

**TOWN OF GRAY**  
**Annual Town Meeting Minutes**

**Present:** Councilors Skip Crane, Gary Foster, Andy Upham, Alison Libbey  
Town Manager Deborah Cabana  
Moderator Michael Hill  
Deputy Moderator Carol West

**Others Present and Speaking:** John Welch, Lynn Olson, Janet Neal, Sam Pfeifle, Mike Gervais, Mitchell Berkowitz, Pam Wilkinson, Will Burell, Fran Monroe, James Monroe, Donnie Carroll, Mary Bosse, David Knudsen, Brad Fogg, Don Crandall, Pete Thoits, Jewel McHale, Cheryl Welch, Jack Goosetrey, Chris Miller, Steve Bunker and other town residents of Gray.

Town Manager Deborah Cabana opened the meeting at 8:11 a.m., welcoming everyone to the Annual Town Meeting.

Ms. Cabana read the greeting.

Cumberland, SS.

State of Maine

To Deborah S. Cabana, a resident of the Town of Gray

Greetings:

In the name of the State of Maine, you are hereby required to notify the Voters of the Town of Gray qualified by law to vote in Town affairs to meet at Newbegin Center on Route 100/Lewiston Road in Gray, Maine on Saturday May 5, 2007 at 8:00 a.m. to act on Articles 1- 17.

Article 1. To choose, by ballot, a Moderator to preside at said Annual Town Meeting and to conduct the Annual Election on Tuesday, June 12, 2007 from the hours of 6:00 AM to 8:00 PM. The Election shall be held at Newbegin Center.

At the conclusion of the business meeting, the Town Meeting shall then be recessed to a date and time certain: Tuesday, June 12, 2007 from 6:00 AM to 8:00 PM at Newbegin Center; whereupon such Town Meeting shall come to Order to conduct the Municipal Election and a Special Municipal Election for all necessary Municipal Officers: One [1] Town Councilor, for a term of three [3] years, one [1] Town Councilor for a term of two[2] years, two [2] School Administrative District No. 15 member of the Board of Directors, for a term of three [3] years; and one [1] Gray Water District trustee seat for a term of five [5] years; a citizen referendum petition of Town Council Order #54-07 regarding the agreement with Cumberland County Regional Communication Center for the Duration of two years (for the purpose of providing local dispatching for the Town of Gray), a municipal bond question of 3.2 million, and budget articles affirmed at the first half of Town Meeting shall be voted on. **ABSENTEE BALLOTS SHALL BE**

**OPENED AT 10:00 AM, 2:00 P.M., 6:00 PM AND AT 8:00 P.M.** (Pursuant to M.R.S.A. Title 21-A Section 759 sub 7). At the conclusion of the election, the Town Meeting shall then be adjourned and the results shall be publicly read aloud. The Town Clerk shall record and print the results. The Town Council shall certify the election results at the next regular Town Council meeting.

**It was moved and seconded to nominate Michael Hill to serve as Moderator.**

John Welch asked if Mr. Hill was present to serve as moderator or as town attorney; if serving as moderator, would that be for pay; if serving as town attorney, would that be paid; and may he do both at the same time. Ms. Cabana explained Mr. Hill is the town attorney, and is paid to be present. If at any point during the meeting legal counsel is needed, Mr. Hill will step aside and a deputy moderator will serve as moderator.

There were no other nominations. Nominations were closed. Five votes were cast for Mr. Hill.

Mr. Hill was sworn in as Moderator to preside over the Annual Town Meeting.

Mr. Hill appointed Carol West as Deputy Moderator.

**Mr. Hill asked if any objection to adoption of the Maine Moderators Manual. No objections were voiced.**

Mr. Hill reviewed the rules of procedure contained in the Notes for Voters on Town Meeting Procedure provided at the meeting and noted the general rules of debate would apply.

**It was moved and seconded to allow nonvoters to speak.**

There was no further discussion

**Motion carried.**

Article 2. To see if the Town shall vote to accept and apply \$2,537,061.00 of miscellaneous revenues, including State Funds for Municipal Revenue-Sharing, Local Road Assistance, Public Library State Aid Per Capita, Civil Emergency Funds (Emergency Management Assistance) Snowmobile Registration Money, Homestead Exemption Reimbursement, Tree Growth Reimbursement, General Assistance Reimbursement, Veteran's Exemption Reimbursement, Cable TV Franchise Fees, and any State grants or other funds as anticipated to be provided by the Maine State Legislature against the total Municipal Budget for fiscal year 2007-2008 as recommended by the Municipal Officers.

**It was moved and seconded to accept Article 2 as written**

Lynn Olson questioned if the town can accept any money in excess of what is included in the \$2,537,061.00, in particular any homestead exception money. Ms. Cabana confirmed yes.

There was no further discussion.

**Article 2 passed as written.**

Articles 3 and 4 involve the transfer of existing funds from the Town's Undesignated Fund Balance ("surplus"). Pass or fail, articles 3 and 4 shall have no impact on the municipal tax commitment. If articles 3 and/or 4 fail, then these articles shall not be funded, and the projects therein shall not be undertaken.

Article 3. To see if the Town shall vote to approve the transfer of \$200,000.00 from the Undesignated Fund Balance to the FYE 2008 budget revenues and appropriate the same for infrastructure improvement program for downtown revitalization, as identified in the Gray Village Master Plan; provided, however, that the infrastructure improvement program for downtown revitalization project shall be contingent upon the aforementioned transfer of funds, as recommended by the Gray Town Council.\*\*

**It was moved and seconded to approve Article 3 as printed.**

Mr. Welch state he thought it was the wrong place to put money was against spending the money in this way.

Janet Neal questioned where the money would be spent; Ms. Neal understood the money was for sidewalks, and if for sidewalks, what would be done at the end of the project. Councilor Upham noted sidewalks were one of the first projects identified in the Village Master Plan for the revitalization of the downtown.

