

**Kittery Town Council
May 7, 2018
Special Meeting – 6:00 p.m.
Council Chambers**

1. Call to order: Chairperson Lemont called the meeting to order at 6:00 p.m.
2. Introductory: Chairperson Lemont read the introductory.
3. Pledge of Allegiance: Chairperson Lemont led those present in the Pledge of Allegiance.
4. Roll call: Answering the roll were Councilors Frank Dennett, Jeffrey Pelletier, Matthew Brock, Gary Beers, Vice-Chairperson Charles Denault and Chairperson Kenneth Lemont. Councilor Jeffrey Thomson was excused absent.
5. Agenda Amendment & Adoption: Chairperson Lemont said he had one adjustment to the agenda, item 13 “D” he would like to reschedule the public hearing date for May 30th. Chairperson Lemont asked, and hearing there were no other adjustments, cast one vote for the acceptance of the agenda as amended
6. Town Manager’s Report: none
7. Acceptance of Previous Minutes: none
8. Interview for the Board of Appeals & Planning Board: none
9. All Items involving the town attorney, town engineers, town employees or other town consultants or requested officials: none
10. PUBLIC HEARINGS

a. (050118-1) The Kittery Town Council moves to hold a public hearing on the School Budget Validation Referendum.

Chairperson Lemont opened the public hearing at 6:03 p.m. and asked if anyone wishing to speak to, for or against is welcome to do so at this time. Seeing none, he closed the public hearing.

b. (050118-2) The Kittery Town Council moves to hold a public hearing to approve and hereby ordains an ordinance entitled “Ordinance Approving Additional Local Funds for School Budget for Fiscal Year 2018-2019.”

Chairperson Lemont opened the public hearing at 6:05 p.m. and asked if anyone wishing to speak to, for or against is welcome to do so at this time. Seeing none, he closed the public hearing.

COUNCILOR PELLETIER MOVED TO APPROVE AND HEREBY ORDAINS AN ORDINANCE ENTITLED “ORDINANCE APPROVING ADDITIONAL LOCAL FUNDS FOR SCHOOL BUDGET FOR FISCAL YEAR 2018-19”, TO INCLUDE ADDITIONAL FUNDS IN THE AMOUNT OF \$3,574,647.81. COUNCILOR BEERS SECONDED THE MOTION.

Chairperson Lemont asked if there was any discussion?

Councilor Dennett said ever since this particular item has been included in the annual activity for the School Dept., he has never understood why this continuously exceeds the State’s Essential Services &

Programs amounts recommended. He said they have a rationale here which he did not entirely disagree with. He said the State short changes us in this area all the time and wanted to know why don't we take a stand one way or the other? He said he is totally confounded and merely because he does not know what is going on, he will abstain.

ROLL CALL VOTE WAS TAKEN, 5-0-1 WITH FIVE IN FAVOR, NONE OPPOSED AND ONE ABSTENTION (COUNCILOR DENNETT). MOTION CARRIES.

c. (050118-3) The Kittery Town Council moves to hold a public hearing to approve and hereby ordains an ordinance entitled "Ordinance Approving School Budget for Fiscal Year 2018-2019."

Chairperson Lemont opened the public hearing at 6:10 p.m. and asked if anyone wished to speak to, for or against is welcome to do so at this time. Seeing none, he closed the public hearing.

COUNCILOR PELLETIER MOVED TO APPROVE AND HEREBY ORDAINS THE SCHOOL BUDGET FOR FISCAL YEAR 2018-19, WITH THE FOLLOWING AMOUNTS: REGULAR INSTRUCTION = \$6,849,500.46; SPECIAL INSTRUCTION = \$3, 569,010.67; CAREER & TECHNICAL EDUCATION - \$5,152.40; OTHER INSTRUCTION = \$344,553.30; STUDENT & STAFF SUPPORT = \$1,800,672.86; SYSTEM ADMINISTRATION = \$609,766.76; SCHOOL ADMINISTRATION = \$1,094,449.88; TRANSPORTATION/BUSSES = \$654,588.83; FACILITIES MAINTENANCE = \$1,383,566.49; DEBT SERVICE & OTHER COMMITMENTS = \$802,768.75; ALL OTHER EXPENSES = \$115,200.00 FOR A TOTAL OF \$11,990,290.67. COUNCILOR BEERS SECONDED THE MOTION FOR DISCUSSION.

