

BOARD OF SELECTMEN - TOWN OF MACHIAS

NOVEMBER 12, 2014

A regularly scheduled meeting of the Machias Board of Selectmen was called to order at 6:00 PM by Chairman Aubrey Carter. In attendance were Board members Warren Gay, Danny Manchester, Glenn Davis, and James Whalen; Town Manager Christopher Loughlin; Secretary Cathy Lord; Sewer Department Director Bob Bialotta, Daniel Bowker, David Bell, Bob Berta, Ruth Leubecker, William Talbot Jr., Scott Porter.

1. MINUTES - REVIEW AND ACTION

On a motion by Warren Gay, seconded by Glenn Davis, the Board voted to approve the minutes of the October 22, 2014 Board meeting with the following spelling correction:

Item 12A should read: "Mr. Loughlin recommended that Mr. Cecile Lagle's employment with the Town be extended for two weeks."

Mr. Carter asked about the minutes of a special meeting at which the Board had consulted with the town's attorney. Mr. Loughlin said that he would provide these minutes to the Board.

2. WARRANTS - REVIEW AND ACTION

On a motion by Danny Manchester, seconded by Glenn Davis, the Board VOTED:

To approve municipal warrant #36 in the amount of \$24,736.78; to approve municipal warrant #37 in the amount of \$76,105.08; to approve municipal warrant #38 in the amount of \$12,923.33; to approve municipal warrant #39 in the amount of \$31,502.01; to approve municipal warrant 40 in the amount of \$20,903.28; and to approve municipal warrant 41 in the amount of \$142,400.26 .

Mr. Manchester questioned the absence of a payment to Tom's Mini Mart in the municipal warrants; Mr. Loughlin assured the Board that the payment would be on next week's warrant.

On a motion by Danny Manchester, seconded by Warren Gay, the Board VOTED:

To approve school warrant #18 in the amount of \$235,158.48 and to approve school warrant 20 in the amount of \$216,573.55 .

3. TIF PROPOSAL FOR MAINE WILD/CHERRYFIELD FOODS

Mr. Carter explained that the Board of Selectmen has met with the town's attorney to discuss Maine Wild/Cherryfield Foods' proposal to develop a tax increment financing agreement with the Town of Machias. He noted that the Board will listen to Maine Wild/Cherryfield Foods' proposal at this meeting. Mr. Carter pointed out that the Board of Selectman have been made aware of a meeting between representatives of the company and Machias Fire Chief Joey Dennison and that during this meeting promises were made to the fire chief such as funding for a new fire truck and a haze mat team. He noted that all negotiations should be with the Board of Selectmen and not with municipal

