

**VEAZIE SEWER DISTRICT
OCTOBER 15, 2012 – MINUTES
6:30 P.M.**

Attended by: Chair Rob Tomilson, Trustee Gary Brown, Trustee Jim Parker, Supt. Travis Day, Tammy Olson, and members of the public.

- 1) Call Meeting to Order – Rob called the meeting to order at 6:32 p.m.
- 2) Consider Meeting Minutes of September 12, 2012 – Jim moved to accept the minutes as written; Gary seconded. Jim stated that Tammy does a good job with the minutes, but that she should “be careful of some of the wording, it’s not an editorial comment.” Tammy said she checks the recordings, but will keep an eye out. There was no further discussion. Vote 3-0, passes.
- 3) Review Agenda – Rob stated that he received a letter from Joan Perkins, and added it to Item 26, Other Business.
- 4) Executive Session per 1 M.R.S.A. Section 405(6)(E) to discuss pending/contemplated litigation with the District’s attorney – Jim moved to go into Executive Session per 1 M.R.S.A. Section 405(6)(E); Gary seconded. Vote 3-0, passes at 6:34 p.m. Jim moved to come out of Executive Session per 1 M.R.S.A. Section 405(6)(E); Gary seconded. Vote 3-0, passes at 6:54 p.m.
- 5) Executive Session per 1 M.R.S.A. Section 405(6)(A) to discuss a personnel matter – Jim moved to go into Executive Session per 1 M.R.S.A. Section 405(6)(E); Gary seconded. Vote 3-0, passes at 6:55 p.m. Jim moved to come out of Executive Session per 1 M.R.S.A. Section 405(6)(A); Gary seconded. Vote 3-0, passes at 7:17 p.m.
- 6) Executive Session per 1 M.R.S.A. Section 405(6)(A) to discuss a personnel matter – Jim moved to go into Executive Session per 1 M.R.S.A. Section 405(6)(E); Gary seconded. Vote 3-0, passes at 7:17 p.m. Jim moved to come out of Executive Session per 1 M.R.S.A. Section 405(6)(A); Gary seconded. Vote 3-0, passes at 7:33 p.m.
- 7) Executive Session per 1 M.R.S.A. Section 405(6)(A) to discuss a personnel matter – Jim moved to go into Executive Session per 1 M.R.S.A. Section 405(6)(E); Gary seconded. Vote 3-0, passes at 7:33 p.m. Jim moved to come out of Executive Session per 1 M.R.S.A. Section 405(6)(A); Gary seconded. Vote 3-0, passes at 7:55 p.m.
- 8) Executive Session per 1 M.R.S.A. Section 405(6)(E) to discuss pending/contemplated litigation with the District’s attorney – Jim moved to go into Executive Session per 1 M.R.S.A. Section 405(6)(E); Gary seconded. Vote 3-0, passes at 7:55 p.m. Jim moved to come out of Executive Session per 1 M.R.S.A. Section 405(6)(E); Gary seconded. Vote 3-0, passes at 8:20 p.m.
- 9) Executive Session per 1 M.R.S.A. Section 405(6)(E) to discuss pending/contemplated litigation with the District’s attorney – Jim moved to go into Executive Session per 1 M.R.S.A. Section 405(6)(E); Gary seconded. Vote 3-0, passes at 8:20 p.m. Jim moved to

come out of Executive Session per 1 M.R.S.A. Section 405(6)(E); Gary seconded. Vote 3-0, passes at 8:45 p.m.

