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The Magazine of the Maine Municipal Association



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Helping MMA Better Serve You

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COVER PHOTO: The winter photo by freelance photographer Jill Brady shows a coastal home in the City of Saco, one of several communities being pro-active in



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A Message From MMA



by Christopher Lockwood, Executive Director

Reviewing What We Do

Are Maine Municipal Association's programs and services providing value and are they responsive to the current and future needs of our members? These are some of the questions we will ask as part of an Operational and Programmatic Review that we will undertake in 2013.

We are still in the early stages of mapping out the timetable and process for this project, but below I list some of the key points from our project outline.

This will be an in-depth review of MMA's operations and programs. There are a number of reasons to undertake this. First, this is a healthy undertaking for any organization, particularly given the challenging and changing environment in which MMA and our members operate. Second, although MMA is in a strong financial position, we continue to face structural budget issues despite concerted efforts during the past several years to implement efficiencies, reduce costs and generate additional non-dues revenues. Third, this is a legacy project to capture the experience and insights of the numerous senior staff members who will likely conclude their MMA careers in the next few years, as well as to invite innovative perspectives and approaches.

The overall purpose of this project is to position MMA to be successful and financially sound in providing relevant and valued services and advocating for municipal governments as MMA looks ahead to the next 10 plus years.

KEY OBJECTIVES

- Identify efficiencies/cost savings, with a particular focus on technology and opportunities for interdepartmental coordination and shared resources.
- Review current and possible new program offerings (vis-àvis emerging issues/member needs and the importance of providing services that are relevant and valued by MMA members).
- Evaluate alternative delivery approaches for various services, including possible outsourcing.
- Reorient the MMA budget process to increase the linkage between program goals and the annual budget.

- Link succession management planning with organizational goals.
- Review mission critical services/functions and identify skills and core competencies that will be needed by MMA staff in the future.
- Evaluate ways to continue growing non-dues revenue sources.
- Establish a sustainable financial structure and policies that enable MMA to deliver relevant and valued services to the membership while maintaining stable reserves.

As Executive Director, I will have lead responsibility for overseeing this project. I anticipate the project will include a survey, or possibly a few mini-surveys, to obtain input from members regarding MMA's current and possible future services. I welcome any suggestions you might offer as we embark on this process. I can be contacted at 1-800-452-8786 or by email at clockwood@memun. org. [mt]



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Responders Learn Lessons from Sandy

By Lee Burnett

Hurricane Sandy taught Maine a few things even though Maine escaped the brunt of its damage.

One lesson was learned by the City of Saco even before the storm hit. Last spring, Saco became the first community in Maine to toughen its building code in response to predictions of more severe coastal flooding in the coming decades.

"Saco is a prime example in the State of Maine of a coastal community threatened by sea level rise," said City Planner Bob Hamblen.

As anyone who watches storm coverage on TV knows, Saco has long experience with storm-induced flooding. More than three dozen homes in Camp Ellis have been lost to storms in the past half century, Hamblen said. To mitigate future damage, the U.S. Army Corps of Engineers has authorized construction of a \$26.9 million breakwater to augment an existing jetty.

"Camp Ellis is a poster child for coastal erosion," said Hamblen. "It is showing us early on how other properties are going to be impacted."

The new rules require rebuilt structures to be built at least three feet higher than the flood plain, which typically entails putting the house on stilts. Previously, the "freeboard" requirement was a single foot above the flood plain. The higher requirement will add a marginal additional cost on what is already a significant cost, Hamblen said. Even before the rules were adopted, homeowners were building to the higher standard, which becomes compulsory only if the structure is more than half destroyed.

Building to the higher standard lowers an individual homeowner's an-

nual flood insurance premium. And even before reconstruction, premiums will be reduced across the board because of Saco's new building rules, he said. The premium-reduction benefit was not a large factor in the City Council's decision, according to both Hamblen and City Manager Richard Michaud. It was just common sense.

"We've been working with the Army Corps of Engineers since 1971," said Michaud. "When I started 14 years ago, the Army Corps said we'd see a one meter rise in sea level in 100 years. Now they're saying one meter rise in 50 years. When the Army Corps make a statement like that, as a planning window, that's not very long. We don't want buildings rebuilt below that line."

TRAINING HELPS

Hurricane Sandy made Freeport Fire Chief Darrell Fournier a fervent believer in advanced training. Like thousands of his peers in Maine, Fournier has undergone extensive additional training in the wake of 9/11. A focus of the federally funded training initiative has been standardizing emergency protocols nationwide to facilitate coordination among agencies. Two years ago, Fournier completed a 40-hour "incident command" class. At the time, it seemed a bit much.

"I came away saying to myself, 'Boy, will I ever need that particular skill set? I'm not sure I'm ever going to be thrown into a particular situation like this,' " he said.



Saco home boosted three feet under new rules. (Submitted photo)





These two photos show damage in Rumford after Hurricane Irene. (Submitted photos)

Fournier is no longer a skeptic. He was one of several dozen Maine emergency personnel sent to the stricken area. His group included members of the Maine National Guard, Maine State Police, Maine Emergency Management Agency, Maine Department of Transportation and a former Maine Public Utilities Commission staffer. Within a few days of arrival, they found themselves working in command positions in the Emergency Operation Center, directing relief operations side-by side with counterparts in the New York City Police Department, Fire Department, health and sanitation departments.

"We all came together," Fournier said. "We had a plan in place... I think it was very impressive." Fournier attributes his effectiveness in part to his training. "It made me much more efficient."

In a similar vein, others who participated in Sandy relief said the experience told them that Maine is on the right track in dealing with large-scale disasters.

"It reinforced the way we are doing things here in Maine," said Bruce Fitzgerald, deputy director of Maine Emergency Management Agency, who headed the team. The equipment and expertise deployed was no more sophisticated than what is in use in Maine, he said.

Maine may even be ahead of some states in its level of interagency coordination. "We probably do a better job keeping everyone moving in the same direction," he said.

MEMA held a group debriefing session in early December to capture

lessons learned from Sandy. The consensus of the group was that participation in out-of-state emergency deployments is so mutually beneficial that Maine should increase its readiness to participate in the future.

Fournier, for example, said the sustained intensity of the mass deployment was a "great learning experience" that he found personally rewarding. "To really help people in need, that's the real payback," he said. But it is unclear exactly how many of Maine's 10,000 or so volunteer and professional first responders have the necessary training to participate in out-of-state emergencies.

"We know we have a vast number of first responders who are fully qualified," said Rob McAleer, director of Maine's Emergecency Management Agency. "A very large majority could respond."

McAleer said the group plans to encourage local chiefs to identify people in their departments with the skill sets and temperaments to participate in future call-ups for out of state deployment. Out-of-state deployments are entirely volunteer, fully reimbursed and carefully made so that no one is put into a situation that he or she cannot handle, McAleer said. Completing the advance identification will speed the response to call-ups when they come, he said

"It's a very fluid, fast-moving situation. If it takes a day and a half to get people, that (request for assistance) will be already filled. If we can preidentify people, we're ready to go."

Participation in out-of-state deployments should benefit Maine when the time comes to call for out-of-state help, McAleer said. "The (interstate cooperation) agreement is the best tool the states have, so everyone tries to ante up. The deployments aren't that long," McAleer said.

HAZARD MITIGATION

Folks in Rumford are learning that hazard mitigation – FEMA-speak for a preventative measure – is a good thing, even though it's complicated.

Last summer, Rumford replaced a deteriorating pair of 6-foot corrugated culverts under Swain Road with a pair of 5-foot straight-bore culverts, said Public Works Director Andy Russell. Though smaller, the smooth pipes were rated at a higher capacity, he said. The work was intended to address a chronic flooding problem that was identified as a priority in the 2004 Oxford County Hazard Mitigation Plan.

But before the work was done, Hurricane Irene struck, inundating the new culverts until they "popped out like a ping pong ball." In hindsight, it looked to some like the town had thrown good money after bad.

But the full story is more complex. Bean Brook is a problem in two locations. The upstream location has historically been the cause of road washouts, according to Russell. The downstream location – where the Swain Road culverts are located – had never before flooded the road until Irene struck, he said.

To fix the situation for good, Rumford raised \$175,000 to install larger twin box culverts. Each one measures 12 feet by five feet, instead of five-foot round culverts.





Before(left) and after (right) photos of an improved culvert in Rumford. (Submitted photos)

Post-Irene, the town's expense was fully reimbursable by FEMA as "hazard mitigation," Russell said. That same expense would not have been reimbursable before Irene, had the town applied for it, Russell said. because FEMA requires a rigorous "cost-benefit analysis" for mitigation projects.

"Unless we had a continuing problem where we were pumping money (into culvert repair culver) after every storm, we were never going to see the cost-benefit ratio to get the money," he said. The cost of repairs following Irene tipped the analysis in the town's favor, he said.

EXPECT THE UNEXPECTED

Like many towns, folks in Ogunquit took up a collection for Hurricane Sandy's victims. But townspeople also rallied around a spontaneous relief idea that had never been tried before.

When the Beachmere Inn began receiving reservation-cancellation calls from the New York area, innkeeper Sarah Diment got an idea: Why not find a way to make those same empty rooms available to people displaced by Sandy?

Making their town a respite destination for beleaguered families was an out-of-the-blue idea that could have been dismissed. Instead it was embraced.

"People immediately liked the idea," Diment recalled. "People were asking, 'What can I do? How can I help?'"

Town Manager Thomas Fortier praised the "cutting edge" approach to hurricane relief. The idea was rooted in what the town does best – host, feed and care for people. Within the town's borders are 2,000 hotel rooms, dozens of restaurants, a trolley service and plenty of hospitality experience. Much of that capacity is underused during the off season. "Operation Ogunquit" made hotel rooms and restaurant meals available for up to 150 people. The town's role was to encourage volunteerism and initiative in the business community.

"We offered the Dunaway Center to host meals and entertainment," Fortier said. "We offered to help any way we could."

In the end, about a half dozen people showed up. The low participation rate was attributed in part to the timing of the offer so soon after the storm. Hurricane victims tend to want to stay close to their homes in the immediate aftermath to clean up, protect their properties and deal with insurance adjusters and contractors, Diment said.

"If we could have done it later, more might have come. But then we were trying to beat the cold," Diment said. The low participation was also attributed to suspicion about a new idea, a generous offer from away. Some people thought Ogunquit's offer was a hoax, she said. "There was a level of disbelief," said Diment. "I told people to look us up on Google, talk to our town manager."

Ogunquit's experience hasn't dissuaded Diment from trying again. "Would I do it again? In a heartbeat," she said. "I firmly believe this is a model that can be replicated anywhere," she said. [mt]

POSSIBLE STORM AID

Municipalities that that suffered storm damage may be eligible for financial assistance to rebuild infrastructure through one or both programs administered by Federal Emergency Management Agency.

Section 406 Repair, Restoration, Replacement (and limited mitigation)

- Project must be within a region that qualified for aid through Presidential Disaster Declaration.
- Infrastructure to be repaired must have sustained damage.
- Project officer assigned, no grant application.
- Must be cost-effective
- Reimbursement after costs incurred.
- Cost sharing (10 percent local, 15 percent state, 75 percent federal.