Sam Pfeifle asked what the balance is right now in the undesignated fund. Ms. Cabana noted the only known figure is at the end of the year when there is an audit. Last year there was \$1.7 million excess available. Mitchell Berkowitz asked if the articles as they appear were approved, what would be the total, and based on those figures, where would the fund end up at. Ms. Cabana reported total was \$316,000 and the number from last year's audit was an excess of \$1.7 million.

Mr. Berkowitz asked if there was some concept plan and if it is contingent on getting CDBG block grant. Councilor Crane noted the Town did apply this year for CDBG grant and was not approved, but did receive grant for safe school's program to provide a safe environment. The plan is to improve the downtown area to be better for pedestrian traffic and lay the groundwork to later revitalize the downtown.

Mike Gervais noted there was \$200,000 reduction in paving for roads and now the request is to take \$200,000 from the undesignated fund, questioned the return to be received for sidewalks versus the return for roads.

Pam Wilkinson believed the project to be worthy, but thought the project premature and would like to back up and put stages on the project so that voters can see a beginning and an end. Councilor Crane reported the Town completed a downtown study from \$10,000 grant from the State. That plan is available on the website and hard copies are available. The purpose is to make it safer to cross the street and make it easier for pedestrians to transverse the downtown. Ms. Wilkinson asked if it would be more cost effective to look at timing on the lights and install push buttons for pedestrians. Will Burrell felt there were higher priority projects to be funded. Mr. Pfeifle questioned if there would be enough contingency. Ms Cabana noted the balance that needs to be maintained is two-twelfths of last year's figure plus the percentage increase of this year's budget. At the end of the audit last year the excess over this amount was \$1.7 million.

Mr. Welch questioned if the project had been cleared with the State and questioned why the Town's money was spent for planners to build a plan when there is a planner on staff.

**Fran Monroe moved to amended Article 3 by striking "\$200,000" and replacing with "\$50,000". Motion was seconded.**

**Fran Monroe further moved to amended Article 3 by adding at the end "if a grant for downtown revitalization improvements is denied, the funds to be returned to the undesignated fund." There was no second.**

Ms. Monroe understood the reason the Town did not receive the grant this year was because the Town did not offer any money with the grant application. There is an opportunity to look at more funding and felt \$50,000 would be sufficient to put the Town in a better position to receive the grant. Ms. Wilkinson spoke in favor of the amendment. Ms. Olson spoke against the article and the amendment feeling more study and dialogue on what the project needs to be needs to be completed first.

Mr. Monroe expressed appreciation on what has been done, but felt the work to be completed was too vague and asked who would have the authority to spend the funds. Council Chair Foster noted, if over \$10,000, the Town Council has the authority to expend the money, if less than \$10,000, the Town Manager has the authority. Mr. Monroe questioned what the process would be. Chair Foster reported the next step would be to prepare a request for proposal (RFP) to a minimum of three bidders. The Council would then accept or reject bids at a Town Council meeting. Mr. Monroe questioned if the Village Master Plan Advisory Committee would request funds or what would initiate the spending of the funds. Chair Foster noted in this circumstance the VMPAC would work with the Council to prepare a RFP to delineate certain work to be done in the Village. The Village Master Plan study identified several recommended improvements to the Village and the funds would initiate the improvements.

Ms. West questioned what would happen if the Article passes and the funds are not available in the undesignated fund. Ms. Cabana reported last year with the overall budget in excess of the two twelfths required to be maintained there was an excess of \$1.7 million. This year, we would need to take into consideration the proposed increase. Ms. West questioned if the \$1.6 million is not the account balance but the excess. The answer was yes it was the estimated excess.

**A motion was made and seconded to Move the Question.**

Point of order was called for a vote is required to move the question and would it take more than a simple majority. Mr. Hill noted a two-third vote is required.

**Motion to move the question passed.**

Donny Carroll questioned if the amendment included a request to bring money back if not funded. Mr. Hill noted there was not a second to the motion to return funds.

**Vote on motion to amend Article 3**

**Yes-27, No-44**

**Motion fails.**

Discussion returned to the main question. Mary Bosse spoke against the article as it did not list what would be repaired.

**A motion was made and seconded to Move the Question.**

**Motion to move to a vote failed.**

David Knudsen noted he was not in favor of changing an intersection for an area that is more a major intersection of several large routes than a village, feeling the proposal would back up traffic even more. Ms. Cabana noted the undesignated fund is one lump sum and is not divided. Mr. Fogg noted he had heard rumors funds from the cable account were commingled in this account. Ms. Cabana noted the undesignated fund account is a savings account which is two-twelfths of the budget. There is an account of funds that have been set aside which is a combination of money accounts that are commingled.

Donny Carroll requested clarification how the figures were arrived at and which sidewalks were identified, noting other areas in town where sidewalk improvements are needed. Councilor Upham noted there is approximately \$1.1 million to do the entire work. Sidewalks were identified as the highest priority segment. As the town did not receive funding from CBCOG process, these funds will start the process. Estimates came from established norms used by Maine DOT. Don Crandall questioned how many estimates were obtained and if this is the lowest estimate to get the job done. Chair Foster noted the figure is a budget estimate based on design standards used by MDOT based on value of jobs done for unit of work. Request for pricing would not go out unless the project is approved.

Mr. Welch questioned if any engineering had been used and questioned if the Town had control of a construction project on a State highway. Councilor Upham noted the estimating process involves engineering discipline and includes examination of previous data to take the cost for the units to be performed and apply to the scope of the work. Maine DOT is aware of the work and has applauded the Town's efforts. Ms. Olson noted there are other areas where sidewalk installation and/or repair are needed and feels more study is required before expending funds.

