

TOWN COUNCIL MINUTES

October 5, 2009

The regularly scheduled meeting of the Hampden Town Council was held on Monday, October 5, 2009. The meeting was held at the municipal building council chambers and was called to order by Mayor Arnett at 7:00 p.m.

Attendance: Councilors: Mayor Matthew Arnett, Andre Cushing, Thomas Brann, William Shakespeare, Shannon Cox, Jean Lawlis and Janet Hughes

Town Manager: Susan Lessard

Town Counsel: Thomas Russell

Department Heads/Staff: None

Water District Superintendent Cam Torrey

A. CONSENT AGENDA

Treasurer's Warrants were reviewed and signed by the Finance Committee at its meeting prior to the Council meeting. Councilor Shakespeare requested that Item A.3.b. be set aside. Motion by Councilor Cushing, seconded by Councilor Hughes to accept the balance of the Consent Agenda – unanimous vote in favor.

A.3.b. COMPLAINT – WATER DISTRICT – 9/23/09

Councilor Shakespeare noted that this is a letter from a resident to the Hampden Water District regarding a disconnection notice she received from the District because she did not have an approved testable backflow device on her seasonal pool. Councilor Shakespeare asked Manager Lessard if she could clarify the circumstances that led to the complaint. Manager Lessard explained she received a call from this resident who inquired whether the Town had any oversight over the Water District as she had received a letter indicating that her water would be turned off in 30 days if she did not comply with the provisions. She had dismantled the pool, it was no longer in her yard and disconnection did not seem reasonable. Manager Lessard explained that the purpose in sending the letter to the Town was to make the Town aware that this requirement is discretionary in terms of this type of backflow preventer and that some of our neighboring communities don't have it. She asked Water District Superintendent Cam Torrey if he could address what the resident's concerns are and what the District is doing about it.

Mr. Torrey reported that the Water District has answered the letter and the Board of Trustees will discuss this at their meeting next week. Mr. Torrey explained that the District is required to have a cross-connection control program. The State sets basic guidelines and the District has gone beyond those guidelines to insure additional safety. The District does require that any pool, or any vessel that holds over 300 gallons of water that is not directly plumbed, to have a testable backflow. Mr. Torrey explained the mechanics of a testable backflow device. He said if the pool has been

permanently removed, there will not be a problem, but if it goes back up in the spring, the backflow will be required.

Motion by Councilor Shakespeare, seconded by Councilor Cushing to accept Item A.3.b. – unanimous vote in favor.

B. PUBLIC COMMENTS

There were none.

C. POLICY AGENDA

1. PUBLIC HEARINGS

There were none.

2. NOMINATIONS-APPOINTMENTS-ELECTIONS

a. WARRANT FOR 11/3/2009 ELECTION

Motion by Councilor Cushing, seconded by Councilor Cox to approve and sign the Warrant for Municipal Election – unanimous vote in favor. The warrant was circulated for signatures of the Council.

b. NOTICE OF ELECTION re: EARLY PROCESSING OF ABSENTEE BALLOTS

Town Clerk Denise Hodsdon informed the Council that absentee ballots will be processed the day before the Election and this notice has been sent to the Secretary of State and all Municipal Party Chairs as required by statute.

3. UNFINISHED BUSINESS

a. SATURDAY BUS SERVICE – COUNCILOR BRANN

Councilor Brann reported that he has heard from a number of residents inquiring whether the Town was considering adding bus service on Saturdays. He asked Manager Lessard to investigate the cost of operating a bus on Saturdays and the net cost to the Town would be \$27,800. Councilor Brann noted that it is easy to understand why a Saturday service has not been implemented. However, Manager Lessard pointed out that while it is not feasible at the present time, we may want to look at a seasonal Saturday service in the future during the months of higher ridership. This will be added to the Infrastructure Committee's agenda for discussion.

b. TABOR II RESOLUTION

Mayor Arnett reported that the Finance Committee has discussed a proposed resolution in opposition to the Taxpayers Bill of Rights II (a/k/a TABOR II), which is Referendum Question 4 on the upcoming State ballot. The Committee recommends approval of the Resolution as proposed. He then read the Resolution for the record (copy attached).

Motion by Councilor Cox, seconded by Councilor Brann to adopt the Resolution as proposed – unanimous vote in favor.

c. LETTER TO THE EDITOR – EXCISE TAX – MAYOR ARNETT

Mayor Arnett had prepared a Letter to the Editor relative to the Council's opposition to Referendum Question 2, the proposed reduction in automobile excise tax (copy attached). He asked for the Council's support in sending the letter to the editor of *Bangor Daily News*.

Motion by Councilor Brann, seconded by Councilor Cox to authorize sending the Letter to the Editor – unanimous vote in favor.

d. LIQUOR LICENSE APPLICATION – WHITE HOUSE MOTEL, INC.
FILIBUSTER LOUNGE

Motion by Councilor Brann, seconded by Councilor Hughes to approve the application – unanimous vote in favor.

