

**Town of Kennebunkport
Board of Selectmen's Meeting
Village Fire Station-32 North St.
January 23, 2014**

Minutes of the Selectmen Meeting of January 23, 2014

Selectmen present: Stuart E. Barwise, Patrick A. Briggs, Allen A. Daggett, Edward W. Hutchins, and Sheila Matthews-Bull

Others present: Greg Chabot, Michael Davis, Jim Fitzgerald, John Fraser, Werner Gilliam, David James, Parker Madden, Arlene McMurray, Chris Perry, and Zachary Taylor

1. Call to Order.

Chair Barwise called the meeting to order at 7:02 P.M.

2. Approve the December 27, 2013, and January 9, 2014, selectmen meeting minutes.

Motion by Selectman Hutchins, seconded by Selectman Briggs, to approve the December 27, 2013 selectmen meeting minutes. **Vote:** 3-0-2/Selectmen Barwise and Matthews-Bull abstained because they did not attend that meeting.

Motion by Selectman Hutchins, seconded by Selectman Briggs, to approve the January 7, 2014, selectmen meeting minutes. **Vote:** 3-0-2/Selectmen Barwise and Daggett abstained because they did not attend that meeting.

Motion by Selectman Hutchins, seconded by Selectman Matthews-Bull, to approve the January 9, 2014, selectmen meeting minutes. **Vote:** 3-0-2/Selectmen Barwise and Daggett abstained because they did not attend that meeting.

3. Public Forum (This is an opportunity for anyone who wants to address the Board of Selectmen with any issue that is not on the agenda).

Chris Perry mentioned the elections results from the special election on January 21 in which the voters rejected the \$75 million plan to renovate three schools. He said the Board of Selectmen and taxpayers need to pressure the School Board to offer an affordable package that taxpayers can live with. He plans to go to the next School Board meeting on February 3 and hopes others will join him.

Selectman Briggs remarked that very few people from the community attended the Facilities Committee Meetings. He said people should be participating at these meetings to provide their input and help develop a reasonable package instead of waiting until the elections and voting everything down.

Town Managers, Superintendent of Schools, the Sewer District and Kennebunk Light and Power to discuss the impact of the school renovations is scheduled for January 31 and will be moderated by Durwood Parkinson.

David James said he was disappointed in the outcome of the election. He hopes the School Board can do a better job in the next round.

Since the parties involved in item 4 were not able to make it until later on in the meeting, item 5 was addressed next.

5. Presentation of fiscal year 2013 audit by representatives of Runyon, Kirsteen and Ouelette.

Parker Madden, auditor from Runyon, Kirsteen and Ouelette (RKO), first thanked Treasurer Jen Lord for her efforts with the audit. He said Ms. Lord completed the Comprehensive Annual Financial Report (CAFR) for fiscal year 2014, and if accounting standards are met, the Town will receive a Certificate of Achievement Award for Excellence in Financial Reporting which is the highest award given in municipal government financial reporting. He said it will put the Town in a distinguished class with approximately 12 other communities. He stated the financial statements were materially correct with no significant deficiencies and mentioned a few minor comments from the auditors:

Credit Card Usage—The Town did not have a documented policy. It was suggested that the Board approve a credit card policy in fiscal year 2014.

Management's Response—*The Board of Selectmen approved a Credit Card Policy on November 14, 2013.*

Allowance for Doubtful Accounts—It was suggested that the Town establish an allowance for accounts receivable balances that cannot be collected after reviewing each account and assessing collectability.

Management's Response—*The Town set up a zero balance Allowance for Doubtful Accounts and will review all accounts and make the necessary adjustments.*

Personnel Policy—Updating the personnel policy was suggested. Its most recent update was in 1988.

Management's Response—*The Board of Selectmen adopted amendments to the personnel policy on September 12, 2013.*

Daily Parking Reports—The auditors noticed that each day the actual cash deposits slightly varied from what was reported to be collected. It was recommended that management review the cash collections policy to ensure that deposits match reported collections on a daily basis.

Management's Response—An after-hours collections form was developed for parking lot attendants to fill out that reflects any monies collected after the close of the electronic collection system. This is filed with their daily electronic cash report.

Journal Entry Approval—The auditors noticed that there were insufficient controls over the journal entry process. It was suggested that an approval process by a management employee not involved in journal entering should be implemented.

Management's Response—The Town Manager currently reviews and approves all necessary journal entries.

Mr. Parker presented a financial overview. See Exhibit A.

Chris Perry and David James commented on the budget.

4. Consider dock application for Brian A. Berube and Susan C. Wolff for construction of a 4 ft x 6 ft fixed pier with associated ramp and float at 23 Lands End Lane.

Attorney Sandra Guay explained the dock application. She said abutters at the site walk had no objections to the dock, and it is scheduled to go before the Planning Board on February 19 if approved by the Selectmen.

Motion by Selectman Hutchins seconded by Selectman Daggett to approve the application from Brian A. Berube and Susan C. Wolff for construction of a 4 ft x 6 ft fixed pier with associated ramp and float at 23 Lands End Lane to move forward to the Planning Board. **Vote:** 5-0.

6. Consider application for Zoning Board of Appeals or Growth Planning Committee.

Motion by Selectman Matthews-Bull, seconded by Selectman Hutchins to appoint James Fitzgerald to a three-year term on the Growth Planning Committee **Vote:** 5-0.

