

**Town of Kennebunkport  
Board of Selectmen Meeting  
Village Fire Station – 32 North Street  
December 12, 2013 – 7 PM**

Minutes of the Selectmen Meeting of December 12, 2013

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

**Others present:** Michael Claus, Michael Davis, Bob Domine, John Fraser, David James, Liz Johnson, Maureen King, Arlene McMurray, Allan Moir, Chris Perry, and Laurie Smith

**1. Call to Order.**

Vice-Chair Daggett called the meeting to order at 7:01 PM.

**2. Approve the November 26, December 5 and 6, 2013, selectmen meeting minutes.**

**Motion** by Selectman Matthews-Bull, seconded by Selectman Hutchins, to approve the November 26, 2013, Selectmen Meeting minutes. **Vote:** 4-0.

**Motion** by Selectman Matthews-Bull, seconded by Selectman Briggs, to approve the December 5, 2013, Selectmen Meeting minutes. **Vote:** 3-0-1/ Selectman Hutchins abstained because he was not present at that meeting.

**Motion** by Selectman Matthews-Bull, seconded by Selectman Briggs, to approve the December 6, 2013, Selectmen Meeting minutes. **Vote:** 3-0-1/ Selectman Hutchins abstained because he was not present at 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).**

President of the Kennebunkport Residents Association David James mentioned the letter that registered voters received from the Board of Selectmen regarding the RSU #21 renovation project. He said an e-mail from School Superintendent Andrew Dolloff indicated the Board's figures were incorrect for operating costs (\$413,000) and for the mil rate increase which the letter said would continue for the next 25 years until the bond is repaid.

Selectman Daggett said Mr. James is correct that there were errors in the letter, and he apologized. He said the Board will be sending out a revised letter that will not include operating costs. The letter will also be placed on the Town Website.

Selectman Hutchins wanted the public to know for the record that the Board does not have a position on how voters should vote on these projects.

RSU #21 School Board member Maureen King requested that the Board put something in the newspaper about these errors and to put "Revision" on the envelope of the new letter going out to voters so that voters will not think it is a duplicate and throw it away. She said the RSU is putting out a flyer and will have the phone number of the Town Office. She announced there is a Public Hearing at Consolidated School on Monday evening at 7 P.M., on construction projects, and they will be giving tours at 6 P.M. On January 11, there will be a three part tour of all three buildings.

Another RSU #21 School Board member Bob Domine referred to a Memo that was circulated on November 15, 2013, regarding operating costs. He will ask Mr. Dolloff to forward that Memo to the Board. Also, he said their goal is to change from fuel oil to natural gas heat at the high school, which will reduce costs. Fuel oil prices for heating Mildred Day School and Consolidated School will increase costs. He said the savings from natural gas and the increase in fuel oil costs for the other two schools will be an increase of \$100,000.

#### **4. Employment of new town manager.**

Selectman Daggett thanked the town manager's search committee, David Barrett of Maine Municipal Association, and Interim Town Manager John Fraser for their help in the town manager hiring process.

**Motion** by Selectman Matthews-Bull, seconded by Selectman Hutchins to employ Laurie Smith as Town Manager of Kennebunkport. **Vote:** 4-0.

Mr. Fraser said Ms. Smith is very qualified for this position and gave a brief summary of her qualifications. She is presently town manager of Wiscasset. Other positions she's held are assistant city manager for Auburn, and town manager of Boothbay Harbor, Oxford, and Boothbay.

Ms. Smith said she was honored to be chosen to serve as town manager of Kennebunkport and is impressed by the community pride and commitment.

#### **5. Consider a renewal application for a liquor license submitted by Leigh O. Blood, DBA Captain Fairfield Inn, 8 Pleasant Street.**

Selectman Daggett said this application passed inspection by the Code Enforcement Officer, Fire Inspector and Police Chief.

**Motion** by Selectman Matthews-Bull, seconded by Selectman Briggs, to approve the renewal application for a liquor license submitted by Leigh O. Blood, DBA Captain Fairfield Inn, 8 Pleasant Street. **Vote:** 4-0.