Seeing no further debate, Mr. Hill requested a vote

**Article 3 failed.**

Article 4. To see if the Town shall vote to approve the transfer of \$116,000.00 from the Undesignated Fund Balance to the fiscal year 2008 budget revenues and appropriate the same to FYE 2008's Public Safety Capital Investment Reserves as part of the capital expenditure schedule for FYE 2008; provided, however, that such appropriation for the Public Safety Capital Investment Reserves shall be contingent upon the aforementioned transfer of funds, as recommended by Gray Town Council.\*\*

**It was moved and seconded to approve Article 4 as written.**

Ms. Olson noted the fund to be used to fund fire trucks and should occur. Where normally it would be part of the capital improvement plan, if it does not get passed in this way, it would mean nothing would happen. Mr. Knudsen also spoke in favor of the Article, but questioned if it would be better in the future to have a line item in the budget to build the fund. Mr. Monroe questioned if this was for a replacement vehicle and questioned if money would go to a general account or to a specific account for a specific vehicle. Ms. Cabana noted the fund would go to a commingled account to be used for the capital improvements, in this case, it would be for a rescue vehicle.

Seeing no further debate, Mr. Hill requested a vote

**Article 4 passed as written.**

Article 5. To see if the Town shall vote to approve the transfer of \$200,000.00 from existing reserves known as Penn-cable savings to the FYE 2008 budget, as recommended by the Gray Town Council.\*

**It was moved and seconded to approve Article 5 as written.**

Mr. Carroll asked what the fund would be used for and would it continue to be used for upgrade and improvement of the cable system. Ms. Cabana stated the Town Council had

in the past set aside funds to improve cable TV equipment. The Council has legislative authority for everything except money and any money needs to be appropriated at the Town Meeting. The Cable TV Committee has made a recommendation to make a cable TV department. The proposal is to take the \$200,000 and authorize to spend the money for the overall budget.

Mr. Welch questioned if an ordinance was enacted to direct money collected through cable fees be used for the use of the cable committee and broadcasts and asked if the Town Meeting had the authority to overrule an ordinance. Ms. Cabana explained there was a cable TV ordinance effective in 1981 and amended in 1998. The Council did not have the legislative authority to appropriate the money.

Mr. Crandall asked why create a bureaucracy when the work has been performed by volunteers in the past. Brad Fogg had asked if there was interests in creating a department as the duties were becoming too much of a commitment for volunteers. Mr. Fogg explained the Cable Committee has not been able to maintain full membership and do not have the technical expertise to meet today's technology. Mr. Carroll asked if the \$200,000 was going toward the new department. Ms. Cabana explained it is proposed to go to the overall operating budget.

Mr. Monroe commented the cable franchise fee is a tax, and asked if this would need to be done every year. Mr. Monroe asked how often the Town is paid franchise fees by Time Warner. Ms. Cabana stated \$60,000 is paid once per year. Mr. Monroe asked if the money would go into the same savings account and if the problem would come up again next year. Ms. Cabana explained the money went into the commingled account. When Article 2 was passed, the change was made on how the money is received. Article 2 identified the money to be received and goes to the overall operating budget for next year.

Mr. Crandall noted though, he was happy to have updated audio equipment for the schools and happy to buy and maintain new equipment, he needed cable TV for town meetings and Council needed to reach out to the community to get more volunteers and not create a new bureaucracy. Mr. Hill noted Article 5 dealt with a specific budget item to take from savings account named Penn-cable.

Ms. Olson believed time to formalize cable TV into the budget and noted in the past franchise fees had been recognized as revenues. Ms. Olson noted since the early 80's, practice shows that the funds had been collected and used in this function and believed a formal legal opinion should be obtained and then have citizens change at a referendum. Federal legislation regarding franchise fees is being reviewed and there is the potential for franchise fees ending. Ms. Olson did not believe it was right to set up a department when there is no history on what a department would cost. Leaving the account would finance the committee for 2-3 years if the revenue stream goes away, noting the intent has been to keep the funds restricted. Mr. Pfeifle felt the money should stay, noting the payment allows the cable company to have a monopoly on public airwaves. The money should be left to insure that it is available in the future. Corporate TV producers limit

available information and believe one channel should be kept for the public to assimilate the information the public wants. Mr. Pfeilfe also expressed interest to see live broadcast on the web and to have the expertise to utilize the airwaves for community use.

Ms. Bosse a former Cable TV Committee member noted in the past the Town received money from the franchise fee and left some for the committee. The committee went to the Council and requested the money go into a cable account and leave for just the Cable TV Committee. Ms. Bosse pleased to see the growth under Mr. Fogg's leadership. Ms. Bosse was in favor of forming a department, but not in favor of taking the funds and streaming them into a general account. Ms. Bosse felt the funds should be left dedicated to a cable account. Mr. Thoits was also in favor of a cable department being established, recognizing how difficult it is to get good people to come forward to volunteer. Mr. Thoits asked if it was possible to amend Article 2 to retract the cable fees. Mr. Hill explained it may be moved to amend after the motion on the floor is voted on.

Mr. Welch believed Town should not move to spend the money, but needed to consult the ordinance, Town Charter and State law to see who can do what. Mr. Welch noted it appeared the Town is about to overrule an ordinance and requested legal advice.

A citizen questioned why the account was called Penn-cable. Ms. Cabana explained that was the original cable TV committee. It was questioned on why the Town was making a town department and hoped the change would not bring along more control and interference, that a citizen cable channel would be maintained.

Chair Foster noted only people at a Town Meeting may authorize the expenditure of town money. The expenditure in the past was not done quite right. Looking to the future, without some means to keep cable TV going, the Town will run out of volunteers and will not be able to broadcast at some point. The Town will probably have to have a cable department if the Town wants to continue to broadcast.

