

MINUTES  
Town of Bowdoinham  
Select Board & Board of Assessors Meeting  
February 12, 2019 at 5:30 p.m.

1. Call the Meeting to Order & Establish a Quorum at 5:30 p.m.

The meeting was called to order and quorum established by Board Chair Peter Lewis at 5:30 p.m. Select Board members Peter Lewis, Thomas Walling, Judy Gray, David Engler, and Jeremy Cluchey were present. Staff present included Town Manager William Post, Planning and Development Director Nicole Briand, and Allen Acker, Recreation Department Director. Also present was Peter Hall of Smith & Associates, CPAs.

2. Amendments to the Agenda – None

3. Approve Consent Calendar

- A. Meeting Minutes of January 29, 2019

- B. Warrants and Financial Reports:

1. Treasurer's Warrant # 52 for \$ 436,222.45

- C. Reports and Communications

1. Sheriff's Department's January Incident Report

2. Town Clerk & Registrar of Voters' January Activity Report

David Engler requested to amend the Minutes of January 29, 2019. He requested to amend the word "unrealistic" to "realistic" on page 2, paragraph 5 and some additional wording to correct Ann Aviles statement.

**On motion of Engler/Cluchey the Board voted 5-0, to approve the Consent Calendar with the meeting minutes of January 29, 2019 as amended.**

4. Action Items

- A. Act on Appointment of Fulton D. Oakes, Jr. to the Bowdoinham Water District Board of Trustees. The Manager explained that Trustee Brant Miller has taken a job out of country and can no longer serve as a Trustee for the Water District. Fulton D. Oakes, Jr. has agreed to return to the Board of Trustees to fill the remainder of Brant's term.

**On motion of Cluchey/Walling the Board voted 5-0, to accept Brant Miller's resignation with gratitude and appoint Fulton D. Oakes, Jr. to the Bowdoinham Water District Board of Trustees for a term ending June 30, 2023.**

- B. Act on Policy for Treasurer's Disbursement of Warrants for Employee Wages and Benefits and State Fees. The Manager explained that this is the policy allowed by state statute that allows one Board member to review and sign treasurer warrants for state fees and employee wages and benefits. It needs to be approved annually.

**On motion of Cluchey/Walling the Board voted 5-0, to approve the Policy for Treasurer's Disbursement of Warrants for Employee Wages and Benefits and State Fees as presented.**

5. Discussion Items

A. Fiscal Year 2018 Audit Presentation by Peter Hall of Smith & Associates.

Peter Hall of Smith & Associates presented and explained the FY2018 audit (year-end June 30, 2018). Peter Hall thanked the Manager and Deputy Treasurer Ruth Glaeser for their assistance in the audit and for the answers to many questions in the process. Peter Hall explained the audit process. He stated that the audit went well, and there were no material weaknesses or significant deficiencies reported. A “qualified audit opinion” was given because the some of the Trust Funds original paperwork cannot be found. Please see attached presentation.)

Chair Peter Lewis asked if the reclassification of funds from previous years is done. Peter Hall answered yes, that those were done in Fiscal Year 2017.

Board member Judy Gray asked if there is any way to clear up the Trust Fund issue assuming that all efforts have been made to find the original Trust documents. Peter Hall stated that there may possibly be some way, but that he is not an attorney, but that he can look in to the matter.

Chair Lewis suggested that this should be an action item to work on over the next year or two. Peter Hall stated that the would provide to the Town Manager a list of the Trust Fund documents, and that he will compare the documents with the documents that the Town Manager has. They can then determine what is needed. Chair Lewis also stated that the Town should ask their attorney what can/should be done to clear up this issue up.

Board member Cluchey asked if the Board should increase the unassigned fund balance from two months of expenses to a goal of three months of expenses. Peter Hall stated that the conservative approach is to save as much as possible, in order to strengthen the Town’s financial condition. It was suggested that the Town not go back to 8 years ago when the fund balance was low.

Peter Hall stated that all in all from a financial standpoint, the Town had a good audit and it reflects the Town’s position as reasonably strong.