Councilor Beers said they need clarification on the beginning language which should be "hereby ordains, pursuant to Title 20-A, Sections 1485 and 15690..."

Councilor Pelletier agreed to the amendment.

Vice-Chairperson Denault said Councilor Pelletier's summary total authorizes \$11,990,290.67, but on his sheet it says \$17,229,230.40.

Chairperson Lemont said that Vice-Chairperson Denault should look at the second sheet.

Councilor Dennett said he did not hear his last remark.

Vice-Chairperson Denault said he had two sheets with different totals and he did not calculate the amounts on the other sheet in Councilor Pelletier's \$11+ million-dollar figure. He said he was clarifying the amount that Councilor Pelletier had come up with.

Councilor Dennett said the \$17 + million-dollar figure is the correct figure.

Councilor Pelletier said in paragraph two, the total cost of funding public education K-12 Essential Programs and Services is \$10,849,100.71, to be raised as the Town's contribution.

Chairperson Lemont explained additional funds have to be raised locally above and beyond the Essential Programs and Services funding by the State of Maine, is his understanding.

Councilor Dennett asked why was Chairperson Lemont looking at Councilor Pelletier?

Chairperson Lemont said he thought that Councilor Dennett wanted clarification.

Councilor Dennett wanted to know if that is what they are authorized to spend, then why isn't that in the total budget?

Councilor Beers said he concurs with Councilor Dennett's point.

Chairperson Lemont asked Supt. Waddell if he is capable of clarifying this for Council.

Councilor Brock said in paragraph two, the \$11 million-dollar figure is as described in the Essential Programs and Services and he did not think it is intended to be the complete figure, he thought it is part of it.

Supt. Waddell said according to the State, they have to be separated out, using the Essential Programs and Services formula Councilor Pelletier described in the first motion. He said collectively, in a series of motions, the sum will be the \$17 million-dollar figure that he reported out to Council on April 9th.

Councilor Beers said when they look at the list of figures, the first two add up to \$11 million-dollars itself. He said if they add up the whole list, it should be the \$17 million-dollar amount that we should be appropriating.

Chairperson Lemont said to follow up on what Supt. Waddell said, this is what the State requires.

Councilor Pelletier thought that Councilor Dennett and Councilor Beers are correct in that we have to read out the individual pieces, but when we figure in the sum of \$802,768.75 for debt service and local funding are included in the amount to approve the School Budget, then \$17,229,230.40 should be the figure we are moving forward. He said he will amend his motion to include that and asked the Recorder to note that.

Councilor Beers concurred as second.

Chairperson Lemont asked if they can do that under 13a and say \$17,229,230.40 and go through each cost center?

Councilor Pelletier said that 13 (a) is merely putting it out to the public to vote on in June, which he thought is the \$17 + million-dollar figure. He said he would like to amend his motion to include the cost centers in the \$17 + million-dollar figure.

Chairperson Lemont asked Supt. Waddell if that would cover all the bases?

Supt. Waddell replied yes.

Chairperson Lemont thanked Supt. Waddell.

Councilor Dennett said he will abstain on this vote as well because it includes the amount that exceeded the State's recommended amount for Essential Programs and Services.

COUNCILOR PELLETIER AMENDED HIS MOTION AS FOLLOWS: MOVED TO APPROVE, AND HEREBY ORDAINS, PURSUANT TO TITLE 20-a, SECTIONS 1485 AND 15690, THE SCHOOL BUDGET FOR FISCAL YEAR 2018-2019 IN THE FOLLOWING AMOUNTS: REGULAR INSTRUCTION = \$6,849,500.46; SPECIAL INSTRUCTION = \$3, 569,010.67; CAREER & TECHNICAL EDUCATION - \$5,152.40; OTHER INSTRUCTION = \$344,553.30; STUDENT & STAFF SUPPORT = \$1,800,672.86; SYSTEM ADMINISTRATION = \$609,766.76; SCHOOL ADMINISTRATION = \$1,094,449.88; TRANSPORTATION/BUSSES = \$654,588.83; FACILITIES MAINTENANCE = \$1,383,566.49; DEBT SERVICE & OTHER COMMITMENTS = \$802,768.75; ALL OTHER EXPENSES = \$115,200.00 FOR A TOTAL OF \$17,229,230.40.