- 10) Discuss with Nick Henry of Horton, McFarland & Veysey On Preparing a Rate Structure Proposal – Nick asked if the Trustees would like to start with the fees that the District is hoping to establish. Rob said he talked with Nick “several times in the last couple weeks,” and had him break things down into three buckets. One would be operational costs, which Rob said he didn’t think “we’re in a position to say whether they need to go up, go down, or stay the same from a revenue standpoint. The other one is our debt service fee, which is currently less than our debt service. The third one is the depreciation and reserve fees which are not currently being funded at all.” Rob added that he thinks the debt service and depreciation/reserve fees can be addressed now for “potential implementation for a January 1 change.” Nick discussed one sheet he had sent to the Trustees. The debt service fee including only the Maine Municipal Bond Bank loan would be \$31.00. The Oak Grove project would add \$7.28 to that. He pointed out that the bottom of the sheet had \$105,000 for depreciation and reserve. If the Trustees want to go with this figure, that would add an additional \$28.18 to fund these reserves. Jim questioned whether or not Oak Grove should be part of Collections System Improvements. There was discussion on borrowing for Oak Grove. Nick pointed out that if borrowing were necessary for Oak Grove, “there would be time to address that debt service fee.” Nick said the debt service fee could then go from \$25.00 to \$31.00, and Rob clarified the debt service fee and the increase for the amount wanted for Collections System Improvements. Nick clarified that including depreciation and reserves, the base charge would go from \$25.00 to \$65.00 per quarter before any usage charges, and that Oak Grove would be addressed if it comes up. Jim requested a new sheet from Nick, and wanted details for the vehicle/equipment in the reserve funds. Nick then moved on to historical and projected operational expenses, and started with employee expenses. Nick explained his assumptions of 3% increases and beginning at 2004 since a new employee was added in 2003. Jim said “if we took a combination of 2008 on the salary side and look at 2012 on the operational maintenance side, I’d like to see how that fits in with the current rates we already have. It may very well be not necessary to raise those rates and still have almost a \$50,000 surplus to operate with if you make the adjustments we talked about.” Nick was asked to create a new sheet then look forward to 2022, using CPI instead of historical increases. Jim added that “we may have to talk about some increases to various personnel for different reasons.” Rob said that the “other aspect we ought to have in there is what the rate would be with the assessment as it is right now and without the assessment.” Nick said that to calculate that rate, some of the operational costs need to be hammered out. There was some discussion of the tax benefits of the assessment, and Rob said that “only 25% or so of people actually itemize their taxes.” Tammy explained the requirements of the public hearing, and Jim said it could be decided at the next meeting. Nick said he was all set with the work he needed to do.
- 11) Discuss Oak Grove Project – Travis spoke to the town manager, who stated that Oak Grove could be paved within five years. The estimated cost for the District’s work is approximately \$200,000. There were no additional questions related to Oak Grove.
- 12) Discuss Annual Wage, Benefits, and Tax Costs Per Employee for 2005-2012 – Tammy put together a spreadsheet with this information. Rob said that this outlined a wage

history for each of the various positions. He added that “employee costs of each position did increase and 50% of the positions did receive a pay increase last year.” Tammy added that “employees were going to get a cost of living but turned it down in exchange for health insurance.” Jim said that when Nick gets done with his projections of what’s going to happen rate-wise, then he’d like to revisit this. He added, “From my point of view, I think we have to look real hard at health insurance.” Travis explained how cost of living was averaged. There was some discussion on the plan the District currently offered employees. Tammy explained why the form was labeled a draft, and added that getting the individual employee amounts would require getting physical invoices out of boxes that were packed away. Rob said that from his point of view, he was fine with just the totals being correct.

- 13) Discuss Health Insurance Information – There was some discussion of the change to a less expensive health insurance plan in 2010. Tammy explained how her prorated health insurance works, and how she did not take a health insurance increase this year. There was some discussion on comparing the District to the town and other districts. Tammy added that there is a survey Rob asked Travis to look into what the town offers its employees.
- 14) Discuss Hiring a Consultant to Prepare a Manpower Outline and Salary Guidelines – Rob said they were going to look at proposals to find out what we need from a manpower perspective. He added, “For years we have run at 3-1/2 people. We have been running for two months with 2-1/2 people with no issues and Travis assures me the work is getting done. So that kind of begs the question, were we overstaffed for the past 10 years?” Travis reported that Olver and Associates could do it for approximately \$1,500; Wright Pierce was from anywhere between \$3,000 and \$5,000 depending on what the District wanted done, and Woodard & Curran would be \$2,100. Both Olver and Woodard & Curran could do the work within a month. Travis explained the consulting process. Jim said, “It’s \$600 more but Woodard & Curran gave us an actual proposal and they designed the plant.” Jim then moved to go with Woodard & Curran, Gary seconded. There was no further discussion. Vote 3-0, passes. Travis clarified that he could sign the agreement, and Jim said it would be nice to get the study a week before the next meeting.
- 15) Discuss Charter Changes – Eaton Peabody has put the changes together. Attorney Pottle said the boundaries change has already been approved by the voters. The other changes are for the Trustees to decide. He reviewed some language that he cleaned up as well as the changes, including deleting the annual meeting requirement; having the nomination and election process for Trustees follow the Town; and allowing all registered voters in the Town of Veazie to vote in any election or meeting because they all pay the assessment. Gary Brooks questioned as to whether or not the assessment would have to stay due to this wording, and Attorney Pottle said he did not think it would be a problem. Jim said they should try to do it in one legislative pass and that the special meeting could be held with the rate increase hearing in December. Jim then moved that the sections be drafted to be concise, that they be reviewed at the next meeting, and that they try to schedule the public hearing and public vote consistent with the rate increase; Gary seconded. Vote 3-0, passes.