Section 404 Hazard mitigation

- Proposed work must have been identified on a county priority list.
- Competitive grant application
- Must perform cost/benefit analysis.
- Grant is awarded before work
- Cost sharing (25 percent local, 75 percent federal).

Lee Burnett is a freelance writer from Sanford and a regular contributor to the Maine Townsman, leeburnett_maine@hotmail.com.



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Employment Levels Down In Many Areas

By Douglas Rooks

Most Maine towns and cities have faced significant cutbacks during what's come to be known as the Great Recession and, while financial pressures may be easing a bit, it will be a long time before municipal employment levels return to what they once were.

Maine Municipal Association's annual Salary Survey tells at least part of the story. In 2010, 41 municipalities reported decreased employee numbers, while 12 increased employees and the rest stayed the same. In 2011, the ratio was about the same – 38 decreasing and 13 increasing. For 2012, the pressure eased slightly, with 22 municipalities reducing employees and 14 increasing.

Behind the numbers, municipal managers say, it's been a rough ride. Augusta City Manager Bill Bridgeo calls the cutbacks in municipal staff "one of the biggest challenges of my professional life."

Presque Isle City Manager Jim Bennett, who moved north from his previous Lewiston city administrator post in 2010, said, "I expected to spend a lot of time with the budget but the scale of challenges was much greater than I'd anticipated."

The need for cutbacks – driven by the economic slump and by major cutbacks in state aid, chiefly in school subsidies, revenue sharing and general assistance – was felt across the state and in almost every kind of community.

In Cape Elizabeth, personnel reductions have been made each of the last three years. "It was clear to us early on that we'd be in a recession for quite some time," said Town Manager Mike McGovern. "In that respect, this is no different than any other town. We had to make adjustments."

Behind the numbers, there are strategies in almost every town and city. In some cases, positions were restored after attempted reorganizations didn't work out. In others, employees were cross-trained to try to make each position as flexible as possible. Unlike previous recessions, it was rare that selectmen and councils were willing to increase tax rates, even temporarily, to maintain service levels. The financial storm was just too intense.

CITY OF AUBURN

Clint Deschene came on board as city manager six months ago, coming from the town manager post in Hermon. He found the city council engaged in a debate over the effects of previous downsizings of staff – fultime positions had been cut by 20 from the pre-recession level of 250. The result was that some positions were restored.

Frank Roma came on as fire chief in October and Howard Crowell was hired as assistant city manager in late November.

"The system that had been put in place wasn't working," Deschene. "The police chief was in charge of public safety overall, but it was really two jobs." The hoped-for financial advantages were outweighed by a loss of cohesion.

"The savings were outweighed by the inefficiencies that resulted," he said. Other experiments worked out better, and were retained, with net employment still below the pre-recession peak.

Auburn has some cost-sharing arrangements with neighboring Lewiston and is looking to expand them, Deschene said. It's not widely known that the water and sewer departments

are a joint operation – with Lake Auburn the water supply for both cities and a joint wastewater treatment plant in Lewiston.

"It saves a lot of money over what it would be if we operated two systems," Deschene said.

With reviving downtowns in both cities, the two councils are looking at creating a downtown coordinator position. "The conclusion, if we do it, is that it has to be a joint position," Deschene said.

CITY OF AUGUSTA

The state capital has reduced employment levels every year since the recession began in 2008 and City Manager Bill Bridgeo isn't convinced it's over yet. Overall, staff has been reduced 10 percent, from 240 full-time positions to fewer than 220.

Bridgeo keeps a running list of the reductions. Planning and building positions have been cut by at least five, in part reflecting reduced development pressures. Two library positions were cut, along with one at Old Fort Western, a historic site on the Kennebec River. The city no longer has an arborist and is down three positions in public works. One police position was cut, though overall public safety staffing has been maintained.

"Along with education and roads, public safety is the biggest priority," Bridgeo said. "Our surveys show we're understaffed in the fire department," which has 44 employees, while there are 50 police positions.

One reason why Bridgeo doesn't see an early turnaround is that "It looks like the state budget is in trouble again," with a \$200 million shortfall for the current fiscal year and a significant structural deficit for the next two

years. He's not optimistic that revenue sharing will be restored from 3.6 percent of sales and income tax revenue to the statutorily required 5 percent or that General Purpose Aid for schools will make any advance toward the voter-approved 55 percent level; it's currently at 44.9 percent.

Cutbacks in the school department have been even greater, Bridgeo said. "We've closed two schools, eliminated dozens of positions and cut programs."

TOWN OF BETHEL

Bethel has been feeling less financial pressure than some other municipalities; it's a minimum receiver of school aid and doesn't rely heavily on revenue sharing. Reductions in employees – from 22 at the start of the recession to 15.5 positions today, including three part-time employees – were done more in response to providing services efficiently than the because of the economy, said Town Manager Jim Doar.

Bethel eliminated its police department and contracts with Oxford County for police services, which accounted for a reduction of four positions. Hours or positions were also cut in code enforcement, planning, wastewater treatment – services affected by development pressures – but, Doar said, many of the reductions would have happened anyway.

Selectmen have concentrated in recent years on keeping the tax rate stable, a goal that necessitated other adjustments, Doar said. "If revenues are down, we'll cut back on capital expenses, such as roads, for a year."

The town has managed these reductions almost entirely through attrition, not layoffs. Only one police position was filled when the town department disbanded, Doar said.

CITY OF BIDDEFORD

A reported uptick in municipal employment for 2012 was due to reintegrating wastewater treatment as a city service, which added seven positions, said City Manager John Bubier.

"We found that privatizing was costing us more than if we did the job ourselves," he said. When Biddeford's treatment plant was new, it required little maintenance and contracting out made sense. "With a lot more upkeep, it made sense to bring it back," Bubier said.

Biddeford has also been filling some positions deliberately left vacant for awhile, including two firefighters. The city has been affected by state cutbacks; it lost an estimated \$700,000 in revenue sharing last year, Bubier said.

And it's been obligated to take on road-building projects on state-owned roads that, it now appears, the state will never get around to fixing. One upgrade to Route 9 undertaken last summer cost \$800,000, Bubier said.

"It's not an expenditure we should be making, but the council felt we couldn't wait," he said.

Another area where the state is falling short is with school construction. With few state-supported bonds in sight, Biddeford voters approved borrowing \$34 million to renovate the high school – far less than a new building would have cost, he noted.

"It's a different world out there, in terms of the state and municipalities," Bubier said.



TOWN OF CAPE ELIZABETH

On a percentage basis, Cape Elizabeth's workforce has been reduced more than most – from 60 employees in 2008 to 49 today. That comes despite what Town Manager Mike McGovern said are increased demands on police and other public services during the downturn.

"There are more family disputes. There a lot of stress-related situations," he said.

In some cases, town positions were picked up by the school department, or positions are now shared between town and school. Cape Elizabeth eliminated its local dispatch service and reduced hours at the community swimming pool.

McGovern thinks the town was wise to make cuts when it did, rather than hold on in the expectation things would get better.

"This is going to be with us for a long time. It isn't going to get easier," he said.

If the town does add positions, it would likely be in the communications and social media areas, which McGovern said are "incredibly popular ways of following town government." Administrators have been performing these services as a sideline to their jobs, "but it's getting to the point that they can't keep up," he said.

CITY OF PRESQUE ISLE

Reductions and reorganization of police and fire services have been part of Presque Isle's cost-cutting strategies, City Manager Jim Bennett said. Overall, northern Maine's largest service center community has reduced municipal staffing from 104 to 89 positions.

Where there were once 12 police patrol officers and six sergeants, the administrative staff now consists of a deputy chief, a corporal and two sergeants. Three firefighter positions were eliminated and one is vacant, reducing a 16-member department to 12.

In one reorganization, firefighters have been cross-trained to do code enforcement work, something Bennett believes is "unique in Maine." While it allowed the number of CEO positions to shrink, "It's been challenging to get

everyone trained and functioning in the field," he said.

All these changes were done to avoid property tax increases over the last three years.

Total net salary savings have been about \$1 million, Bennett said, though he tends to weigh those numbers against the \$535,000 the city lost in revenue sharing last year. "If the Legislature restored revenue sharing, we'd be able to cut the tax rate," he said.

Short of some restored state aid, Bennett remains concerned about future budgets. While he believes recent cuts have been accomplished without significantly reducing services to the public, that may not be the case in the future.

"We may have to choose between cutting direct services and asking the taxpayers to bear an increase," he said.

TOWN OF SKOWHEGAN

Town Manager John Doucette said 2012 saw the restoration of a few vacant positions but overall employment is still down from 80 positions, prerecession, to about 70.

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"We're trying to do more with less, like everyone else," he said.

What were previously distinct functions, such as front office positions, tax collection, and registration, are now handled by fewer employees jointly. "We multi-task a lot," Doucette said.

Selectmen were concerned enough about state cutbacks to General Assistance that they ordered adjustments to the local program, which reduced spending from \$180,000 to \$70,000 last year.

Doucette believes "we're functioning pretty well where we are," and that the tax rate has fluctuated only slightly, between \$16 and \$16.20 per thousand in valuation.

A future issue of concern is the

need to deal with combined sewer overflows (CSOs) as required by state and federal regulations. Skowhegan may have to borrow \$10 million over 20 years, including replacing lines that are 75 to 100 years old.

TOWN OF WELLS

Town Manager Jonathan Carter said the town has managed to maintain employment at 93 positions in part by leaving vacancies unfilled early in the downturn.

"We wanted to stay ahead of things, to make sure we weren't facing a big shortfall," he said. Selectmen now approve each hiring when a position becomes vacant.

Not everything is under the select-

men's control, he noted. One year, the salary line failed to pass in a town meeting ballot, meaning the budget reverted to the previous year. Maintaining vacancies – including several in the police department – was not enough to make ends meet, Carter said.

Wells got some new business, such as providing dispatch services to Ogunquit, and is converting more departments to self-supporting operations, including the town beach, transfer station and recreation programs.

"Since we don't get a lot of state money and we send a lot to Augusta, we're less affected" by state aid cuts, Carter said.

The next financial challenge: The York County budget, which involves paying for 18 months this year as the county converts to a July 1 fiscal year. Selectmen have decided to take \$800,000 from surplus rather than try to pay through current revenues, Carter said. [mt]

Douglas Rooks is a freelance writer from West Gardiner and a regular contributor to the Maine Townsman, drooks@tds.net.

The Maine Municipal Association (MMA) is a voluntary membership organization offering an array of professional services to municipalities and other local governmental entities in Maine.

MMA's services include advocacy, education and information, professional legal and personnel advisory services, and group insurance selffunded programs.

For more information visit the MMA website: www.memun.org



60 Community Dr., Augusta, ME 04330

MMA Personnel Services and On-site Consulting Services

MMA Personnel Services offers a wide range of specialized on-site consulting services for our members. Personnel management and labor relations expertise is available for direct assistance or general inquiries through a toll-free telephone line. Direct on-site assistance is available in the following areas:

Labor Relations — Representation of the municipality in labor negotiations, mediation, arbitration and grievance processes.