Motion by Selectman Matthews-Bull, seconded by Selectman Hutchins to appoint James Fitzgerald to a three-year term on the Zoning Board of Appeals. **Vote:** 5-0.

7. Discuss letter to go out to social service agencies regarding budget requests.

David James stated that the Budget Board appointed a subcommittee whose charge was to develop a standard application form for social service agencies to

fill out for their budget requests. He said they are looking at the forms that other towns use. The subcommittee presented a letter to go out to social service agencies alerting them that the budget request process is changing for the next fiscal year. He read the letter that will be sent.

8. Accept the following donations to the Kennebunkport emergency fuel/food account:

- a. The Church on the Cape United Methodist - \$1,000**
- b. Atlantic Fireman's Educational Association - \$1,000**

Selectman Hutchins pointed out that the Atlantic Fireman's Educational Association is another name for the Atlantic Hall.

Motion by Selectman Daggett, seconded by Selectman Hutchins, to accept the donations to the Kennebunkport emergency fuel/food account: \$1,000 from the Church on the Cape United Methodist and \$1,000 from the Atlantic Fireman's Educational Association. **Vote:** 5-0

9. Other business.

Werner Gilliam reported what happened at the January 9 Consultation Coordination Officer's (CCO) meeting with FEMA representatives and municipal officials. He said 1,770 parcels in Kennebunkport will be effected by the 2013 preliminary maps. (See Exhibit B). Postcards will be sent out to those property owners effected by these changes.

Mr. Fraser mentioned that he spoke to Dick McCabe's attorney. He said they are ready to close on the property by January 28 so he will need the authority to sign the papers.

Motion by Selectman Daggett, seconded by Selectman Hutchins, to authorize the town manager to sign the purchase and sales agreement for the McCabe land purchase. **Vote:** 5-0.

10. Consider the January 23, 2014, Treasurer's Warrant.

Motion by Selectman Daggett, seconded by Selectman Hutchins to approve the January 23, 2014, Treasurer's Warrant. **Vote:** 5-0.

11. Adjournment.

Motion by Selectman Hutchins, seconded by Selectman Briggs, to adjourn the meeting. **Vote:** 5-0.

The meeting adjourned at 8:12 PM.

Submitted by Arlene McMurray, Administrative Assistant

Town of Kennebunkport

FINANCIAL OVERVIEW

Presented by:

Greg Chabot

RUNYON KERSTEEN OUELLETTE

Recently, the Town of Kennebunkport completed the financial audit process. We are pleased to report that the Town's financial statements received an unmodified opinion, which means the financial statements are fairly stated in all material respects. The remainder of this publication is dedicated to providing you with the financial results for fiscal year 2013. We hope you find this information useful and understandable. Finally, we wish to express our appreciation to all those who were so helpful to us during the audit process. It truly is a pleasure working with your staff.

INSIDE

1. General Fund Assets
2. General Fund Liabilities
3. General Fund Equity
4. General Fund Revenues
5. General Fund Expenditures
7. General Fund - Fund Balance Analysis
8. General Fund Revenues 2011-2012
9. General Fund Expenditures 2011-2012

About this presentation

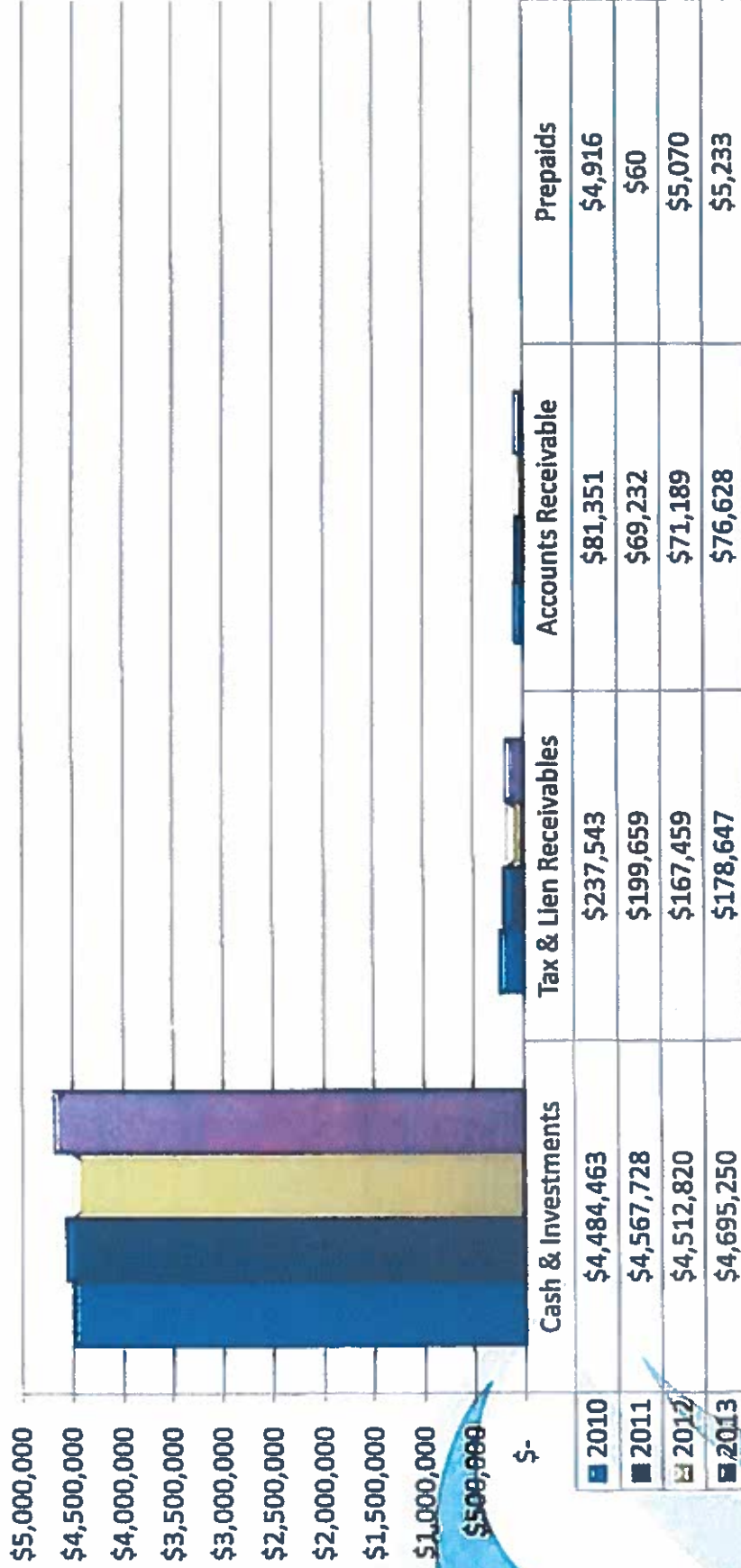
This presentation is intended as a tool to assist the Board of Selectmen and management in understanding its financial operating results. The information contained in this publication should be read in conjunction with the audited financial statements and related disclosures and should not be used for any other purposes without the expressed consent of **RUNYON KERSTEEN OUELLETTE**.

