

Town of Portage Lake Special Town Meeting Friday, October 17, 2008

AROOSTOOK: ss

STATE OF MAINE

ART. 1 To elect a moderator to preside at said meeting.

It was moved and seconded to elect Greg Cyr as moderator to preside over said meeting. Motion carried. Greg Cyr is voted as moderator and sworn in.

Then and there the floor was open to the public for the purpose of voting on remaining articles. There were 21 voters present, three Selectmen, the Town Manager and Town Clerk.

ART. 2 To see if the Town will vote to reset the date to commit taxes as October 22, 2008.

Motion made in the affirmative, seconded.

Discussion:

Danny Higgins: I would like to know (rest of comment unable to be understood on the tape).

Rita Sinclair: Because not all the tax data was entered into the computer in time to be able to commit by October 1.

Judy Moreau: Once these taxes are committed, how soon will we get our tax bill?

Rita Sinclair: As soon as I can do them, Judy. The first week in November. We are doing them here.

Barbara Pitcairn: Have we set a mil rate?

Rita Sinclair: You can't set a mil rate until taxes are committed. I need to know the actual total amount of taxes and calculate the TIF before the Board can set a mil rate.

Motion carries.

ART. 3 To see if the Town will vote to expend \$30,000 from anticipated excise tax revenue for the purpose of reducing 2008/2009 taxes.

Motion made in the positive, seconded.

Discussion:

Judy Moreau: We just had a town meeting in August and a budget committee meeting before the Town meeting. Why wasn't this brought up then?

Rita Sinclair: Because the excise tax is anticipated revenue, it goes for roads. Because it hadn't gone before the Budget Committee there was an individual that said we can't do that. This Board had the right to have an article without a Budget Committee recommendation on their recommendation only, or they have the right to make no recommendation. We had \$92 thousand in excise tax last year. Why aren't we using that to alleviate the tax burden, or for our roads?

Judy Moreau: Why wasn't this added to the warrant at the annual Town Meeting?

Rita Sinclair: It would have been, but it wasn't allowed.

Judy Moreau: Who didn't allow it?

Rita Sinclair: It doesn't matter. We have a board that has approved the article to be in a special town meeting warrant so we can take that \$30 thousand and reduce taxes by that amount.

Danny Higgins: May I have clarification on that remark, that it doesn't matter?

Rita Sinclair: It doesn't matter to the people here or in this town who the individual was that decided it didn't need to be in the articles for the warrant.

It is not important.

Danny Higgins: Well, it is important enough to call a special town meeting.

Rita Sinclair: That isn't the reason we called a special town meeting. It is just an article in it.

Once this Board reviewed it, they figured it would be wise to utilize that money to alleviate the tax burden.

Barbara Pitcairn: It seems to me that you are targeting one person, and these three (indicating the Selectmen) work together. Remember that.

Rita Sinclair: These three were not here, one of these three was.

Barbara Pitcairn: In the annual Town meeting we appropriated \$50 thousand from surplus to reduce taxes.

Rita Sinclair: I believe that was from excise tax.

Barbara Pitcairn: Nope, surplus. Now we are looking at \$80 thousand...

Rita Sinclair: It is anticipated revenue, it is not tax money.

Barbara Pitcairn: You appropriated \$50 thousand from surplus to reduce 2008/2009 taxes. We have already agreed to the \$50 thousand, we are adding \$30 to it.

Rita Sinclair: (reading from warrant from last town meeting in August): We appropriated \$50 thousand from anticipated excise tax revenue, in addition to URIP Funds received, and the balance of \$23,724.02 in the road improvement accounts for major road improvements

We also voted to expend \$50 thousand from the revenue sharing account for the purpose of reducing 2008/2009 taxes. The other point being that if you don't want your taxes reduced, that is fine. We won't take this money that is already coming in to alleviate that burden, we will just leave the tax rate up there.

Barbara Pitcairn: We just want to know where this money is from.

Rita Sinclair: Anticipated revenues. Excise tax, which is what you pay when you register your vehicle. It is revenue.

Barbara Pitcairn: I wouldn't recommend you use anticipated anything this year.

Rita Sinclair: People have to register their vehicles.

Danny Higgins: This country is in a financial crisis. I agree with Rita, if she wants to take \$30 thousand, good. I am in favor of lower taxes. I am also in favor of cost cutting measures.

