

**Town of Damariscotta, Maine
Board of Selectmen's Meeting
Wednesday, October 1, 2008, 6:30 p.m.**

Present were: Selectmen: Dick McLean, Josh Pinkham, Vicki Pinkham, Dave Wilbur, Ed Stelzer, Town Manager, Greg Zinser, Deputy Clerk, Jurate Barnes. Also present was Mary Bowers; Jim Campbell joined the meeting at 6:35pm.

I. Pledge of Allegiance

II. Public Hearings

1. Hearing on GSBSD adding the Town of Nobleboro: Public Hearing opened at 6:34pm. Mary Bowers, representing GSBSD, presented that all of Nobleboro be included in the district for voting. Hearing is part of the process initiated by the passage of LD1936; now a referendum must be held within the district. Ballots for general election on November 4, 2008. Nobleboro had to maintain a separate voter list for the thirty people living in the Mills section; this will consolidate the list.

No comments or concerns. Meeting was closed at 6:36 pm.

III. Call to Order—Chair J. Pinkham called the meeting to order at 6:36 pm.

IV. Communications

V. Town Manager Discussion

1. Harbor Committee Update—Stelzer: the committee met on September 30, 2008, seven of nine members present with a good showing of interested people, about 8-12. Letterley, representing Newcastle Publick House, indicated that they were having second thoughts about the number of slips in the marina; looking for 45; would like to get going as soon as possible, but need a good, clear understanding of the ordinance; coming back in two weeks with additional data. Good input from the business, Chamber of Commerce was there, several charter fishermen, good public input.
McLean: how do you feel about the change from 100 to 45 slips.
Stelzer: strong consensus for reducing the number to 45; more manageable number to think about; entire committee is concerned about the location of the finger piers, boaters coming in with the strong current. Our job is to collect information and put together a good and balanced ordinance.
2. Proposed intersections changes—Andrews Pine View area—J. Pinkham: thought it was a joke when I first saw it.
Zinser: they are looking to meet with the Board in lieu of a public hearing; it still has to go to public hearing.
McLean: overcomplicating a project
Zinser: we should schedule a meeting
V.Pinkham: any report of accidents there?
Zinser: fair amount of accidents

McLean: the number and severity of accidents there versus School St. intersection.

V. Pinkham: mark the intersection better, more signs

Zinser: we need to talk to them

3. Visit to Midnight Oil—after discussion, Thursday, October 9, 2008 at 9am to visit. Zinser: will call and confirm.

VI. Selectmen's Discussion Items

VII. Official Action

1. Town Hall business closure/extension of polling hours—Zinser: request extension of polling hours 8 to 8; limited customer service that day; do the best we can.
J. Pinkham: what if we are busy?
Zinser: may have to do periodic closures.
McLean: move to have polls open 8 to 8 on November 4, 2008; V. Pinkham second. McLean: town clerk anticipates heavy traffic volume; V. Pinkham: there have been changes in absentee voting procedure.
Motion passed 5-0.
2. Act on Referendum Warrant—expand territory of GSB sanitary district.
McLean: move to put on November 4, 2008 ballot; V. Pinkham second.
Motion passed 5-0.
3. RFP 2209-02 Branch Road repair—Zinser: all permits in place, have one year to use them. Option I and Option II are different dates; this is the end of the paving season. Option I: if the bid is awarded on November 5, it is too late in the paving season. Option II is to meet the two week advance notice required and discuss the bids here on the October 20 workshop.
McLean: normally asphalt plants close after the first day below a certain temperature, usually in late November; Crooker has advised that after October 10 all their plants are either closed or significantly diminished.
Zinser: Option III wait until next year; Option IV treat like a general bid, give to four people that are interested, award the contract. It would be nice to check it off the list; FEMA reimbursement good until November 2009; or, we can table until the spring.
Wilbur: by tabling, are we increasing the chance that FEMA will be out of money.
Zinser: with the state money, MEMA, there is the potential that it will be gone.
Wilbur: how much money from MEMA
Zinser: three thousand at most, we already have the culverts.
McLean: move to table until spring, V. Pinkham second.
Motion passed 5-0.
4. Policy renewal—disbursement of education costs: **[asked greg to remove the last sentence of the first paragraph referncing the finance committee CHECK WITH GREG ON STELZER CHANGE]**
Wilbur: it is a form from the state to cover everything
Zinser: standard boilerplate disbursement policy