Please contact us at 207-773-2986 or 1-800-486-1784
20 Long Creek Drive, South Portland, ME 04106



Town of Kennebunkport

GENERAL FUND ASSETS

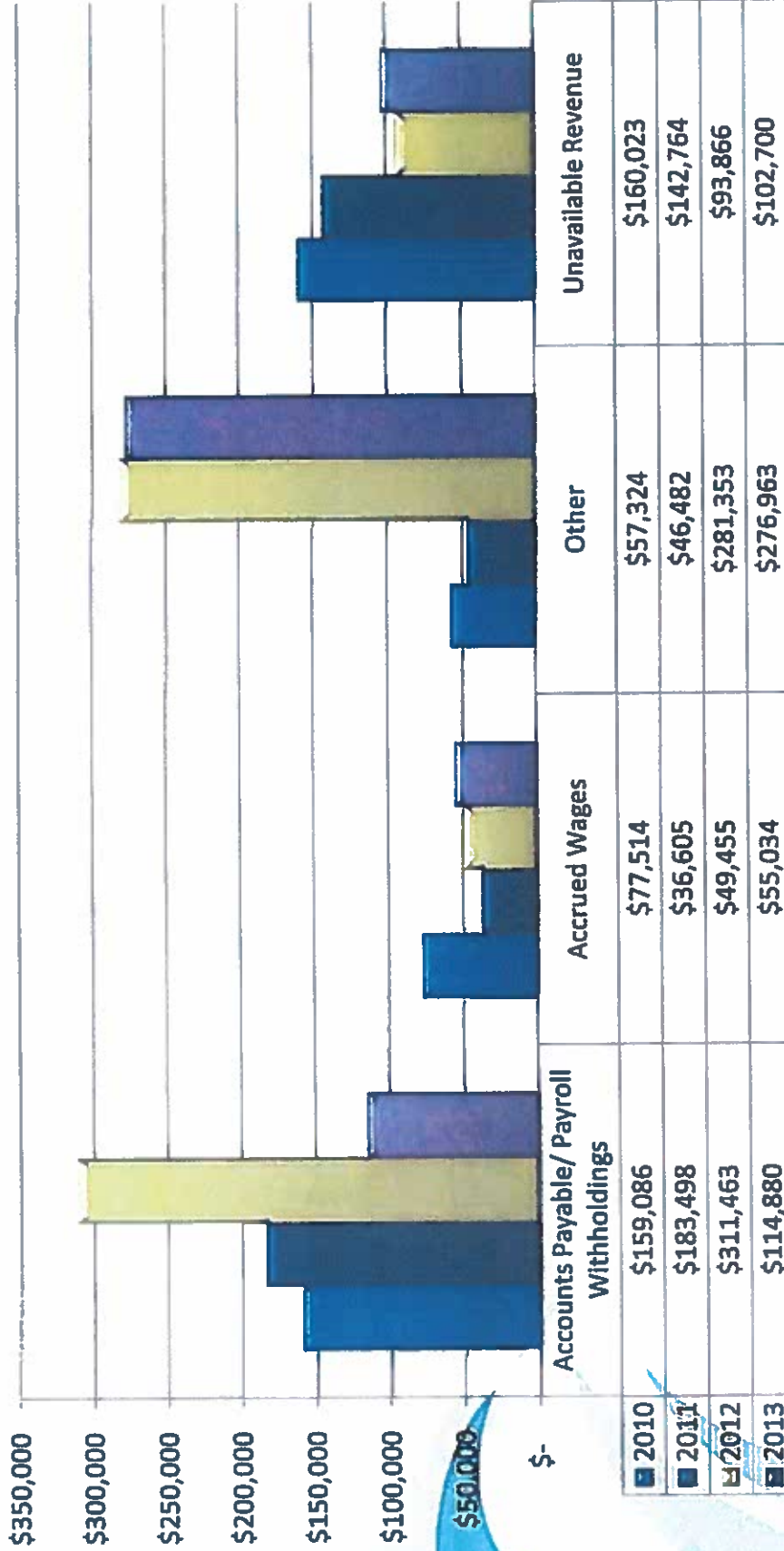


Observations:

- Cash and investments has not changed significantly since 2010. Cash and investments are shown net of interfund loans which represents other funds share of the pooled cash account.
- Outstanding taxes and liens increased by approximately \$11,000. The collection rate remained fairly steady at 98.85% for 2013.