I have asked the Board and the Town Manger to renegotiate with SAD #32 the cost per student that we pay to SAD #32. If we want to keep the well full, we have to decide how to cut costs.

The highest cost that this Town has is paying for students from SAD #32. We pay the highest tax per student than any other town. It is up to the Board and Town Manager to decide if they are going to appropriate a small group of people to start looking into this to negotiate with SAD #32.

Greg Cyr: Duly noted, but please keep discussion relative to the matter in the motion. That is the \$30 thousand in anticipated excise tax revenue.

Clayton DeMerchant: How do you expect me to vote on this stuff without an audit? I would like to know what is going on with our audit. The people of this town should know within four weeks to get our audit done. How do you expect me to vote on any of this without an audit?

Rita Sinclair: Do you have your Town Report?

Clayton DeMerchant: There is no audit in it.

Rita Sinclair: That's right. Do you see the balances in there?

Clayton DeMerchant: Why don't we have an audit?

Rita Sinclair: Because he [auditor] hasn't completed it.

Clayton DeMerchant: Four week is sufficient enough to get it done. I want it done in four weeks.

Judy Moreau: I would still like to know how, if it wasn't alright to use this money in August, how did it come about that it is alright now? You must have something.

Rita Sinclair: It takes a majority vote in order to approve or disapprove. When this went back to the Board and we were discussing articles for the special town meeting, I brought this up again. We had three that voted in favor of having this article in the warrant.

Judy Moreau: I understand, but I want to know why it wasn't alright to have this done in August?

Greg Cyr: The prior Board turned it down, the current Board raised the issue again. That's the simple explanation. The Board before August didn't want the article at the annual town meeting. The current Board changed its mind and is putting it before you today.

Judy Moreau: It wasn't even put before the budget committee.

Greg Cyr: The prior Board didn't want it, and it didn't get there. This new Board says it is going before you today. The discussion should be do you want this, or don't you?

Judy Moreau: It puts us in a hard place.

Wilza Robertson: Where will the money will go if we don't use it for this?

Rita Sinclair: It will go to surplus.

Greg Cyr: It will go to surplus, and if it comes out and gets expended, it will be expended on roads?

Rita Sinclair: It will be expended to ease the tax burden, in other words our taxes will be reduced by that amount.

Judy Moreau: If excise tax goes to surplus, then you can take it out of surplus to use for the taxes. Right?

Rita Sinclair: Not without a vote of the people.

Judy Moreau: If you put that \$30 thousand in surplus, you could take \$30 thousand out with a vote of the people. . So either way you can reduce the taxes whether it comes from excise tax or surplus.

Rita Sinclair: Yes, but we are not voting on taking out of surplus.

Judy Moreau: What I'm saying is you could do it, either way.

Rita Sinclair: It can be done

Motion made and seconded to vote on this article. Motion carried.

Original motion to approve Article 3 carried.

ART. 4 To see if the Town will vote to use anticipated income from agent fees to supplement the Town Officers Account for wages for additional office staff.

Motion made in the affirmative, seconded.

Discussion:

Danny Higgins: What are agent fees?

Rita Sinclair: When you register your vehicle, you pay a \$3 agent fee, which stays with the town. When you buy a hunting license, you pay a \$2 agent fee.

Danny Higgins: Alright.

Rita Sinclair: It is income.

Danny Higgins: It is another tax that we pay.

Rita Sinclair: It is not a tax, it is like a service fee.

Greg Cyr: It is part of licensing procedures in the town.

Judy Moreau: How much money are you anticipating that would come out of this?

Rita Sinclair: About \$2,500.00. If I don't know that she is going to work X number of hours to use \$2,500, then how can I put an amount in there? The \$2,500 is about what our annual agent fees are, maybe a little more.

Judy Moreau: Do you have somebody in mind?

Clayton DeMerchant: Why do we need these extra people hours for work? Why do we need this?

Rita Sinclair: You come in and spend the day, then you will see why we need it.

Clayton DeMerchant: For years they have been getting by with two people, now all of a sudden we have to spend extra money for extra people in the office? There is something wrong. I think the Selectmen should fix this. That money there should be used for taxes and stuff like that. It isn't right. .

Danny Higgins: Pretty soon, the highway department will be laying off the extra man, correct? Or is he staying on all winter.

Rita Sinclair: He is part time, the spare plow person.

