

**Town of Damariscotta, Maine
Board of Selectmen's Meeting
Minutes
Wednesday, March 15, 2006**

I. Pledge of Allegiance

II. Call To Order

The Board of Selectmen met at the Municipal Building on Wednesday, March 15, 2006 to conduct town affairs. Chairman Richard McLean called the meeting to order at 6:30 p.m. Members present were Richard McLean, Scott Gove, Walter Hilton, and Joshua Pinkham. Staff present was Town Manager William Post. Others present were Charles Lawton from Planning Decisions, Inc., Brent Hallowell, Scott Abbotoni, Justin Hagar, Seth Hagar, Mark and Cindy Hagar, Chris and Paula Roberts, George Parker, Jammie Younker, Robert Reed, Robert Nee, Mary Kate Reny, Karen O'Bryan (LCTV) and two members of the media.

III. Public Hearings – None

IV. Old Business – None

V. Communications

1. MMA, re: LD 2056, Proposal to Repeal Maine's Personal Property Tax.

Post stated that LD 2056 as proposed in the legislature would repeal the personal property tax and the Maine Constitution would only require the state to reimburse municipalities 50% of the lost revenue. This would result in Damariscotta having to increase the tax rate by about 2 mils.

VI. Official Action

1. Meet with Planning Decisions, Inc. to review Community Impact Analysis.

Hilton read a prepared statement detailing his concerns about the Board's workshop on March 13th and about the proponents of the size cap to be voted on March 21st.

Charles Lawton from Planning Decisions, Inc. stated that regardless of what the conclusions that one can gather from the impact study, he and his firm are neither for nor against a proposed Wal-Mart.

Planning Decisions was engaged to report on the possible impact of a Wal-Mart on Damariscotta. The study took three steps. It tried to determine what the proposed project is, which is tentative at this point, attempted to set the economic text in which the project would exist and tried to gauge an impact of that project.

Lawton detailed the proposed project, which is 186,800 s.f. retail store. The exact design, style, hours of operation and number of employees is still tentative because there is not an actual proposal before the town. The number of employees is expected to be 360, with 140 full time and 220 part time, although local management would set the actual number. The expected assessed value of the property is \$10 million.

Damariscotta is a service center community and as such, the town provides more jobs than there are residents employed in those jobs. This is opposite from the rest of Lincoln County in which there are more employees than jobs. Approximately 10,000 people commute outside of Lincoln County to work. Per capita income in the county is somewhat higher than the state average, but

covers the extremes in that working families are at 28% of the state average in income and if retirement and investment income are considered, then per capita income is higher than the state average. Lincoln County has a higher number of sole proprietors than the state average, and these usually have a lower income. The county is below the state average in retail sales for every \$1000 of income, which means that consumers leave the county to spend that income on retail products.

As for impacts, the initial impact would be an increased upward demand on local wage rates. Nationally, when a Wal-Mart enters a community, the retail sales will increase initially and then drop off and stabilize at a somewhat higher level than before a Wal-Mart. The number of sales that may be extracted from existing stores and the amount of sales that will be derived from collocated stores is indeterminate and based on a competitive marketplace. But it can be said that those stores that offer competing products will see a decline in sales and those that offer complimentary products will see an increase in sales. This will result in a negative impact on some retailers and a positive impact on some retailers. In order to determine exact impacts, a comprehensive consumer survey would need to be performed over a long period of time, and this was not part of the study.

As for municipal impacts, the proposed store would create \$111,000 in tax revenue after the loss of state revenue sharing and \$70,500 in extra costs resulting in a net increase in tax revenue of \$40,500. It is not expected that the store would add to the costs of education because the jobs created would not bring people in to town to live because the cost of housing is too high for the types of jobs offered and because of the number of workers that leave the county for work. These people would fill some of the jobs created. At this point, the elementary school is seeking tutitioned students in each grade level in order to keep programs. Adding students would not increase staff levels.

The Police and Fire Chiefs did not foresee and increase in demand for their services if a store were built in Damariscotta. In comparisons with Oxford, Farmington, Brunswick and Auburn, all the police departments realized an increase in the number of calls, but they were not out of proportion with other retail developments and could not be attributed directly to Wal-Mart. The expected effect on expenditures is \$70,500, resulting in a net fiscal gain of \$40,500.