Executive Search — Assistance with the recruitment of a new city or town manager or department head.

Training — On-site training in a variety of topics.

Testing — Entry level police and fire testing.

For more information on all Personnel Services programs, or general personnel management information, contact David Barrett, Director of Personnel Services and Labor Relations at 1-800-452-8786.

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COMMITMENT & INTEGRITY DRIVE RESULTS

Bennett: Credibility Is Key To Budgeting

By Liz Chapman Mockler

Presque Isle City Manager Jim Bennett says openness and integrity should guide every municipality's budgeting process.

Q: Do you like finance and building municipal budgets each year? If so, why?

A: Yes and no. The establishment of the annual budget is the ultimate policy document for the elected officials. Until the financial resources are allocated towards a goal, it usually remains more a dream than an active goal. From that perspective, I enjoy helping a community work towards creating goals and making collective community dreams a reality.

On the other hand, municipal government is the lowest on the hierarchic of government funding. It is difficult to eliminate services because other levels of government have "raided" municipal funds to balance their respective budgets. It is particularly tough to see hard working employees and their families have to suffer because of this raiding.

Q: What is the hardest thing about municipal budgeting? What is your fundamental approach each year?

A: Ironically, given the reductions that have been made in municipal budgets in the last few years, there is little within the budget that is not highly supported by residents. Those things that are supported at annual town meetings and by city or town councils are valued, appreciated and desired. The exceptions are items mandated by either the federal or state government.

Given the increased skepticism among residents in general, more people want to believe that municipal government uses mandates as an excuse to keep items in the budget and that is extremely frustrating and difficult.

My fundamental approach to the budget is simple: I have always tried to deliver a budget so that the decision-makers (whether it is the elected municipal officials, budget review committees or voters at town meetings) fully understand what is being requested, what the basis is for the request and how those funds are intended to be used. Too often budget meetings are spent trying to understand those questions instead of asking, "Is this how we want to use the taxpayers' resources?"

Q: Do you ever have regrets or successes when building your municipality's budget? Can you recount a couple of these experiences for us?

A: Municipal budgeting is not a science. It is more of an art. Budgets are developed based on past experiences and future expectations. Past experiences are usually fact-based. (For example, we spent X dollars on so many

gallons of gasoline last year for the police department.) However, future expectations are subjective. With that understanding, there will also be some level of disagreement on what the future will bring. Hence, self-analysis of how the process went will be filled with both successes and some regrets.

With that said, the biggest blunder I made was a few years after starting to co-teach the Maine Municipal Association's Basic Budgeting class. During every class over the last 20 years, I challenge the attendees to question their assumptions by using the question: "How many pay periods exist in a year?" (There are technically 52.2 weeks a year). If you are using a modified cash basis for accounting and budgeting, every fifth year or so, depending on leap year, you will actually issue 53 pay checks. Despite sharing that with the class, I found myself more

ABOUT THIS SERIES

This is the first question-and-answer article in a series about municipal budgeting that the Maine Townsman will publish over the next several months. If you have particular questions that you would like to see asked, please email Eric Conrad, MMA's Director of Communication and Educational Services, at econrad@memun.org.



Jim Bennett serves as Presque Isle's City Manager. He previously served in Sabattus, Lewiston, Westbrook, Old Orchard Beach, New Gloucester and Dixfield. Jim also was an elected Selectman in his hometown of Lisbon during the 1980s. He has been recognized by the International City/County Management Association (of which he serves as a vice president), Androscoggin Chamber of Commerce and

is past president of the Maine Town, City & County Management Association. Jim holds undergraduate degrees from both the University of Southern Maine and Bentley College and a Master's of Business Administration degree from USM. He teaches a course on Basic Municipal Budgeting for MMA, along with co-instructor John Eldridge, Finance Director for the Town of Brunswick. Jim can be contacted at ibennett@presqueisleme.us or 207-794-4485.

than half way through the budget year before realizing we actually had 53 pay periods that year, but we had only budgeted for 52.

Q: What is your philosophy on the use of undesignated funds?

A: Each community should have a formal policy regarding undesignated funds. It should clearly articulate what is the minimal level that should be held in that account. It should also clearly establish how the funds should be used when there is money over and above that established amount. Personally, I encourage communities to use undesignated funds for one-time expenses, usually capital projects or improvements. When the prior year's budget includes undesignated funds to support day-to-day operations, the next year's budget will already have a shortfall equal to the amount used. If undesignated funds are used for capital or other one-time expenses, there will be no shortfall because the demand is not ongoing.

Q: If a department director spends less than what was budgeted in any certain area in the current year, do you reduce the following-year budget?

A: Not necessarily. One needs to understand why the budget was underspent. Did you budget for \$3.45 a gallon for fuel all year and the actual average was \$3.22? If that explains the difference in the budget, but fuel is expected to be \$3.75 the next year, how can you reduce the budget? Hence, the decision-makers need to not only know why the budget was underspent but also what the future expectation is for that same budget line.

Q: How about overspending, some of which can be unavoidable based on events and circumstances?

A: Unless a budget is so "padded" with extra money, I can't imagine a situation where every budget line is under budget. At the same time, budgets cannot be overspent without proper authorization (whether it comes from town meeting or the council). In my opinion, there are two critical elements that should be done when budgets are going to be overspent. First, make sure the elected leadership knows it is coming. Keep them informed. Tell them why it is occurring and what you plan to do to mitigate as much of the problem as you can. Secondly, make sure items get charged to the proper budget lines even when the line gets overspent. Charging items to improper lines blurs the past experience aspect of budgeting. It also compromises your credibility. Credibility should be protected at all cost.

Q: How, specifically, do you try to save the municipality money?

A: It would certainly be nice if there was a magic bullet that we could all use to find ways to save money. In my 30-plus years, I have not found one yet. So for me, it is about creating an environment to make it a collective responsibility to protect the precious dollars that residents give us to do their work for them. It starts with that attitude, especially in town meeting communities where voters make a conscious decision to share those dollars with their community leadership instead of giving it to some organization or spending it on their families. If municipal employees don't display a sincere appreciation and respect for those dollars, you won't get them in the future.

Next, you look for ways to elimi-

nate expenses that do not add value to the services received. For example, if the community's workers' comp experience rate is way above average, then the extra premiums being paid are not benefiting the taxpayers at all. Continue to look for those kinds of things, both large and small.

Q: Are you superstitious? Do you hold a rabbit's foot when you begin tackling the budget or when your council or select board is ready to take it up?

A: When it comes to municipal budgets, I am not superstitious at all. If you want to talk about my golf game, that is a different story. After we present the budget document and do what we can to make sure the decision-makers understand what is in it and how it works, the role of the city manager and staff changes. We should be assisting them in adopting a budget and not advocating the policy parts of the budget or trying to defend "our" budget as though it is the only right answer. There is no "right" answer when it comes to adopting a municipal budget.

Q: Do you have any parting thoughts for our members?

A: I have strived to make the budget processes incredibly transparent over the years. At times, I have been accused of overkill with the volumes of detail and size of the budget document that I present. As an aside, the entire budget document is also made available online and in hard copies for residents. It does cause some additional work up front, especially during the first year. However, in the long run, the amount of time spent each year is actually decreased for all parties by taking that approach right out of the gate. Imt

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The Municipal Manager 1997

JANUARY 2013

A Publication of the Maine Municipal Association

Unemployment Compensation Fund Proudly Serving Members For 35 Years

MMA's Unemployment Compensation Fund (UC Fund) was created in 1978 at the request of MMA members to assist them in meeting their obligations under the Employment Security Act in an efficient and cost effective manner.

The UC Fund membership is composed of municipalities and other public and related non-profit enti-

ties that are individually self-insured but administered as a group. Within the Fund, each member has a separate account. Members make quarterly payments into their account, based on rates developed by MMA's consulting actuary. Claims are paid out of the member's own account. The UC Fund pays the State monthly for unemployment claims paid to former employees and reports these payments to each member. Even if the member's account is overdrawn because of high claims activity, the UC Fund continues to pay their monthly claims reimbursement to the state. This service provides our members with cost stability throughout a calendar year.

The Maine Department of Labor classifies MMA's UC Fund members as Direct Reimbursement Employers. In other words, the Fund reimburses the Maine DOL on a member's behalf only when a member has unemploy-



Ruth VanArsdale Unemployment Compensation Fund Coordinator

ment claims from present or former employees.

The primary benefits for program participants include:

• MODERATION OF CASH FLOW: Each December members of the UC Fund are notified of their contribution obligation for the next calendar year. The amount of the contribution is fixed for the year and addi-

tional payments are not required in the event a large sum is paid out in claims.

• SIMPLIFICATION: Communications and reporting to the Department of Labor are simplified. All mail for the UC Fund members from the Maine DOL is directed to MMA. In most cases the Fund Coordinator can resolve any issues raised. Members' UC wage reports

also come to MMA for uniform reporting each quarter. The UC Fund Coordinator is available to answer unemployment compensation questions.

• DIVIDENDS, INTEREST AND EX-CESS BALANCES: Dividends, interest, and excess balances are returned to members, based on the determination of MMA's consulting actuary that there is a sufficient balance in each member's account to pay claims for the next year. Dividends are not guaranteed from year to year and their award depends not only on the claims but must also be approved by the MMA Executive Committee. The MMA Executive Committee oversees the operations of the UC Fund.

• TECHNICAL GUIDANCE: Technical Guidance is available from MMA staff in preparing for fact findings and appeal hearings, preparing wage reports, Requests for Separation Information, wage audits and other unemployment issues that may arise. Many of you have most likely worked directly with our Unemployment Coordinator Ruth VanArsdale who has over 20 years of experience handling unemployment issues.

The benefits of belonging to the UC fund are most evident during difficult fiscal times. A recent example is the 2008 recession which generated a 65% rise in claims by year's end. Claims remained incredibly high for

four years and we are just now witnessing claims returning

to the "average" level
of the previous 10
years. Throughout these difficult
years, the UC Fund
committed to maintaining

a conservative funding strategy, and thus was able to support our members through this period of high claims and extended benefits without sacrificing the financial stability of the Fund.

Story Continued on Page 20

RISK MANAGER January 2013

Exempt Boilers

Steve Sawyer, Northeast Field Manager, Risk Control Boiler Machinery, Travelers

The State of Maine Chief Boiler Inspector recently sent out a clarification of the rules and requirements regarding boilers that are considered exempt from inspections. The exempt boilers in question are hot water heating units rated less than 200,000 btu and located in municipal or school buildings.

These boilers, as they are identified during regular inspections, will be tagged like all other boilers and reported to the State as exempt from further certificate inspections. Once the Chief confirms that the boiler meets all Code requirements and does meet the exemption, no further inspections for certificates will be required.

