

**APPROVED MINUTES/FREEDOM BOARD OF SELECTMEN
June 1st 2015 REGULAR MEETING**

CALL TO ORDER: 6:00 pm

PRESENT: Selectmen Ron Price (Chair), Steve Bennett, Ken Overlock. Also in attendance was Erna Keller, Cindy Abbott, Sallyann Hadyniak, Jacki Robbins, Clara & Drew Fales, Frances Walker, Bob Gerrish, Gunner Woods, Ron Littlefield, Marianne Bennett, Myrick Cross, Tim Biggs, Jim Waterman, Brian Jones and Todd Presson (BRW).

REVIEW MINUTES: Minutes from May 25th were reviewed. Ken/Steve, made motions, to accept as written and place on file; motions passed.

CITIZEN'S ISSUES:

BRW ABATEMENT:

- Ron- I understand fully why this needs to be addressed. I have come up with a proposal for everyone to look at.
- 5% reduction in this year's valuation
- then 2% off valuation every year until 2029
- This schedule reduces the value of the project over 20 years by 28%
- This almost parallels the state's valuation for our town every year
- The state's high value was 61,050,000 million in 2012 and has gone down to 57,550,000 million in 2014.
- This year's state valuation is \$57,850,000.00
- I came up with this because I think BRW is looking for a depreciation yearly. I didn't go right back to the start but used a method of offering a depreciation without the town suffering
- Frances asked- Can we reevaluate if inflation?
- Ron- Not sure how to answer that. I guess in the future either side would be able to come back to negotiate a new offer.
- Todd- Predictability for the town and BRW makes a difference.
- Jackie- This is only good for a year without a town vote
- Todd- predictability, if value methods are used
- Gunner- As a taxpayer, this is very reasonable if BRW would accept. Then I would say yes and thank you
- Jackie- I think where we differ is that BRW wants to catch up on what they think the depreciation is. If we go to the state board of appeals they deal with the abatement at hand. They don't go back and they don't go forward.
- Todd- We are looking at 30%
- Jackie- That won't come in to play with the state
- Steve- 2% next year and 5% last year, maybe tweak it some. Todd what do you suggest?
- Jackie- There is an assumption that this probably won't get to the state this year before tax bills go out.
- Todd- an impact on current year 2014
- Steve- What if we added the 5% for 2014 abatement then go forward
- Todd- assume they are worn out @ 20 years then they won't be worth 60% over the

expected lifetime.

- Steve- How about we tweak it by a 2% straight line depreciation a year
- Jackie asked Todd- At what point would you be willing to not ask for an abatement?
- Todd- In 2015 we would need more than the 5%, expectancy of something to go forward with, we need to do something.
- Ken- you are right that there is a lurch but the town didn't create this problem.
- Sallyann- Not trying to be disrespectful, but BRW didn't ask for it in the past and its not fair to expect it all at once. The town can't afford that.
- Jackie- What we are talking about has to stay with value. They was ok with it before according to BRW spokesman that was here
- Todd- He was way outside his authority
- Bob- Every house in town has lost value. The appraisal on my house is less then what the town has it valued. Maybe the town should take 10% off everyones taxes
- Jackie- True statement. One way could be take 5% off everyones value. So far any abatements that was requested because of the wind mills depreciating the value of their houses, I have refused.. It is based on sales and unfortunately we haven't had any to go by which is troubling.
- Ken- I agree with that
- Jackie- This could be done but that would increase the mill rate so that everyone would still end up paying the same. Which isn't fair. Bob has a legitimate point
- Todd- I don't agree that the town has dropped because of the windmills
- Bob- Your appraisal people came and their appraisal was less then what the town appraises my house at
- Todd- I don't think that has anything to do with the wind project
- Jackie- We can't prove his house is less or that the wind turbines should be less. There are no sales to prove this.
- Todd- He has sales
- Jackie- No, there has been 1 sale and that isnt enough to go on, in the same town under the same circumstances
- Todd- a commercial property is different, it isn't done as a residential. Other methods are used such as income method & cost method
- Jackie- There aren't any comparable sales.
- Steve- There should be consideration of tax credits and other items.
- Bob- The first appraiser stated that they couldn't do appraisal- cuz of windmills
- second appraiser- Would do apparisal without factoring them in
- The property beside me sold and I was told that I would be very lucky to get 100% of value because we are so close to the turbines.
- Brian- 3 methods of value to be considered. What is the problem using the income approach & cost of construction
- Subtracting the cost of dismantling
- Jackie- Todd what is the bottomline if we said No to the 2014 abatement
- Todd- If we could waiver then I think the higher number in 2015 would have to be 7 1/2%
- Need to take into account the analysis and technical info
- 2 sources of info -Lifespan of turbines
- Agree on the lifespan and bottom value
- Jackie- What would it take to get rid of 2014 and to start from 2015. We could always just

go to the state and take our chances. Y isn't it worth it.