Planning Decisions reviewed seven intersections in town and it is anticipated that any impacts with those intersections would be paid for by Wal-Mart. The same is the case with the sewer and water systems in town. The Sanitary District did not want to make a formal statement without knowing what the exact proposal was for the development.

Pinkham thanked Lawton for his report and feels that the study covered the scope of services.

McLean asked if Lawton would be presenting the report to the public on Thursday. Lawton stated that he would be at the school at 6:30 p.m. and he will answer questions from the public at that point.

Mary Kate Reny thanked Gove for the workshop on Monday and feels that Hilton should not attack those that are in support of the cap.

Robert Nee asked if the Board was bothered that the study appears one-sided. Gove stated that he was concerned that it was lacking in some areas and he asked specific questions during the Monday workshop and Lawton answered those questions tonight and in the revised report.

Calvin Dodge stated that he hopes that the Board works together to implement the comprehensive plan, which includes business development along Route 1 B, but the sewer line needs to be extended for development to occur.

Robert Reed stated that the workshop on Monday was underhanded.

Reyn stated that the Town commissioned the impact study and the job of the Board is to guide the Town.

McLean stated that he felt that the analysis would land on one side or another and expected that the study would be questioned. The initial report was preliminary and the final report explains a great deal more.

2. Act on Construction Overlimit Permit for Maine Street Project as requested by MDOT.

Post stated that the as part of the Main Street Project, MDOT requests that the town issue an overlimit permit for town ways for the contractor. This is a standard practice for MDOT projects. At this point the roads that may be used are not known, but the Town can reserve the right to request a bond from the contractor in the future.

Gove stated that he did not want to issue a permit without knowing what roads would be used.

Post recommended that the Board approve the permit and he would send a letter with the permit to MDOT requesting that a bond be required of the contractor.

On motion of McLean/Pinkham, the Board VOTED: To approve the overlimit permit as requested while reserving the right to require a bond from the contractor once it is determined which roads will be used (Vote: 4 – 0).

On motion of McLean/Hilton, the Board VOTED: To authorize the town manager to write and sign the letter to MDOT to accompany the permit (Vote: 4 – 0).

3. Act on Appointment of Interim GA Administrator and Interim Town Manager.

McLean stated that an interim General Assistance Administrator is important and Post has recommended that Janice Miller be appointed. She has received training from Post and has worked with the program in his absence.

Gove stated that the policy of having another person in the interviews with the administrator should continue.

On motion of Hilton/McLean, the Board VOTED: To appoint Janice Miller Interim General Assistance Administrator (Vote: 4 – 0).

Post stated that the Board should seriously consider appointing an interim town manager because of the number and type of projects that are currently ongoing.

McLean stated that Steve Drake would be a good choice since he is employed by the Town and familiar with the projects.

Gove asked if the duties and responsibilities for an interim would be the same as a permanent town manager. Post stated that they would be. An interim would have the same authority.

On motion of McLean/Hilton, the Board VOTED: To appoint Janice Miller to represent the Board on day to day operations until a new town manager is in office (Vote: 4 – 0).

4. Begin Review of Fiscal Year 2007 Municipal Budget.

Post provided a general overview of the proposed budget for 2007. Since the county tax will be increasing by over \$120,000, he is proposing that the Town use an additional \$100,000 from undesignated fund balance to reduce the amount to be raised from property taxes. Overall, the municipal portion of the budget is increasing by 4.74%. However, the net municipal budget (expenses

minus revenues) is decreasing by 3.97%, largely due to the additional \$100,000 from surplus. This still means that approximately an additional \$90,000 over last year will need to be raised from taxes to help cover the county tax increase.

A. Administration

Gove suggested reducing the amount budgeted for the town manager's salary by \$6,100 to \$47,830.

The Board discussed that this number could be changed once a contract is in place with the new manager.

On motion of Gove/Pinkham, the Board VOTED: To reduce the town manager's salary line by \$6,100 to \$47,830 (Vote: 4 – 0).