The exempt boilers do have to meet the ASME requirements for code of construction and the controls/safety devices standard. The initial tagging of the boilers and the controls and safety devices issue is what has been recently clarified for requirements. Previously, many exempt boilers had not been held to the current standard for controls and safety devices based on the belief that they were "exempt". This is not the case. The exempt boilers will be held to the current standard for controls and safety devices. This may lead to some members having to upgrade the controls and safety devices on some boilers that had previously been allowed and upgrade new installations as well. The inspector will notify the owner via letter of whatever needs to be completed for the boiler in question to meet the requirements. The State is notified via the inspection report. Upon the initial notification, the State will follow up with the owner to ensure compliance with any orders of correction.

Below are selected excerpts from the Maine Boiler Law and Rules confirming various responsibilities regarding boilers and pressure vessels.

32 §15121. DUTIES OF OWNERS OF BOILERS AND PRESSURE VESSELS

- 1. Responsibility for inspection. It is the responsibility of the owner to arrange for an inspection of a boiler or pressure vessel and to prepare the boiler or pressure vessel for inspection. The late inspection fee set by the Director of the Office of Professional and Occupational Regulation within the department under section 15104-C may be assessed against the owner if an inspection report is not submitted within 60 days of the expiration of the most recent inspection certificate.
- 2. Obtain inspection certificate. The owner of a boiler or pressure vessel shall submit the inspection certificate fee as set under section 15104-C within 60 days of notification from the board that the inspection report required under section 15120 has been received by the board. Failure to submit the required fee within the 60 days provided may result in the assessment of a late certificate fee as set under section 15104-C.
- **3. Failure to qualify for inspection certificate.** The owner of a boiler or pressure vessel that does not qualify for an inspection certificate shall take the boiler or pressure vessel out of operation until the required repairs have been made and a new inspection certificate has been issued.
- **4. Notify board when required repairs made.** The owner of a boiler or pressure vessel shall notify the board when required repairs have been made and provide the board with satisfactory evidence of completion.
- **5.** Notify board when boiler or pressure vessel removed. The owner of a boiler or pressure vessel shall notify the board within 30 days of the removal of the boiler or pressure vessel.

- **6. Change of ownership.** The owner of a boiler or pressure vessel shall notify the board of a transfer of ownership within 30 days of such a transfer.
- 7. Failure to comply. In addition to the remedies available under this chapter, an owner of a boiler or pressure vessel who fails to comply with the provisions of this chapter or rules adopted by the board is subject to the provisions of Title 10, section 8003, subsection 5 whether or not the boiler or pressure vessel has a current inspection certificate, except that, notwithstanding Title 10, section 8003, subsection 5, paragraph A-1, subparagraph 3, a civil penalty of up to \$3,000 may be imposed for each violation.

02 DEPARTMENT OF PROFESSION-AL AND FINANCIAL REGULATION 174 BOARD OF BOILERS AND PRESSURE VESSELS

Chapter 13 - Low Pressure Boilers

SUMMARY: This Chapter establishes specific requirements for the identification, construction, installation, inspection, and operation of low pressure boilers. Consistent with 32 M.R.S.A. § 15102(1), the Board's rules regulate only those heating boilers located in schoolhouses or owned by municipalities and includes remote central heating plants. This Chapter also establishes specific requirements for low pressure "process" boilers and water heaters with a heat input greater than 200,000 Btu/hour.

1. Exceptions to this Chapter.

Hot water heating boilers and hot water supply boilers are exempt from the certificate inspection process provided the following conditions are met:

(1) The boilers are constructed and installed in accordance with the Board rules and pass an initial instal-

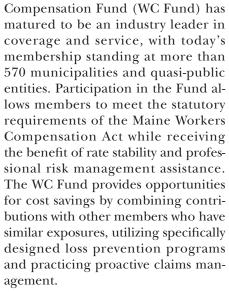
Story Continued on Page 19

RISK MANAGER January 2013

The Celebrations Continue Workers Compensation Fund Turns 35

We are happy to announce that this January marks the 35th anniversary of the Workers Compensation Fund.

The MMA Workers Compensation Fund was formed in 1978 with a unified group of eleven municipalities. The Workers



The WC Fund also rewards members who maintain good loss experience with the potential of receiving dividends. Since 1996 the WC Fund Trustees have annually authorized the payment of dividends to eligible members. We are delighted to announce that the WC Fund has returned in excess of \$7 MILLION to their members in the form of dividend checks.

Risk Management Services (RMS) staff, under the direction of the RMS Director and Underwriting, Loss Control, and Claims Managers, handle all functions locally out of MMA's Augusta office. In-house underwriting, marketing, loss control and claims management services are provided by



experienced, knowledgeable professionals of the Risk Management Services staff residing right here in Maine.

Service to Members Includes:

• Claims Management by MMA's staff of licensed claims representatives

- Simplified claims reporting available via online, mail, or fax
- On-site training and seminars on relevant matters for members
- Return To Work programs
- Nurse Case Manager Support
- Preferred provider/10-day doctor coordination
- Regular claims reports provided to members
- Claim file reviews at member locations
- 24-hour emergency claims service

The WC Fund also provides Risk Management Loss Control Consultants to assist members in minimizing hazards, exposures and losses. Experienced Loss Control Consultants who specialize in municipal hazards are individually assigned to all members at no additional cost. Loss Control Consultants are available to perform on-site and regional training in specialty topics as well as conduct surveys and assessment of physical conditions, safe work procedures, and assess the effectiveness of current safety efforts.

Maine Municipal Association would like to take this opportunity to thank our loyal and dedicated Members of the Workers Compensation Fund for giving us the honor of providing service for 35 years. It is our pleasure to partner with our members to protect Maine's number one asset, the employees of Maine. We are proud that the Fund continues to be an excellent example of Maine local governmental cooperation.

Exempt Boilers (cont'd)

lation inspection;

- (2) The heat input to any one object is less than 200,000 Btu/hour; and
- (3) The aggregate heat input of the plant is less than 300,000 Btu/hour.

Orders of Correction

When the Chief Inspector issues an order of correction to an owner stating that a boiler or pressure vessel requires repair, the owner must submit satisfactory written evidence that the repairs have been completed by the time specified. The Chief Inspector must not issue a new inspection certificate for a boiler or pressure vessel that requires repair.

The most common control or safety device requirements for exempt boilers that result in an order of correction are those to install a low water fuel cutoff device with manual reset and/or to install a high temperature limit control with manual reset. Each of these are important safety devices designed to prevent the continued operation of the boiler if an unsafe condition exists.

In closing, exempt boilers may not require an inspection certificate but they are required to be constructed and installed in accordance with all Maine laws and rules. Inspectors will ensure exempt object compliance as they conduct regular annual inspections of member facilities.

RISK MANAGER January 2013

Workers' Compensation Alert

LD 1913 This legislation, entitled "An Act to Review and Restructure the Workers' Compensation System", provides the most significant changes to the Workers' Compensation Act since enactment of the 1992 Act. Although the legislative changes were not all that the business community had hoped for, we believe that they will significantly improve the system, both from a cost and administrative standpoint. Some of the provisions of the legislation become effective on August 30, 2012, and the benefit changes generally apply to injuries on and after January 1, 2013. Highlights of the provisions are as follows:

- For injuries beginning January 1, 2013, the time required for employees to provide notice of injury to the employer is reduced from 90 days to 30 days, restoring the provision which was in effect for several years prior to 1993. Section 217 is amended, so that there is a presumption that there is no work available for an employee involved in an approved rehabilitation program, making it somewhat more difficult to attempt to reduce or terminate the benefits of such an employee during that timeframe. The presumption may be rebutted by evidence demonstrating that the employee should be working or looking for work in addition to participating in the program, and that there is work available for the employee.
- For injuries from January 1, 2013 forward, the maximum compensation rate increases to 100%, rather than 90%, of the State Average Weekly Wage. For injuries beginning January 1, 2013, compensation rates are calculated based upon two thirds of the pre-injury average weekly wage, rather than 80% of the after-tax average weekly wage.
- Section 205 (9) (B) (2) is amended, so that when the employer is required to file a Petition for Review to reduce or terminate benefits, and relief is

granted by decree, relief may be taken at the time of decree, rather than deferring relief until an appeal is exhausted.

- Section 213, governing partial incapacity benefits and the durational limit of those benefits, was amended, so that the permanent impairment threshold for injuries from January 1, 2006 through December 31, 2012 is in excess of 12%. This means that, for these injuries causing partial incapacity, the durational limit of 520 weeks of benefits applies unless the permanent impairment resulting from the injury exceeds 12%. Prior to this enactment, the Workers' Compensation Board (WCB) had been unable to effectively determine an appropriate permanent impairment threshold for these injuries.
- For injuries beginning January 1, 2013, partial incapacity cases are generally limited to 520 weeks of incapacity benefits, unless, at the expiration of 520 weeks of benefits, the employee is working and earning 65% or less of the original average weekly wage, with the earnings legitimately reflecting earning capacity, and if the permanent impairment from the injury is in excess of the 18%. The extreme financial hardship standard for extended benefits under the existing section 213 is maintained, so that the employee may apply for extended benefits in such cases if the 520 week durational limit otherwise applies. The new extended benefit provision (earnings of less than 65% of the average weekly wage and permanent impairment above 18%) is designed to capture relatively severe injury cases in which the employee, with a relatively high average weekly wage, has returned to work with a significant earning incapacity, so that these workers are not subject to the 520 week durational limit.
- The Appellate Division of the WCB is created as a mechanism for direct appeals from hearing officer deci-

sions. Prior to the enactment of this provision, Maine was the only jurisdiction in the nation in which a party to workers' compensation litigation did not have a right of appellate review of an initial decision.

• Section 306 is amended, so that a tolling of the two-year statute of limitations occurs only if the employer is required to file a First Report of Injury and fails to do so. This restores the law which was in effect prior to an amendment of the statute and interpretation of that amendment by the Law Court in Wilson v. Bath Iron Works in 2008, holding that the statute of limitations is tolled until a First Report is filed, even if the employer was not required to file a First Report.

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UC Fund 35 Years (cont'd)

The MMA UC Fund would like to thank our loyal Membership. Of our 233 members, almost 75% have been in the Fund since its inception in 1978. Please join us as we salute our members for their many years of sound employment practices and extraordinary efforts to help control claims.



The Municipal Risk Manager

The Municipal Risk Manager is published seasonally to inform you of developments in municipal risk management which may be of interest to you in your daily business activities. The information in these articles is general in nature and should not be considered advice for any specific risk management or legal question; you should consult with legal counsel or other qualified professional of your own choice.

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Battle Over Natural Gas Is Heating Up

By Douglas Rooks

Just over a year ago, Kennebec Valley residents from Richmond to Skowhegan were heartened by news that they might soon have access to natural gas – a fuel that's long been available to most other densely populated areas of Maine.

When the Maritimes & Northeast pipeline from Canada's Sable Island was finished in 1998, it had no connections to Augusta or other municipalities along the Kennebec River, even though the new pipeline ran down the east side of the river, crossing in Richmond on its way to the lucrative Boston market.

Bill Bridgeo, then recently appointed as Augusta's city manager, proposed to the city council that Augusta finance a lateral to Windsor to tap into the line. The idea, to put it politely, was not taken seriously. But nearly 15 years later, Bridgeo looks like a prophet.

