

Submitted By:
JMY

TOWN OF PHIPPSBURG
SELECTMEN'S MEETING

Approved By:

MINUTES

February 2, 2005

Called to order at 6:03 p.m. with Selectmen Wells and Rice present.

1. Review and Sign:

- Accounts payable, payroll warrants and minutes.
- Appointment Certificate (Charles Stevens – Budget Committee)

All items reviewed and signed.

2. Meetings and Hearings:

- Meet with the Budget Committee, and Representative Percy

Meeting was held with Representative Percy and Senator Arthur Lerman (Chair, Taxation Committee). Selectman Wells read a letter from the Town Administrator, Mike Young, concerning his projections for FY 06. The T/A expects a lower surplus than last year because of last year's supplemental billings and sale of town owned property, the excess which was used to further reduce taxes for FY 05. He projects a surplus of \$850,000 at the end of the year. The T/A also reported the following possible new funding items: County Jail Bond, Stoneybrook Road rebuild and purchase of Bodwell Grange. He also mentioned the new Tax Cap.

Charlie Stevens, new Budget Committee member, asked if the determinations of the Budget Committee are just recommendations that the Selectmen don't have to follow? Selectman Wells stated that all recommendations from the Department Heads, Budget Committee and Selectman are listed in each warrant item. If there are different recommendations then it is explained at Town Meeting. Sometimes there are differences.

Selectman Rice stated that you could have the Department Head, Budget Committee and Selectmen with different recommendations. That puts everyone on the hot seat and the voters want to know why a consensus was not reached. The process works well.

Leila Percy and Arthur Lerman gave an overview of the State's Tax Reform package. There were 15 Representatives and Senators on the Committee who met from December 04 through January 05. There are different pieces to the package which will affect the general mil rate. They are:

(1) Changes in school funding: The legislature has been looking a new school funding formula over the last few years. The new formula generates a number that a school should be spending, based on essential learning standards. There is a 4 year ramp for school funding.

(2) Revenue sharing: There is a new revenue sharing formula and Phippsburg will probably lose a little bit of money. 1/2 of the money collected through sales tax goes back to community through education funding and revenue sharing.

(3) Homestead reimbursement: The reimbursement to homeowners has

increased. It was a tiered system up to \$ 7,000. Under the Tax Reform package it will be a flat \$13,000. Reimbursement to the Towns under the old program was 100%, however under the new system it will only be 50%, with the Towns picking up the other 50%. This will cause a mil rate increase.

(4) **Circuit breaker program:** Is considered targeted property tax relief. It provides relief to those that need it the most. The changed formula increases eligibility - which is graduated.

(5) **Tax Cap:** The Taxation Committee voted 12 to 3 on the entire Tax Reform package. The 3 voted against it because they wanted the State's total share of education funding to be provided in 2 years rather than 4. The municipal spending caps will be based on personal income and growth factors. The State average Tax Cap will be around 3.38 %. The cap at the State level will be lower at 3.14%. There is a "cap override" provision which allows the voters to override the Tax Cap by written vote at Town Meeting (ballot vote not required.) The intention is to find out how many people want services but don't want to pay for them. This creates a measure.

Mike Young asked how a Town is supposed to plan for spring Town Meetings when you don't know what the affects of the Tax Cap will be until you have your valuations and commit taxes in the fall.

Senator Lerman stated that Town's should work through MMA to find out how the program works.

Selectman Rice reconfirmed with the Senator that the Legislative body can override the Tax Cap.

Senator Lerman stated that the State Assessor will review records at the annual audit but at this time there is no financial penalty for not complying with the Tax Cap – it is voluntary compliance.

Representative Percy mentioned that MMA and State Revenue Services will be meeting on Friday to work out the details of the Tax Cap. Any questions can be e-mailed to her.

Charlie Stevens asked why the State is trying to determine a Tax Cap when we can do it ourselves - they should be taking care of business in Augusta.

Senator Lerman replied that everybody is looking to shift the pressure. The State looked at money they are sending back to the municipalities and considering all the concerns they had heard about taxes - municipalities are voting left and right to raise money.