Town of Kennebunkport

GENERAL FUND LIABILITIES

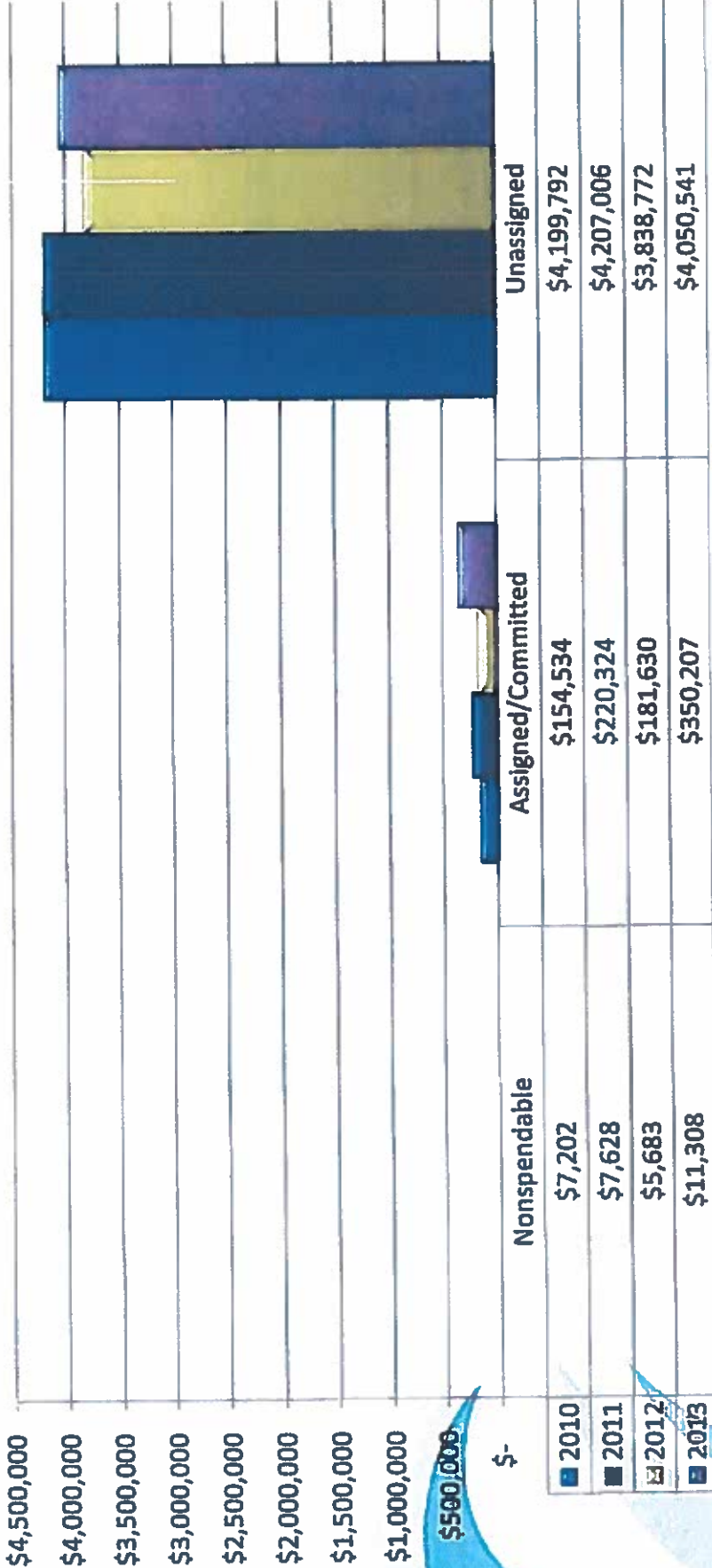


Observations:

- Unavailable revenue represents taxes still unpaid 60 days after the end of the year. These amounts are not recognized as revenues in the current year.

Town of Kennebunkport

GENERAL FUND EQUITY



Observations:

- Assigned and committed fund balance changes annually based on the status of projects and appropriations. Detail of the Town's committed fund balances can be seen on page 45 of the financial statements.

Town of Kennebunkport

GENERAL FUND REVENUES

	Budget	Actual	Variance
Taxes	\$ 13,515,259	\$ 13,542,910	\$ 27,651
Intergovernmental Revenues	271,360	286,102	14,742
Licenses & Permits	125,600	152,683	27,083
Charges for Services	327,700	368,756	41,056
Interest Earned	40,000	33,722	(6,278)
Other Revenues	220,257	264,880	44,623
Total Revenues	14,500,176	14,649,053	148,877
Transfers in	257,800	394,631	136,831
Utilizations of Prior Year Surplus	300,000	-	(300,000)
Utilizations of Assigned Balances	24,800	-	(24,800)
Total Revenue and Other Sources	\$ 15,082,776	\$ 15,043,684	\$ (39,092)

Observations:

- Excise taxes exceeded budget by \$40,686.
- Intergovernmental revenues were over budget due primarily to an unbudgeted FEMA grant.
- Charges for services were over budget mainly due to Parking Lot Fees being higher than expected due to higher than anticipated usage.
- Other revenues were over budget largely due to the sale of a town property and unbudgeted donations.