**6. Consider Mutual Aid Agreement for York County.**

Fire Chief Allan Moir explained that this mutual aid agreement was presented at the York County Chiefs' Association this past summer and most towns have signed up. This agreement is for disaster preparedness and response when a disaster is too great for one municipality to handle.

**Motion** by Selectman Hutchins, seconded by Selectman Briggs, to approve the Mutual Aid Agreement for York County. **Vote:** 4-0.

**7. Appoint Dick Stedman as Safety Administrator and approve revised job description for Fire Protection Administrator.**

Mr. Moir explained that the Fire Department wanted a central coordinator, and since Dick Stedman does such a great job, he is the best candidate for this position.

**Motion** by Selectman Matthews-Bull, seconded by Selectman Hutchins, to appoint Dick Stedman as Safety Administrator and approve the revised job description for Fire Protection Administrator. **Vote:** 4-0.

**8. Award bid for Maine Street storm drain and sidewalk improvements.**

Highway Superintendent Mike Claus said that when this project initially went out to bid, the bids came in over budget. As a result, to reduce costs, the Town asked the contractors to remove portions of the scope of work. The bids were then reevaluated and Dearborn Construction was the lowest bidder. Dearborn Construction's bid was \$300,020.50. He said this past January, the Maine DOT approved funding of \$125,000. DOT will pay 50% of the project and the Town will pay the other half. Work will begin in March 2014.

**Motion** by Selectman Matthews-Bull, seconded by Selectman Hutchins, to award the bid for the Maine Street storm drain and sidewalk improvements to Dearborn Brothers Construction in the amount of \$300,020.50 and to authorize the Interim Town Manager to sign the contract. **Vote:** 4-0.

**9. Consider a municipal QuitClaim Deed for Allen E. Wildes, Map 21, Block 9, Lot 31.**

**Motion** by Selectman Hutchins, seconded by Selectman Matthews-Bull, to issue a quit claim deed for Town tax acquired property at MBL (21-009-031) to the former owner, Allen E. Wildes. **Vote:** 4-0.

**10. Review 2012 foreclosure list.**

**Motion** by Selectman Matthews-Bull, seconded by Selectman Hutchins, to ap-

prove the waiver of foreclosure of property at 144 Wildes District Road, owned by Ann Seavey, MBL (22-003-02). **Vote:** 4-0.

Selectman Daggett mentioned that the total liens excluding the one above is \$12,632.91. **Vote:** 4-0.

## **11. Review and approve Town policies:**

### **a. Credit Card Policy**

Mr. Fraser explained that the auditors suggested this policy. (See Exhibit A)

**Motion** by Selectman Matthews-Bull, seconded by Selectman Hutchins, to approve the Credit Card Policy. **Vote:** 4-0.

### **b. Cash Handling Policy**

**Motion** by Selectman Matthews-Bull, seconded by Selectman Hutchins, to approve the Cash Handling Policy. **Vote:** 4-0. (See Exhibit B)

## **12. Discuss payroll changes survey and consider policy revisions.**

At a previous meeting there was discussion on ways the Town could save money by changing the payrolls to bi-weekly and requiring employees to have direct deposit for their paychecks starting January 1. The Board decided to do an employee survey to find out their opinion on these proposed changes.

Mr. Fraser explained the employee responses. Forty-nine surveys were sent out. Thirty-eight responded to direct deposit with 31 in favor and 7 opposed. There were 36 responses to start direct deposits on January 1, 2014, with 25 in favor and 11 opposed. Of the 36 responses regarding bi-weekly paychecks, 13 supported bi-weekly paychecks and 23 opposed it.

**Motion** by Selectman Briggs, seconded by Selectman Hutchins, to start direct deposit of employee paychecks beginning on January 1, 2014. **Vote:** 4-0.

Selectman Daggett suggested addressing bi-weekly paychecks sometime in the future.

Selectman Matthews-Bull had reservations because bi-weekly paychecks do not have the full support of the employees.

Selectman Hutchins said the Selectman have an obligation to try to keep costs down and bi-weekly paychecks will reduce costs.

**Motion** by Selectman Hutchins, seconded by Selectman Briggs, to start bi-weekly payrolls beginning on July 1, 2014. **Vote:** 2-2/Selectmen Matthews-

Bull and Daggett opposed.