Selectman Rice stated that we are frustrated with the County bill. He went over last year's process with the County which had originally included a 24% increase. This had changed our local spending plan. We control the budget by having a turnout at Town Meeting and voting.

Senator Lerman stated that the County budget should be outside the municipal Tax Cap.

Selectman Wells mentioned that we had actually sent a copy of our budget to the Governor several years ago. He was also disappointed with the homestead exemption reimbursement at 50% because it would affect us greatly. He also stated that if the State funded special education like they were supposed to we would be in better shape.

Senator Lerman replied that special education would be funded at 80% over

the next two years and then 100% after that.

Pat Percy asked what the school subsidy would be for the upcoming year to which Senator Lerman replied that it would be \$145,000 more than last year.

Representative Percy mentioned that the Dept of Education would be setting up a meeting with School Union 47 to go over funding.

Selectman Wells said that he understands that it is a difficult job. However, the State needs to look at what comes in and what goes out. The Towns are fighting a losing battle. He didn't see that much cut in State spending.

Senator Lerman replied that over 1.2 billion dollars will be cut in the future; about 700 million was cut in this year's budget.

Selectman Wells asked where that put us at the local level. We are an unusual community because we consist of a lot of retired people and we watch our money.

Senator Lerman gave statistics about the number of schools etc. and discussed regionalization. He stated that some things in Maine are by tradition and many municipalities don't want to combine services. Many people want to maintain local control and ID and hold on to it tightly - which is costly. We also have a lot of sprawl in this State which is costly. Some spending is from choices that we make. The goal is to get Maine to the middle of pack in the next 10 years.

Mike Young explained that last year there was an abundance of Surplus, so an extra \$200,000 was used to reduce taxes - which will not be available this year.

Juanita Wilson asked if the legislature had any discussions concerning income averaging over the past three years and whether it was too late to consider it.

Senator Lerman replied that it was not considered, but it was not too late to discuss it.

Representative Percy mentioned that LD-2 is part of LD-1.

Senator Lerman stated that other parts of the package set aside funds to help in regionalization or consolidation. There is a pool of money for combining services. He also mentioned that there are two constitutional amendments most likely to pass which needs a 2/3 vote of the House and Senate to be placed before the citizens for a referendum vote. The first is the "Working Waterfront" current use (similar to open space and tree growth) and the second, which is not as likely to pass, is a bill introduced by Representative Percy which will allow a municipality to adopt a local option allowing a properties valuation to be capped with only inflationary increases until it is sold. Then there would be a penalty for back taxes. Two other constitutional amendments also being considered are on life support - the local option circuit breaker and/or homestead. Two other constitutional amendments are cooked geese - one to provide protection for small businesses and the other to tax second homes at a different rate than primary homes (60% of second homes owned by Mainers.)

Mike Young asked if the list of reasons for exceeding the tax cap is all inclusive to which Senator Lerman stated that there was another section somewhere that allowed a Town to exceed it for any reason as long as it was voted on.

Representative Percy said that the primary residence bill (LD-2) survived last year because Senator Lerman was on the committee. She added that LD-2 will be going before the Senate tomorrow. She stated that coastal communities will not do well through the new school formula so LD-2 is being supported because it is a tool that this community can use. She recommended that people contact their Senators

by 10:00 am if they support LD-2.

Josh Bate asked what the definition of a "Working Waterfront" was - to which Representative Percy replied that it is a commercial fishing industry or a business that supports the industry.

Representative Percy recommended that people contact Senators Edmunds, Turner, Mayo, Dow and Savage.

Selectman Rice stated that it looked like we will be taking hits from this.

Bill Totman, Budget Committee member, recommended that Department Heads cut their budgets before coming before the Budget Committee.

Betsy Morse, Budget Committee member, asked if there were any figures on the Jail Bond. Mike Young said that he had been trying to get a figure but as of yesterday nothing was available. He will hopefully have an answer by the first Budget Committee meeting.

Selectman Rice asked that the Department Heads and Committee Chairs look at what they spent last year, cut if they can, and if there is an increase they need to justify it. Also, everyone needs to be looking at the same numbers throughout the process.