B. Pursuing ConnectME Infrastructure Grant with Lincolnville Communications Inc. (LCI)

The Manager stated he would like the approval from the Board to move forward with LCI and apply for a ConnectME infrastructure grant. This would give the Manager, Nicole Briand, and LCI the go-ahead to put the grant application together and a contract between the Town and LCI outlining the responsibilities of the two parties. The actual grant application and contract would need to be reviewed and approved by the Board at a later date.

The Manager stated there is also some concern from residents as to how much the town is funding for this project and the assurance that LCI will stay here and not be bought out, etc. There are no assurances, but LCI is a local, family-owned business that has been around for years, and that is a plus.

The Manager stated there are questions about the agreement with LCI and the pricing. LCI's prices have dropped within the past five years, and they have committed to a fixed-rate for three years.

The Manager recommends to the Board that the \$350,000 already committed by the Town be increased by \$5,000, for a total of \$355,000. The Manager will also ask LCI to commit to \$5,000 more. This will allow the Town to apply for a grant in the amount of \$90,000 as opposed to \$100,000, and this would make the grant application hopefully more successful.

**On motion of Lewis/Walling, the Board voted 5-0, to approve the Town of Bowdoinham's contribution to a partnership with LCI of \$355,000.**

**On motion of Lewis/Engler the Board voted 5-0, to approve partnering with LCI and applying for a ConnectME infrastructure grant in the amount of \$90,000.**

Allen Acker commented that he is anxious about getting broadband, as a lot of people are. His concern is in partnering with a small local company and the possibility of being bought out by a larger company. Acker stated the Town of Bowdoin put out a press release stating that all under served areas in Bowdoin will be covered by Comcast and will only cost Bowdoin \$25,000. There is concern about the appearance of the Town of Bowdoinham spending \$350,000 with LCI for coverage.

## 6. Town Manager's Report

**Town Hall Flood Damage** – The Manager explained that the Town Hall sustained some flood damage due to a water heater pipe that burst due to an electrical heater being turned down a bit too much. Both the bathroom and entryway will need to be gutted and repaired. ServePro has given an estimate of \$15,000 for the repair, however the Manager is still in the process of getting estimates from other contractors. The good news is that this damage is covered by our insurance and the bathroom is currently operational.

**Health Insurance Update** – The Manager recently met with the Town's health insurance broker. The contract with the Town's current health insurance provider, Anthem, will renew on March 1<sup>st</sup>. Anthem is proposing a 20% increase for coverage, and therefore the Manager and Town's broker are shopping other plans, one being Harvard Pilgrim which looks promising.

**Public Works Facility Update** – The Manager stated that the Public Works building is coming along and a lot of progress has been made. The crane hoist has been installed inside the facility structure. The garage doors are expected to be installed very soon, as the weather has not been very cooperative with this process. The windows and regular doors are in and the mezzanine has been framed.

**Ambulance Contract** – The Manager stated that he met today with representatives from the Town of Topsham regarding ambulance contract negotiations. The current contract the Town has is with Northeast. A contract with the Town of Topsham would definitely cost more money, however, the service would be much better. The Manager wanted to confirm with the Board that they were still in support of looking at a new contract with

Topsham as opposed to Northeast. Negotiations are open with the Town of Topsham and the Manager has asked for a proposal regarding the ambulance contract.

Website Update – The Manager stated that the new website launched on February 4<sup>th</sup>. It is going well and content is still being added to the website. The Manager asked the Board to continue to provide comments about the new website. The Manager also encouraged the Board to sign up for the weekly digest. The Room Reservation feature that the new website offers has already been used.

State Budget - The Manager is disappointed with Governor Mills' proposed state budget. The proposed budget revenue sharing is not what is actually stated in the law. The current law states a 5% revenue sharing, while Mills' proposed budget states that as of July 1, 2019 the revenue sharing will be 2.5%. The Manager has contacted the Town's legislative delegate stating that the Town does not accept the 2.5% proposal. It is also still unclear as to what Governor Mills is planning on doing regarding homestead exemptions.