On motion of Gove/McLean, the Board VOTED: To recommend \$211,430 for administration (Vote: 4 – 0).

B. Assessing

On motion of Gove/Hilton, the Board VOTED: To recommend \$36,631 for assessing (Vote: 4 – 0).

C. Planning & Development

Post stated that he is proposing the Town either hire a part-time planner or a contractor to assist the Land Use Committee, the Planning Board and the Board of Selectmen with planning issues. This position could also assist applicants through the site review process.

Gove stated that the Town should not be assisting individuals through the site review process.

McLean stated that the Planning Board would like this assistance since the county planner is limited in what he can do under his contract. He believes that the town needs professional help in the area of planning.

Gove stated that tangible results would not be created by this position.

Pinkham and Hilton stated they feel that it is needed.

On motion of McLean/Hilton, the Board VOTED: To recommend \$35,236 for Planning & Development (Vote: 3 –1, Gove opposed).

D. Solid Waste Management

On motion of Hilton/Pinkham, the Board VOTED: To recommend \$131,368 for solid waste management (Vote: 4 – 0).

E. Municipal Buildings.

On motion of Hilton/McLean the Board VOTED: To recommend \$44,764 for municipal buildings (Vote: 4 – 0).

F. Contingency.

On motion of Gove/Hilton, the Board VOTED: To recommend \$10,000 for contingency (Vote: 4 – 0).

G. Legal Services.

On motion of Hilton/Pinkham, the Board VOTED: To recommend \$10,000 for legal services (Vote: 4 – 0).

H. Insurance.

On motion of Gove/Hilton, the Board VOTED: To recommend \$152,749 for insurance (Vote: 4 – 0).

I. Retirement.

The Board reduced the amount for retirement by the reduction in the manager's salary (\$427).

On motion of Hilton/Pinkham, the Board VOTED: To recommend \$30,255 for retirement (Vote: 4 – 0).

J. Emergency Management

On motion of Pinkham/Hilton, the Board VOTED: To recommend \$642 for emergency management (Vote: 4 – 0).

K. Hydrant Rental.

On motion of Hilton/Pinkham, the Board VOTED: To recommend \$85,800 for hydrant rental (Vote: 4 – 0).

L. Street Lights.

On motion of Hilton/McLean, the Board VOTED: To recommend \$17,534 for street lights (Vote: 4 – 0).

M. Traffic Lights.

On motion of Hilton/McLean, the Board VOTED: To recommend \$982 for traffic lights (Vote: 4 – 0).

N. CLC Ambulance.

On motion of Gove/Pinkham, the Board VOTED: To recommend \$1,950 for CLC Ambulance Service (vote: 4 – 0).

O. Animal Control Services.

On motion of Hilton/McLean the Board VOTED: To increase the stipend line for the animal control officer by \$200 to \$3,500 (Vote: 4 – 0).

On motion of Pinkham/Hilton, the Board VOTED: To recommend \$5,314 for Animal Control (Vote: 4 – 0).

VII. Town Manager's Discussion – None

VIII. Consent Calendar

1. Regular Meeting Minutes of March 1, 2006.

On motion of McLean/Pinkham, the Board VOTED: To approve the minutes of March 1, 2006 as submitted (Vote: 4 – 0).

2. Financial Reports:

- a. Payroll Warrant #41 General Fund Warrant #42.

On motion of Pinkham/Hilton, the Board VOTED: To approve Payroll Warrant #41 and General Fund Warrant #42 as submitted (Vote: 4 – 0).

IX. Other Business

1. Pinkham asked for an update on the Land Use Committee's progress. McLean stated that the committee has been working on revisions to the Site Plan Review Ordinance and are incorporating language from other ordinances into the Town's.

Gove asked if the committee is reviewing the Land Use Ordinance. McLean stated that they will be. Gove stated that when they review that ordinance, it is important that specific language is in place in the ordinances that allows the Planning Board to ask town officials, such as the fire chief, for their opinions on a project, and for the result of those opinions.

X. Executive Session – None

XI. Adjournment.

On motion of McLean/Hilton, the Board VOTED: To adjourn at 8:56 p.m. (Vote: 4 – 0).

Respectfully Submitted:

William S. Post, Town Manager