Rob said the next item was a potential charter change dealing with conflicts of interest that at “the recommendation of Eaton Peabody when they reviewed the Town of Veazie’s personnel policy. There’s a section with the Town’s personnel policy that deals with political activities.” He then explained that this proposed document would be an “addendum or addition to our existing personnel manual and would deal with conflicts of interest in what District employees can and can’t do in terms of serving as a Trustee, working in the Town, or as Town councilors.” Attorney Pottle stated that Eaton Peabody recommends putting this in the personnel policy instead of the charter because it “is obviously a lot harder to change the charter than to change the personnel policy.” The Trustees asked Travis to provide the Town’s personnel policy to the Trustees before the next meeting.

- 16) Discuss Financial Contribution to Penobscot Indian Nation Jurisdiction Lawsuit – Jim moved that this item be tabled to a future meeting; Gary seconded. Vote 3-0, passes.
- 17) Banking Update – Line of credit update and changing to a local bank rather than Key Bank – Jim reviewed the research he did and suggested putting out an RFP at the end of the year describing what we use for services and what banks can offer us. Jim moved that Tammy outline what we need for services, send it to banks, and let them come back to us with fees, etc.; Gary seconded. Vote 3-0, passes.
- 18) Buck Hill Update – The communication issue is getting better as the leaves are falling. The electrician recommends moving the antenna up about 150 feet. Travis is waiting for a price on the cable and stated that we have the conduit already run. Rob asked if there were issues mounting it, and Travis said the electrician did not mention any. Moving the antenna should put it above the tree line. There was a consensus of the Trustees to go ahead with moving the antenna.
- 19) Two Way Communications – Travis stated that the two-way radios in vehicles need to go to narrow band. There are four portables as well. Jim asked if we use them all, and Travis stated that we use three portables and have one as a backup, and we use the vehicle radios. Jim said that between now and the next meeting, find out if they are convertible so that it can be authorized at the next meeting. Travis added that this conversion would need to be done before January 1.
- 20) Evergreen Waste – Travis stated that we pay \$94.50 now for having the dumpster picked up on an on-call basis. To stay on call, the price will increase to \$96.00 plus a \$10.50 rental fee. He recommended that we switch to once a month which will keep the cost about the same, and added that we generally have it picked up about once a month anyway.
- 21) Freedom of Information Update – There have been three new requests. Rob reviewed the requests, which include communications between Jim and Michael Chamberlain of Key Bank (requested by Joan Perkins), billing and payment history for 2007-2012 (requested by Brian Perkins), and communications between Jim and Rob between June 20, 2012 and August 31, 2012 (requested by Joan Perkins). Attorney Pottle stated that he likes to look at each request and applies it to specific statutes. Then he likes to look at the information to see if it meets the letter of the law and responds within a reasonable amount of time.

His recommendation is to allow him a chance to look at the requests and work with District staff to respond. He added that these “sound like pretty normal requests for information.”

- 22) Review Legal Invoices – Jim moved to take off the table and authorize payment on the \$636.00 Eaton Peabody invoice; Gary seconded. Vote 3-0, passes. Jim moved to authorize payment of the \$2,500.00 deductible from Maine Municipal Association as long as funds were available; Gary seconded. Vote 3-0, passes. Jim moved that the remaining two invoices from Eaton Peabody be paid when the District has the funds available; Gary seconded. Vote 3-0, passes.
- 23) Treasurer’s Report – Tammy reviewed the report distributed at the meeting and explained that it an updated version of the one distributed last month with January added. October 1-15 on this report are actual numbers. The MMBB payment was added to the January expenses.
- 24) Warrants – Warrants were circulated for signatures.
- 25) Superintendent’s Report – a) We had our annual DEP inspection and everything looked great. We have not received our report yet. b) There were no violations for September. c) The state report has been submitted. d) The plant is running great.

Jim said that over the next few weeks, Tammy will be taking on additional duties and asked if that would work with her schedule. She asked if he was referring to working in the lab, and he said yes. She said it was not a problem, and he said that they “appreciate the help.”