- Wilbur: isn't it written as part of law
Zinser: rewrite of policy
V.Pinkham: move to approve disbursement with Stelzer correction;
McLean second. Motion passed 5-0
Wilbur: does the new RSU affect anything
Zinser: still education costs.
5. New policy Request—disbursement of employee wages and benefits:
Zinser: during “off” weeks need to sign payroll warrant, this would make it happen more easily; asking the Board to select one or two representatives from the Board to sign the warrant. It does not waive the Board's authority.
V.Pinkham: need one person and an alternate
Wilbur: suggest Chair and Vice-Chair
V.Pinkham: move to appoint Josh Pinkham and Dick McLean/ Stelzer—second.
Zinser: only need one; can come in on the Monday prior to Thursday payroll and work out any discrepancies.
Motion passed 5-0
6. Act on new DPAC appointment—Robin Mayer: Zinser: Robin has worked for the Federal government, very familiar with grant applications, will lend a balance to the committee. J. Pinkham move to appoint Robin Mayer to DPAC; Wilbur second. Motion passed 5-0
7. Shore & Harbor selection committee representative: Wilbur: I am interested in serving. J. Pinkham: move to appoint Dave Wilbur as representative; Stelzer second. Motion passed 4-0; Wilbur abstaining.

VIII. Old Business

- V.Pinkham: is Back Meadow paved yet
Zinser: no, all the rain has delayed it again
V.Pinkham: anything on the blinking light
Zinser: AD electric has not returned any phone calls. Light needs to be programmed; we don't know how.
McLean: happens every time, AD electric does not return phone calls,
J.Pinkham: walk lights are our responsibility
Zinser: I will call again tomorrow.
McLean: any reasonable alternatives
Zinser: nearest one is New England Electric in New Hampshire.
Wilbur: it's just a box that someone opens
Zinser: we don't know how to program it; will continue to look into it.
V.Pinkham: when will the walks be painted between Mobius
J.Pinkham: saw some DOT folks looking at the road by Romeo's
Zinser: yes, Mobius is on the list.
J. Pinkham: the light—can we change it to blinking or get rid of it.
The Great Pumpkin Regatta happens on Columbus Day;
I am on the Budget Advisory Committee for the county, the tax is increasing about 1.82%, and given that this reflects 27 not 26 pay periods, it looks pretty good.
Every one aware of the situation regarding the snow plow contract?

Zinser: talked yesterday with Hagar

Wilbur: I'm not (aware of the situation)

J. Pinkham: update?

Zinser: the contract is renewed September 15 every year, not so successful in obtaining bond for several reasons: prices were extremely high, latest price is \$5800; the bonding company also requires \$30,000 in cash. Hagar does not have the cash resources, by Friday should have an answer if possible without cash. There are several scenarios: self-bonding

V.Pinkham: propose self bond

Zinser: withhold first payment, about \$9,000; now proposing withhold \$30,000 and obtain security for all materials at the salt/sand shed.

J.Pinkham: town is obligated to pay \$5,800; \$30,000 is contractor's responsibility; it is the town's business to follow the contract; not paying no performance bond

Stelzer: did bidders have to provide bond; RFP did not specify bond in the bid

J.Pinkham: two contractors had the bond in the bid price

Stelzer: did the selected contractor comply with the RFP

Zinser: yes; willing to entertain ideas of withholding \$30,000 with added security.

J.Pinkham: we pay the \$5,800; can hold the \$30,000.

Zinser: here is the issue: if we buy the bond, the bond company wants the \$30,000 cash.

V.Pinkham: how much is the first payment

Zinser: if you combine the two contracts, break it into four or five payments, then withhold \$30,000 from the first payment.

J. Pinkham: we signed a contract; we have a responsibility.

Wilbur: with the economic conditions and financing, nothing could foresee the \$30,000.

J. Pinkham: this has been a problem for two months, just hearing about it now.

Zinser: do not like to go before the board without solutions. The bond price came down, cash security requirement is new; we are looking at an irrevocable letter of credit, other bonding firms.

McLean: need to be in a position on October 15 to make concrete decision.

Zinser: by Friday will know if \$30,000 is needed.

McLean: \$35,800 is price of the bond; no interest paid?

J. Pinkham: I was adamant from day one—that the bid was not a hard line price; did not know what the real price is.

Stelzer: we are not paying \$30,000 under any circumstances. No one could anticipate the financial condition six months ago. A reasonable solution is to withhold significant dollars to protect our interest.

J.Pinkham: do a bond for \$5,800, withhold the \$30,000; if a contractor needs \$30,000 cash security, that is a red flag.

Stelzer: given the current conditions, it is hard to get a bond.

McLean: the DOT, State couldn't get bonds.

J. Pinkham: local contractors can get a bond for that money—shop local, based on financial records. We are holding up our end of the contract by doing the \$5,800 bond.

Stelzer: unreasonable to put conditions like that on any contractor; look at the facts, consider what is reasonable.

Zinser: contractor has to go after bond, we pay the cost. No one in the office is bonded.

Stelzer: how soon will we have a decision.