There are two serious plans afoot to build the Windsor lateral, and the prospect is that gas pipelines will soon be spreading northward, probably by the end of 2013.

Things have changed a lot since a group of Maine energy entrepreneurs, including Richard Silkman and Tony Buxton, launched Kennebec Valley Gas Co. to build a 52-mile pipeline north from Richmond to Madison (Maine Townsman, January 2012).

UTILITY SOLD

In June, the fledgling company was sold to Summit Utilities, a natural gas pipeline operator that has developed extensive rural networks in Colorado and Missouri.

Meanwhile, Iberdrola USA, parent company of Central Maine Power, also announced plans to enter the Kennebec Valley market, expanding on its small Maine Natural Gas distribution network in the Brunswick-Freeport area that has served about 3,000 customers since 1998.

The plot thickened when the State of Maine issued a Request For Proposals to serve state buildings in the capital area. Maine Natural Gas won the initial bidding, but Summit – now doing business as Summit Natural Gas of Maine – successfully appealed the award. The state was supposed to issue a new RFP, but litigation filed by Iberdrola is now pending in Superior Court and it appears the state will await the result before proceeding with new bids.



Natural gas line being installed near new hospital in Augusta. (Submitted photo)

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Nonetheless, both Iberdrola and Summit are forging ahead, and have laid out extensive proposals.

HOSPITAL CONTRACT

Iberdrola has signed up Maine-General's new regional hospital for a 10-year deal and will deliver gas by Nov. 1, 2013 after constructing part of the line during the 2012 construction season. Summit, meanwhile, has landed another large customer, the Central Maine Commerce Center, a complex of state and federal offices less than a mile from the new hospital site in North Augusta.

Both companies are making pitches to towns, cities and major industrial customers in an effort to line up enough customers to win the burgeoning competition.

It all sounds like a boon for consumers, many of whom are paying more for fuel oil than the same heat would cost in the form of natural gas. But what does it mean for municipalities along the route?

That's not yet entirely clear, according to Ken Young, executive director of the Kennebec Valley Council of Governments in Fairfield. Young

organized a group of municipal stakeholders when Kennebec Valley Gas was seeking TIFs to finance the pipeline and he's expecting to reconvene the group to look over the competing Iberdrola and Summit proposals.

Young said the two plans are strikingly different. Maine Natural Gas is using a utility model for expansion of the pipeline – calculating likely revenues from the customers who'd be served by each leg, and then building the line.

That is indeed what happened in the current dig from Windsor to Augusta, according to Dan Hucko, media relations director for Iberdrola USA in Rochester, N.Y., who's been studying the competing pipeline plans for over year, and calls them "fascinating. I never thought digging holes in the ground would be so interesting."

Iberdrola's contract with Maine-General offers sufficient revenue to finance the first segment of the line, he said. "We've gotten to that step, and we'll see where it goes from there."

Young say the Summit proposal is more of an investor-driven plan, which attempts to finance the whole system at once, and then recoup costs over time. And Summit comes with some deep pockets already attached; it's a subsidiary of J.P. Morgan Chase, one of the nation's largest investment banks.

Mike Duguay, long-time director of economic development for the City of Augusta, left his post recently to become Summit's Maine director for business development. He did so, after passing up similar opportunities over the years, because "this is probably the biggest economic development tool we'll ever see in this part of Maine."

CONSUMER SAVINGS

At current prices, Duguay estimates the average homeowner could save \$1,500 a year by switching from oil to natural gas. And Summit has plans to make that available.

Its current model goes beyond the plan advanced by Kennebec Valley Gas, which ran through 12 municipalities and didn't include local distribution networks. Summit wants to pick up more towns along the way, including Windsor, China, West Gardiner, Belgrade and the rural parts of many of the original towns and cities.

"The distribution networks Summit has built in Colorado actually have



fewer customers per mile than many of the roads we've mapped in Maine," Duguay said.

Summit doesn't plan on using any of the TIFs that were negotiated with most of the 12 towns, excepting Madison, Farmingdale, Sidney, Winslow and Richmond. Instead, Duguay said, Summit may use TIFs to subsidize local distribution networks and make it easy to convert.

While no specific mechanism has been identified, in other states Summit has provided homeowner furnace rebates or long-term loans to facilitate quick conversions. It's produced a 90 percent penetration rate in Colorado, Duguay said.

Iberdrola plans to provide service in nine municipalities: Augusta, Waterville, Winslow, Fairfield, Skowhegan, Madison, Hallowell, Gardiner and Farmingdale, including "compact residential areas."

Summit has made some other changes to the Kennebec Valley plan. The original line would have started at a compressor station in Richmond and flowed north. Both Summit and Iberdrola want to tap the line in Windsor, which means that the run to Richmond would go south, and dead-end there.

In all, the main pipeline and laterals proposed by Summit could produce a \$210 million build-out over four years, with the potential to serve 52,000 customers, Duguay said.

But Summit hasn't advanced as far as Iberdrola in other respects. It's still negotiating with the Public Advocate's office over its Public Utilities Commission filings that are necessary for it to become a certified utility for gas distribution. Maine's law is unusual in that it does not require the PUC to specify franchise territories for gas utilities, which raises the possibility that both pipeline companies could build in the same areas.

ECONOMIC REALITY

Hucko, of Iberdrola, doesn't think that's likely. "Pipelines are expensive to build and maintain," he said. "The economics limit what can be done."

Young, however, said it is possible that both companies will build lines from Windsor to Augusta, since the capital is such an obvious jumping off point for future expansion.

Wayne Jortner, senior counsel at

the Public Advocate's office, said Summit's proposed distribution rates are higher than Iberdrola's current rates. "We intend to ask them to bring that down," he said.

Jortner said that he sees a successful negotiation concluding early in 2013, which would leave both Summit and Iberdrola ready to go when the construction season starts in April.

That's the earliest date Augusta will give approval for street-opening permits. "We want to make sure the asphalt plants are operating for repaving before they start cutting up any roads," City Manager Bridgeo said.

SIGNIFICANT TRADEOFFS

The choice towns and cities may have to make between companies involves significant tradeoffs. Summit promises a faster build-out and connections for more customers but it may be charging higher rates throughout the territory. Iberdrola says it can deliver gas more cheaply and that a pipeline build-out may be limited more by the physical limitations of getting enough contractors working in the ground than any financing arrangements.

Both plans could deliver gas at prices currently below oil heat. But, Hucko said, "four or five years ago oil was cheaper than gas. Prices are notoriously cyclical. Rates matter."

Both companies admit that one pipeline, not two, is likely to be built in most of the Kennebec Valley. A lot depends on who can sign up the big users, what Ken Young calls the "golden triangle" of the SAPPI paper mill in Skowhegan, the Finnish-owned Madison Industries paper mill in Madison and Huhtamaki Packaging in Waterville. He said decisions by the mills could determine a winner even before towns begin making up their minds.

So the good news is that gas will come to at least parts of the Kennebec Valley this year. And municipalities will not have to rebate property tax dollars through TIFs just to get the line in place within their borders. But whether gas will come from Iberdrola or Summit, or possibly through an agreement in which both build parts of the network, is anyone's guess.

Bridgeo, who said that Augusta is not taking sides, looks back at his original idea and wonders how many more employers the region could have attracted had gas been flowing since 1998. But it's "a valuable tool to have at any time, and we welcome it," he said. [mt]

Douglas Rooks is a freelance writer from West Gardiner and a regular contributor to the Maine Townsman, drooks@tds.net.



Municipal Elections Held Around The State

By Liz Chapman Mockler

Following are municipal election results from Nov. 6 balloting, in addition to a special election in October to fill a vacant seat. Unopposed candidates are not included unless they are former elected officials or are new to elected office.

Augusta: Dave Rollins was re-elected to the Augusta City Council to serve a third term. The former mayor defeated his challenger by a vote of 4,993 to 3,193.

Bath: Former city Fire Chief Leverett Mitchell defeated Cal Stilphen by six votes, 232-226, a result that did not change upon a recount requested by Stilphen. A third candidate collected 218 votes. Mitchell served as councilor from 2002 to 2008 and is reportedly eager to return to the board. Mitchell will replace Ruthe Pagurko, who died last September with one year left on a three-year term. Carolyn Lockwood, a former planning board member until last year, defeated incumbent Councilor **Kyle Rogers** by a vote of 294 to 262, while longtime Councilor Bernard Wyman defeated a challenge to win another term. The vote was 310-170.

Brewer: Incumbent City Councilor Larry Doughty, a longtime member of the board, lost his bid for re-election when incumbent Jerry Goss and challenger Matthew Vachon won election

to two at-large seats. Goss, a former city mayor and high school principal, garnered the most votes with 2,684, followed by Vachon with 2,383 and Doughty with 2,134. About 70 percent of registered voters cast ballots.

Bucksport: In a six-way race for three town council seats, voters re-elected incumbent David Kee with 1,549 votes, returned former Councilor Brian Leeman to office with 1,055 and elected newcomer Glenn Findley with 1,045 votes. Incumbent Byron Vinton III received 42 fewer votes than Findley to lose his re-election bid. Two other candidates received 779 and 411 votes. Also, former Councilor Frank Dunbar ran unopposed to complete the term of Jeff Robinson Sr., who died of cancer last July. Dunbar will serve two years.

China: Three incumbents retained their seats in a four-way race. Joann Austin received the most votes with 1,456, followed by Peter Foote with 1,449 and Paul MacDonald with 1,348 votes. The challenger received about 900 votes.

Dixfield: Former Selectman Norine Clarke was elected over one challenger, winning by a margin of 713 to 506. Clarke replaces Katherine Harvey, who resigned in mid-2012. Clarke has served on the town's Economic Development Council as well as volunteering for a number of community activities.

Ellsworth: Incumbent Councilor Stephen Beathem won re-election with 1,965 votes, while former Councilor Robert Crosthwaite received 2,202 votes. A third candidate collected 1.852 votes. Crosthwaite replaces Matthew Boucher, who resigned last June to take a job out of state.

Freeport: Incumbent Jim Cassida, who had served on the Town Council for 10 years and was board chairman at the time of the election, was unseated by Andrew Wellen by a vote of 655 to 528. It was Wellen's first run for public office.

Hallowell: Alan Stearns defeated one challenger by a vote of 895 to 502 to win the at-large seat formerly held by Pete Schumacher.

Hampden: Former Town Councilor Bill Shakespeare collected the most votes with 1,558 just one year after losing his bid for re-election. Incumbent Shelby Wright was re-elected with 1,549 votes, while Carol Duprey claimed the third open seat with 1,445 votes. There were five other candidates running for the council seats, but none were incumbents or former councilors. Duprey is the wife of former Councilor Brian Duprey, now a state representative. Voter turnout was nearly 80 percent.

PHOTOS: If your municipality submits a news item for the Townsman, consider sending a corresponding photo to: Eric Conrad or Jaime Clark (econrad@memun.org or iclark@memun.org)

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Telephone: (207) 223-2232 (207) 223-5448 Houlton: An incumbent and two former councilors did not prevail in their campaigns, with Phil Cloney and Daniel Peabody winning the two open seats with 1,493 and 886 votes respectively. Incumbent Mike Jenkins received 840 votes, while former councilors Phil Bernaiche and Carl Lord Jr. collected 670 and 477 votes respectively.