- Steve- I drafted a letter for everyone to look at. One with 5% abatement and one without. We are looking for the least amount of impact on the town and would like to avoid the state board and the cost of attorneys and the assessor. (Costing the town extra money)
- Assess property-manual-cost approach, market value(homes) or income approach
- There is also a list of numbers from FERC (production in 2014 was 95% compared to the first year)
- Tim- Does repair cost come into play?
- Steve- NO if you repair your equipment, that is up keep
- Tim- So you are talking income approach - expenses
- Todd- Cash In-expenses= income approach . Thats what you get left with. You need this for a bank loan
- Jackie- That is Capital... How about where the tax credits come in to affect
- Clara- Thats for income tax purposes
- Todd- Yes, we do get tax credits for another few years. We can be an open book with the town, just not with the whole world. We don't need our competitors getting this info.
- Steve- They are still a piece of machinery, which if you maintain then take off value, doesn't seem fair to me.
- Todd-Salvage Value, small cost, expected revenue and expenses
- Brian-Income approach- complex, tax credits come and go. Steve's is net income, Ken's comment 3 weeks ago never got answered. Which was: What is the business plan you had and going forward? Loss of tax credits and when you loss them.
- Todd- 10 yrs of tax credits, they will be ending soon
- Brian- So that will affect the net income and is that why you are asking for potential depreciation
- Todd- It is a piece of equipment that depreciates, thats why we are asking.
- Brian- Real equipment and real property
- Steve- According to the state they are Industrial Real Estate
- Todd- I agree with getting together with Mike Rogers and BRW will do full disclosure.
- Jackie- So where does this leave us?
- Todd- Well if the selectmen agree then we will meet with Mike Rogers and do the income approach.
- Clara- I think the selectmen have done their homework and they don;t need a lawyer, you have the facts. Clearly they didn't ask for this on the onset. It was definately poor planning on their part. Let BRW go to the state and appeal your decision. We are not a corporate loop hole for BRW and can't be bullied.
- Todd- BRW didn't file for an abatement because we will let it go when the valuation went up. The town has benefitted from years of us here.
- The change now is it needs to be where it should be. We will work with the town to make it less painful.
- Steve- I can see your arguement but you don't know whether it should be 60% 70%.. and 20% is arbitrary.
- Todd- Wind will vary so you base the value on the project life. They are income producing machines and if there is no income they are not worth a thing.
- Erna- This year wind turbines income should be running very high with all the windy days we have had. This is the windiest year so far.

- Ken- A few moments ago you said that you wasn't going back but your first letter you requested 30% and the second letter was 7 1/2%
- Todd- Tax full value in the past, even thou the value has decreased every year.
- Ken- So BRW is trying to get back to what they think it is worth.
- Steve-Jackie- Straight line depreciation
- Jackie- so you are only willing to start at 30% depreciation
- Brian- The problem we had was we had to sign a confidentiality , so went to a 3rd party. This was RHR Smith the auditor.
- Ken- So we have been attempting to work with BRW and so far we are still not on the same page.
- I don't get money off if I up keep and of my machinery for my business but you feel that you are different and should be treated differently.
- I was hoping with this meeting to get a little structure and see where the tax payers stand
- Will the state help with going forward and the structure that should be followed?
- Jackie- NO, the state won't give you any of that information.
- Clara- We have the leveredge if it goes to the state.
- Steve- Did you agree to a protocol?
- Todd- NO, there is no formal agreement
- Steve- Having low end percentage for 20 years
- Todd- No agreement just trying to get the cost
- Steve- If we hired an auditor would BRW split the cost?
- Jackie- Do we have to disclose the value if we pay for auditor? We can do a theoretical with Mike Rogers and get a cost.
- Ken- I am asking for a show of hands at this point for see where we stand?
- 7- Go to state of appeal and take our chances
- 8- Hold a meeting with Mike Rogers. (theoretica)
- Steve- If we meet with Mike Rogers that doesn't mean we are agreeing with what he says.
- Clara- This a good faith gesture.
- Gunner- The performance approach doesn't factor in when the cost of electricity goes up does it?
- Todd- We are at a set rate for the next 8 years. After that they could apply a higher discount rate. That would be determined in the future after the contract
- Tim- As tight lipped as Mike Rogers was the last time here I don't think he will help
- Jackie- Hyperthetically is all he will say, using the info that BRW gives he will say well this could be a possibility, or this. Mike said he will not a definate answer, but he could tell what other towns are doing.
- Steve- So is this a confidential meeting?
- Ken- I think the public should be involved or I won't be.
- Jackie- I can call Mike to get what his opinion is and the dynamics.
- Steve- Todd would you agree to this type of meeting with the public being involved?
- Todd- Yes, BRW will meet with Mike Rogers, the selectmen and the public.
- Ken- So have we moved towards this meeting with Mike to have Jackie contact him? Try for next Monday night
- All agreed...
- Jackie- I will contact Mike and see how fast we can do this and if Monday night is possible.