Wednesday's Storm – Due to the storm the Town Office will not be opening at 9:00 a.m., with opening time still to be determined. When it has been decided as to what opening time will be, the information will be posted on the website, on the local news stations, as well as on Facebook.

7. Select Board Member's Request for Agenda Items for Future Meetings – None
8. Announce Future Select Board Meetings
  - A. February 26<sup>th</sup> – Regular Meeting
  - B. March 12<sup>th</sup> – Regular Meeting
9. Comments from Select Board Members – Board member Cluchey wanted to acknowledge Brant Miller's 28 years of service as a member of the Bowdoinham Water District Board of Trustees.

Board member Gray asked about the status of the architect's evaluation of the library as she has not yet heard from a library Board member. The Manager explained that she should most definitely be hearing from a library Board member within the next few days.

David Engler will be out of state and will not be present at the March 12<sup>th</sup> meeting.

10. Comments from the Public – None
11. Adjourn

The meeting adjourned by acclamation at 6:50 p.m.

Select Board  
Town of Bowdoinham, Maine

  
Peter Lewis, Chair



---

Jeremy Cluchey, Vice-Chair

---

David Engler

---

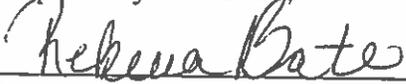
Judith Gray



---

Thomas Walling

Respectfully Submitted,



---

Rebecca Bate, Admin. Assistant



# Town of Bowdoinham, Maine

## Financial Audit Overview

### June 30, 2018

Presented by Smith & Associates CPAs  
Yarmouth, Maine  
February 12, 2019

# Town of Bowdoinham, Maine Overview of Audit Process and Results

## Timing and Process

- Audit Commenced in July, 2018
- Report Prepared in December, 2018 and Issued January, 2019
- Process Included Substantive Tests and Tests of Controls