employees. Mr. Manchester added that it is the Board of Selectmen which makes the decisions as to allocation of funds. Mr. David Bell, plant manager of Maine Wild/Cherryfield Foods, apologized to the Board if the purpose of the meeting with the fire chief was misconstrued; he advised the members of the Board that he made absolutely no commitments during the meeting in question. Mr. Carter commented that the Board of Selectmen has always supported the Machias Fire Department; he added that it appears as if the Board of Selectmen has been "taken out of the loop" with the meeting between the company and the fire chief. Mr. Bell said that he absolutely understood the Board's feelings. Mr. Manchester noted that if there is a TIF agreement that the Board may use the TIF money for an entirely different purpose than for the purchase of equipment for the fire department which could make the Board look unappreciative to the fire department for what they do for the Town. Mr. Carter pointed out that the Board is no where near the point of making any type of decision regarding the funds from a TIF agreement. Mr. Bell again apologized to the members of the Board for any misconceptions. Mr. Carter noted that the Board will listen to the presentation on a TIF agreement and make a decision which will benefit the citizens of Machias. Mr. Bell said that Maine Wild/Cherryfield Foods is looking at forming a partnership with the Town on a tax increment financing agreement on its new construction project; he suggested the creation of a working committee to look at options. Mr. Bell pointed out that the company is probably looking at a ten year term but the term could be longer for the agreement. Mr. Carter asked if the company has its financing in order? Mr. Bell explained that the company does not have its financing at the present time. Mr. Bell added that the company is not guaranteeing the creation of any new jobs but would be maintaining the seasonal positions already in place. Mr. Bell added that the company would like to involve attorneys after the working committee has had the opportunity to do planning. Mr. Carter questioned the Town Manager regarding estimated taxes which would be assessed on the company's facility. Mr. Loughlin responded that the Town would be looking at \$140,000. per year on a seven million dollar project with probably \$80,000. in TIF revenue,. Mr. Bell advised the Board that company officials are now looking at an eight million dollar estimate for the project and probably looking at \$40,000. to \$60,000. in revenue from a TIF. Mr. Manchester asked what the benefits to the Town would be with a TIF? Mr. Loughlin explained that the state valuation for education would not be affected by the added tax value of the Town and that the state revenue sharing monies would remain at the same level. Mr. Bell said that the company could have total flexibility in pursuing either a ten or twenty year TIF. Mr. Loughlin noted that with a twenty year TIF the Town would have a significant length of time before seeing any benefit. Mr. Bowker pointed out that the company is in the brainstorming process of a TIF. Mr. Talbot commented that it appears that there are some internal issues that need to be dealt with by the company. He noted that somewhere around the discussion of cash flow and debt service attorneys will need to become involved. Mr. Talbot explained that since most of the numbers will come from the company that some plans will need to be tentatively laid out as well as the term of the agreement before much more time elapses. Mr. Carter asked the other members of the Board for their comments. Mr. Davis and Mr. Gay agreed that the Board needs more information number-wise before making a decision. Mr. Whalen commented that there is still too much "up in the air" regarding the Town of Machias entering into this TIF agreement. The Board discussed the composition of the working committee; it was decided that the committee would be comprised of Mr. Loughlin, Mr. Carter, and Mr. Whalen as well as Mr. Bell along with two additional people representing Maine Wild/Cherryfield Foods. Mr. Whalen pointed out that the Town needs some solid

information before making any type of decision. Mr. Bell said that he would be in contact with Mr. Loughlin about setting up the first meeting of the working committee.

Mr. Bowker explained to the Board that Maine Wild would like to extend the guardrails by five hundred feet to the top of the hill towards the property of Dean Richmond on Elm Street. He noted that he discussed the extension with John Devon, a MDOT engineer, who recommended a partnership between MDOT and the Town to perform the work. Mr. Bowker informed the Board that the cost of the groundwork for the project (\$5000.) would be paid by Maine Wild and the partnership would be responsible for the \$15,000. cost of the guardrails. Mr. Bowker noted that the Town would administer with the MDOT on the paperwork and bills for the project would be submitted to Maine Wild for payment.

On a motion by Danny Manchester, seconded by Warren Gay, the Board  
VOTED:

To partner with Maine Wild Blueberry Company on the extension of guardrails on Elm Street at no cost to the Town.

On a motion by Danny Manchester, seconded by Glenn Davis, the Board  
VOTED:

To establish a working committee comprised of Machias officials and Maine Wild/Cherryfield Foods representatives to work on a possible TIF agreement.

#### 4. COMMITMENT OF SEWER USER RATES

On a motion by Danny Manchester, seconded by Warren Gay, the Board  
VOTED:

To accept the sewer user rates for the third quarter in the amount of \$105,907.40 .

#### 5. SEWER LINE MAINTENANCE BIDS

Mr. Loughlin advised the Board that the Department of Environmental Protection is interested in Machias showing progress with sewer line maintenance. He explained that two companies were contacted for bids on sewer line maintenance.

Bids: Clean Harbors - no hourly price quoted, no total project price given on bid response form

Ted Berry Company - \$20,085.