Zinser: still working on alternatives; will have decision by Friday; not committing town to \$30,000, still working on self bonding.

V.Pinkham: the bond for what?

Zinser: full contract amount

Wilbur: what is self-bonding?

Zinser: like what Brown and Bathgate did—withhold portion of contract;

Stelzer: if conditions were normal; now can't get \$5,800 bond; withhold progress payments of \$30,000

V.Pinkham: what if the contractor backs out half way

Zinser: we have the \$30,000, plus balance of contract and materials

Stelzer: why didn't RFP stipulate bond in price, not included in one bid, included in others.

Zinser: not stated in the bids; issue is now what do we do with the bond;

McLean: if bond is received for \$5,800 from the town, then it covers the entire amount of the contract as well as \$30,000 cash. If the \$30,000 cash is out of our bank, the town fronts the insurance for the entire cost.

J. Pinkham: we must have some money available toward the \$30,000

Zinser: if we can't secure bond, what is plan B for October 15.

McLean: we are insured for the entire contract cost; how much is the interest on the \$30,000

Zinser: bond is for an entire year

J. Pinkham: charge the contractor for the interest on the \$30,000

McLean: sounds like a compromise; insures performance; I don't like this, need a logical solution.

V. Pinkham; check with the accounting firm

McLean: not a loan

Stelzer: withholding a progress payment

J. Pinkham: so is self-bonding out

Stelzer: I am coming round to what Dick is saying

Zinser; do not send \$30,000 if \$170,000 is needed

V.Pinkham; do \$200,000 add cost of bond to insurance.

Stelzer; contract has been awarded, this is an unusual situation

V.Pinkham: what do other towns do

Zinser: a bond is a bond; let's wait until Friday

J. Pinkham: having a hard time with this; it has been over two months

Zinser: What is our other plan for October 15th

Stelzer: how recently did Hagar know about the \$30,000

Zinser: two weeks ago

J.Pinkham: should have been notified two weeks ago

Zinser: did not know at the last meeting

J. Pinkham: we are entitled to know

Stelzer: that is not practical, daily/minute by minute

J.Pinkham: what do we do if we have a freak snowstorm in late October

Wilbur: a lot of trust in Greg to continue to work for a solution
J.Pinkham: is the audit going out to bid
Zinser: this has been discussed; RFP will be put together
Stelzer: time frame?
Zinser: first meeting in November

IX. Consent Calendar

Regular Meeting Minutes of September 17, 2008: V. Pinkham move to approve September 17, 2008 minutes/McLean second. Motion passed 5-0
Financial Reports:

1. Quarterly Finance Update—Zinser: finance reports are in your packets. Right now good—general fund is under 25% expended, everything in check.
Discussion proceeded with Zinser detailing fund balances, explaining capital reserves, noting reason for moving accounts into general fund (greater interest paid), 33% of taxes collected prior to due date (as of September 30); good year last year, surplus was higher than expected; good revenue collection.
Wilbur: what happens with accounting for grant dollars
Zinser: funds are not intermingled
V.Pinkham: are they giving us money up front
Zinser: we are being reimbursed.
Wilbur: is the in-kind contribution tracked
Zinser: yes, comes out of general fund, Excel spreadsheet for Jane's time/DPAC
McLean: a community down east went bankrupt—they never saw their numbers.
Zinser: everything is balanced monthly.
 2. General Fund Warrant #15: McLean move to approve/V. Pinkham second
J. Pinkham: what is foundation cost for the sand/salt shed; two months ago was not greater than \$3,500; don't see receipt
Zinser: project is complete/ cost of materials went up
J. Pinkham: more money than anticipated
Zinser: we knew that cost had gone up
V.Pinkham: we put in up to \$3,500; look back through the minutes
Zinser: multiple contractors, estimate not written, things change over two months.
J. Pinkham: hold vote until receipt is found.
 3. Payroll Warrant #14: McLean move/V.Pinkham second, approved 5-0
2. McClintock receipt located—J. Pinkham: estimate 20x30, 20x36 final that is the difference, bigger than quoted
McLean: how did it become 20x36; need to have conversation
Zinser: something to do with the size of the dome
McLean: withdraw motion/V.Pinkham withdraw second
McLean: move General Fund Warrant #15 with the exception of the McClintick bill for \$4,800/ V. Pinkham second
Wilbur: any reason not to send \$3,500

McLean: we are in a better position if we do not
J. Pinkham: try to straighten this out as soon as possible.
Motion passed 5-0

X. Other Business

XI. Executive Session

XII. Adjournment

On motion V. Pinkham/Stelzer, to adjourn, motion passed 5-0. Meeting adjourned at 8:29 pm.

Respectfully submitted,

Jurate J. Barnes, Deputy Clerk