**Carol West moved to amend motion to remove "\$200,000" and replace with "\$75,000". Motion was seconded.**

Ms. West explained the amendment would allow cable TV to be funded and paid by the Town. Ms. McHale asked for clarification if the \$60,000 from franchise fees transferred in Article 2 would fund the position for this year. Ms. Cabana explained the article authorized the Town to receive anticipated revenues for next year and to appropriate it; the revenue is not identified specifically for a department more than any other revenue is identified. Ms. McHale questioned if the \$75,000 in addition to the \$60,000 is needed if the sole use is to fund a communication department. Ms. Cabana requested clarification if it is appropriate to make an appropriation for a specific purpose. Mr. Hill noted the amendment is to reduce the transfer from \$200,000 to \$75,000 from the account to the budget. Some people are thinking this transfer coincides with a particular line item. Ms. West noted she did not believe the amendment designated would allow a position to be funded.

Ms. McHale commented she assumed the franchise fees from Article 2 would continue the department, noting the comment in the narrative provided. Ms. Cabana noted the article was provided to give the public a narrative on the new department. The new department may be supported by franchise fees. The intention is not to take specific funds and apply them to a specific department. Councilor Upham noted it is the intent of the Council to sustain the cable TV initiative. The function is whether it is incorporated into the tax base this year or next year. It was looked at funding the department with existing cash this year. Ms. West requested clarification. She understood the \$60,000 was already included in the \$200,000 and is in the account, so the Town is not expecting another \$60,000 until next April. Ms. Cabana noted that was correct. Ms. West noted the intention in the amendment to \$75,000 is to allow the department to be set up and funded this fiscal year since the \$60,000 would not be received until next April. Ms. Olson noted an amendment to Article 2 is not required for the cable TV department to be formed and managed as the funds are in the budget, which is why Ms. Olson feels the fund should be maintained. Ms. Bosse noted if the money is there to set up the department and hire the people needed, she was against the amendment and against the motion.

#### **Motion to amend Article 5 failed**

Discussion returned to the main motion.

Cheryl Welch requested Mr. Hill speak to the legality of the Article.

Ms. West took over as moderator.

Mr. Hill understood it was a resolve of the Council in 1998 that set up the account. Any budget and any expenditure need to be set up by citizens at a Town Meeting. An ordinance generally is not a budget item. If the vote is to transfer money from the savings account to be used by a budget, you have the authority to do so. If there is an ordinance, it would need to be amended through the normal process, but Mr. Hill understood it was a resolve and a resolve may be amended at a Town Meeting.

Jack Goosetrey felt the Article was written wrong. Mr. Goosetrey understood a department would be formed, but the Article does not mention a new department. Mr. Goosetrey questioned if it would be better to change the name of the account to Gray TV and leave the funds where they were. Ms. Cabana noted the department is addressed in either Article 7 or Article 8 and is not tied to the question being considered.

Mr. Berkowitz felt it was not appropriate to move forward and find after the fact the action is illegal and could set up action where tax base would have to be modified. Mr. Berkowitz also questioned if the Article exceeded the authority of the people to act on. Mr. Hill noted he believed a Town Meeting has authority to transfer funds from an account and use in the budget. The only way funds may be authorized is at a Town Meeting. A vote to move funds would be permissible at this meeting. If there is an ordinance, the ordinance is what needs to be acted on. Mr. Welch noted he believed it was an ordinance, which is different than a resolve. Mr. Welch believed legal research on

the ordinance, its effect on the Town Charter, State law and possible tie to the contract with Time Warner needed to be researched. It was requested if the Town Manager had the answer in her research. Janet Neal asked if a ten minute recess was appropriate to find the information. Ms. Neal also asked if it was possible to amend the motion to establish a reserve account. Mr. Hill noted no other action may be taken other than what is in the warrant. An amendment in a dollar amount to amend the amount down is allowed. Ms Cabana noted the meeting may be postponed. Mr. Hill noted the Article 2 was to authorize the Town to accept franchise fees.

**A motion was made and seconded to Move the Question.**

**Vote to call question passed**

**Article 5 failed**

**Yes-21, No-52**

Mr. Hill resumed position of moderator

Article 6. To see if the Town shall vote to fix at \$10,000.00, the Town Council compensation for the upcoming fiscal year (FYE 2008). This appropriation must be voted separately, pursuant to Section 6, Article II of the Town Charter. (This appropriation is included in Article 13).

**It was moved and seconded to approve Article 6 as written.**

No public discussion.

**Article 6 passed.**

**Motion was made to amend Article 2 by striking “cable TV franchise fees”.**

A point of order was called questioning if a vote to reconsider the Article is required first.

**Motion was made and seconded to reconsider Article 2.**

Ms. West did not believe the original Article states where the funds would be applied and urged people to carefully read the article.

A point of order was called and questioned if the merits of the article may be debated on a motion to reconsider.

Chair Foster noted a motion to reconsider is not usually debatable, it is generally voted on. Mr. Hill noted a motion to reconsider is debatable to the same extent the original motion that proposed the article is debatable.

**A motion was made and seconded to Move the Question.**

**Vote to call question passed.**

**Motion to reconsider Article 2 failed.**

Article 7. To see if the Town shall vote to approve, in addition to the sum approved in articles 3 and 4, the sum of \$4,870,033.42 for the FYE 2008 Municipal Budget. If approved as is, the total amount to be raised through local property tax is \$2,132,972.42, as recommended by the Municipal Officers. If article 5 fails or is reduced, then the total maximum amount to be raised through local property tax is \$2,332,972.42.

Mr. Knudsen asked if Articles 3 and 5 offset each other. Councilor Crane noted they did not.

**It was moved and seconded to approve Article 7 as written.**

Ms. Olson stated as \$200,000 from Penn-cable is not in the budget, Article 7 should not be passed and Town should look at individual department expenditures.

Mr. Fogg asked if Article 7 may be taken out of order and go through the remaining articles. Mr. Hill noted preference is to go through Article 7 first.