Lincoln: Former Town Councilor Samuel Clay garnered 1,507 votes to replace Rod Carr, who retired last year. Incumbent Councilor David Whalen won 1,559 votes to keep his seat. A third candidate picked up 1,036 votes. Clay, whose brother, Steve Clay, also serves on the council, was elected twice in the past; he served from 2001 to 2004, took one year off and was elected again in 2005 and served until 2011.

Lisbon: Gregg Garrison received 2,174 votes to defeat one challenger and replace Town Councilor Lori Pomelow, who did not seek re-election after serving one term. Michael Bowie, who did not seek re-election after serving a dozen years, will be replaced by Dillon Pesce, who also defeated a challenger by collecting 1,388 votes. Pesce, 18, is the youngest councilor elected to the Lisbon board since current Presque

Isle City Manager **Jim Bennett** was elected at the age of 21.

Millinocket: Incumbents Jimmy Busque and John Davis easily defeated a challenger to win new three-year terms on the Town Council. Busque received 1,685 votes while Davis, board chairman, collected 1,507 votes. The challenger lagged behind by about 1,000 votes.

Portland: Longtime incumbent City Councilor and former Mayor Nicholas Mavodones Jr. garnered 16,851 votes, defeating his challenger by nearly 4,000 votes for an at-large seat. Mavodones finished his15th year in office in 2012. Meanwhile, incumbents David Marshall defeated a rival by a vote of 4,016 to 1,455 and Kevin Donoghue won his race against a challenger by a vote of 3,420 to 2,025.

Rockland: Businessman Frank Isganitis defeated four-term City Councilor and Mayor Brian Harden by a vote of 1,194 to 1,026. A third candidate garnered 758 votes. Harden was seeking a fifth straight three-year term.

Sangerville: Voters elected Melissa Randall as selectman in a special election on Oct. 25. Randall will replace her husband, Brent Randall, who re-

signed in September for health reasons. Randall defeated two other candidates to finish out her husband's term.

South Portland: Political novice Melissa Linscott unseated incumbent and former Mayor Rosemarie DeAngelis by a vote of 7,144 to 5,514. DeAngelis served two stints on the council – from 2003 to 2006 and from 2009 to 2012. She was elected mayor for one term in 2010. Meanwhile, Linda Cohen, former city clerk for both Portland and South Portland, was elected to replace Maxine Beecher, who was termed out under city charter rules.

Topsham: Incumbent **Donald Russell** defeated **Bill Thompson** by a vote of 2,533 to 1,622 to win re-election to the Town Council, for which he serves as chairman. Russell has served the town for more than 40 years in numerous positions, including 33 years as a member of the Board of Appeals – 28 years as chairman. Thompson, meanwhile, is a member of the town's finance committee. [mt]

Liz Chapman Mockler is a freelance writer and editor from Augusta, <u>lizmockler@</u> <u>hotmail.com</u>.

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Does Your Community Need a Branding Logo?

By John L. Gann, Jr.

"Branding" is the latest buzzword that has spread from the business world to local government.

Places that want to grow jobs or enhance their tax bases look to making their communities into "brands" that will sell to businesses seeking locations or to tourists, meeting planners or families deciding where they want to live.

Part of a local branding effort, or sometimes nearly all of it, is usually the design of a logo – the community's name rendered by a graphic designer in stylized type and distinctive color(s), sometimes accompanied by a simple graphic and/or a slogan. Displaying such on their stationery, municipal buildings and police cars will, some imagine, help bring in more businesses, tourists, residents or investment.

The idea of a logo is that the design is supposed to communicate something about a product to anyone who sees it—something the name alone would not convey – with an intended benefit to how well the product sells.

We see logos everywhere in the consumer product world: Coca-Cola's white script in a red circle, McDonald's Golden Arches. Shell service stations now display only the shell graphic without the brand name "Shell." These images have considerable dollars-and-cents value to these corporations. But are designer logos also of economic value to communities?

The marketing value of a logo is the familiarity and instant recognition it makes possible when a customer or prospect is frequently confronted with a choice among multiple competing products.

When you see a dozen or more soft drinks in the market every week, the red logo tells you which one is Coca-Cola. That may be all you need to decide to buy it. At lunch time all the fast food places are lined up along the highway, but the Golden Arches tell you where to turn for McDonald's. The company could spell the name "McDougal's" on the sign and most of us would never notice.

The decisions of the business, visitor, investor or prospective resident to "buy" your community are, however, very different in a number of ways from the choices of a grocery shopper or hungry traveler. Local officials do well to be aware of these differences and of the characteristics of logos before deciding to have a logo or revised logo done or to sign on to a "branding" program that is really little more than logo design. Communities that already use logos can benefit from knowing what these often costly images can and cannot do.

1. Communities Are All Different

The most obvious difference is that communities are not mass-produced products. All bottles of Coke contain the same stuff. But no two cities or villages are alike. Springfield, Ohio, is different from Springfield, Illinois, and Springfield, Massachusetts.

Consumer products companies have thousands of identical units to sell in thousands of locations, all conveniently identified by the same logo. Cities and towns do not.

2. Choosing a Community Is a Bigger Decision

The decision on a place for a business or residential location or even a vacation is obviously much more consequential than a decision on a consumer product or service.

Buy an unsatisfying supermarket product and you're at most out a few dollars. Ditto for a fast food meal. But a bad weekend or vacation may waste hundreds or thousands of dollars. Choice of the wrong location for a business or home can be many times more costly and extremely difficult to change.

A logo may aid a simple choice in the supermarket but is unlikely to influence these bigger, more complex decisions. The people who make them don't care what your logo looks like or whether you even have one.

3. The Decision Is Much Less Frequent

The choice of a community is infrequent. Millions of people buy soft drinks or fast food every week, but they choose a place to travel to at most a few times a year. They se-



lect a business or residential location even less frequently. The familiarity achieved by a logo isn't as useful in these decisions.

4. Community Logos Do Not Convey Past Experience

When you see McDonald's or Coca-Cola logos, you know you are going to get what your past experience with the brand tells you that you (or your kids) want. But that's not something a community logo can convey because most economic development prospects have had no past experience with your community. We are seldom influenced by the logo of a brand we've never tried.

5. A Logo Must Stand for Benefits

Branding means effectively associating your product with benefits of value to your prospect. The Golden Arches mean the world's best fries. Colonel Sanders' visage means "fingerlicking good" chicken with 11 herbs and spices.

A logo alone means nothing without these kinds of associations. Such a logo does not make a brand, say eminent marketers Al and Laura Ries, but simply "a commodity with a name on it." "Customers don't buy company logos," said ad man Luke Sullivan. "They buy benefits." But few community logos have been tied in the public mind with specific benefits.

6. Instant Recognition Is Not Needed

Competing communities are not presented visually to the decision-maker all at once, like packages on a su-

permarket shelf or restaurants along a highway strip. Immediate recognition of the brand in a cluttered environment by means of a logo is simply not needed when the brand is a community.

7. The Power of a Logo Depends on Heavy Advertising

Consumer products' logos have an effect because heavy advertising and other marketing have made them familiar and have repeatedly associated them with benefits the prospect wants.

A logo that's not seen frequently in conjunction with a strong selling message simply won't have much marketing punch. Few communities can spend the kind of money on media needed to make logos effective in marketing.

8. Logos "Brand" Messages as Self-Serving Promotion

Once a community has done a logo, there is a tendency to put it everywhere.

In brochures, ads, Web sites and other marketing pieces communities use, the logo is often given a front-and-center position. But the prominence of a graphic logo immediately signals that a message is self-serving promotion rather than factual information. Useful material in newspapers and magazines that people want to read is never accompanied by a logo. Some companies have run long-copy ads minus their logos for just that reason.

9. A Bad Logo Is Worse Than None

One municipality I did consulting work for sponsored a contest (not on my advice) in which citizens could propose logo designs. For whatever community relations payoff the contest produced, the winning logo, which the village used everywhere, clearly evidenced profound amateurishness.

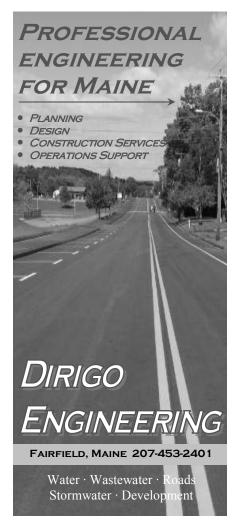
People today are accustomed to design quality in the logos they see. Fall short of that, and you're better off with no logo at all.

10. An Image Is Not Enough

A city or town wanting growth often seeks to improve its "image" in the public mind by means of a logo. Images can be powerful, but they're seldom the product of a logo. Contrast the difference in what comes to mind when you think of Savannah, Gary, Houston, Key West, Akron, Palm Springs, Nashville, Buffalo or New Orleans. But you'll probably draw a blank if you try to think of these places' logos.

And an image is not enough. "Having an image just means that I know who you are," said former Coca-Cola marketing chief Sergio Zyman, "but it





doesn't motivate me to do anything."

Marketing for action that grows jobs and tax receipts requires more than just an image. And even an image cannot be created by a logo.

Of course, even though logos have limited roles to play in community branding, some communities will want them for decorative, community pride, or other purposes. Attractive logos certainly have other value, but local officials should have realistic expectations about their importance in bringing in growth.

In these economically difficult times, it more than ever makes sense for communities to invest in pro-

grams that promise to boost jobs and tax revenues. But it also makes sense to give priority to those branding measures most likely to show results. Not all the things consumer product marketers do are good choices for the much more difficult job of selling a community. mt

John L. Gann, Jr., (citykid@uwalumni. com), president of Gann Associates, consults, trains and writes on marketing places for economic growth. He is the author of How to Evaluate (and Improve) Your Community's Marketing published by the International City/County Management Association.

The Maine Municipal Association (MMA) is a voluntary membership organization offering an array of professional services to municipalities and other local governmental entities in Maine.

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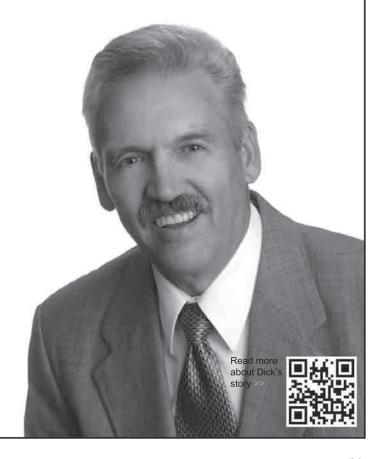
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Dick Metivier, a recognized expert in the field of local financial management. He was the Director of Finance for the City of Lewiston for over 30 years. During his 40 years in municipal finance, he served as the Director of the New England States Government Finance Officers Association and was Charter President of the Maine Government Finance Officers Association. Dick provides assistance to communities who are in need of financial or organization guidance.