## Results

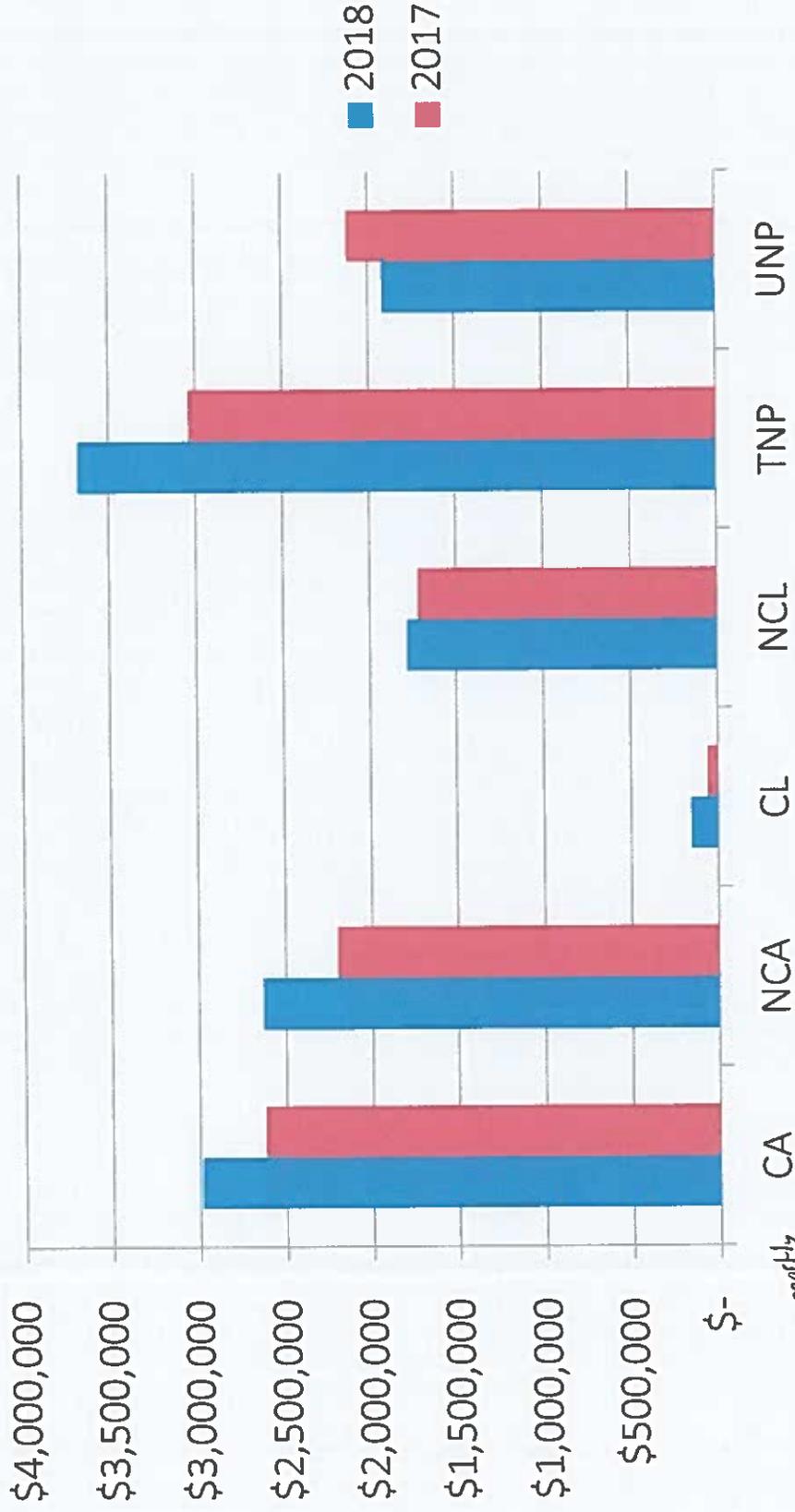
- Qualified Audit Opinion Arising from Permanent Fund Classification Issues
- No Material Weaknesses or Significant Deficiencies Reported

## • Recommendations

- ✓ Continued Monitoring of Fund Balance
- ✓ Continued Work on Accounting Policies and Procedures Manual
- ✓ Ideally, Obtain Documentation Relating to Permanent Funds