Town of Kennebunkport

GENERAL FUND EXPENDITURES

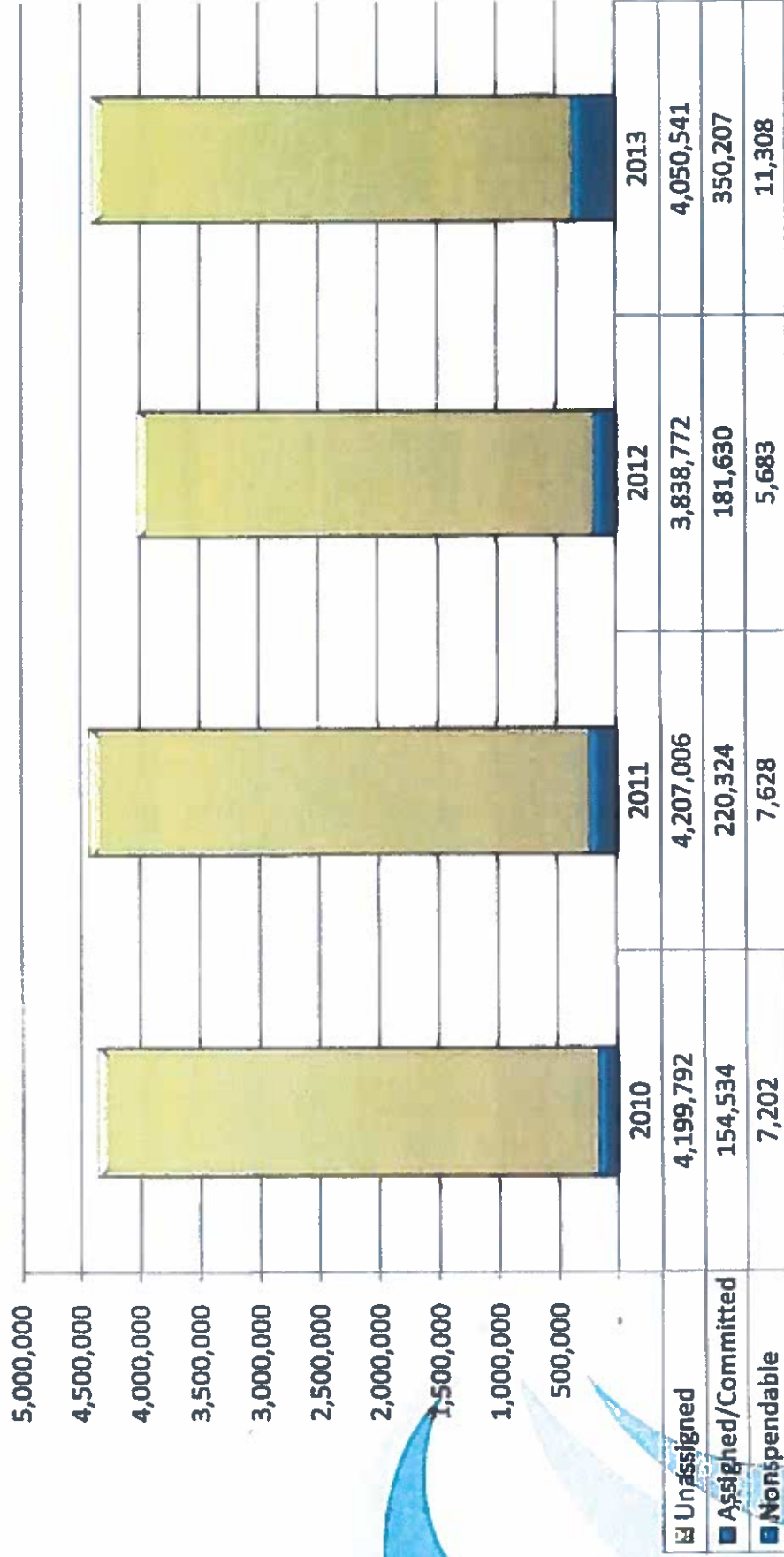
	Budget	Actual	Variance
General Government	\$ 1,577,289	\$1,491,538	\$85,751
Public Safety	2,254,179	2,083,943	170,236
Public Works	982,447	957,450	24,997
Health & Welfare	700,219	662,648	37,571
Recreation & Culture	424,943	419,803	5,140
Grants	-	2,000	(2,000)
Unclassified (County/Education/Overlay)	7,800,428	7,712,759	87,669
Debt Service	293,007	292,963	44
Capital Improvements	755,870	695,741	60,129
Transfers Out	294,394	454,435	(160,041)
Total Expenditures & Transfers	\$ 15,082,776	\$ 14,773,280	\$ 309,496

Observations:

- General Government was under budget in legal fees (\$21,614) and administration (\$32,399) and smaller positive variances in other categories.
- Public Safety was under budget in Police due to a conservative budget by the chief, and in fire due to lower than expected personnel expenses.
- Public Works was under budget in Highway department (\$15,848) and all other categories by smaller amounts.
- Health and welfare was under budget in Solid waste (\$46,021) partially offset by expenditures of donations (\$25,373) which are not budgeted.
- Unclassified was under budget due to overlay exceeding abatements by \$60,385 and contingency under budget by \$26,547.