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People

Matt Bartlett was promoted to Bar Harbor fire chief effective Jan. 2. Bartlett worked as assistant to former Fire Chief David Rand, who retired last June after 19 years. Before taking the Bar Harbor job, Rand served as Lincoln fire chief and then Bangor assistant chief. Lyman "Joey" Kane, who had served as interim chief after Bartlett's retirement, did not seek the full-time position because he, too, is retiring after working for the town for 35 years. Bartlett, the new chief, joined the department 22 years ago and has worked as a full-time firefighter for the past 19 years. He was promoted from captain to assistant chief in 2010. Bartlett was among 90 applicants for the job after a national search, and won the unanimous support of both the search committee and other department leaders.

Mike Bolduc resigned as Saco public works director after 10 years to take the job of district manager of the Kennebunk Sewer District. The Saco City Council promptly named Deputy Director Patrick Fox as Bolduc's permanent replacement. All told, Bolduc worked for the city for 33 years, beginning as operator of the water treatment plant. City officials will now to replace Fox. They will first seek a new deputy director from the existing staff. If that proves unsuccessful, the city will open up the job to the public.



Brenda Caldwell

D. Brenda Caldwell did not seek re-election to the Gorham Town Council in November, ending her six-year stint on the board, including the final two as chairwoman. Caldwell's public service stretches back nearly 40 years. In

1976, she became town clerk and superintendent of cemeteries, while also serving on the Gorham Rescue team from 1979 to 2005. As town clerk, she was a member of state, national and international clerk associations and helped educate and train new Maine clerks. Caldwell will continue serving on the town's Public Safety Committee. Washburn Police Chief **Doug Conroy** retired in November, ending his 25-year law enforcement career. A Caribou native, Conroy began his career as a Caribou patrolman. He has served as Washburn chief for the past 12 years.



Rick Duncanson

The deputy chief of the Windham EMS Department, **Rick Duncanson**, died Dec. 10 at the age of 47. Duncanson, who was getting ready for work when he died, joined the town's EMT ser-

vice and the then-volunteer fire crew in 1986. Duncanson, of Raymond, also served as lieutenant of the fire department, which now pays its volunteers a stipend for their work. Duncanson was praised for his dedication to his work and his efforts to serve as a mentor to younger EMTs and firefighters. He is survived by his wife, Lisa, two daughters and a newborn grandson. A public memorial service was held for Duncanson on Dec. 14.

Phillips voters elected **Raymond Gaudette** to serve the remaining term of **Lynn White** during a special town meeting Dec. 19. Gaudette collected 44 votes, while a second candidate received 24 votes. White resigned last fall for personal reasons. Her term expires in June 2014. Gaudette is a former member of the town's Planning and Budget committees. A small business owner, Gaudette is a retired Coast Guard lieutenant.

Outgoing Brunswick Town Councilor **Joanne King** was honored by her peers in mid-December after serving nine years on the council, including six as chairwoman. King was praised by many community and municipal leaders for her work for the Brunswick Downtown Association and other efforts, particularly the redevelopment of the former Brunswick Naval Air Station. King will be replaced by former Maine Speaker of the House **John Richardson**, who was set to be sworn into office on Jan. 7. Carrabassett Valley selectmen hired State Police trooper **Mark Lopez** as the town's new police chief, effective Jan. 1. He was one of 14 applicants. Lopez, who lives in nearby Kingfield, also will oversee security at the Sugarloaf ski resort. Lopez resigned after 25 years with the State Police, where his work included investigating homicides. Lopez replaces **Scott Nichols Sr.**, who was elected Franklin County sheriff in November.

South Portland Police Officer Peter MacVane of Westbrook died Dec. 5 after a five-year fight with cancer. He was 61 and had worked for the department for 34 years. In addition to being a popular officer,



Peter MacVane

MacVane was known for his dedication to Maine Special Olympics and for his time as Officer Friendly, when he taught safety to elementary school children. During a service attended by hundreds of family members, friends and fellow officers from across the state, MacVane was remembered for his courage, generosity, humor, fortitude and his wellknown "thumbs-up" salute. He worked until just a few days before his death. "Even on his worst days he continued to give us some of our best days," South Portland Police Chief Edward Googins told the gathering, according to the Portland Press Herald.

Portland's "Mr. Downtown," **Stuart Reed,** died Nov. 23 of cancer at the age of 75. Reed worked for Portland's Downtown District for more than a decade and was honored in 2007 by the city council as a "true goodwill ambassador for our community," according to the Portland Press Herald. After working as a summer guide for the city, Reed was promoted in 2002 to supervise the program and help train younger city guides. He retired in 2007.

Jeremy Williams resigned his seat on the Hampden Town Council after making a career change. A special election will be held Feb. 26 to fill the vacancy. Williams was serving his first term, which expires on Dec. 31, 2014. [IIII]

From Around the State and City Hall

Statewide: The following information is provided by the Marshall L. and Ruth-Anne Gibson Municipal Charitable Program located at 1 Wallace Avenue, South Portland, ME 04106. (Telephone "Jack" Gibson: 207-409-9072) The list includes Municipalities that received a grant and how the funds were used: Ashland, repair and improve gymnasium at Central School; Farmington, replace playground equipment at two park areas; Georgetown, improvements at the Community Center; Littleton, repairs to the Meduxnekeag Ramblers Snowmobile Club and Southern Aroostook Agricultural Museum; Mapleton, repairs to swimming pool area and replace playground equipment; Mars Hill, provide new uniforms and warmups for Town soccer teams and repair and make improvements at the Little League field; Mexico, repairs and improvements at the recreation facility; New Canada, grant to be utilized at Community Center directed toward senior citizens; Norway, grant to be incorporated with the Elderly Householders Tax and Rent Refund Program; Otisfield, provide a new heating system at the Community Center; Peru, repairs at Community Center; Van Buren, improvements at Recreation Facility; Washburn, revitalize the Millpond area, provide playground equipment and certain other improvements. The program is preparing a list of 12 more grant applications which will be mailed on or before Feb. 15, 2013. It encourages the selected municipalities that are interested in receiving a grant to complete the Grant Information Profile and return it office within 60 days.

Eastport: The closest deep-water port to Europe exported about 418 tons of wood pulp and 7,355 cows in 2012 and the Eastport Port Authority predicts the operation will be slightly busier this year. Established in 1977 and expanded significantly 20 years later, the port also was a 2012 destination for seven cruise ships. The quasimunicipal authority will pay the city about \$17,000 in property taxes in 2013, as well as \$20,000 in lieu of taxes on exempt property. The easternmost

port in the U.S. ships goods to markets in China, Russia and Turkey, among other destinations.

Fryeburg: The town's water district was named champion of the 26th annual drinking water taste competition held Dec. 6 in Freeport. Sponsored by the Maine Rural Water Association, the contest divides the competition into two categories: New Portland won top honors in the non-disinfected category, but Fryeburg, which competed in the disinfected class, was named the overall winner after defeating New Portland. The district will represent Maine in the national taste test in Washington, D.C., in February.

Houlton: Two police officers were briefly hospitalized in December after they inhaled a small amount of so-called "bath salts" that became airborne during an investigation of alleged drug use at a local motel. The officers returned to work the same day after finding five people participating in alleged illegal drug activity. The police chief said Houlton officers found pills and powder in the room, as well as a 9mm handgun and ammunition, a knife, syringes and other paraphernalia, and two propane tanks. One man was arrested on numerous charges. The officers were sent to the hospital as a precautionary move given the potentially serious effects of bath salts.

Lewiston: Fifty residents were forced to fetch their vehicles from storage after the first storm of the winter swept through Maine in late December. Under a new policy, the city coun-

cil eliminated its blanket winter ban on downtown parking in favor of a "wait-until-a-storm-hits" policy. Once a storm is expected, residents are required to move their cars off the streets to allow for snowplowing. They are notified by the city by various methods, including radio, television and email. Police officials said they tried to give people a bit of extra time because it was the first storm. A number of narrow downtown streets are still subject to the November-May parking ban.

Mars Hill: Santa Claus arrived a bit early in the Aroostook County town of 1,500, when municipal and state officials realized the town was owed \$500,000 from the Maine State Retirement System. The money was discovered after Town Manager Dan McClung questioned retirement costs while reviewing town financial reports. The town's money has been sitting in a dormant account since 1995, when MSRS changed the way municipalities put aside money for employees' future retirement benefits. "The money has no intended purposes or restrictions. It's ours to spend as we see fit. We look at it as a blessing to the community," McClung told the Bangor Daily News in mid-December, when a check for \$536,000 arrived at the town office.

Correction: An item on last month's Election Roundup page should have said that Waterville and Westbrook are two remaining municipalities in which candidates for council and school committee run as political party candidates. Biddeford no longer does so.

NEW ON THE WEB

Here are some highlights of what's been added at www.memun.org since the last edition of the Maine Townsman.

- Employer Services Guide. The Maine Department of Labor is promoting its Employer Services Guide, which is designed to explain services that are available from the agency.
- InforME. InforME has begun working on an online Municipal Property Tax Payment service that will be part of its PayPort payment processing system.
- Friend of the Court Brief. MMA's Legal Services Department has filed an *amicus curiae*, or "friend of the court," brief in support of an important tax-lien notification case involving the Town of Madawaska.

www.memun.org



Municipal Bulletin Board

TITLE 30-A: AUGUSTA, PRESOUE ISLE

This full-day workshop is presented by the Maine Town & City Clerks' Association and will be held on Feb. 5 at the MMA Conference Center in Augusta and on Feb. 11 at the Northeastland Hotel in Presque Isle. The session is beneficial to municipal clerks, deputy and assistant clerks who need to understand all aspects of town meeting and election procedures. Selectpersons and moderators can also benefit from

Topics include Warrants and Petitions, Secret Ballot, Meeting Preparation, Moderator's Role and Open Town Meeting. This course is a mandatory course for the Maine Town & City Clerks' Association Certification Program. Cost for the course is \$55 for MTCCA members and \$75 for nonmembers. Registration begins at 8:30 a.m. and the workshop, which includes lunch, concludes at 3:30 p.m.

MODERATING TOWN MEETING: AUGUSTA, CALAIS

This evening course will be presented on Feb. 6 by MMA and is endorsed by the Aroostook Municipal Association. It is a specific class designed for Moderators - new and veteran alike - to share practical experience and best practice information for running a town meeting. Topics include Moderator Fundamentals, Outline of Town Meeting, Unanimous Consent, State Laws on Meeting Procedure, Recurring Issues, Voting Methods, Motions and Suggested Rules of Debate.

The class will be held at the MMA Conference Center in Augusta and will be video streamed to the Sunrise County Economic Council's location in Calais. Dick Thompson, moderator for the Towns of Palermo, China and Vassalboro, is the presenter. Registration begins at 5:30 p.m. and the workshop will end at 8:30 p.m. The cost varies depending on location.

MANAGING FREEDOM OF ACCESS REOUESTS

This timely workshop is aimed at helping municipal staffs, newly designated "Public Access Officers," elected and appointed officials understand Maine's FOA law, why requests are filed and how to deal with them appropriately. The workshop will be held on Feb. 21 at the Bridgton Town Hall. Registration begins at 1:30 p.m. and the workshop will conclude at 4:30 p.m.