COUNCILOR BEERS SECONDED THE AMENDED MOTION. ROLL CALL VOTE WAS TAKEN 5-0-1, FIVE IN FAVOR, ONE ABSTENTION (COUNCILOR DENNETT). MOTION CARRIES.

d. (050118-4) The Kittery Town Council moves to hold a public hearing to approve and hereby ordains an ordinance entitled "Ordinance Approving Transfer of School Year-End Balances to Dedicated Accounts" for spending in the 2018-2019 fiscal year.

Chairperson Lemont opened the public hearing and asked if anyone wished to speak to, for or against they are welcome to do so at this time. Seeing none, he closed the public hearing at 6:14 p.m.

COUNCILOR PELLETIER MOVED TO APPROVE AND HEREBY ORDAINS AN ORDINANCE APPROVING TRANSFER OF SCHOOL YEAR-END BALANCES TO DEDICATED ACCOUNTS FOR SPENDING IN THE 2018-19 FISCAL YEAR IN THE AMOUNT OF \$139,555.83 BROKEN OUT AS FOLLOWS: \$0.00 FOR SCHOOL MAINTENANCE DEDICATED ACCT.; \$0.00 FOR SCHOOL SPECIAL EDUCATION DEDICATED ACCT.; \$119,555.83 FOR THE SCHOOL UNFUNDED LIABILITIES DEDICATED ACCT.; \$0.00 SCHOOL TECHNOLOGY DEDICATED ACCT.; \$10,000 FOR THE SCHOOL CO/EXTRA CURRICULAR SUCCESS DEDICATED ACCT. AND \$10,000 FOR THE SCHOOL UNEMPLOYMENT DEDICATED ACCT.

VICE-CHAIRPERSON DENAULT SECONDED THE MOTION. ROLL CALL VOTE WAS TAKEN WITH 6 VOTING IN FAVOR, NONE OPPOSED. MOTION CARRIES.

11. DISCUSSION

Chairperson Lemont opened the public discussion at 6:17 p.m. and asked if anyone present wished to speak to any item on the agenda is welcome to do so, but please respect the three-minutes time limit.

Seeing none, he closed the public discussion.

12. UNFINISHED BUSINESS – none

13. NEW BUSINESS

a. (050118-5) The Kittery Town Council moves to approve and sign the warrant for the School Budget Validation Referendum for June 12, 2018.

VICE-CHAIRPERSON DENAULT MOVED TO APPROVE AND SIGN THE WARRANT FOR THE SCHOOL BUDGET VALIDATION REFERENDUM FOR JUNE 12, 2018. COUNCILOR BEERS SECONDED THE MOTION. ROLL CALL VOTE WAS TAKEN WITH ALL VOTING IN FAVOR, 6-0, MOTION CARRIES.

Chairperson Lemont asked if they should list the actual warrant amounts again?

Council Pelletier said we should direct the Recorder to mention in the minutes that they were previously read.

b. (050118-6) The Kittery Town Council moves to approve and sign the warrant for the Town Meeting Election for June 12, 2018.

COUNCILOR PELLETIER MOVED TO APPROVE AND SIGN THE WARRANT FOR THE TOWN MEETING ELECTION FOR JUNE 12, 2018. COUNCILOR BEERS SECONDED THE MOTION. ROLL CALL VOTE WAS TAKEN, 6-0, SIX IN FAVOR, NONE OPPOSED, MOTION CARRIES.

c. (050118-7) The Kittery Town Council moves to approve the investment policy.

COUNCILOR BEERS MOVED TO APPROVE THE INVESTMENT POLICY, SECONDED BY COUNCILOR PELLETIER.

Chairperson Lemont asked if there was any discussion?

Councilor Dennett said he would note that line 128 says: "FDIC insurance limit of \$250,000 shall be reviewed..." and it should be "must be reviewed". He said line 140 which reads "the treasurer will maintain records" – should be "the treasurer shall maintain records". He asked the Chair if the maker and the second to incorporate into the motion.