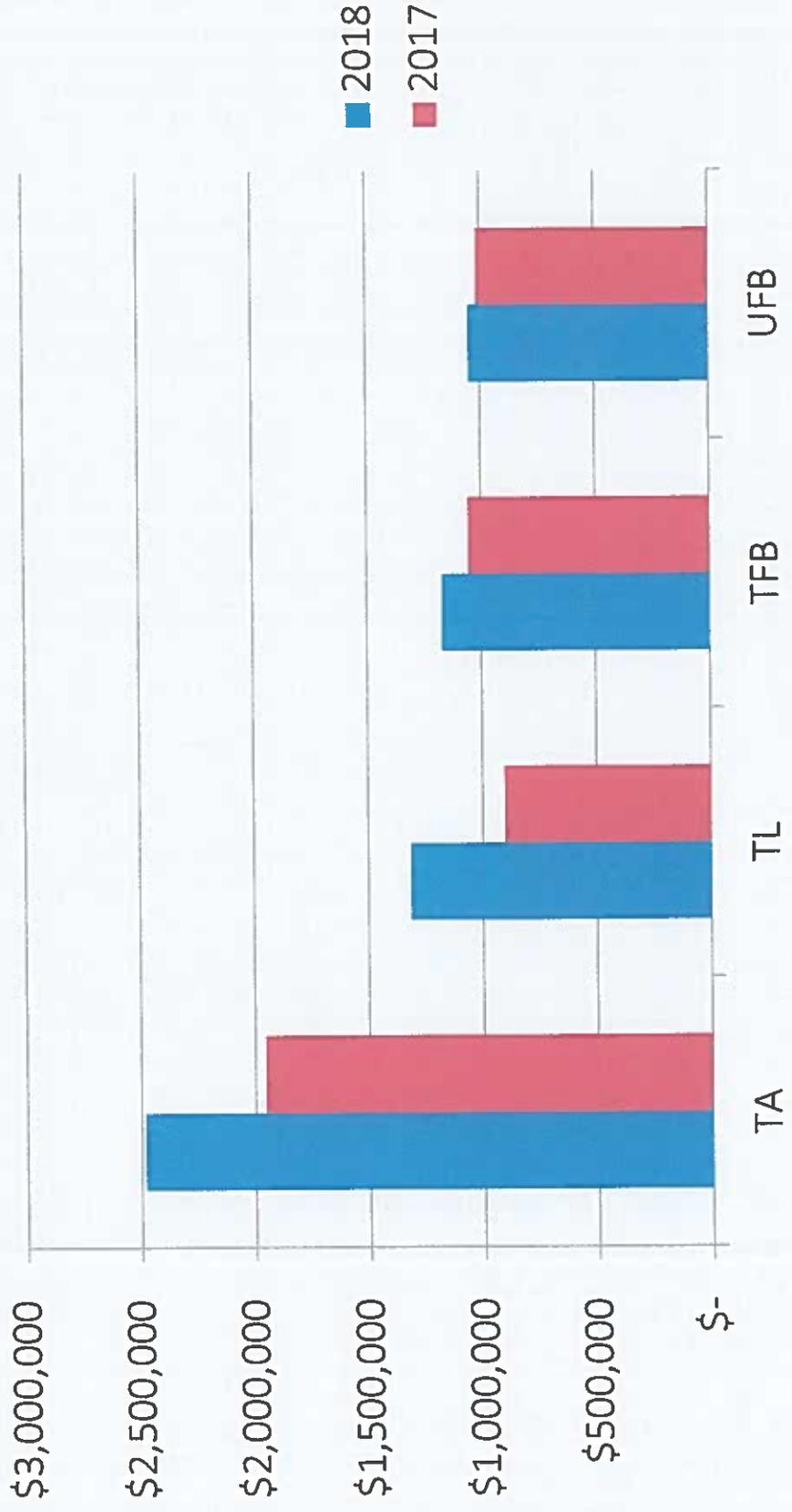
*Understated Fund Balance is Arising and increased again in FY18*  
→ (Trust)

