

*Town of Chebeague Island  
Minutes of the Special Meeting & Executive Session  
of the Board of Selectmen  
Wednesday, August 20<sup>th</sup>, 2008  
At the Public Safety Building @7:00PM*

*Meeting called to order at 7:10PM.*

*Present: Mark Dyer, Herb Maine, Chris Rich, Donna Damon, Leon Hamilton, Scott Seaver, Town Administrator and Robert Konczal, Assessor.*

*1. The agenda will be to set the Mil Rate for the Town of Chebeague Island for the tax year 2009.*

***Meeting called to order at 7:10PM.***

***Mark Dyer discussed purpose of meeting. Mark also mentioned that an Executive Session will be held after the Special Meeting of the Selectmen.***

***Scott Seaver discussed total valuation of the Town and how the mil rate is figured. He discussed that Bob Konczal had visited homes that had renovations or were an new construction.***

***Scott advised that the Towns total taxable valuation is \$116,281,188.***

***He explained that the Homestead Exemption is at \$734,448 and that the Homestead Exemption is a 50% reimbursement from the State, due to the fact that the Town of Chebeague is basing taxes on about half of what the State has determined our value to be. He also explained that the County Tax will be lower than last year at \$120,712 and the School/Educational Appropriations will be \$904,261. Scott also explained Revenue Sharing.***

***Bob Konczal discussed that Town Meeting set the amount to be spent. The Municipal Tax Rate Calculation Form helps figure the minimum and maximum you can raise. He explained that on the work sheet it gives a minimum of \$19.86 to the maximum of \$20.85. The Town Administrator has selected a rate of \$20.39***

***Donna Damon asked how much the valuation increased. Bob advised by 1 ½ % increase. Donna also asked about Veterans Exemption. She stated that last year people where upset by the decrease of the exemption. Bob advised that the assessment ratio is set by the State. They use the incoming sales figures set the ratio. He explained that Cumberland and the Island was estimated at 75%, but the Island on it's own is at 52.8%. Bob also advised that the Homestead Exemption at 100% is \$13,000. The total exemption this year will be \$6864.00 using the factor of 52.8%. He also discussed the Veteran's Exemption in 2008 was \$5,000 and 2009 will be \$6,000 and once again explained that the 52.8% factor will apply.***

***David Hill asked why the County Tax went down. Does Cumberland owe us money? Scott advised that the State uses State evaluation, not the Town's. He said he will look into this further.***

***Karen Hamilton asked that a notice go out to tax payers advising them of the change in the exemptions. Donna Damon asked that a notice be put in the tax bills.***

***Leon Hamilton asked what the payment percentage of taxes was for the Town. Scott advised 95%.***

***Leon stated that tax rate should be close to the minimum as possible as we did not have any problems.***

***Karen Hamilton asked about the wharf agreement. Will we bond the money or something else? Leon Hamilton stated it's to premature to set aside for something that may not happen.***

***Herb Maine stated that according to the MMA manual an overlay should not be used to raise money for surplus or fund balance. Herb discussed the intent of an overlay. David Hill stated that an overlay is used for a lot of things.***

*Scott Seaver advised that a Municipality should have at least three months of operating expenses in a fund balance.*

*Scott Seaver discussed State Revenue Sharing and Aid to Education. If the State revenues go down so do the Town's share in the revenue.*

*Herb Maine discussed using the contingency account if revenues decline.*

*Donna Damon stated that the people who attended Town Meeting and people sitting at this table did not know what the range of the tax rate would be because we had just hired the Assessor. We need to look at this as an insurance policy. She asked if we needed a tax anticipation note.*

*Scott Seaver advised that if revenues and expenses remain as projected we will not need a tax anticipation note.*

*Chris Rich asked if other Towns have contingency accounts?*

*Bob Konczal advised, yes. They all have some kind of fund.*

*Leon Hamilton asked when we set the mil-rate of \$20.39 what would it do in dollars to the tax payers. What comes out of pocket?*

*Bob Konczal advised that they will pay slightly less, but with less exemptions they will pay about the same.*

*Leon Hamilton discussed that if the mil-rate goes down fifty-cents on a \$300,000 home, the tax payer would save \$150. This could make a big difference to someone that needs food and/or fuel.*

