors value.

Town Manager discussed using TIF funds, giving a synopsis of where we are with TIF, what we've committed, and where we might end up on June 30, 2015. He said we had \$835,000 on June 30, 2014. We've committed to Ward Hill and Golf Course Roads - \$377,000, River Road engineering - \$15,000, paint and stripe Golf Course and River roads - \$15,000, demolition of Weston Ave and East Madison Store - \$98,000, storm damage - \$15,000, economic development - \$66,000, fire department match grant - \$9,500, cameras - \$15,000, business grants - \$85,000, revolving loan (disaster recovery) - \$100,000 possibly, with other revenue credits back into the account of \$195,000. Projected income for next year: BETE - \$325,000, non-BETE - \$166,000. Projection at June 30, 2015 is \$324,000 based upon our commitments this year.

He explained that we could transfer some money from the TIF account to the general fund at a cost – if we transferred \$285,000 at a mil rate of 19, that represents a captured assessed valuation of \$15 million of which years one and two there's no impact, year three we would add \$15 million to the state valuation which would cause us additional county tax of \$32,500, additional school tax of \$42,000 or \$74,000 in year three, \$84,000 in year four and \$126,000 in year five, \$84,000 in year six and \$42,000 in year seven. The use of that money would cost the Town \$400,000. It would be much more effective to utilize a line of credit rather than to transfer TIF funds to the general fund under current law. The numbers were questioned. Town Manager Berry said that the process he used was confirmed with both DECD and Bureau of Property Taxation but that he would check the numbers.

Selectman Fortin said there is a possibility to ask our senator and representative to propose a bill before the legislature of a catastrophic bill that would allow TIF money to be used without penalty in situations like this.

Selectman Ducharme wants to revisit the TIF amendment – he thought we were receiving \$800,000 a year back from TIF not \$491,000.

Town Manager discussed potential savings on the budget. In this year's budget there's \$175,000 for Heald Street. The budget calls for a two year program to do engineering and set aside up to \$175,000 in total and then match that again in 2015/2016 to finish the project. Cameras in the Police Department – we can give up \$6,000, purchasing just one camera and trying some new things with patrolmen. We can delay purchase of cameras for Administration - \$1,500 and the Rec Fields - \$2,000. Cut Administration as follows: legal account by \$10,000 (that's assuming contracts are settled with little legal costs; there's still about \$10,000 in this line item), General Code – not to do any more updates to the code book, and consider bringing payroll back into the Town Office rather than leaving it with the bank, a savings of \$3,000. We're working on a plan to reduce mileage on Police cruisers to eliminate the need for a new vehicle in 2015/2016. In Highway, we're still developing a plan. In the Library, we can save about \$4,000 – they don't think they'll convert to natural gas. Fire Department – we have \$5,500 in the SCBA; Town Manager thinks we can get by without doing that because of the grant. Waste disposal – we can come in about \$5,000 under what we budgeted. Town Manager recommends a 3% reduction in all service organization contributions. That comes out at a possible savings of roughly \$214,000. He said this is still a work in progress.

Moving forward, Town Manager said we need to set the date for an informational meeting and then go into a Special Town Meeting to vote on some of the things we want to do such as take funds from TIF or have a line of credit.

Selectman Ducharme asked: 1) if the Board of Selectmen can authorize an appraisal of the paper mill with Town approval; and 2) before the Special Town Meeting, have a quote for what that will cost us.

Selectman Fortin is concerned that a line of credit of \$1.6 million dollars is based upon a huge assumption that the legislature is going to change the law after year one by helping us with revenue sharing, school aid and county taxes. If they do not change that law, we're going to need to borrow \$1.6 million dollars for three years in a row until the changes to state valuation come in. He would like to see the spreadsheet done based upon the way the law is written today – a worst case scenario with no state aid. With other mill towns facing the same dilemma, Selectman Fortin doesn't think the State is going to come to our aid next year. He would think the State would be more inclined to allow us to use TIF funds. He asked the Town Manager to send the TIF spreadsheet down to Augusta to confirm that we will be penalized 100% for using that money.

Town Manager Berry recommended we schedule a Special Town Meeting for the week of September 2<sup>nd</sup>. He would like to have commitment on the 8<sup>th</sup> so the tax bills could go out on the 9<sup>th</sup> and would become due 30 days after commitment. A citizen asked if the information the Town Manager prepared will be available to the residents in advance of the meeting. Town Manager said he could have information available to the public by the end of the week, once the numbers are verified. Selectman

Fortin asked if we had to rush into a Special Town Meeting or can we live off from surplus. Town Manager said we have \$1.5 million in the checkbook. By November 1<sup>st</sup>, we have to pay the County \$1 million. We have \$800,000 due the school in September and another \$800,000 due in October. Selectman Fortin would like to get a small working capital loan (TAN) to bridge us through so we can make some good decisions. Selectman Fortin would like to have another meeting and invite local representatives Whittemore, Dorney and Dunphy to come in and talk to us around years two and three. The Board discussed holding the Special Town Meeting on September 16<sup>th</sup> and committing taxes on September 22<sup>nd</sup>. The Board discussed holding the planning meeting on September 4<sup>th</sup>. At this meeting, we'll try to get the delegation here, get the TIF numbers verified and get the warrant signed. Selectman Fortin asked Tim Curtis to go back and look at the work we did to figure out how we got to \$14 million when these numbers say we're going to get to about \$11 million over a 20 year period. Tim said that it is listed in the TIF amendment. The Board agreed to hold a special Selectmen's Meeting on Thursday, September 4<sup>th</sup> at 6:30 and an Informational/Special Town Meeting on September 16<sup>th</sup> at 7:00 p.m.