## Town of Bowdoinham, Maine Government –Wide Balances



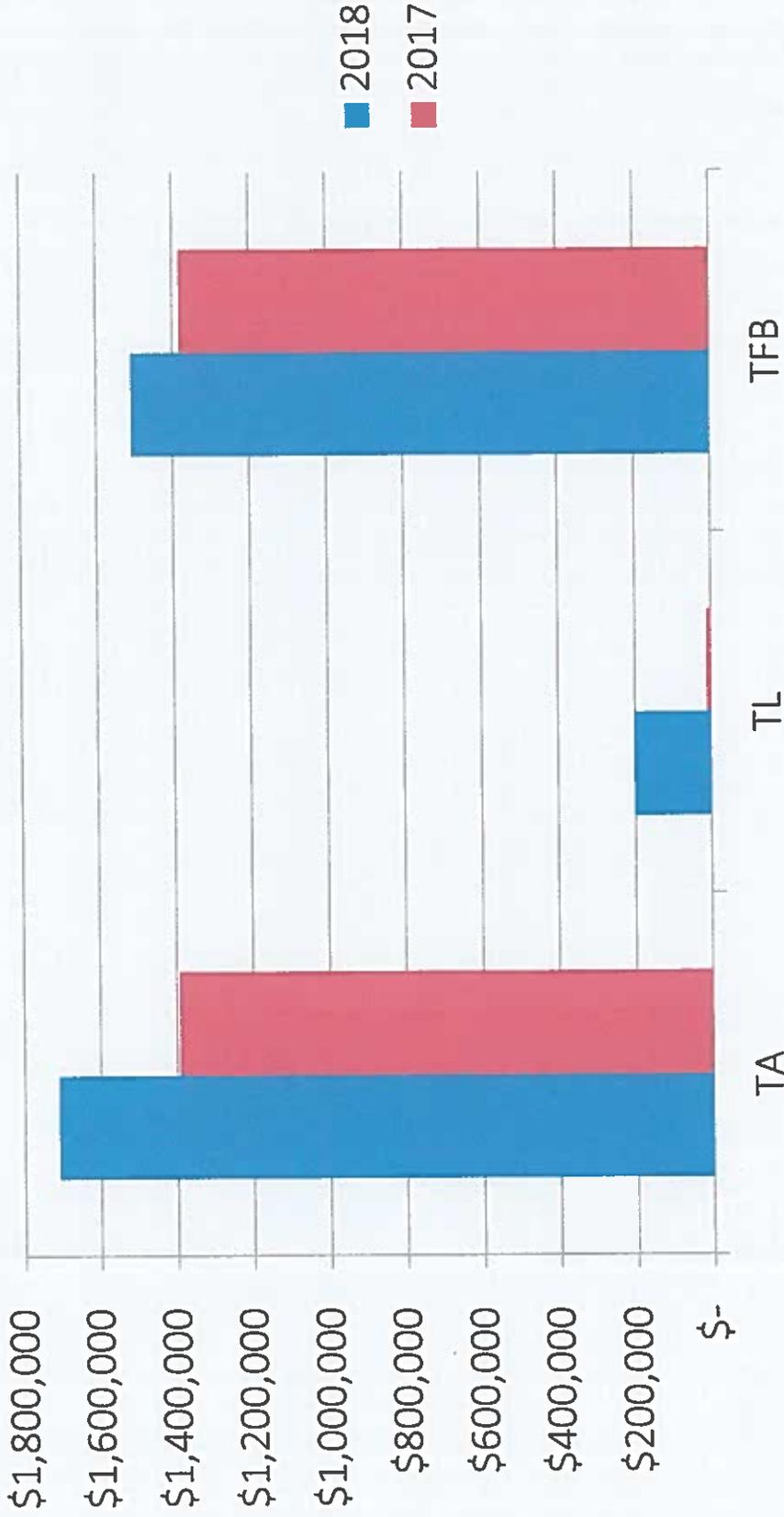
CA = Current Assets (2018 = \$2.9M; 2017 = \$2.6M)  
 NCA = Capital Assets + Deferred Outflows (2018 = \$2.6M; 2017 = \$2.2M)  
 CL = Current Liabilities (2018 = \$153K; 2017 = \$60K)  
 NCL = Non-Current Liabilities and Deferred Inflows (2018 = \$1.8M; 2017 = \$1.7M)  
 TNP = Total Net Position (2018 = \$3.7M; 2017 = \$3.0M)  
 UNP = Unrestricted Net Position (2018 = \$1.9M; 2017 = \$2.1M)

## Town of Bowdoinham, Maine General Fund



TA = Total Assets and Deferred Outflows (2018 = \$2.5M; 2017 = \$1.9M)  
 TL = Total Liabilities and Deferred Inflows (2018 = \$1.3M; 2017 = \$900K)  
 TFB = Total Fund Balance (2018 = \$1.2M; 2017 = \$1.1M)  
 UFB = Unassigned Fund Balance (2018 = \$1.0M; 2017 = \$1.0M)