**13. Accept donations to the Kennebunkport Emergency Fuel/Food account:**

- a. Kennebunkport Residents Association - \$500 for food and fuel.**
- b. Goose Rocks Beach Fire Company - \$1,000 for food and fuel.**
- c. Lovejoy and Son Builders, Inc. - \$1,000 for fuel.**

**Motion** by Selectman Matthews-Bull, seconded by Selectman Hutchins, to accept the following donations to the Kennebunkport Emergency Food/fuel account: \$500 from the Kennebunkport Residents Association and \$1,000 from the Goose Rocks Beach Fire Company; and \$1,000 to the Kennebunkport Emergency Fuel account from Lovejoy and Son Builders, Inc. **Vote:** 4-0.

**14. Other business.**

Selectman Briggs welcomed newly appointed Town Manager Laurie Smith.

Selectman Matthews-Bull thanked everyone who participated in Prelude. She said there is still the tree lighting ceremony tomorrow night at 5:30 PM.

Mr. Fraser made the following announcements:

- Town Offices will be closed for two hours on December 18 from 12-2 PM, so employees may attend a holiday luncheon.
- Town Offices will close at noon on December 24, and all day on December 25.
- Residents can purchase a Christmas tree disposal tag at the Town Offices for \$8.00 to have their Christmas tree recycled. The tree pick up date is January 4, 2014, before 8 AM.
- The Town of Kennebunkport received a Workers Compensation Fund dividend in the amount of \$4,427.00

**15. Consider the December 12, 2013, Treasurer's Warrant.**

**Motion** by Selectman Matthews-Bull, seconded by Selectman Hutchins, to accept the December 12, 2013, Treasurer's Warrant. **Vote:** 4-0.

**16. Adjournment.**

**Motion** by Selectman Hutchins, seconded by Selectman Matthews-Bull, to adjourn. **Vote:** 4-0.

The meeting adjourned at 7:50 PM.

Submitted by Arlene McMurray  
Administrative Assistant

**Exhibit A****Policies and Procedures  
Employee Use of Town Credit Card**

1. Authorization – The Town Manager and or Treasurer and Department Head must provide *written* authorization prior to the issuance or use of a Town credit card to a Town employee.
2. Employee Agreement – The employee must sign an agreement acknowledging that he/she has read and understands the policies and procedures governing the use of a Town credit card.
3. Restricted Use – The use of a Town credit card is subject to the following restrictions:
  - No personal or private expenditure shall be to be charged to a Town account.
  - No regular operating expense (e.g. monthly telephone bills, inter-net agreement, etc.) shall be charged to a credit card.
  - Each expense charged must be accompanied by a receipt and brief explanation. (For example, if the expense is for meals or food, note on the receipt if it was for a luncheon meeting and how many meals were included on the bill). In other words, each expense should have the same type of documentation that you would include on a request for reimbursement.
  - An expense in excess of \$3,000.00 should be pre-approved. Capital purchases should never be charged to a credit card.
  - Travel expenses (e.g. airfare, hotel rooms, conference registrations) should be submitted for payment via a purchase order whenever possible. In the exceptional case when a credit card is used for such expenses, the conference and travel expense should be pre-approved by the appropriate authority.
  - Again, documentation of each expense shall be submitted with the credit card statement.
  - No cash advances will be permitted on a Town credit card.
  - Each credit card issued will have a maximum monthly balance not to exceed the limit set on each card.
  - All municipal credit card purchases are tax exempt and as such when

tax is charged it is the holder's responsibility to rectify this situation.  
All credit card holders shall be provided with a tax exempt ID card.

4. Card Payments - All receipts shall be submitted with required documentation in a timely manner. Expenses without proper documentation shall be the responsibility of the cardholder.
5. Violations of the Town's credit policy may result in disciplinary action.