Mr. Loughlin, Mr. Bialotta, and the members of the Board discussed the bids received. Mr. Loughlin suggested rebidding the work separating the project into smaller pieces. The Board agreed to proceed with new bid specifications to address the work which needs to be done.

On a motion by Danny Manchester, seconded by Glenn Davis, the Board  
VOTED:

To reject the bids received for sewer line maintenance and to rebid the project separating the project into smaller pieces.

#### 6. PROPOSAL FOR SEWER MANHOLE ON WATER STREET

Mr. Loughlin reminded the Board of two recent incidents where rocks were shoved down manholes on Water Street. He advised the Board that bolt down manholes cost \$1600. and locking manholes cost \$2195. The Board directed that Mr. Loughlin proceed with the purchase to stop the problem.

#### 7. SEWER READY-TO-SERVE VS. NO EXISTING BUILDING

Mr. Loughlin explained that accounts were set up for "ready-to-serve" sewer hook-ups but that this should only apply to properties with buildings.

On a motion by Warren Gay, seconded by Glenn Davis, the Board  
VOTED:

To abate fees on accounts mistakenly charged for "ready-to-serve" sewer hook-ups.

#### 8. SCOTT PORTER - HOCKEY RINK AT MACHIAS MEMORIAL HIGH SCHOOL

Mr. Scott Porter advised the Board that he was contacted by Ian Emery regarding interest in installing a hockey rink on the grounds of Machias Memorial High School. Mr. Porter told the Board that he contacted the school's insurance carrier regarding liability issues and was told that the hockey rink would have to be "school supported" if it was on school property. He noted that there is strong interest from the student body for the rink but that the main problem is that of creating liability. Mr. Porter added that the rink would be installed and maintained solely by volunteers. Mr. Carter pointed out that the Board would also have some concerns about the rink being located on school property. Mr. Whelan asked about lights for the rink and Mr. Porter surmised that the rink would be used mainly during daylight hours on weekends. One suggestion was setting up the rink at the southside ball field but Mr. Carter pointed out that a group of volunteers has spent much time and money on improvements to this field to be utilized as a ball field. Mr. Manchester suggested that Mr. Emery consider placement of the rink at Washington Academy. Mr. Gay and Mr. Davis commented that kids in the area need something to do. Mr. Manchester and Mr. Whalen supported placement of the rink in a different location. Mr. Carter advised Mr. Porter that they will leave the hockey rink to his discretion. Mr. Porter thanked the Board for their guidance in this matter.

#### 9. TOWN OWNED PROPERTY - LOT ON HOYTOWN ROAD

Mr. Loughlin explained to the Board that in 2010 the Town took possession of a piece of property located on Map 17 Lot 22A on the Hoyttown Road due to non-payment of taxes and then the Town proceeded to go through the process of selling the property to the highest bidder. He advised the Board that it was found that there is an IRS lien on the property after the Town had taken the property. Mr. Bob Berta pointed out that since that time the IRS has placed a second lien on the property. Mr. Loughlin added that Mr. Berta had been the high bidder on the property and had provided ten percent of the bid price for the purchase as stipulated in the request for bids. Mr. Loughlin advised the Board that \$795.42 in taxes were owed on the property when it was taken by the Town and that a total of \$1977.60 in taxes would have accrued on the property for a total of \$2773.02 in accumulated taxes owed on the property. Mr. Loughlin recommended advertising the property for sale for a minimum bid of \$2800.

On a motion by Warren Gay, seconded by Glenn Davis, the Board  
VOTED:

To solicit bids on a piece of property located on Map 17 Lot 22A for a minimum bid of \$2800.

10. MAINE DOWNTOWN CENTER NETWORK COMMUNITY AGREEMENT

On a motion by Danny Manchester, seconded by Glenn Davis, the Board

VOTED:

To pay the \$250. fee out of the contingency account for the Maine Downtown Center Network Community agreement.