**Janet Neal moved to amended Article 7 to reduce by \$200,000 from “\$4,870,033.42” to “\$4,670,033.42”. Motion was seconded.**

Ms. Olsen questioned why give Council right to determine where money is spent and preferred to go over the remaining articles to determine where funds may be cut.

Mr. Carroll questioned under the proposed amendment if the final sentence would need to be struck. Mr. Carroll questioned where Article 5 failed, what is the amount to be raised by local property tax. Chair Foster noted the key word is “maximum” and just says the maximum amount. Mr. Carroll questioned what the total amount to be raised in local property taxes. Mr. Hill noted the amount to be raised through local property tax would be the \$2.1 million figure. Chair Foster noted if the Town reduces the amounts the Council would go through the budget and reduce the budget to meet the amount approved.

Mr. Thoits questioned if to reduce the figure by \$200,000 to bring tax back to where it would be minus Article 5, is the proposal to use the \$200,000 in this year’s budget. Councilor Upham clarified what is suggested is total expenditures be reduced by \$200,000 so items identified for expenditure would have to be reduced by that \$200,000, so Council would go back and amend line items to come up with the \$200,000 reduction.

Chris Miller noted if they were just dealing with \$200,000, he would like to defeat the article and go through the budget items one by one. Mr. Welch noted if the budget is passed, the job of the body is over and the job of the Council is over and would go to the Manager to manage what is approved by the community. Chair Foster noted it is part of the Council's duty if budget is amended at a Town Meeting to come up with that number. Anything decided today would then go to referendum in June. So if the amount is changed, the Council would need to be back over the budget and come up with the numbers to meet the amount approved. Mr. Welch questioned if that would mean there would be another public hearing and there is more action necessary at Town Meeting before voters get the final result. Chair Foster noted lines in the budget would be reduced to meet the numbers approved similar to what households do with their budget. The budget is then placed on the ballot for approval of voters. Fran Monroe noted voters will vote on what we come up with today to bring to the ballot box. The functionality of the government would be the same, but the total overall would not include the \$200,000, that is what the people would vote on. Ms. Neal noted the purpose of proposing \$200,000 is to keep it neat, clean and simple without having to go through the remaining articles. If \$200,000 is not what people like, people can entertain another number.

Mr. Monroe noted the Town was breaking new ground this year by voting in the voting booth and questioned what would be seen when the Town votes. Chair Foster noted the ballot will include all the Warrant articles and any amendments that have been approved at today's Town Meeting. Ms. Cabana noted, if Question 7 is passed and Articles 8 through 15 are not considered, then they would not be printed. If the Town considers Articles 8 through 15, then they will be printed. Mr. Monroe questioned if Article 7 is passed in any form, then just a single article relative to the budget would appear on the ballot. Ms. Cabana noted that was correct. Mr. Monroe questioned if Article 7 would appear on the ballot if defeated. Ms. Cabana thought Article 7 would have to appear on the ballot as modified. Mr. Monroe asked if Article 7 would have to appear with some new total which the total of all that appears and Article 7 is passed and the remaining articles are defeated, what would be the results. Ms. Cabana noted if we do not pass a budget on June 12, we would have to go back to the drawing board and hold a Special Town Meeting. Mr. Monroe questioned the potential of conflicting votes. Ms. Cabana noted the Town has passed a Charter amendment that no other community in Maine has. This is new territory and there is no case law that can answer today.

Ms. Olson noted she had identified savings in Articles 8 through 15. The best process is to defeat the amendment and the article and then look at where savings may be made.

It was asked what the budget would say on the ballot and if Articles 8 through 15 would need to be answered with yeses and nos. Chair Foster noted whatever is approved at today's Town Meeting will be put on the ballot, just as the school already does, but they do not have a meeting.

Mr. Hill clarified if Article 7 fails, then Articles 8 through 15 will appear.

**A motion was made and seconded to Move the Question.**

**Vote to call question passed**

**Motion to amend Article 7 failed**

No further public discussion

**Article 7 failed.**

**Yes- 31, No- 37**

*\* The total amount to be raised through local property tax will increase if Article 5 is reduced.*

*\*\* Articles 3 and 4 shall not impact the amount to be raised through property tax.*

**Reference Note:** *Articles 8 through 15 are to be voted on only if Article 7 is not approved.*

Article 8. To see if the Town shall vote to authorize a budget for fiscal year 2007-2008 of \$728,315.65 for Administrative Services, as recommended by the Municipal Officers.

**It was moved and seconded to approve Article 8 as printed.**

Ms. Olson state she had come up with savings to reduce to \$625,578.64 by retaining current Planner and not hiring an engineer, saving \$2,000 of vehicle cost, \$25,000 for miscellaneous services to contract revision of ordinances, telephone account has grown and legal services was spread over different departments. Ms. Olson understood legal cost was increased to \$8,000 and general assistance cost increased three fold, requiring the need for a part time person.

**A motion was moved and seconded to amend Article 8 from “\$728,315.65” to \$625,578.64”.**

Mr. Pfeifle asked what was envisioned for a new economic development department and why should it be funded. Councilor Upham noted the decision was to restructure to streamline and make the process more user friendly to bring enterprise into Town and bring in new revenue. Ms. Cabana noted the new cable TV department is included; interpretive services have increased and the general assistance account reflects what is already spent this year. Other communities have seen increases in this line item. If people come in and qualify, the Town is obligated to provide general assistance by State law. The engineer money was taken from other departments with support of Public Works. Engineer expertise is needed in support of peer review. In regards to the telephone, the current phone system has no voice mail and only two lines. People are often frustrated when they are unable to get through to Town offices or are unable to leave messages. A phone system was looked at to bring phones into today’s technology. Regarding attorney

fees, the attempt was made to identify the cost per department to truly reflect what the costs actually are.