Date: \_\_\_\_\_

Employee Signature: \_\_\_\_\_



**Exhibit B – Cash Handling Policy****Town of Kennebunkport, Maine  
Cash Handling Policy****Purpose:**

The Cash Handling Policy was established for the purposes of ensuring adequate internal controls to account for the handling of Town cash and to maintain public trust. The term "Town Cash" applies to currency, coins, checks, charge payments, other electronic payment media, and other negotiable instruments payable in money to the Town. The procedures to enforce the Cash Handling Policy are to include but are not limited to those outlined below:

- A. A random drawer audit conducted under the direction of the Treasurer.
- B. Any deficiencies in regard to the set procedures will be reported to the Treasurer in the form of a memorandum outlining the deficiencies.
- C. The Treasurer will notify the Department Head involved and explain these deficiencies, and the Department Head will be responsible for taking appropriate action to correct deficiencies.
- D. If in a subsequent audit these deficiencies still exist, the Treasurer will advise the Town Manager that the deficiencies still exist.
- E. The Treasurer and the Town Manager will notify the Department Head involved of the existing situation.
- F. The Town Manager will review the existing situation and may take appropriate action to resolve deficiencies and ensure that the procedures as outlined are administered properly.

**Delegation of Authority:**

- A. The Treasurer is authorized to promulgate rules for establishing procedures for the receipt, handling and deposit by Town employees of Town cash into the Town treasury for: the method of documentation on all such transactions; regular reporting to the Treasurer; inspection of departmental cash records, including overages or shortages; and inspection of departmental practices and procedures in handling Town cash. The Treasurer may enforce these rules through on-site inspections.
- B. The Town of Kennebunkport is required by law to receive, retain, and disburse all Town revenue and keep detailed records of these transactions. The Finance Department is charged with the responsibility of overseeing the proper receipting and to safeguard all Town funds. The Treasurer will be conducting periodic unannounced cash drawer audits.
- C. The responsibility and accountability of the daily collection of funds is delegated to the custodian and his/her supervisor.

**Duties of Town Departments:**

A Department Head who anticipates receiving Town cash on a regular basis in the course of its activities shall:

- A. Assign an employee as custodian receiving Town money.
- B. Collaborate with Finance to establish and maintain a system of procedures, documentation and reporting on receipt handling and deposit of Town money.
- C. Notify the Police Department of any loss or theft of Town cash immediately upon discovery. Written notice shall be given within twenty-four hours after discovery.
- D. Allow the Treasurer or his/her designee to make on-site inspections and observe the processing of Town cash, and to make inspections of departmental collection records.

Duties of Town Personnel:

Any Town employee who receives Town cash in the normal scope and course of his/her duties shall:

- A. Enter each transaction into the computer when received and stamp the back of the check for deposit only.
- B. Perform a daily cash up of their work processed then balance to their specific audit report. Including but not limited to – cash, checks, and transactions. See Daily Teller Cash Up Procedures.
- C. Notify his/her supervisor of any loss or theft of Town money immediately upon discovery. Written notice shall be given to their supervisor within twenty-four hours after discovery.
- D. Have primary responsibility for care and liability for Town cash in their custody.
- E. Display proper safeguarding measures with Town funds, i.e. locked in the safe at the end of the day, never leave unsecure funds unattended.
- F. *Be subject to disciplinary action for failure to comply with the duties described in the Cash Handling Policy.*

Cash Funds:

There are two (2) types of cash funds in the Town as described as follows:

1) Change funds are established for employees who assist the general public for making change. Each employee is responsible to follow the Daily Teller Cash Up Procedures.

The following Change Funds are currently in place:

Town Clerk	\$100.00
Assistant Tax Collector (2)	\$100.00
Assistant Town Clerk	\$100.00

Code Enforcement	\$ 20.00
Seasonal – Dock Square Parking Lot	\$300.00
Cape Porpoise Pier	\$100.00

These funds are the starting amounts and as such, after each cash up, the drawer will start with the appropriate amount as related to each person.

2) Petty Cash refers to available funds for the purpose of paying for supplies when an account is not set up with a particular vendor, an item's cost is very low or an item is needed immediately.

The following Petty Cash accounts are currently in place:

Administration	\$200.00
Sewer Department	\$100.00

The petty cash custodian, as listed above, is responsible for reconciling the account when requests for reimbursements are made. They are also responsible to obtain receipts to submit with their requests for replenishing the account.