11. LETTER OF SUPPORT FOR MARGARETTA DAYS FESTIVAL

Mr. Loughlin reported that the Machias Historical Society is asking for a letter of support for the Margarettta Days Festival to enable the group to pursue grant money.

On a motion by Danny Manchester, seconded by Glenn Davis, the Board

VOTED:

To authorize the Town Manager to draft a letter of support for the Margarettta Days Festival for the Machias Historical Society for the Board's review.

12. POLICE CHIEF COMPENSATION FOR ADDITIONAL DETAILS

Mr. Loughlin advised the Board that Chief Dwelley is asking if he can be compensated for additional details over and above his normal hours. The Board discussed the request. Mr. Loughlin explained that the costs of these special details are funded by second parties needing police coverage and that there is no cost to the Town.

On a motion by Danny Manchester, seconded by Warren Gay, the Board

VOTED:

To compensate Chief Dwelley at the rate of \$25.00 per hour for special details.

13. TENNIS COURT FUTURE

Mr. Loughlin advised the Board that Mr. Whalen had questions over the continued cost of maintaining the tennis courts. Mr. Loughlin reported that the Town has \$14,000. in the tennis court repair account; he pointed out that the cost to repair the courts is approximately \$40,000. Mr. Whelan suggested looking into using the property for a different purpose. Mr. Loughlin noted that many years ago the federal government provided funds to many municipalities to construct tennis courts. Mr. Carter asked if the Town had entered into an agreement to maintain the courts. Mr. Loughlin advised the Board that he would do some research to see if there is a copy of any type of agreement regarding the tennis courts.

14. MRC (MUNICIPAL REVIEW COMMITTEE) VOTE FOR OFFICERS

Mr. Loughlin reviewed the ballot for the Municipal Review Committee. He noted that the Committee is looking for one new member. The members of the Board asked that the Town Manager cast a vote for Barbara Veilleux.

15. LEASE AGREEMENT FOR MDMV AT THE TELEBUSINESS CENTER

Mr. Loughlin advised the Board that the Maine Department of Motor Vehicles is seeking to renew their lease with the Town for a room at the Telebusiness Center.

On a motion by Warren Gay, seconded by Danny Manchester, the Board

VOTED:

To enter into an agreement to lease one room at the Machias Telebusiness Center to the Maine Department of Motor Vehicles for a one year lease in the amount of \$4005.75 .

#### 16. MANAGER'S REPORT/OTHER BUSINESS

A. Mr. Bialotta reported a sanitary sewer overflow at the Bluebird Ranch Restaurant and the costs for the Town to address the problem. Mr. Bialotta advised the Board that he is continuing to monitor the situation.

B. On a motion by Danny Manchester, seconded by Glenn Davis, the Board

VOTED:

To purchase an ad in the Paper Talks Magazine at the cost of \$205. with funding coming from the contingency account.

C. Mr. Loughlin reported on efforts to complete the skateboarding ramp.

D. Mr. Loughlin reported that County Concrete will finish the paving of Salem Street in the Spring and will hold the price previously agreed to.

E. Mr. Loughlin advised that the Parking Ordinance Committee will meet at 4:00 PM on 11/20/14.

F. On a motion by Warren Gay, seconded by Glenn Davis, the Board

VOTED:

To cancel the selectmen's meeting scheduled for 11/26/14 until 12/10/14.

G. Mr. Loughlin advised the Board that he will provide them with a schedule of semi-annual vehicle inspections. Mr. Carter and Mr. Gay asked that this be in the form of a report from the Town Manager.

H. Mr. Loughlin reported salt damage to the driver's side of the Sterling plow truck as well as issues on other parts of the truck. Mr. Carter observed that when the vehicle was purchased the dealer guaranteed that the vehicle would be supported. Mr. Loughlin pointed out that parts are not being manufactured for this vehicle anymore.

On a motion by Glenn Davis, seconded by Warren Gay, the Board voted to adjourn the meeting at 7:55 PM.