4. NEW BUSINESS

There was none.

D. COMMITTEE REPORTS

Councilor Cox reported that the Services Committee will meet at 6:00 p.m. on October 13th.

Councilor Cushing reported that the Planning & Development Committee will not meet this week, but the next meeting will be at 6:00 p.m. on October 21st.

Councilor Brann reported that the Infrastructure Committee met on September 28th and heard a presentation on Stormwater. The next meeting will be on October 26th and agenda items will include composting and The Bus as well as the Council's semi-annual meeting with the Trustees of the Hampden Water District.

Mayor Arnett reported that he and Manager Lessard met with SAD #22 officials to get an update on where SAD #22 stands in terms of the reuse discussions. The Reuse Committee has spent a great deal of time on this issue, but the Board of Directors has not yet received a report. They do anticipate a report by the first of the year and it would not come to the Council before Spring.

RESOLUTION IN OPPOSITION TO THE INITIATED BILL LD 976
“An Act to Provide Tax Relief”, aka Taxpayers Bill of Rights II (TABOR II)

WHEREAS, since 2005, local governments in Maine have operated under a State law that limits the extent to which the property tax may increase in any given year and that requires the local governing body to vote on a separate article to exceed that limit; and

WHEREAS, this law also imposes expenditure limits on State Government; and

WHEREAS, since it was adopted, it has achieved its stated purpose, with current State spending and municipal property taxes both below targeted levels; and

WHEREAS, this citizen initiative, also known as TABOR II, will make changes to the current spending and property taxation limits that apply to all levels of government in Maine; and

WHEREAS, it will impose growth limits on all state spending, including the State's Highway Fund, where the current law places limits only on the State's General Fund; and

WHEREAS, TABOR II will require statewide voter approval for virtually all tax increases and expenditure increases above the growth limit, a requirement that entails significant additional state and local election expenditures and additional costs associated with its requirement that certain notices and financial information be mailed to every registered voter in the State at an estimated cost of \$800,000 for each mandated referendum; and

WHEREAS, at the municipal and county level, TABOR II also mandates referendum voting to approve any budget that exceeds the municipal or county property tax limit; and

WHEREAS, it also requires municipalities and counties to adopt a uniform budget format as developed by the State Planning Office that will add costs that must be borne by local government and its citizens; and

WHEREAS, TABOR II, if approved, will dramatically move state and local government in Maine in the direction of budgeting by referendum, the results of which have become apparent in those states where this has already happened; and

WHEREAS, it will limit the flexibility of both the State and its local governments to react to changing conditions, community needs, and economic conditions and undermine the authority of elected officials to make budgetary and service decisions based on information and a depth of analysis unlikely to be undertaken by the average voter.

NOW, THEREFORE BE IT RESOLVED BY THE TOWN COUNCIL OF HAMPDEN, MAINE that for the following reasons, the Hampden Town Council opposes the so-called TABOR II

question that will appear on the November 3, 2009 ballot and which would significantly modify current limits on State spending and on the municipal tax levy:

- The spending and levy limits established in current state law have been achieving their stated goal of reducing the tax burden on Maine citizens;
- The requirement that state spending above the spending limit and most tax increases be subject to a statewide referendum will increase both state and local expenses and move toward a system of budgeting by referendum which, as shown by experience elsewhere, is an ineffective way to make budgetary and service level decisions;
- By establishing the current year as the base from which future state spending increases are to be calculated, state spending, particularly for the Highway Fund, will be starting from a depressed level reflecting the impact of the current recession;
- Tax policy, budgets, and service levels are best decided through the core processes of representative government where the people elect individuals and charge them with the responsibility of making decisions based on data, analysis, debate, and public opinion while balancing the need for services and expenditures that address the common good with the ability of citizens to pay for such services.

Be it further resolved that we urge all citizens to become fully informed on this proposal prior to the November 3rd election by becoming familiar with the language of the proposal and reviewing materials provided by those supporting and opposing this measure.

Adopted this 5th day of October, 2009 by the Hampden Town Council

C-3-c

Draft letter to the Bangor Daily News

Hampden Town Council Opposes Reduction in Excise Tax

The Hampden Town Council opposes Referendum 2 on the November ballot, the proposed reduction in auto excise tax. If adopted, 35% of the benefit would flow to a relatively few businesses and 65% would flow to less than one third of individual car owners—those owning a relatively new car. All Hampden property owners would subsidize the tax cuts for a few.

We believe the citizens of Hampden want high quality town and school services and most believe they are receiving good value for the taxes they pay. We also believe that Hampden residents prefer tax and spending management at the local level and oppose state level mandates such as Referendum initiatives 2 and 4.