Danny Higgins: Can wages that would be set aside for the extra man be set aside to offset the cost of the additional office person?

Rita Sinclair: No. It is a separate account, separate department. You cannot. You cannot take from one...

Danny Higgins: You have the right to take a certain percentage...

Rita Sinclair: No, you cannot. If you designate X amount of dollars...

Danny Higgins: It says in the town book.

Greg Cyr: This is a discussion for some other time, we are going to stick to this article.

Judy Moreau: How many hours do you think? Is this going to be every day, 9 to 5?

Rita Sinclair: No, it is more like when Kathy has several reports to do and we need someone at the counter and answer the phones so I can continue with what I have to do. Or if Kathy is on vacation, then I have someone in here to do counter work and answer phones so that I can do what I have to do.

Judy Moreau: Are you talking a couple of hours a week?

Rita Sinclair: Well, if she is on vacation, then it would be a week or two. Otherwise it would be a couple of days now and then.

Danny Higgins: What you are saying is you need \$2,500 more? If that is all you need, I'm in favor of the motion.

Motion carried.

ART. 5 To see if the Town will vote to purchase a 2008 Caterpillar Backhoe for \$81,700. (Comment: The backhoe is to be financed partially from the Public Works Equipment Reserve Account (\$15,000), with the balance of \$66,700 to be financed for a period of 5 years at a 4.40% fixed interest rate.

Motion made in the affirmative, seconded.

Discussion:

Rita Sinclair: The article needs to be amended. In the comment, it should read "a period of 7 years" instead of 5 years.

Greg Cyr: Comments are not part of the article, but by way of explanation there is no need to amend the article.

Danny Higgins: How much is in the TIF program?

Rita Sinclair: I'm totally caught off guard.

Danny Higgins: That account is set aside to purchase equipment, so if we knew how much was in that account...

Barbara Pitcairn: It is my thought process at this point in time given the economy and what we are going to be facing in the next year, that we should not finance anything. If we have money in surplus, we should be using the money in surplus. If we have money in TIF, we should be using the money in TIF. We should not be financing anything. If we knew what is in these accounts, since we don't have an audit yet and we are in violation of 30A 2801, we would know. But we don't know. I recommend that we do not finance anything, but if we have money available in these accounts, then we buy it.

Clayton DeMerchant: If we had an audit then we would know.

Greg Cyr: We get the point about the audit.

Danny Higgins: I realize you need to put expenses into this. Couldn't this be held off until the spring of the year? At some point the well will go dry.

Ray Cyr: The problem we have is that the backhoe we have now needs major repairs.

Danny Higgins: What would it cost to update the machine?

Ray Cyr: The \$18 thousand is repairs we have already done over the year. The machine is 20 years old. Now we need major repairs on the machine, the rear main seal is gone and it is leaking oil. In order to repair that, they have to remove the engine. It doesn't get cheaper the longer you wait.

Danny Higgins: I have one piece of equipment there, just (unable to understand from the tape) would take \$18 thousand. That's the price you pay with used equipment.

Ray Cyr: We can't run the roads with this machine that is leaking oil.

Judy Moreau: Why not?

Rita Sinclair: Danny's comment about how much we use the backhoe in the winter caught me off guard. We use the backhoe almost daily. That backhoe and that truck is used almost every day that we work, summer or winter. In the winter we use it to open up our turn-arounds, around the building for cleaning up, we use it to push banks or pile up the snow higher.

Danny Higgins: So we are looking at repairs costing \$9,700.

Rita Sinclair: Plus what it would cost for rental and replacement services while our backhoe is down.

Danny Higgins: Why does it have to go to Brewer to get that work done?

Ray Cyr: We have to remove the engine, they do that in Brewer. They don't do it in the field.

Danny Higgins: I have people come up and remove engines for me.

Ray Cyr: You have had an engine removed in the field?

Danny Higgins: I have had Hazleton come, this week Chadwick and Baylars(?) come.

Ray Cyr: And they remove it in the field?

Danny Higgins: Right.

Ray Cyr: It isn't just the engine, it is also the transmission that needs to be taken out. This is major overhaul, this isn't just tweaking. They tell us that it has to go to the shop, that's Caterpillar.

Bea Cormier: Has anyone checked to see if we hired someone local with a backhoe to do that kind of work. Contract it out?

Rita Sinclair: It will be \$80 per hour plus operator.