Mr. Miller noted he was in favor of the amendment, noting what is shown is the cost of growth and did not care to see the addition of new departments.

Ms. Olson asked for a point of clarification, she understood the increase in phone was to provide cell phones to two people, line for new phone is in the capital budget.

Mr. Fogg asked if the article passes or is reduced if the Penn-cable account fees not be paid by money raised. Chair Foster clarified the only item on today's Warrant was Article 5 to expend funds in the Penn-cable account. All matters regarding expenditure of money have to be authorized by people at Town Meeting whether there is an ordinance authorizing accounts, the expenditure of any money from those accounts must be approved by voters at Town Meeting. Mr. Fogg questioned the difference in land use fees, recreation fees or waste disposal fees from a cable TV fee, then there is no need to appropriate funds from tax dollars to run the department. Ms. Olson noted Article 2 showed \$60,000 coming into the Town coffers, though not officially tied together we are taking in \$60,000 and then authorizing expenditure of \$45,000, but the \$200,000 Penn-cable account remains.

Mr. Pfeifle asked for point of clarification, if the amendment included the specific line items outlined or just the specific amount listed. Mr. Hill noted it is just the reduction in the amount. Mr. Pfeifle questioned if there is nothing to say they take the franchise money. Chair Foster noted under Maine Moderator Rules just articles are changed not changes to line items. Councilor Upham noted the Town has changed protocol of budget review instead of taking a percentage amount increase by department to a zero based budget for each department. Councilor Crane noted to reduce the amount it will be up to department managers and the Council to determine how the cuts will be done. Ms. Olson questioned if her assumption was right, the cuts will be applied to only administrative departments. The answer was yes.

No further discussion

**Vote on amendment to Article 8 passed.  
Yes-44, No-25**

**Article 8 as amended passed.**

Article 9. To see if the Town shall vote to authorize a budget for fiscal year 2007-2008 of \$1,460,723.44 for **Municipal Finances**, as recommended by the Municipal Officers.

**It was moved and seconded to approve Article 9 as written.**

Ms. Olson noted that because no economic development person and no engineer would be hired, benefit may be reduced by \$5,000.

**It was moved and seconded to amend Article 9 from “\$1,460,723.44” to “\$1,455,723.44”.**

Councilor Libbey noted it has not been determined that new people would not be hired, the vote was to reduce the budget, the actual cuts have not been determined. Mr. Pfeifle asked if motion may be changed to a lower amount. Mr. Hill noted another amendment would need to be entertained.

No further discussion

**Motion to amend Article 9 passed.  
Yes-37, No-29**

Mr. Pfeifle questioned if \$200,000 for downtown revitalization is still reflected in the figures. Chair Foster noted that would not be funded.

**Article 9 as amended passed.**

Article 10. To see if the Town shall vote to authorize a budget for fiscal year 2007-2008 of \$289,921.92 for Leisure And Information Services, as recommended by the Municipal Officers.

**It was moved and seconded to approve Article 10 as written.**

No public discussion.

**Article 10 passed.**

Article 11. To see if the town shall vote to authorize a budget for fiscal year 2007-2008 of \$610,587.54 for Public Safety Services, as recommended by the Municipal Officers.

**It was moved and seconded to approve Article 11 as written.**

Mr. Welch asked if article included funding if the Council decision to move dispatch to Cumberland County is overruled by voters. Chair Foster noted that is not included in the budget and would require a special election if approved.

**Article 11 passed as written.**

Article 12. To see if the town shall vote to authorize a budget for fiscal year 2007-2008 of \$1,672,832.07 for Public Works Services, as recommended by the Municipal Officers.

**It was moved and seconded to approve Article 12 as written.**

Ms. Olson questioned if amount reflected a special grant for striping. It was noted the striping is required for new intersections. Another citizen questioned the need for striping two new intersections if Town accepts bypass. Ms. Monroe questioned why it was necessary for the Town to take over the bypass. Mr. Welch questioned reason to take over striping.

No further public discussion.

**Article 12 passed as written.**

Article 13. To see if the town shall vote to authorize a budget for fiscal year 2007-2008 of \$53,800.00 for Council, Boards and Committees, as recommended by the Municipal Officers.

**It was moved and seconded to approve Article 13 as written.**

Ms. Olson stated two items that can be saved, on Council boards and committee's legal services \$10,000 is too high and Planning Board technical services for traffic studies. Town does not pay for traffic studies, they are funded by developers.

**It was moved and seconded to amend Article 13 from "\$53,800" to \$31,800"**

Councilor Upham noted there are two pending legal cases. Regarding technical services for Planning Board to do comprehensive studies of thorough fares for impact of traffic on the roads where escrow account for traffic studies are for specific projects versus the more comprehensive study. Ms. Cabana reported the increase in \$10,000 was subtracted from a line item in administration to be more fiscally responsible on how we expend money. Pam Wilkinson noted she added up line items for legal and believed it was \$50,000. Ms. Wilkinson did not know the break down on what was expended in the past and asked how much legal has increased. In reference to the engineering study for Route 115, Ms. Wilkinson believed from MDOT rep that a study now may need to do study again in the future. Ms. Cabana noted information for each item that is on the budget is available on the website and packets are available at Town Hall. Chair Foster noted there have been numerous inconsistencies with department regarding expenditures, legal fees may have been charged to administration, and we are trying to do better in means of accounting so each department has its own expenditures so we have better information. Ms. Olson complemented the work to make departments more accountable, but legal has increased this year. Ms. Olson thought some accounting for Pennell, which had been dismissed and will reduce down the amount. If the unexpected should occur, that is what the overlay account is for, but overall the legal account has grown. Ms. Monroe noted some legal expenditures were included and calls personal services. The personal services line came about with the tenure of the last Council and it was almost impossible to take out the legal services portion from other lines and now we are seeing the full face of what

we really spent in the past for legal services. Ms. Monroe believed the change would be incorrect and only other way to save is not to call the Town attorney as often as we do.