Town of Bowdoinham, Maine  
Other Governmental Funds

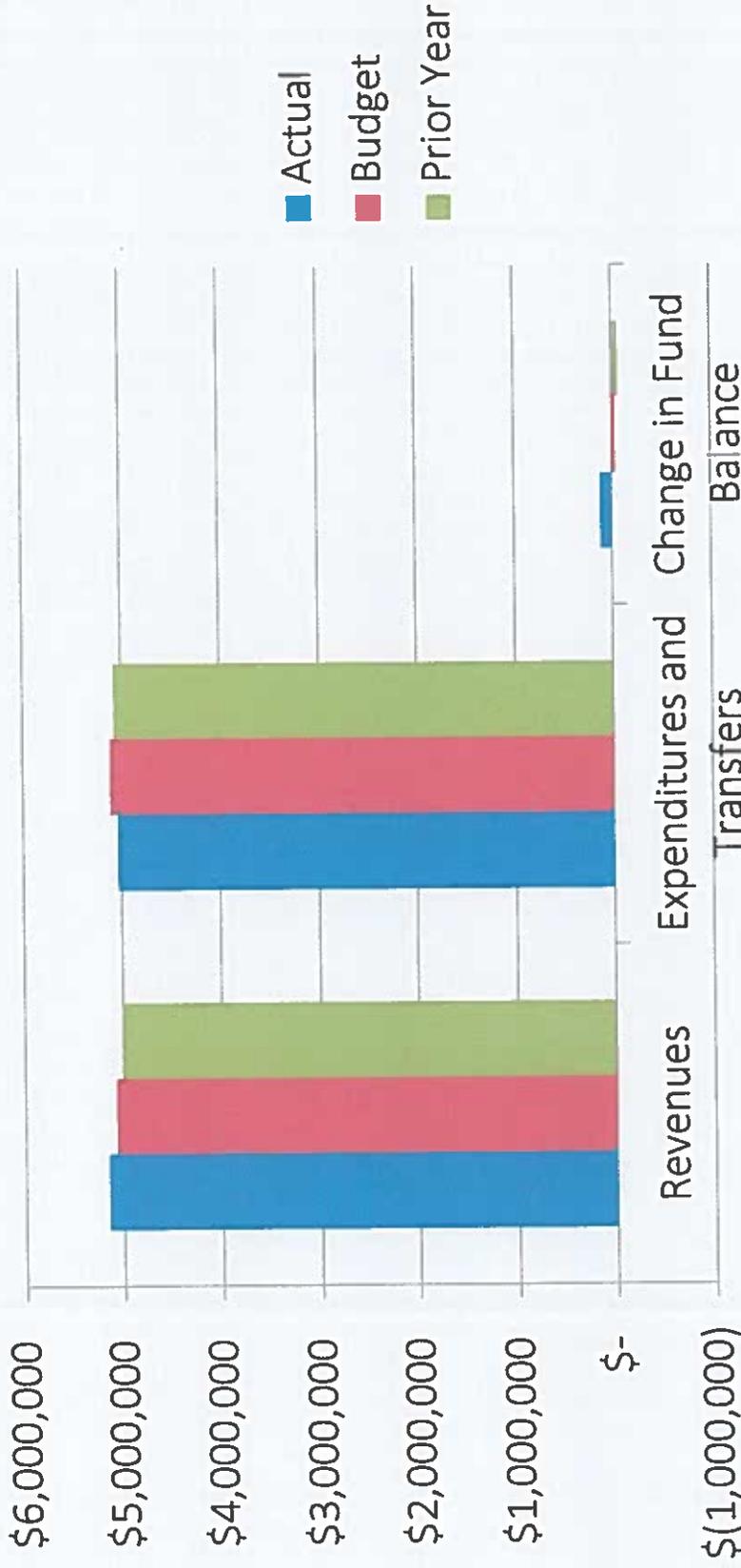


TA = Total Assets and Deferred Outflows (2018 = \$1.7M; 2017 = \$1.4M)

TL = Total Liabilities and Deferred Inflows (2018 = \$201K; 2017 = \$11K)

TFB = Total Fund Balance (2018 = \$1.5M; 2017 = \$1.4M)

**Town of Bowdoinham, Maine**  
**General Fund Revenues, Expenditures and Change in Fund Balance**



	Actual	Budget	Prior Year
Revenues	\$ 5,148,289	\$ 5,067,038	\$ 5,001,008
Expenditures and Transfers	\$ 5,032,182	\$ 5,107,308	\$ 5,070,760
Change in Fund Balance	\$ 116,107	\$ (40,000)	\$ (69,752)