3. Discuss board and committee appointments. The Board voted for Advisory Board, Appeals Board, Ethics Board, and Recreation Committee. The Recycling Committee still has a vacancy. Town Manager will let the Board know the results at the next meeting.
  4. Discuss quitclaim deed for Laura Martins, Map 012, Lot 003-ON. This is a shell of a building that Suzann Martins has on her mother's land. The Town Manager is asking the Board to write off 2011 taxes in the amount of \$156.59; 2012 taxes and costs in the amount of \$436.49 and 2013 taxes and costs of \$431.68, a total write off of \$1,024.76. The Town Manager was able to collect \$400 on the outstanding taxes. He also recommends the Board sign a Quitclaim Deed to Luran Martins to get the building and land taxed together. Selectman Ducharme made a motion to write off the taxes on Map 12 Lot 3-on in the amount of \$1,024.76 and sign the quitclaim deed for Laura Martins. Selectman Johnson seconded. Motion carried.
  5. Discuss repurchase of cemetery lot. Back in the 1980's Darryl Greenleaf bought two 3-plot lots in Forest Hill Cemetery. Our ordinance stipulates that cemetery lots may only be sold back to the Town. The Town Manager is asking the Board to purchase a lot (1002) from Darryl Greenleaf in the amount of \$150. Selectman Fortin made a motion to repurchase Lot #1002 for \$150. Selectman Ducharme seconded. The funds to come from the cemetery account.
- H. Selectmen's Concerns. Selectman Fortin wanted to go back to the line of credit and asked the Town Manager to, at a minimum, extrapolate out for worst case i.e. no legislative action and it goes to two years on a portion of it and three years for another portion and bring that out to a point where the loan is paid back – what will the mil rate look like then. Selectman Fortin would like the Town Manager to revisit the savings list. He would like to see more coming out of the current budget. We need to dig deeper and look harder. Town Manager would like to see some direction – such as cut 3% across the board. Selectman Ducharme said he would like to see \$250,000 in non-capital taken out. He would like to ask the school district to take \$250,000 out of their budget. Selectman Fortin talked about TIF – most is spoken for. Over the next three years, could we just do TIF roads and do no other roads. Town Manager said that's why he pushed back Heald Street. We could use that \$200,000 just on TIF roads and then when the three year period is up, we'll have to go back and concentrate on non-TIF roads. So that would give us another \$200,000 in capital so now we're up to \$375,000. The Town Manager has given the Board about \$35,000 out of the general fund. Not funding the matching grant program in March was suggested. Selectman Fortin said we should use the TIF money to mitigate against the regular budget. Do that for as much as we can – up to \$375,000 or \$400,000 reducing capital back. Then try to get whatever the difference is up to \$500,000 out of the regular budget. Shoot for \$500,000 combined capital and general expenditures and use TIF as much as possible for TIF roads. Selectman Fortin can't understand why we're being penalized every year for the \$15 million when we only would have hit it once. Town Manager will follow up tomorrow. The information Mr. Fortin was given was that we stood a very good chance with legislation to let us have that TIF money for the general fund for a period of time because of the catastrophic event. We were going to stand a better chance getting that than we would be changing the law for the whole state. Selectman

Fortin was told this from a commissioner. This whole thing with the paper industry has got Augusta turned upside down on how they're going to handle this. They're in a panic too. Selectman Fortin is looking for \$500,000 in capital and general fund. Selectman Fortin made a motion to take a minimum of 3% out of operating costs, work with the capital fund and TIF for a savings of \$500,000 a year out of taxation for the next three years. Selectman Johnson seconded. Motion carried. Town Manager asked the Board if they still wanted to do Ingalls Street – it has gone out to bid. Town Manager will bring it before the Board before signing the contract. Selectman Fortin asked if there was any progress on the fence. Town Manager is getting a legal opinion from Phil Mohler of Skowhegan. Selectman Fortin said we need to stop going to an attorney, engineer or a consultant. We should use MMA. Selectman Johnson had no questions. Selectman Ducharme asked about the house on Main Street across from Lloyds, it's burned out – where are we on that. Town Manager said we're in limbo – it's in bankruptcy. Selectman Veneziano wanted to say that Kathy Estes did a great job with Madison Anson Days and we should give her a letter of appreciation. Board thought we should get her a \$100 gift card. Selectman Fortin had one more thing – Joe Hayden called him about the house on Thomas Street. He's saying that he cannot put the driveway in on the west side of Thomas Street. Town Manager Berry confirmed that it was a vote by the Board because we didn't want them using the right of way that goes from Jones Street to Thomas Street. The driveway would come off the east side of the house. Selectman Fortin made a motion that the driveway has to come off from Thomas Street onto the property- anywhere on the property where it can fit. Selectman Johnson seconded. Selectman Fortin asked the Manager to listen to the tape to see why the Board wanted the driveway on the east side of the house. Motion carried.

I. Citizen's Concerns. None.

J. Executive Session to discuss pending legal action pursuant to 1 M.R.S.A. §405 (6)(E). Selectman Edgerly made a motion to go into executive session. Selectman Ducharme seconded. The Board went into executive session at 8:45 p.m. The Board came out of executive session at 9:24 p.m. Selectman Ducharme made a motion to accept the settlement offer on the table in the current legal case before the Town and that the money to be paid in this case to come from the TIF account in the amount of \$6,500. Settlement will be paid in January 2015. Selectman Johnson seconded. Motion carried.

K. Adjournment. Selectman Johnson made a motion to adjourn. Selectman Edgerly seconded. The meeting adjourned at 9:59 p.m.