Town of Kennebunkport

FUND BALANCE ANALYSIS FY 2010-2013

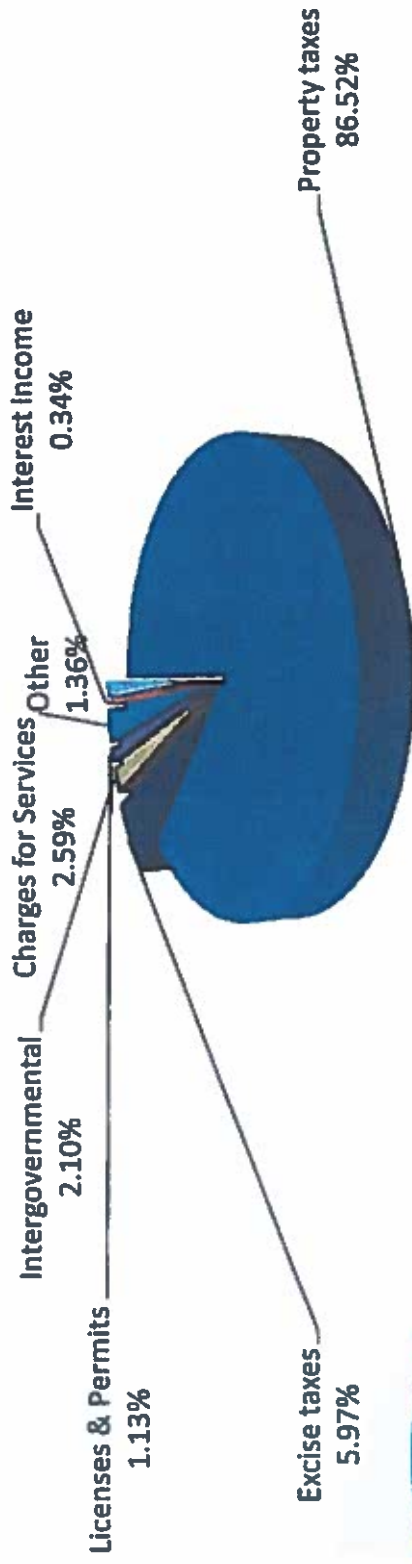


Observations:

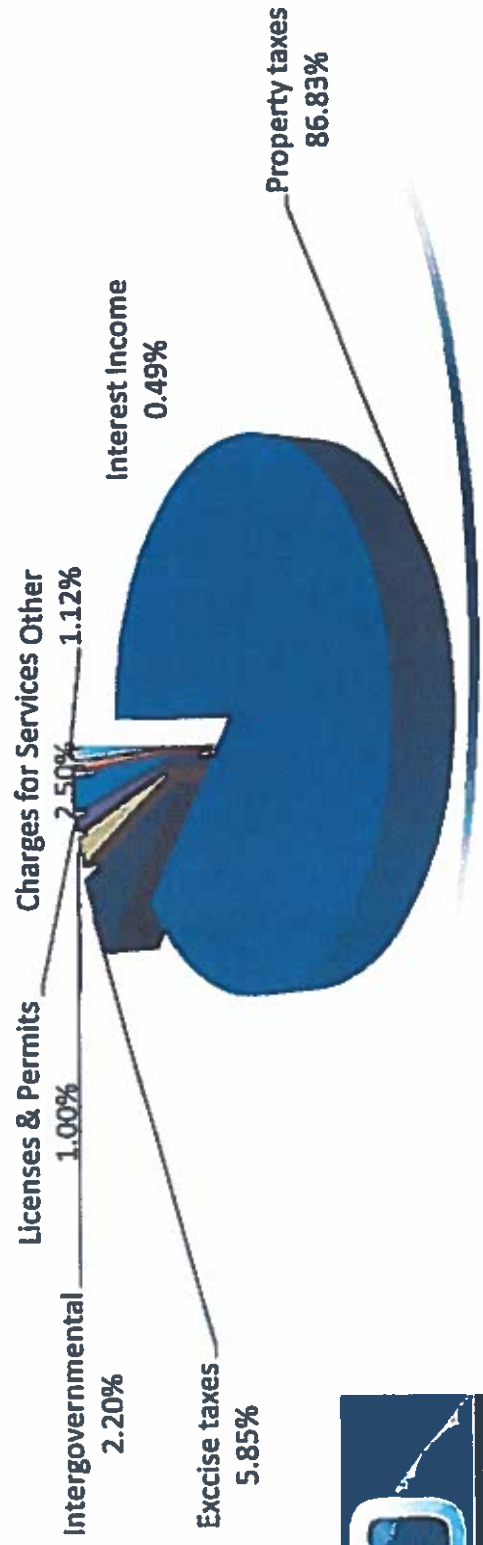
- Unassigned is currently at 26.86% of budget compared with 27.45% in 2012 and 30.63% in 2011 after a planned reduction of \$300,000. The Government Finance Officer's Association recommends a minimum of two months expenditures or \$16,67%