Councilor Beers and Councilor Pelletier concurred.

Councilor Dennett said he had a discussion with the Town Manager regarding lines 112-114, following investments that we can make: U.S. Treasury securities, U.S. Government assets, or insured Certificates of Deposit and felt that this is the State of Maine and there is nothing wrong, but if we have an opportunity to invest in General Obligation Bonds, we should do so if the Treasurer so desires. He said these are usually well rated in revenue bonds and are guaranteed by the State of Maine. He said that Standard & Poor's has given the State a AA rating.

COUNCILOR DENNETT MOVED THAT LINE 114 RE DESIGNATED WITH A LOWER CASE "D" AND A NEW #3 BE ADDED "GENERAL OBLIGATION SECURITIES ISSUED BY THE STATE OF MAINE OR ITS INSTRUMENTALITIES." VICE-CHAIRPERSON DENAULT SECONDED THE MOTION.

Chairperson Lemont said this with was discussed with the Town Manager, but he will allow the Town Manager to tell the other side.

Town Manager Amaral said she thought it is a wonderful idea to include this language, the government backers are another safe way to invest our idle cash and appreciates Councilor Dennett's addition.

Chairperson Lemont thanked Town Manager Amaral for reworking this and making it more beneficial for the Town of Kittery.

Councilor Brock had a question for the Town Manager.

Chairperson Lemont asked if it had to do with the vote?

Councilor Brock replied that it did. He said he had a concern and thought that Councilor Dennett's proposal would increase risk to the town with respect to certain types of investments and asked her if he was right.

Town Manager Amaral replied the State of Maine allows investments in General Obligation or corporate bonds and Mutual Funds and suggested they do not go with corporate bonds or mutual funds, since they have inherent issues and tend to be risky. She said they could get into problematic issues with companies that are involved in these mutual funds and the government bonds are a good investment.

Councilor Brock asked if there a distinction between the General Obligation bonds as opposed to Municipal Bonds? He said some are better.

Town Manager Amaral replied they will be reviewing the rates and will make investments with those that have a higher rating. She said clearly Kittery has AA+ Bond rating and we will be looking at that. She said the State of Maine is slightly below that, but still a good rating.

Councilor Brock thanked the Town Manager.

Councilor Dennett said he would note that if the motion passes, it does not obligate the treasurer to invest, merely if it is found to be beneficial to the town.

ROLL CALL VOTE WAS TAKEN ON THE AMENDED MOTION, 6-0, SIX IN FAVOR, NONE OPPOSED MOTION CARRIES.

ROLL CALL VOTE WAS TAKEN ON MAIN MOTION, 6-0, SIX IN FAVOR, NONE OPPOSED, MOTION CARRIES.

d. (050118-8) The Kittery Town Council moves to postpone the public hearing on the recodification of the Kittery Town Code to May 14, 2018.

COUNCILOR BEERS MOVED TO RESCHEDULE THE PUBLIC HEARING ON THE RECODIFICATION OF THE TOWN CODE TO MAY 30, 2018, SECONDED BY VICE-CHAIRPERSON DENAULT. ALL WERE IN FAVOR BY A VOICE VOTE. MOTION CARRIES.

14. COUNCILOR ISSUES OR COMMENTS:

Vice-Chairperson Denault said that New Hampshire and Massachusetts plates are everywhere.

Vice-Chairperson Denault said pay attention to our municipal and school budgets.

Vice-Chairperson Denault said revenue generated from enforcement of out-of-state registrations belongs to you, the taxpayers. He said if you see someone showing up at the dump, or the school with out-of-state plates, they need to be changed when they move to town and should be reported to the Police Dept.

15. COMMITTEE AND OTHER REPORTS: none
16. EXECUTIVE SESSION none

17. ADJOURNMENT

COUNCILOR PELLETIER MOVED TO ADJOURN THE MEETING AT 6:27 P.M., SECONDED BY VICE-CHAIRPERSON DENAULT. ALL WERE IN FAVOR BY A VOICE VOTE. MOTION CARRIES.

Respectfully submitted,

Barbara Boggiano
Recording Secretary

Approved 5-30-18