Mr. Hill seeing no further public discussion called for a vote.

**Vote on amendment to Article 13 failed.**

**Yes-30, No-33**

**Article 13 passed as written.**

Article 14. To see if the town shall vote to authorize a budget for fiscal year 2007-2008 of \$7,940.00 for Stimson Hall, as recommended by the Municipal Officers.

**It was moved and seconded to approve Article 14 as written.**

Mr. Welch questioned where in the budget money for maintenance was found. Mr. Welch believed this article is just operating expense. Ms. Cabana noted if money is available, it is in the capital budget, but does not believe any money is appropriated this year for Stimson Hall.

Mr. Hill noted no further discussion.

**Article 14 passed as written.**

Article 15. To see if the town shall vote to authorize a budget for fiscal year 2007-2008 of \$45,912.80 for Community Service Agencies, as recommended by the Municipal Officers.

**It was moved and seconded to approved Article 15 as written**

No public discussion.

**Article 15 passed as written.**

Article 16. To see if the Town, subject to subsequent approval at a referendum election, shall authorize the Treasurer and the Town Council, on behalf of the Town, to borrow an amount not to exceed \$3,200,000.00, which amount (including investment earnings thereon) shall be appropriated to finance the design, construction and equipping of (i) a public works garage and (ii) an addition to the Town's solid waste and recycling building, and all other costs related and ancillary thereto and to issue therefore the Town's general obligation bonds (and notes in anticipation thereof), for a term of not greater than thirty (30) years with an average annual interest rate not to exceed 7.00%, with such other terms and

conditions, including provisions for early redemption or prepayment, as the Town Council may approve, as recommended by the Municipal Officers.

### **TREASURER'S CERTIFICATE**

The undersigned Treasurer of the Town of Gray hereby certifies that as of April 13, 2007

1. The total amount of general obligation bonds of the Town of Gray outstanding and unpaid is \$203,817.30.
2. The total amount of general obligation bonds of the Town of Gray authorized but not issued is \$00.
3. The total amount of general obligation bonds of the Town of Gray contemplated to be issued if Article 22 is adopted is \$3,200,000.
4. The anticipated interest rate on the bonds is between 5% and 6%. Assuming issuance of the full \$3,200,000 of bonds to be authorized, level principal payments over a 20 year term and an average annual interest rate of 5.5%, the interest cost associated with the borrowing would be \$1,848,000, which would result in a total cost of principal and interest to be paid at maturity of \$5,048,000.

The foregoing represents an estimate of costs associated with the financing and such estimates will change due to market conditions. The validity of the voters' ratification of the bonds shall not be affected by any errors in the foregoing estimates. The ratification by the voters is nevertheless conclusive and the validity of the bond issue is not affected by reason of any variance of actual costs from the estimates provided hereinabove.

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Treasurer

### **It was moved and seconded to approve Article 16 as written.**

Mr. Welch asked if it would be right next to Public Safety. Answer was yes. Mr. Welch asked if it would allow for future expansion of Public Safety. Chair Foster noted it would not interfere with Public Safety. Mr. Welch reported he had heard rumors Town was considering sale of Dry Mills. Chair Foster reported the issued had been raised, but has not been discussed. Ms. Wilkinson noted meetings is a good form to learn what goes on in town and what the thought processes are and Council learns from citizens and recognize Town Meeting is an important part of our Town process. Public Works and Solid Waste has needed this for a long time and feels this has a lot of merit and we need to support people who support us. Ms. Olson fully supports bond issue for two reasons. The presentation aired on the cable gave a good idea of the working conditions and imagined the annual cost savings because the works can do their job more effectively,

and to be able to give the resources to allow the Town to increase it's recycling. The Town should be embarrassed of the working conditions where the workers need to leave the facility to use a rest room. Char Foster noted the engineers recognized the space constraints and the engineers with Steve and Randy did a good job to fit in everything within our footprint.

Ms. Monroe noted Fiddlehead had acquired an interest rate of four percent and asked why with our A+ rating if there was any way to reduce the rate to six percent. Ms. Cabana requested bond counsel to respond. It was noted the article was drafted to have certain flexibility if something should occur with the markets when bonds are sold. The risk is if at the time of financing the interest rate would have risen. Mr. Berkowitz noted it was unfair to compare Fiddleheads to the Town; they are too different animals and he supported the article. Ms. Monroe stated for clarity, she was surprised Fiddleheads had that capacity and wondered if we have that capacity. Mr. Hill asked for a point of clarification, Ms. Monroe was not making an amendment, but opened the subject up for discussion. Ms. Monroe confirmed that was correct. Ms. Cabana noted the rate currently being looked at is 4.25 to 4.50, but there is no guarantee that will be the rate when we out to bond.

No further public discussion

**Article 16 passed as written.**

Article 17. (By ballot) To see if the Town shall vote to increase the property tax levy limit of \$1,774,828.83 established for the Town of Gray by State law to \$2,743,545.53, as recommended by the Municipal Officers.

**It was moved and seconded to accept Article 17 as written.**

Mr. Hill noted for information purposes the final Article 17, under State statute, if you are to raise the amount, it would need to be voted on by written vote, and if passes. would need to go on the ballot. Ms. Cabana noted the budget as proposed initially was in excess of our limit and with the changes and recent amendments are still over the limit. In fiscal year 2004-2005 there was a significant amount of capital improvements and \$838,180 came from the undesignated fund balance and that year the tax rate dropped because we took excess money to help fund the budget. The next year the limit was affected and we had to go back to past years to determine an amount we can grow our budget. This established an unrealistic limit to expect the Town to grow. What is proposed is what the number would have been if the \$838,180 had not been taken from savings to fund that base in 2004-2005.