- Meet with Brian Murray, Popham Park Manager, to review any summer issues
Meeting was held. Manager Murray reported that Park usage was up 2% while other parks were down. There was not much need for the police this past summer, however when they were needed they were right there. The main issue that they had was complaints about recreational fishermen parking at Fort Popham. This type of fishing has been going on for centuries. Fishing is allowed by the Park Service, but people are not allowed to party - people can park as long as they are actively fishing. They do not tell the fishermen what they can or can't do. If they were to close off access then the fishermen would probably get access by going over private property. The same policy will apply next year - there will be no changes. They used turning lanes and also had two entry lanes to process vehicles faster. They continued to be open at 8:00 a.m. and were filled to capacity 21 times and closed the gate 15 times. They were down 90,000 visitors from the 250,000 that they had three years ago.

Selectman Wells state that the speed barrels worked well.

Pat Percy said that the Park did a terrific job this year and the barrels were a wonderful idea. One day it was backed up because people would not move - they just kept waiting to go into the Park. We need to find some way to get them to move on.

Manager Murray stated that he doesn't know how much more they can do to keep traffic moving.

Selectman Wells said that this is an issue we are aware of.

Pat Percy said that there were only a couple of people that really got agitated.

Les Smith asked if there were signs on the barrels to which Manager Murray stated no.

Police Chief Skroski said that the key overflow day that Pat Percy was mentioning was caused by a ship launch from BIW combined with a hot day. Overall everything went much smoother this year with fewer overflow days. There were about 400 parking tickets issued, which is down from past years.

Manager Murray said that we have a more educated public. The Park has a

later day crowd now.

Selectman Rice stated that the Park had 17 overflow days last year when the parking lot was full. He also mentioned that the Comprehensive Plan states that the Park gets an average of 10,000 visitors a week.

Manager Murray reported that during the last two seasons, the month of June was a washout. Popham is pretty stable with a + or - 2%. He also said that they open one hour ahead of other the other parks. They have a 16 person crew and actually put the barrels out at 6 a.m., however he starts to loose staff at 2:00 p.m. because of the early start.

Fire Chief Totman reported that they had no real incidents this summer.

A letter from Bob Butler was mentioned concerning a problem with a bus trying to drive to Fort Baldwin and getting scrapped up on the side ledges. Manager Murray stated that they only had a problem with one bus and it was an oversight by the driver. There is a sign at the beginning of the road which warns busses not to go to the parking lot.

Selectman Wells asked if the Park records the number of busses that go up.

Manager Murray stated that he continues to get ideas from meetings and staff to improve things, however there is no parking lot increase in the State budget.

3. Discuss the following issues:

- GAC Court Case

The Selectmen, Town Administrator and Road Commissioner received subpoenas to appear in Superior Court at 8:30 a.m. on Thursday, February 10th. Josh Bate asked if the Selectmen had any objections if he videotaped the trial. Selectman Wells informed him that he should contact the Court because it would be up to the Judge not the Selectmen.

- John Bradford's removal of a spruce tree from the Totman Preserve (as per deed)

The Conservation Easement for Totman Preserve allows Mr. Bradford to remove one red or white oak tree to be used as a mast for the "Virginia." In December Mr. Bradford had requested that he be given permission to remove a spruce tree instead of an oak. The Selectmen voted (2-0) to allow the change. The T/A will notify the Phippsburg Land Trust.

4. Review the following items:

- Hazard survey of school conducted by MMA Risk Management

The survey was reviewed. Selectmen Wells asked if the discrepancies would be taken care of by the School Board. The T/A reported that the School Board and Principal would be responsible.

- County Schedule

Reviewed. No action taken.

- School Union 47 Newsletter

Reviewed. No action taken.

5. Discuss attendance at the following meetings, courses, and seminars:

- **None**

6. Miscellaneous

- **The T/A gave copies of the Gensheimer vs. Town of Phippsburg State Supreme Court decision to each Selectman. The Court has ordered the case to be remanded back to the Planning Board via the Superior Court and Board of Appeals.**

Adjourned at 7:20 p.m.