The leading advocates for excise tax reduction believe that a town like Hampden could easily find and eliminate \$600,000 of waste from its budget; we respectfully disagree. First of all, support of public schools is by far the largest expense of the town and the town is not authorized to reduce its apportioned share of the school budget.

The net cost of town services in Hampden is roughly \$2,850,000 for the current fiscal year. To cut \$600,000 from this amount would require drastic cuts in personnel and services that we believe would outrage our citizens. The proposed referendum would require reductions as early as January and not later than March of the coming year. We do not believe our citizens would put up with such cuts; the only alternative would be to borrow money to cover shortfalls in the current fiscal year and raise real estate taxes next year to pay for the borrowing and for the excise tax cuts in coming years. The owner of a typical home in Hampden would pay roughly \$200 a year more to support auto excise tax cuts for others while receiving little or no tax cut himself.

If auto excise tax reduction is approved by the voters, we will, of course seek the best possible means of dealing with its consequences. We hope, however, that upon reflection, voters will agree that while perhaps well intended, reducing excise taxes in such an extreme and precipitous manner will do far more harm than good. We urge you to vote No on Referendum 2.

Matt Arnett
Xxx
Xxx
Xxx

E. MANAGER'S REPORT

A copy of the Manager's Report is attached hereto.

At Manager Lessard's request, due to the Election on November 3rd, the Council rescheduled the first meeting of November from November 2nd to November 9th.

F. COUNCILOR'S COMMENTS

Councilor Shakespeare wished Councilor Cox a Happy Birthday.

Councilor Cox asked for an excused absence for the next meeting as she will be out of town on business.

Mayor Arnett commented that Hampden is one of nine communities in the Penobscot Downeast Cable Consortium and the franchise contract with Time Warner is nearing the end of its term. There is a proposal from Time Warner as to a model franchise agreement and the Consortium is currently working on that. He noted that the Town will need to take action on the proposed agreement in the near future.

G. ADJOURNMENT

There being no further business, the meeting was adjourned at 8:14 p.m.



Denise Hodsdon
Town Clerk

MANAGER'S REPORT

10-05-09

Newsletter – The Fall edition of the newsletter is at the printers and should be out at the end of this week. Thanks to Editor Annie O'Reilly and Val Williams who does the layout for all of their efforts. The electronic version is now posted on the town website at <http://www.hampdenmaine.com>.

Tax Due Date – Tax Due date for the first half of property taxes is Wednesday, October 7th in order to avoid interest on the first half of taxes.

HA Building Committee Report – Attached to this report is a report from Kathy Walker and Norm Prouty in regard to the activities of the school building committee. Of particular concern in her report is the note that the bids for site work for the new high school were opened and that the low bidder was \$843,422 over the budget for the project.

LDI Average Personal Income Growth – The State Income growth factor for the 2010/2011 year is set at 1.78%. The Town is allowed to add to that percentage the % growth in local property assessment that is related to new construction for the prior year. After subtracting any increase in state revenue sharing received (it is a decrease in our case), this percent is the amount that the municipal budget to be used from taxation can increase without a special article adopted along with the council approved budget which authorizes the Town to exceed the LD1 limit. This budget year our LD1 Limit for the municipal taxation budget was \$3.1 million dollars. The municipal taxation budget for this year is \$2.86 million thanks to the efforts of the Council and the staff to keep the budget as low as possible.

Hazardous Waste Collection Day – On Saturday, October 3rd, 33 Hampden residents took advantage of the annual regional Hazardous Waste Collection Day that was held at the Bangor Recycling center. The Town has participated in this effort for many years. It affords residents a no-cost way to get rid of hazardous wastes in an environmentally friendly manner.

Hampden Highlights News Magazine – Economic & Community Development Specialist Dean Bennett has been working on taping several new shows for the Hampden Highlights New Magazine, one involves Public Works Director Chip Swan and the Mayo Road Project along with the potential impact of the Excise Tax referendum question, another that is currently airing is with Town Planner Robert Osborne, and there is another episode with the entire Economic Development Team.

Dog Park Meeting – A reminder that there is a meeting on ~~Monday~~ ^{Tuesday}, October ~~12th~~ ^{13th} at 7 p.m. at the Town Office for the purpose of discussing the idea of a Dog Park in Hampden. All interested persons are welcome to attend.

Landfill Closure Update – The second phase of the closure of the landfill will be complete by mid-October. The last waste delivery possible is 12/31/09, and at the present time it is estimated that landfill capacity may be reached slightly earlier than that date.

Gas to Energy Plant – Electricity Use – The Economic & Community Development Director and I met with landfill personnel and an energy consultant to discuss the possibility of using the electricity from the gas to energy plant for the benefit of Hampden residents. No community in Maine has yet sought designation as a Community Energy Supplier, but there is a possibility that it might work in our case. The energy consultant is supposed to provide us with a prospectus on how this might work. When we receive that we can agenda it for an Infrastructure Meeting at which it can be discussed more in depth.