Town of Kennebunkport

2012 GENERAL FUND REVENUES

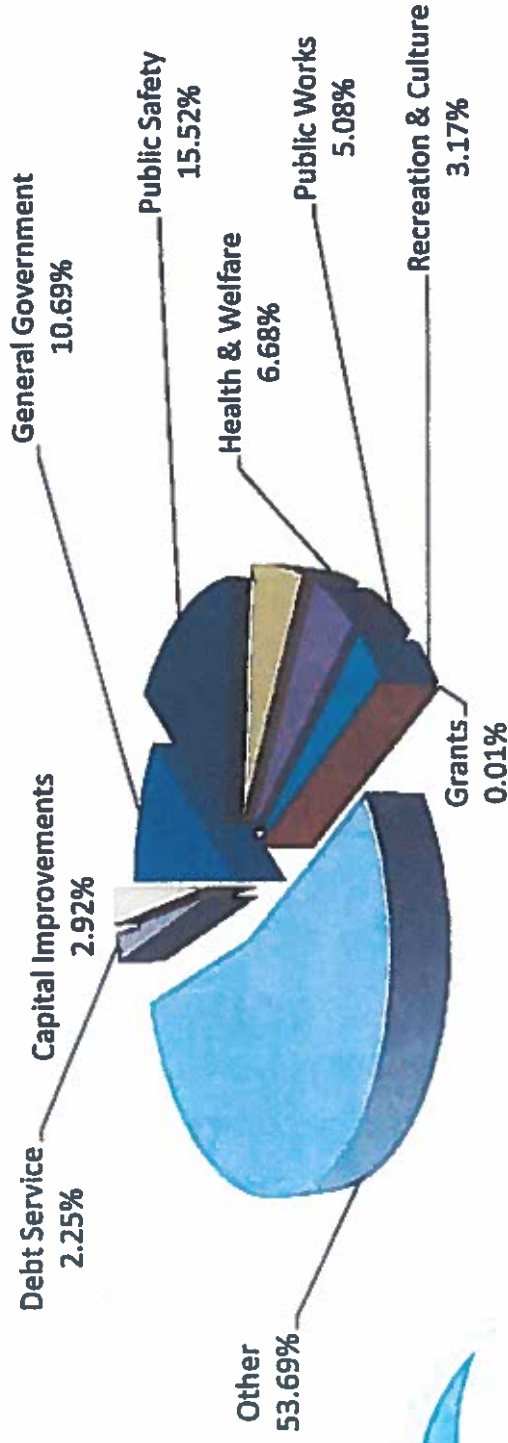


2013 GENERAL FUND REVENUES

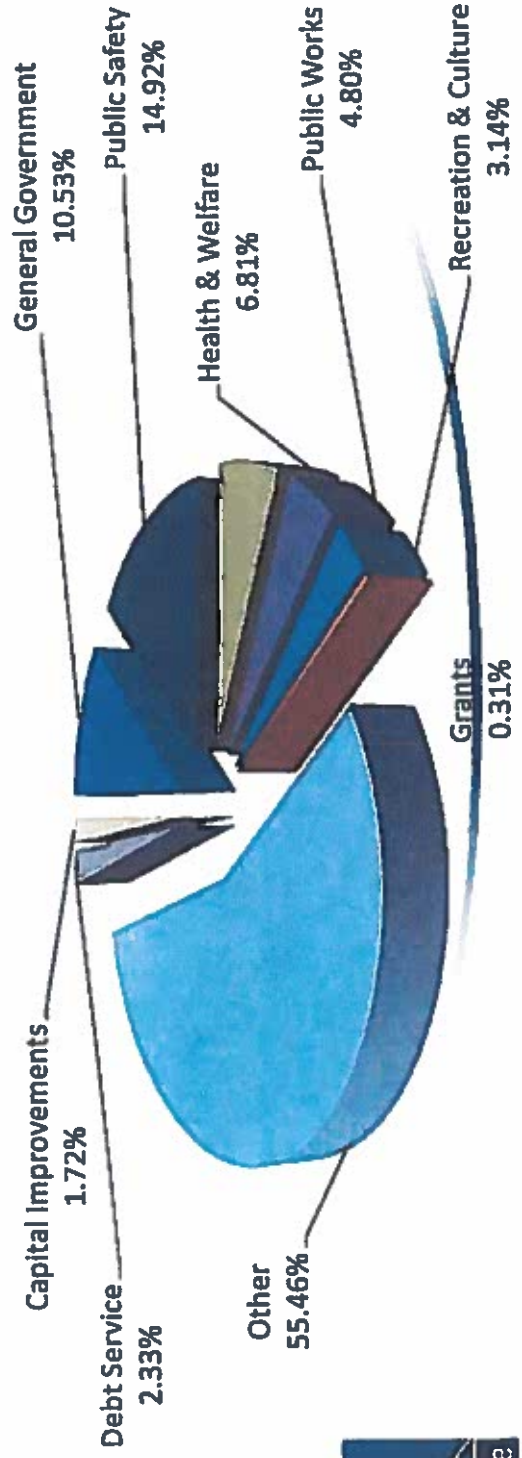


Town of Kennebunkport

2012 GENERAL FUND EXPENDITURES



2013 GENERAL FUND EXPENDITURES





TOWN OF KENNEBUNKPORT, MAINE

~INCORPORATED 1653~

MAINE'S FINEST RESORT

TO: Kennebunkport Board of Selectmen

FROM: Werner Gilliam CFM Director of Planning and Development

DATE: January 21st 2014

SUBJECT: Updates on Preliminary Flood maps

CCO Meeting

Town officials met with FEMA representatives at its CCO meeting for municipal officials on January 9th in Kennebunk. Some very interesting information came out of that meeting and in after-meeting discussions with FEMA. Municipalities that retained the services of Robert Gerber to appeal the 2009 preliminary maps have lower velocity zone flood elevations as a result of a reduced wave setup calculation that FEMA accepted as part of the political intervention that we requested and lobbied for in 2010. In the revised maps that we have received for 2013 we see a number of other significant changes. In the estuaries behind the open coast such as the marsh areas on the inland side of Goose Rocks Beach where wave run up is minimal, wave setup is being carried on top of the surge elevation at a level equal to the open coast level. This was not the case in FEMA's own 2009 maps, but is the case with the new FEMA November 2013 Preliminary Maps. As an example, the flood elevations in the Scarborough Marsh area are as much as 6 feet higher in the 2013 maps west of Winnocks Neck than shown on the 2009 map. These calculated effects are the engineered response of attempting to replicate the destruction that was brought about by Hurricane Sandy. Repeated attempts to obtain the technical specifications behind FEMA's recalculations met with little success until after the CCO meeting. After receiving the technical specifications behind the increased wave setup calculations it has become clear that the results of the Kennebunk River study do not fall within the guidelines that we had operated under before and could result in delays and additional costs in order to redo the calculations according to FEMA's revised specifications.

After the CCO meeting it became apparent that FEMA has also significantly restricted the process surrounding municipal appeals presumably as a result of their experiences back in 2010. The impression that there is a "collaborative consultation process" with FEMA is clearly overstated and as such should be addressed by the Congressional Delegation.