The following are restrictions for both cash accounts:

- Co-mingling of funds is prohibited
- No establishing/increasing either cash funds without the approval of the Treasurer or Town Manager
- Cash funds are prohibited from being established from cash receipts
- Cashing of any type of check for anyone is prohibited
- Loans to employees are prohibited
- IOUs of any type are prohibited
- Employees who utilize petty cash for purchases will not be reimbursed for sales tax as the Town is tax exempt (tax exempt forms can be obtained from the Finance office)
- Town funds, cash, checks, etc. are not to be left unattended on any desk
- Employee's personal funds are not to be combined with Town funds and vice versa in order to balance their cash accounts.

(See Daily Cash Up Procedures for Over/Short usage)

#### Losses/Shortages/Overages:

Finance makes a clear distinction between a "Loss" and "Shortage" of Town money. This is determined by the custodian's ability to obtain physical custody of the money and how that person safeguards the money.

A. A shortage is an unintentional collection error such as a change making error. An overage occurs when a custodian has collected too much

- money and cannot immediately return the excess to a specific customer.
- B. On the other hand, a loss of Town money is when a custodian has obtained physical custody of money and then due to reasons like negligence, an act of God or an unlawful action, cannot deposit that money into the Town treasury.
  - C. An example of negligence is leaving Town money unattended and not properly safeguarding that money from loss.

Custodians must report all losses to their supervisor and the Treasurer immediately. A detailed statement as to the circumstances of the loss must be forwarded to the Treasurer within twenty-four hours.

The Town of Kennebunkport Cash Handling Policy is hereby approved by the Board of Selectmen this 12th day of December, 2013.

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## Town of Kennebunkport, Maine

**Cash Handling Policy  
Employee Acknowledgement Form**

I, \_\_\_\_\_, have read and understand the Town of Kennebunkport Cash Handling Policy. A copy of the Cash Handling Policy was provided to me on \_\_\_\_\_.

I agree to be the fund custodian of and be held responsible and accountable for the daily collection of Town funds according to the Town of Kennebunkport Cash Handling Policy for the \_\_\_\_\_ Department located at \_\_\_\_\_ in the amount of \$\_\_\_\_\_.

Signed:

\_\_\_\_\_  
Custodian

\_\_\_\_\_  
Date

\_\_\_\_\_  
Department Head

\_\_\_\_\_  
Date

\_\_\_\_\_  
Treasurer

\_\_\_\_\_  
Date

**Town of Kennebunkport  
Daily Teller Cash Up Policy**

Before closing out each day, each teller must empty their cash drawer and then return the starting change fund to their drawer prior to restarting the collection process. This change fund will consist of sufficient coins and bills to make change for the next business day. Starting change funds are as follows:

Town Clerk:	\$100
Assistant Tax Collector/ Town Clerk (2):	\$100
Deputy Town Clerk Part-Time:	\$100
Code Enforcement:	\$ 20
Seasonal – Dock Square Parking Lot	\$300
Cape Porpoise Pier	\$100

The cash and checks, that were removed from the register will be subtotaled separately and then added together. The grand total will be clearly marked as to what amount is cash, checks, and electronic funds on the adding machine tape. A second tape is to be run and should be the same as the first, unless duplicate adding machine tape is used. If not then the teller must repeat this process until 2 tapes match and any discrepancies are found and corrected.

These tapes will be compared with the teller daily audit preview. (Trio A: 2: Teller Preview) If the amounts are not the same, then it is the teller's responsibility to find and correct any discrepancies. If the discrepancy cannot be found by matching the physical documents processed to the report, the over/short receipt code will be used, in order to maintain the required starting change fund as stated above (Town#50: Sewer#101). If there is a shortage at the end of the day, a receipt will be processed to Over/Short as a negative to reflect the shortage. See Cash Handling Policy restricted uses.

Once the totals from the teller audit preview and the adding machine tape match – then the teller can close out their daily work. This is done by running a teller close out (Trio A: 2: Close out individual teller).

The teller close out report will be marked showing that the teller compared the totals with the adding machine tape and initialed. This teller close out report must be run daily in order to reset the teller for a new day, even if no money has been taken in.

Everything is then placed in the teller's zippered bank bag and put in the vault overnight, where it can easily be accessed for the total town daily cash up. The responsible party for the total town deposit and slip must total all transactions as one, by one type of payment and verify that the totals match the final close out. Everything then gets turned over to another employee for the actual deposit at the bank.