Ms. Monroe noted she had two ballots and asked if anyone else had more than one ballot. Mr. Hill noted someone had left and left the ballot and can not accept the ballot. Only those here and present will be able to put in a ballot.

Mr. Hill read Article 17

**It was moved and seconded to accept article 17 as written.**

Ms. Neal asked what the consequence of voting no was, noting LD1 requires if the tax base goes up we need additional voter approval. If we do not set that new base, what is impact on the budget we are to approve. What additional approval would be needed to exceed this year's growth. Ms. Cabana noted budget is over the LD limit \$333,146. That does not include the bond just approved, which would be about \$350,000. If we do not override the LD limit, we will need to go back and look at items to reduce. Mr. Hill noted an analogy if an applicant to a planning board met all of the requirements it is a forgone conclusion the applicant would be approved. You have approved everything that will appear on the ballot. If Article 17 is not approved, we would need to go back to the drawing board to get below the limit. Mr. Miller questioned the ongoing nature of the change.

**It was moved and seconded to amend Article 17 by inserting after Town shall vote to increase "for fiscal year 2008".**

Point of order was called questioning if that means to exceed should appear.

Mr. Hill did not believe it is in the orders. Mr. Knudsen noted he understood that this is just an upper limit and Town government can not spend money unless approved by voters at Town Meeting. Chair Foster noted one issue is the bond and without the bond we exceed the LD1 limit. Mr. Knudsen asked if we voted on the original article as written, we would not get that much money, it is only what is approved and will vote against the amendment. Chair Foster noted this does establish the cap. Mr. Neal understood the explanation the Town of Gray was in a bad position when the base line was set, as the years go along as the Town's tax rate exceeds the LD1 limit and the citizens acknowledge what we are doing here are forever changing the base. Ms. Cabana noted we may set a new limit or vote to exceed the limit. Ms. Neal asked if we could just vote to exceed the limit this year rather than set a new base. Councilor Upham noted it is a finance issue. If we need to establish a long-term bond package, then we need to establish a new tax levy limit or we would be trapped and have to accept this article every year for the next twenty years. Chair Foster noted the \$830,000 applied to a local commitment assumes that amount of money is available every year to apply to commitment, and the Town evaluation has reduced revenue sharing \$150,000 and the bond issue all have contributed to the need to exceed the limit. Mr. Carroll noted he was no fan of LD1 and its impact on municipalities. This Town has voted in past years to take "surplus" money. The intent was to give citizens the ability to vote to exceed that based on what municipalities vote at that time, not to go back and change our base years so we do not have to vote every year. If we take a few minutes each year, we should take the few minutes and supported the motion to make one year to exceed and to exceed only the amount we need to cover for this year. Steve Bunker agreed with the amendment. The idea is to have local citizens control their town and decisions, even if inconvenient to

revisit that decision each year, is favorable. Councilor Upham cautioned if there is a reduction in revenue stream, we would need to revisit budget.

Another citizen asked if possible to raise LD1 to \$640,000, understanding there is some level of uncertainty and asked why article is written to raise \$937,000. Councilor Upham noted this assume a bond is received and assumes laniary increase in inflation. If we exceed next year because of growth in expenditures we would still need to vote to exceed LD1. It was asked if \$640,000 is needed over LD1 for what was just approved and for the bond. Chair Foster noted we are establishing a new base line so we would not have to go through this again in another year. The desire is to adjust enough so we would not have to adjust in another year or two.

Ms. Olson noted inflation is built into the formula and should be handled by what is currently in the structure. A report on LD1 status notes towns such as Gray that have used excess accounts would need to vote to exceed its limits. Ms. Olson believed there is no fiscal impact from the bond in fiscal year 08, and believed article against the original intent of the law. Chair Foster clarified this is just to establish a cap, not to request money.

**Chris Miller withdrew original amendment.**

**Mr. Miller moved to amend Article 17 to strike “increase” and replace with “exceed the property tax limit”.**

Mr. Hill noted they need to know the exact amount not to exceed. Councilor Upham noted if fiscal 07/08 does not include money for the bond referendum, then we are not authorized to execute the bond. Ms. Cabana noted; the bond could be executed. Mr. Berkowitz noted in long-term debt service he believed there was a certain amount of money for interest payment only. We need to understand the bond would have some amount of interest in the fiscal year. We can get an exact amount. The figure will probably be \$85-90,000 interest for any amount borrowed after July 1<sup>st</sup>. Ms. Cabana noted a dollar amount was not needed. Mr. Berkowitz understood current base is \$1.7 million; action of warrant articles increase \$334,000, and add \$90,000 for interest only payments, \$2.2 million is the increase we are resetting at this year, and next year we will have to have this discussion as we will have the bond.

**Mr. Miller withdrew his motion to amend.**

**It was moved and seconded to amend Article 17 by striking “\$2,743,543.33” and replacing with “\$2,200,000.00”**

Ms. Neal requested clarification, amendment no longer to exceed limit for this year, but is now to set a new base, does State allow town’s to reset their base. Mr. Hill responded. Yes, it just makes it more difficult to change it. Chair Foster noted that if this year’s budget was identical to the penny as presented last year, it would have exceeded the LD1 limit because of differences in growth and revenue.

**Motion to amend Article 17 passed**

Mr. Hill noted need to vote on motion by ballot and Ms West will collect the ballots. To be sure you are a vote, at the time of handing in the ballot; also show your green card.

**Article 17 as amended passed.**

**Yes-52, No-10**

**The Town Meeting was recessed at 1:31 p.m. by Moderator Michael Hill until Tuesday, June 12 at 6:00 a.m. at Newbegin Gym where the Meeting would be reconvened and the annual Election shall be held.**

Minutes approved and accepted this May 15, 2007 by its Town Council:

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Gary C. Foster, Chair

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Andy J. Upham, Vice Chair

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Marchian Crane, Jr.

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Alison Libbey