MEMO

TO: Hampden Town Councilors
FR: Kathy Walker and Norm Prouty
DA: October 4, 2009
RE: Hampden Academy (HA) Building Committee

The "groundbreaking" for the new Hampden Academy (HA) was held on a beautiful autumn afternoon (9-09-09) near the site of the new building. Members of the fall athletic teams in their purple and white uniforms outlined the footprint of the building behind the grandstand. Officials, present and past, from all three communities, and residents of all ages, attended the ceremony. The HA band and chorus performed, and several speakers made brief remarks. As a member of the Community Use subcommittee, Kathy was involved in some of the planning meetings for this event.

Bids for Phase I (Site Work) of the project were opened on October 1st. The regular September meeting of the Building Committee was postponed a day so members could be apprised of the bid results.

All three bids received (Lane Construction, R.F. Jordan, Sargent Corporation) were over budget. During the next two weeks, MSAD#22 and the low bidder, Sargent Corp, will be negotiating in an attempt to reduce the amount of their bid, which is \$843,422 over budget. The MSAD#22 Board of Directors is scheduled to meet on 10/14/09 and will vote to accept a lower negotiated bid or to bid the project a second time. This process will delay the beginning of the actual site work, and probably will delay the opening of the new HA by half a year.

Although construction bids have been coming in lower than expected for school projects around the state, WBRC engineers were not optimistic that site preparation bids would follow this trend. As the Town Councilors know, a lot of work must be done on this site.

Phase II of the project, the building, continues to be tweaked, with input from building committee members, school administrators and staff. Kathy has attended meetings of the subcommittee that is reviewing interior colors and materials with WBRC.

Copies of the most recent set of plans are available for perusal during business hours at WBRC and at the HA Principal's office. The next Building Committee meeting is scheduled on Wednesday, October 28th, 6:00 PM at HA.

Either one of us is willing to hear comments or answer questions, or to attend a Council meeting and provide a verbal update upon request. We appreciate the opportunity to be involved in this project.



Maine State Planning Office

Executive Department

JOHN ELIAS BALDACCÌ
Governor

MARTHA E. FREEMAN
Director

TO: Municipal and County Officials
FROM: Maine State Planning Office
DATE: September 29, 2009
RE: **Next Year's LD 1 Average Personal Income Growth is 1.78%**

With the passage of "LD 1" in 2005, towns and counties are required to calculate a property tax levy limit each year based on local property growth and statewide average personal income growth. Each town and county is responsible for calculating its property growth. The State Planning Office (SPO) is responsible for calculating income growth. For the 2009 property tax year (the 2010 budget year for most towns), SPO has determined that figure to be 1.78%. The table below shows how SPO calculated that percentage.

Calculation of Maine's "Average Personal Income Growth"

Calendar Year	Nominal Personal Income (thousands)	% Change	CPI-U	% Change	Real Personal Income
1998	\$29,709,976		163.0		
1999	\$31,016,020	4.40%	166.6	2.21%	2.19%
2000	\$33,173,133	6.95%	172.2	3.36%	3.59%
2001	\$35,107,104	5.83%	177.1	2.85%	2.98%
2002	\$35,998,489	2.54%	179.9	1.58%	0.96%
2003	\$37,532,859	4.26%	184.0	2.28%	1.98%
2004	\$39,487,538	5.21%	188.9	2.66%	2.54%
2005	\$40,377,970	2.25%	195.3	3.39%	-1.13%
2006	\$42,403,742	5.02%	201.6	3.23%	1.79%
2007	\$44,711,062	5.44%	207.3	2.83%	2.61%
2008	\$46,577,941	4.18%	215.3	3.86%	0.31%
AVERAGE					1.78%

Sources: U.S. Department of Commerce, Bureau of Economic Analysis and U.S. Department of Labor, Bureau of Labor Statistics

This calculation reflects the methodology described in LD 1, which is now Public Law 2005, Chapter 2: "Average real personal income growth" means the average for the prior 10 calendar years, ending with the most recent calendar year for which data is available, of the percent change in personal income in this State, as estimated by the United States Department of Commerce, Bureau of Economic Analysis, less the percent change in the Consumer Price Index for the calendar year."

2008 is currently the most recent year for which data is available. The Bureau of Economic Analysis (BEA) released a preliminary estimate of 2008 personal income in June 2009. BEA was scheduled to release a revised estimate for 2008 in September 2009. Unfortunately, BEA has delayed their September release. Therefore, SPO will consider the June 2009 preliminary estimate for 2008 as the most recent year which data is available and it will consider 1.78% the average real personal income growth described in LD 1.