- Ron- From the towns point of view, tax bills will be going out soon. If we can't get this taken care out BRW will be paying full value and then asking for an abatement for 2015 too.
- Cindy- Just a reminder that elections are the next day so you will have to meet on the other side so we can have this area all set up.
- Tim- Last time selectmen went to Augusta to meet with Mike Rogers, will you be doing that again?
- Ken/Steve made motion: We will contact Mike Rogers about meeting next Monday night here and it will be open to the public. All agreed

TREASURER:

Erna reported:

Payroll Warrant..... \$1943.61
 A/P Warrant..... \$5655.74
 Ending checkbook balance....\$336,604.02

- Payroll Warrant this week is \$1943.61 (clerk, treasurer, secretary, cleaning lady & road crew) Also was Aflac & Bank of Maine which was taken out of AP Trust \$2730.85 all paperwork is attached to checks (total \$4,210.71)
- A/P this week is \$5655.74 (Thorndike Auto, Ingraham's, PERC, BMV, Searsport Flags, Gorham Leasing, Bank of Maine, Kenn Jour/Morning Sentinel, Bangor Daily & Hilltop)
- Ending Checkbook balance.....\$342,259.76 less AP 5655.74= 336,604.02
- We received a check from USPS for May Rent \$630.00
- Cost on Tingley Property so far is up to \$34,467.41
- Ken-Need to look up minutes from when Tom Carroll was here and made that staement, maybe it was in writing or on tape.

Steve/Ken moved to accept and sign the payroll; motion passed.

Ken/Steve moved to sign the A/P warrant; motion passed.

TOWN CLERK:

Cindy reported:

- GA that needs attention in executive session

FIRE DEPT:

- Jim stated, He is not sure what will have to be done with Thorndike Fire Dept about the truck and how to get this taken care of.
- Ken- Did you file the insurance claim?
- Jim- Yes, I did it over the phone.
- Ken- We need to draft a letter to Thorndike, they have been sent the information from MMA.
- Cindy- Will contact MMA on if they have heard from Thorndike and where town should go with this.
- Jim- We need to ored turnout gear we have a new fireman who is 6'4.
- Jim- There is also a new address... 22 Hutchins Lane

GENERAL ASSISTANCE:

- Cindy discussed with selectmen a new application. Items will be on next warrant

EXECUTIVE SESSION:

- Ron/Ken motion to go into session at 7:49 pm for a Discuss Confidential Records 1 MRSA 405 (6) F
- Out of session @ 7:59 pm
- No decisions made

OLD BUSINESS:

Tingley Property:

- Advertised in all 3 papers this weekend
- Ron- It is also on Craig's List
- Tim Roi has contacted Cindy and Erna. He has asked Marianne Bennett to get info from Cindy.
- Steve said Tim Roi is very interested in property. He called him to say our language in bid info states that a person has 30 days, this might limit some people because banks are now requesting 45-60 days. 45 days min for banks and 60 days for credit unions
- Ron- I understand this , something to look at in the future. We will continue as planned. We don't necessarily have to accept any bids, we can refuse them. But it sounds like there is plenty of interest.
- Erna- I am hearing this from alot of people and giving out packets even at the store. I have had people say that they have been there most of the day looking around on the property. Very positive feedback.
- Cindy- I have had steady calls and people in about getting the packets we made up..

Public Works:

- Steve handed out a sheet with the numbers from 2014 winter and summers roads (This is the info that Erna presented to Ken, Ron and Clint when looking at last years budget and talking about contracted services) Erna and Steve has worked together updating this list by adding payroll taxes and trying to get to one sheet.
- Erna will send Steve the 2013 info like she did the 2014. Steve will put into 1 page like the 2014. This will give the people a chance to see what was actually spent on winters roads vs contracting out to bid.
- Erna- The payroll taxes will take a little bit to do but she will get it to him
- Discussion on numbers Steve has and what needs to be removed
- Remove heating, insurance, road sand and salt... Since even if contracted out will still be needed.
- Add depreciation on 3 trucks & loader, contact auditor to get this info
- For 2014 it cost for 26 miles around 3,300 a mile before removal of items above.

NEW BUSINESS:

- Myrick Cross has encouraged everyone to come and meet the new candidate for superintendent, Wednesday night @ 6:00 pm. His name is Paul Austin from Nobleboro.
- Ken- Is he going to commute from Nobleboro?
- Maybe he is interested in 181.6 acres

Ken/Ron motion to adjourn meeting 9:00 pm

Next AP/Warrant signing meeting will be June 8th @ 6:00 pm

Next Regular meeting will be June 15th @ 6:00 pm

Respectfully Submitted,

Secretary

Ernestine Keller