*Donna Damon stated that she is worried that if one of our major taxpayers cannot pay we might not be able to meet our obligations.*

*Karen Hamilton discussed setting up a fund for fuel and contingency fund. She also, stated that she would like to see taxes go down.*

*Mark Dyer suggested rate of \$20.25, because he was not comfortable with low end. Mark feels that its prudent not to raise the rate, but to hold it. We may have some short falls.*

*Leon Hamilton read the MMA manual . Overlay is not used to build up surplus revenue. He will not support anything over \$20.00.*

*Karen Hamilton asked about foreclosed property. Did you take off that amount?*

*Scott Seaver advised that unpaid, foreclosed and deferred revenue is an undesignated fund balance.*

*David Hill stated that MMA manual is not a bible; it's one persons opinion. He advised that most Towns have a fund balance and raise money this way.*

*Donna Damon discussed finding a happy medium. She is concerned about economy. Last year was a guess and now we have a good budget. She also reminded everyone that the Town Employees didn't get a raise. She stated that we need to be fiscally responsible, but not get into a position of not having enough money. She suggested a \$20.25 to \$20.30 range.*

*Leon Hamilton agreed with Donna, but that the rate should be around \$20.*

*Will Sharpe asked about re-valuation. Donna Damon stated more than likely it will be 3 to 4 years before anything is done. Will stated that he is concerned about going to low and having to raise the mil-rate by a big percentage.*

*Herb Maine discussed the validity of overlay. Using it to handle unpaid taxes is appropriate.*

*Mabel Doughty asked if the sales affect the revaluation process? Bob Konczal stated, yes.*

*Ruth Slagle asked if someone sells a \$75,000 home for \$125,000 does the new owner pay taxes on the \$75,000. Bob Konczal stated, yes. Donna Damon advised that this exists here on the island.*

*Leon Hamilton asked how much we spent out of our contingency fund. Scott Seaver advised between \$14,000 to \$15,000.*

**LEON HAMILTON – MOVED TO SET THE MIL RATE AT \$20.00.**

**HERB MAINE - SECONDED.**

**DISCUSSION: DONNA DAMON ADVISED SHE OPPOSED. KAREN HAMILTON ASKED IF WE HAVE \$22,000 IN UNPAID TAXES THIS YEAR WILL \$20.10 COVER IT. DAVID HILL STATED IT BEARLY COVERS US WITH THE ECONOMY, STATE, ETC.**

**VOTE: TWO IN FAVOR (LEON HAMILTON & HERB MAINE)**

**THREE OPPOSED (MARK DYER, DONNA DAMON & CHRIS RICH)**

**CHRIS RICH – MOVED TO SET THE MIL RATE AT \$20.13.**

**HERB MAINE – SECONDED.**

**DISCUSSION: DONNA DAMON STATED SHE IS STILL CONCERNED.**

**VOTE: THREE IN FAVOR (HERB MAINE, LEON HAMILTON & CHRIS RICH)**

**TWO OPPOSED (MARK DYER & DONNA DAMON)**

**Meeting adjourned to enter into Executive Session**

**EXECUTIVE SESSION MEETING OF THE  
BOARD OF SELECTMEN  
AUGUST 20<sup>TH</sup>, 2008 AT THE PUBLIC SAFETY BUILDING**

**Donna Damon - Moved to enter into Executive Session at 8:25PM Pursuant to M.R.S.A. 405**

**Herb Maine – seconded.**

**Vote – Unanimous.**

**Donna Damon - Moved to exit Executive Session at 9:15PM.**

**Herb Maine – seconded.**

**Vote – Unanimous.**

**Donna Damon – Moved to schedule a Special Town Meeting on Saturday, September 13<sup>th</sup>, with a backup date of the 20<sup>th</sup>. The purpose of the meeting being to vote on a wharf agreement with the Town of Yarmouth, and ordinance changes as requested by Shellfish Committee and Planning Board.**

**Vote: Unanimous.**

**Leon Hamilton moved to adjourn meeting at 9:20PM**

**Chris Rich, seconded.**

**Respectfully submitted by Susan Campbell, Town Clerk.**