Attached are a number of slides taken from FEMA's presentation. They include:

- Timeline
- Details on changes that affected the Coastal Analysis
- Overview of some of the Non-Regulatory RISK Map Products that will be available to communities after Preliminary Maps become effective. Includes but is not limited to items such as Flood Risk reports, Hazard Identification Maps and Tools for Hazard Mitigation Planning.



TOWN OF KENNEBUNKPORT, MAINE

~ INCORPORATED 1653 ~

MAINE'S FINEST RESORT

Insurance Updates

The Biggert Waters Flood Insurance Reform Act of 2012 is intended to make the NFIP self-sustainable by removing insurance subsidizes and shifting flood insurance premiums for pre-firm structures towards full risk rates.

Senate Bill S.1846: Homeowner Flood Insurance Affordability Act of 2013 being co-sponsored by Senator Collins is intended to delay the implementation of certain provisions of BW-12, in addition to providing for an affordability study, funding to reimburse homeowners for successful map appeals, and designation of a Flood Insurance Advocate to assist property owners with various issues related to education, policy, and appeal issues.

I have included the BW -12 Impact Page that addresses some of the finer points of the Act in its current form.

Statistics

2013 Preliminary Maps identify 1,779 parcels which will be affected in some fashion.

Loss Statistics From Jan 1 1978

	Total Losses (Losses submitted regardless of Status)	Closed Losses	Open Losses	CWOP Losses	Total Payments
Kennebunkport	145	107	0	38	\$1,728,404.56

Insurance Information:

Kennebunkport	Current # of Policies	Insurance in Force	Premium in Force
	424	\$115,904,400.00	\$379,154.00

Shown below is an estimation of affected numbers of parcels impacted by the remapping specific to Goose Rocks

	Current FIRM	2009 Preliminary FIRM	2013 Preliminary FIRM
Goose Rocks Beach Area Parcels affected by FIRM*	205 parcels	577 parcels	584 Parcels

*Parcel counts are approximate



TOWN OF KENNEBUNKPORT, MAINE

~ INCORPORATED 1653 ~

MAINE'S FINEST RESORT

Risk MAP Study Timeline

- Activities
- Project Timeline
- Products

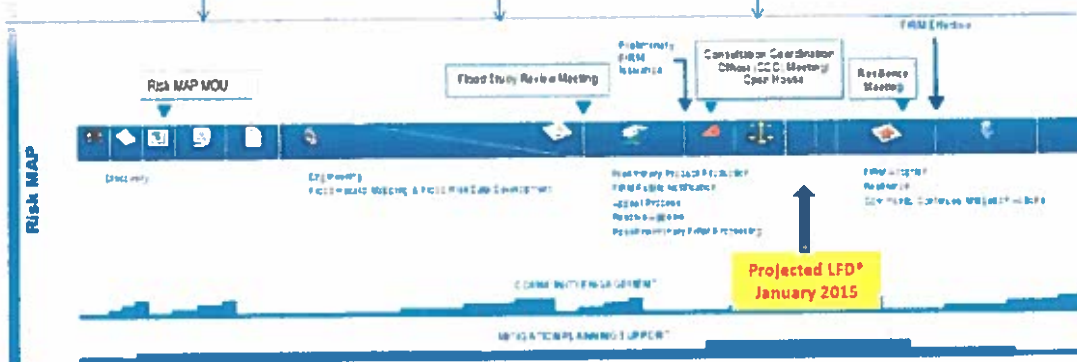
Risk MAP MOU Distributed
March 2011

Work Map Meeting
Jan/Feb 2013

Preliminary
Nov 5, 2013

CCO Meeting
Jan 9, 2014

Projected
Effective
July 2015



*LFD scheduled in January due to the Town Meeting requirement