Wayne Gagnon: You can pay for a backhoe in a short time. I am not crazy about purchasing a backhoe, but you have to have this and have something that is working. You just have to have these things.

Judy Moreau: The only thing I want to ask is, the only estimate that you got is from Caterpillar? The estimate to fix?

Ray Cyr: Caterpillar, yes.

Judy Moreau: The only people that you got to look at that backhoe that we have now is Caterpillar, right.

Ray Cyr: It is a Caterpillar backhoe.

Judy Moreau: I think before we vote on a new backhoe, we should have other estimates to fix the machine other than Caterpillar, because Caterpillar wants to sell.

Ray Cyr: So doesn't John Deere.

Danny Higgins: I'm not against buying a new backhoe, but I'd like to see it put off until the spring of the year.

Barbara Pitcairn: I will agree with Danny, I really think that if we wait until the spring of the year and realize after an audit that we can pay cash for it, we won't have this financing issue.

Arthur Routhier: If we were to wait until the spring of the year, it says here that Caterpillar is going to give us a \$15 thousand trade in. That vehicle will be another year older at the spring of the year, so the trade in value will be half of that. That means we lose \$7,500 right off the bat.

Barbara Pitcairn: You don't know that.

Arthur Routhier: He just said the trade in value will be half of what it is now.

Ray Cyr: As I mentioned before, we have to get the machine fixed, that is a given. And the cost of that is \$9,700. The cost to bring the machine down to Brewer is \$2,200.

If we put that money in that machine this year, then try to buy another one next year, we have wasted almost \$10 thousand. We are getting \$15 thousand for the old machine, that will drop from the first of the year, we aren't going to be getting this.

Judy Moreau: If you only got one company to tell you this stuff, and you have, there are many people who repair backhoes.

Ray Cyr: If I had a Cadillac, I would get the Cadillac people to fix it. If I have a Ford, I get the Ford people to fix it. I have a Caterpillar, I will get the Caterpillar people to fix it.

Rita Sinclair: The reason Caterpillar does our work is because they guarantee it. If we have

somebody else come in and do the work, there is no guarantee. If something is wrong, if a pin is broken or a gear is stripped, there is no guarantee. We are going to have to pay again to have it fixed.

Judy Moreau: That is only because you don't contract it out. IF you have a contract and something breaks down, they have to fix it.

Gary Hafford: While that machine is in Bangor, then we contract out when we need it. That is an extra expense and that is a big expense. When that machine goes to Bangor to get fixed, we hire contractors to do your work for you. Then you are talking about some big money.

Wayne Gagnon: If we don't purchase this backhoe, we will be losing a lot of money because of expenses, the amount that will drop by the first of year, the breakdown of what we will have to pay to fix it, we are talking almost \$20 thousand. We are paying \$60 sum thousand dollars after the trade in. We are talking saving a lot of money if we do something now.

Danny Higgins: I would like to know where they got the figure \$80 per hour with operator.

Ray Cyr: What do you charge, I don't know?

Danny Higgins: It depends on who the customer is.

Wilza Robertson: If we put this off until spring, will we get the price that is quoted here, or will we pay inflationary costs and the price will be higher?

Gary Hafford: Definitely

Barbara Pitcairn: What would have to be done to find out if we can take this money out of surplus and buy what we need? I am strongly against financing.

Danny Higgins: How much is in surplus?

Rita Sinclair: Over \$300 thousand.

Danny Higgins: If we have over \$300 thousand, if you guys want a backhoe, take it out of surplus.

Ray Cyr: The rate we are getting on this is 4.4%. That is a pretty good rate.

Danny Higgins: What are you getting on your CDS at the bank where the surplus is?

Ray Cyr: 2.9%.

Danny Higgins: Is that all?

Greg Cyr: That is another discussion for another article. I think we are done talking about backhoes.

Motion made by Judy Moreau to vote on this article by secret ballot, seconded.

Registered voters vote by secret ballot.

Town Clerk Kathy Gagnon checked off registered voters on a list of voters, Greg Cyr monitored the voting box. Two ballot clerks counted ballots.

One voter left before voting began.

Yes votes: 20

No votes: 4

One ballot spoiled.

Article 5 carried.

Motion made and seconded to adjourn the meeting.

Meeting adjourned at 7:48 p.m.

Respectfully Submitted,

Corrine Routhier, Resident of Town of Portage Lake