- 26) Other Business – a) Rob responded to the letter submitted by Joan Perkins requesting information on Clyde Crowe and said that “not much can be said regarding that because it is in litigation, but you can be assured that if and when we sell the properties we will maximize our returns.” He added that he can’t comment on the other sales because “I wasn’t here, I wasn’t a member of the board, but the Board of Trustees at the time had to approve that and it was their decision.” Joan Perkins asked if there was a protocol, and he said he understood it would be an auction. He added that this “isn’t going to be like the Town where we can sell the equipment for Public Works with no RFQ and no bid or outsource and sign a significant contract with no bids.” Brian Perkins said that he was on the board when Mr. Parker purchased the property and he believes there should have been a protocol then. He hopes there is one now. Jim said he had to have an environmental assessment done and “spent \$35-40,000 cleaning up the site. With the Crowe property, based on his background, Jim is “very concerned about what might come to us with that property.” Brian Perkins said he never saw any documentation related to those expenses, and Jim said “a report was given to the board of Trustees and the report was published.” Joan Perkins asked who performed the environmental assessment of the Tiny Tot property, and Jim said that if she “wanted to go back and find the records, dig them out.” b) Gary said he has been approached by several residents and the Town Council as to whether or not we would move our meeting back to where it was. People are saying it is a conflict, they want to go to these meetings but the cannot because they are the same night. Rob said, “The Town Council has already changed their meeting

day this year, why don't they change it again?" Gary said it doesn't look good that the Trustees change their meeting a week and a half after the Town set their meeting schedule. Brian Perkins respectfully requested that the Trustees pick another day. Rob asked Tammy to review a calendar, review Monday holidays, and present it next month. c) Gary wanted to revisit an item from last meeting regarding the request for the advance from the Town. He wanted to know who authorized the change in the amount. Rob said he "believed that the number that was provided was \$75,000." He added that he made a mistake and apologized for it. Jim said the board voted for \$60,000, and Gary said he is not questioning that, he is questioning why it was changed to \$75,000. d) Gary said that at the last meeting Jim told him he had no dealings with Mr. Chamberlain at Key Bank, or that he only sent numbers. Jim said he "was authorized to speak with him and I did." There was discussion on how Mr. Chamberlain got the information that he provided to the underwriters.

Jim made a motion to adjourn. Motion failed due to the lack of a second. Jim then spoke with the attorney about the emails requested earlier and said "they're deleted."

Gary then asked about the other options Mr. Chamberlain provided, including the Town borrowing the money and then the District borrow money from the Town. Jim said "we spoke to Town about that, I assume" but that Mr. Chamberlain turned that down. Gary added that he was "being truthful" at the last meeting.

- 27) Public Comments – Cathy Brooks asked who was the chair, and Rob said that "this is public comments, not questions and answers." Cathy Brooks asked by how much the current estimated rate increase differs from the one done by the previous superintendent, and Tammy said a half a percent. Cathy Brooks then said that the opposition to the last rate increase was due to her husband's salary, and questioned whether or not they were wrong or whether or not there would not be a rate increase now that he was done. Cathy Brooks then asked Mr. Parker if he still maintains that the District does not have a real audit, and Jim said, "Comment if you want to, I'm not." Cathy Brooks then reviewed the previous town meetings where Councilor Parker and Councilor Bagley wanted a policy in place for absent councilors, then at the next District meeting the District meetings were changed to coincide with Council meetings. She said, "That presents a conflict for one of your employees. She either has to get off the council or has to get done here." Cathy Brooks said she still maintains that Jim being on the legislature which creates this charter is a conflict of interest. Gary added that he still has not received a letter on behalf of Jim. Cathy Brooks also pointed out that Mr. Tomilson promised to get rid of the assessment but now they were considering keeping it. She added that she wants the email list that the circulated email stating that the "Superintendent could commit murder and we still couldn't fire him." She understood that Rob provided the whole email list, but she wanted the list of just those that were sent the email. Rob said, "We're going to wrap this up in one minute" and gave Joan Perkins an opportunity to speak. Joan Perkins said that a bill was submitted to the legislature last fall and wondered if there was any conflict between the language in that bill submitted to the legislature before cloture and the one voted on at the annual meeting. She added that "we have not seen the wording that went to the legislature before the vote."

- 28) Adjournment – Jim moved to adjourn, Gary seconded. Vote 3-0, passes at 11:00.