Presenters include: Amanda Meader, attorney with MMA's Legal Services Department; Nathan Poore, Manager in the Town of Falmouth; and, Eric Conrad, MMA's Director of Communication & Educational Services. Cost for the workshop is \$30 to MMA members.

PLANNING BOARDS/BOA: **ELLSWORTH**

MMA's Legal Services Department will host a session for local Planning Board and land use Boards of Appeal members from 4 p.m. to 8:30 p.m. on Feb. 26 at the Elks Lodge in Ellsworth.

The workshop is designed as an introduction for new or less experienced members, but veterans may find an update useful as well. Among the topics to be covered: jurisdictional issues; conflicts of interest and bias; public notice requirements; site visits; procedure for decisions; and, variances. The cost is \$50 for MMA members and \$100 for non-members.

STATEWIDE MANAGER **INTERCHANGE**

The Maine Town, City and County Management Association will hold its 34th Annual Statewide Manager Interchange on March 1 at the Hilton Garden Inn in Bangor. Details about presentations were still being determined at the time of printing the January issue of the Maine Townsman.

The Interchange will start with registration at 8 a.m. and will end at 3:30 p.m. Costs to attend vary. Networking is an important part of the event.

TAX LIEN PROCEDURES

This full-day course is presented by the Maine Municipal Tax Collectors' and Treasurers' Association and is designed for municipal officials and staff with direct responsibility for the tax lien process. It will be held on March 5 at the Hollywood Casino Hotel in Bangor and on March 19 at The Captain's Galley in Old Orchard Beach, starting with registration at 8:30 a.m. and ending at 3:30 p.m.

Topics include Proper Procedures in the Tax Lien Process, the "How To" of the Tax Lien Process and the Roles of the Assessor, Tax Collector and Treasurer. This course is a mandatory course for the Maine Municipal Tax Collectors' and Treasurers' Association Certification Program. Cost for the workshop is \$50 for MMTCTA members and \$60 for non-members. **mt**

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All of the upcoming workshops can be found on the MMA website. Use the following link:

http://www.memun.org/public/MMA/svc/training.htm

www.memun.org

Legal Notes

WARRANT ARTICLES WE DO RECOMMEND

With many towns preparing for their annual town meeting in March, we thought it might be helpful to review some warrant articles we recommend but which are sometimes overlooked. Here they are, with explanations, but in no particular order:

To see if the town will vote to authorize the municipal officers to spend up to __ % of the budgeted amount in each budget category of the current annual budget during the period from the beginning of the next fiscal year to the next annual town meeting.

This article authorizes expenditures after the current fiscal year ends but before the next annual town meeting adopts a new budget. Without it, the municipal officers arguably have no such authority. The percentage should correlate roughly with the number of months between the beginning of the next fiscal year and the next annual town meeting (e.g., three months = 25% of the year).

To see if the town will vote, pursuant to 36 M.R.S.A. § 506-A, to set an interest rate of ___% to be paid on overpaid or abated taxes.

The cited statute requires municipalities to pay interest on overpaid or abated taxes, but it authorizes municipalities to set the rate. This article does that. The rate may not exceed the rate set for delinquent taxes or be less than that rate reduced by 4%. If a municipality neglects to set a rate of interest for overpaid or abated taxes, the rate is the same as for delinquent taxes.

To see what sum the town will vote to raise and appropriate or appropriate from _____ to pay for tax abatements and any interest due thereon.

Many municipalities fail to appropriate money to fund tax abatements, assuming instead that they have inherent authority to pay for them from tax overlay (technically, they don't). This article actually funds abatements, either from taxes or (more commonly) from overlay or surplus.

To see if the town will vote, pursuant to 36 M.R.S.A. § 506, to authorize the tax collector and treasurer to accept the prepayment of taxes not yet committed and to pay interest thereon at a rate of ___%.

This article is necessary to ensure

that the tax collector's and treasurer's bonds will cover them if they accept payment of property taxes that have not yet been legally committed to the tax collector by the assessors. The cited statute does not require payment of any interest on prepaid taxes.

To see if the town will vote to authorize the municipal officers to sell or dispose of surplus personal property with an estimated value of \$____ or less on such terms and conditions as they deem advisable.

This article avoids the necessity of a special town meeting every time the town wishes to sell or dispose of surplus personal property of minor value. It could be drafted to authorize the sale of more valuable property as well, for example, by competitive bid.

To see if the town will vote, pursuant to 23 M.R.S.A. § 2953, that orders of the municipal officers with respect to the closing of roads to winter maintenance shall be a final determination.

The cited statute requires winter road closure orders to be approved by October 1, either by the voters or by the municipal officers, if so authorized. This article authorizes the municipal officers to make the final determination and avoids the necessity of a special town meeting.

To see what sum the town will vote to authorize the municipal officers to spend from surplus to pay for unanticipated expenses and emergencies.

This article establishes, in effect, a contingency account for unanticipated expenses and emergencies, thus avoiding the necessity of a special town meeting whenever these events occur. The municipal officers' discretion is limited to the amount the article authorizes them to spend.

For more on the preparation of warrant articles, see Chapter 3 of our *Town Meeting & Elections Manual*, available free to members at www.memun.org. (By R.P.F.)

WARRANT ARTICLES WE DON'T RECOMMEND

Along with "Warrant Articles We *Do* Recommend" (see above), let's take a moment and indentify some articles we *don't* recommend. Again, here they are, with explanations, but in no particular order:



Municipal Calendar

ON OR BEFORE FEBRUARY 15 — Written statements, as prescribed by State Tax Assessor, of wages withheld in the previous calendar year is to be furnished each employee (36 MRSA § 5251.

— Monthly/Quarterly expenditure statement and claim for General Assistance reimbursement to be sent to Department of Human Services, General Assistance Unit, DHS #11, Augusta, ME 04333-0011 [22 MRSA §4311].

FEBRUARY 19 — Presidents' Day, the third Monday in February, is a legal holiday (4 MRSA § 1051); and shall be observed as a school holiday in the absence of any vote of the superintending school committee designating how the day shall be observed (20-A MRSA § 4802).

BEFORE TOWN MEETING — Selectmen must have a warrant posted at least 7 days before town meeting and have a constable or designated resident make return (30-A MRSA §2523). If adoption of an

ordinance is proposed, make sure of compliance with 30-A MRSA §3002. Send copy of town report to the following: MAINE MUNICIPAL ASSOCIATION, State Tax Assessor, State Auditor, State Department of Transportation, and State Librarian.

- Town Meeting voter registration and voting list requirements. The registrar shall accept the registration and enrollment of voters prior to the municipal election according to the time schedule prescribed by 21-A MRSA § 122 unless changed by municipal officers.
- Copies of annual report are to be deposited in the municipal office or a convenient place of business for distribution to voters at least 3 days prior to the annual meeting (30-A MRSA § 2801)
- Check 30-A MRSA § 5823 for audits, and § 2801 for town reports.

BY MARCH 1 — Solid Waste Municipal Reporting forms are due back to the State Planning Office, 38 State House Station, Augusta Me 04333 [38 MRSA §2125(1)].

Legal Notes

To see if the town will vote to accept the annual report.

This article is unnecessary, as town meeting has no power to accept or reject the annual report, so a vote to do so has no legal effect and is advisory only.

To see if the town will vote to raise and appropriate the county tax.

This article is also unnecessary because town meeting has no power to refuse to raise the county tax. In fact, the county commissioners issue their warrant directly to the local assessors, who are required by law to assess and commit the municipality's share of the county tax directly to the tax collector (see 30-A M.R.S.A. § 706). Town meeting has no role in this process. (The same is true for school district assessments.)

To act on any other business that may come before the meeting.

This article (and any variant of it) fails to satisfy the fundamental statutory requirement that articles be "distinct" or specific (see 30-A M.R.S.A. § 2523(2)). As a consequence, such an article actually authorizes no substantive business. The only business permitted under this article would be adjournment (which doesn't require an article) or non-controversial courtesy business, such as a round of applause for outgoing officials (which, again, doesn't require an article).

Any article proposing action that is illegal or beyond the power of town meeting.

An article appropriating public funds to plow private driveways, for example, would be illegal. And an article adopting an ordinance only the municipal officers can adopt, for instance, would be *ultra vires* (beyond the voters' power). Such articles are ineffective and pointless, at best, and can create expectations that are legally impossible to fulfill. For these reasons, among others, they should not be included on any town meeting warrant. (*By R.P.E.*)

DELINOUENT TAXPAYER LIST

Question: Are we required to list the names of delinquent taxpayers in our annual report?

Answer: Yes, you are. Maine law has long required a municipality's annual report to include "a list of all delinquent taxpayers and the amount due from

each" as of the close of the last fiscal year (see 30-A M.R.S.A. § 2801(2)). This is part of a detailed statement of municipal assets and liabilities, which is also required in the annual report. Delinquent taxes are equivalent to accounts receivable or, in other words, assets.

The annual report's delinquent taxpayer list can cause confusion and complaint in some cases. For example, if the report is published well after the fiscal year has ended, some taxpayers who were delinquent at the close of the fiscal year may in fact be current by the time the report is published. Nevertheless, the report must list them as delinquent because that was their status as of the close of the fiscal year.

In other cases, property may have been sold after April 1, and the seller may have paid his prorated share of taxes, but the buyer may not have paid hers. Still, since the seller, not the buyer, was the assessed owner as of April 1, the report must list the seller as delinquent. Some municipalities explain these anomalies with an asterisk after the taxpayer's name and a note at the end of the list, but while this practice may be helpful, it is a courtesy only and is not required by law.

Incidentally, a "delinquent" taxpayer, at least for purposes of the annual report, means anyone who has not paid in full by the date on which interest begins to accrue and who remains delinquent in any amount, including interest, as of the close of the last fiscal year.

For other information that must (or must not) be included in the annual report, see "What Should/Shouldn't Be in the Annual Report," *Maine Townsman*, "Legal Notes," December 2010.

For more on annual reports, including when annual reports must be available and which agencies to send a copy to, see Chapter 4 of our *Town Meeting & Elections Manual*, available free to members at www.memun.org. (By R.P.F.) mt







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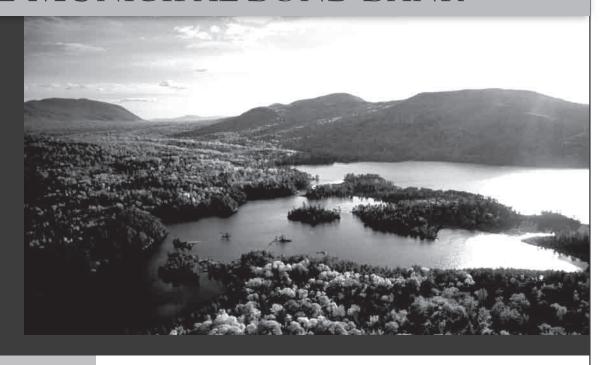
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