

**BOARD OF SELECTMEN  
MINUTES OF MEETING  
September 26, 2016**

**Present:** Chair, Ladleah Dunn, Arthur Durity, Cathy Hardy, David Barrows, Keryn Laite, Jr. and Temporary Town Administrator, Jodi Hanson

The quote was read by Selectman Barrows.

**1. Citizens' Forum:**

Gina Sawyer, Lincolnville Resident, came forward and introduced herself and explained that she is running for the vacant position on the Select Board.

**2. Administrator's Report:**

Jodi Hanson, Temporary Town Administrator, reported:

- Select Board Meeting: The next meeting will be on Tuesday, October 11<sup>th</sup> at 6pm.
- Property Taxes: Reminder that the first half property taxes are due October 5, 2016.
- Dog Licenses: Dog licenses will be available starting October 17, 2016 online, through the Town's web site and at the Town Office during regular business hours. All dog licenses need to be renewed by the end of December.
- Paving: Hagar Enterprises is scheduled to start paving on either September 28<sup>th</sup> or September 29<sup>th</sup>. If not completed by September 30<sup>th</sup>, the town could collect up to \$250 a day.

**3. Meetings & Announcements:**

Jodi Hanson, Temporary Town Administrator read the upcoming meetings.

**4. Upcoming Community Events:**

There will be an open house at The Spouter Inn Bed and Breakfast at 2506 Atlantic Highway from 12:00pm to 2pm on September 28<sup>th</sup> in observance of National Good Neighbor Day. Please stop by and meet the new owners Erin & Don Shirley.

5. **Meeting Minutes:**

Durity made a motion that the Board approve the September 12, 2016 meeting minutes as amended. Laite seconded the motion. The motion passed on a 5-0-0 vote.

6. **Planning Board Secretary – Recommended Candidate for Hire:**

Dunn explained that we as a town had some preliminary interviews and identified a candidate that would be appropriate and best fit for the position. There will be a 6 month probationary position.

Nancy Wesser came forward and explained that four weeks ago she became the Searsmont Planning Board Secretary.

Durity made a motion to appoint Nancy Wesser to position of Recording Secretary for the Planning Board for a 6-month probationary period at a rate of pay will begin at \$20.00 an hour. Barrows seconded the motion. The motion passed on a 5-0-0 vote.

The Board thanked Nancy Wesser for attending the meeting.

7. **Temporary Town Administrator Pay Rate Discussion:**

Dunn stated it is time to compensate Jodi as she is executing two full time jobs. Jodi provided the Board with a proposal.

Hardy thanked Jodi Hanson for stepping up, doing a great job, working late nights and weekends.

Durity made a motion to set the rate of pay of Jodi Hanson at \$30.89 per hour for the time period that she serves as Temporary Town Administrator, with such hourly rate to be effective retroactive to August 29, 2016, the date she was appointed Temporary Town Administrator by the Board of Selectmen. Barrows seconded the motion. The motion passed on a 5-0-0 vote.

8. **Route 1 Committee – Ducktrap Village Speed Limit Discussion:**

Chris Osgood, Chair of the Lincolnville Route 1 Advisory Committee, stated, “Since October 2015, there have been over three meetings to discussing the action of writing a letter to MDOT to reduce the speed over the bridge. When the bridge was raised and repaved, it made sense that the speed would be faster by traffic. Once the bridge was done, MDOT put in two speed limit signs at either end of the bridge, oddly, they stayed there for a few years, and then they were pulled out and never replaced. As I looked at

previous communication, there was something from a former MDOT person saying that it should be a 35 mph at the bridge, and that's why they put the signs where they did. I didn't find anything that notes any particular agreement, but lots of notes requesting lower speed limits through Ducktrap.

Osgood would like the town's support and asked that the town write a letter to MDOT and ask that they return the speed limit signs to reinstate the 35 mph through the Ducktrap Bridge.

Dunn asked if the Rt. 1 Advisory group would be able to uncover the work order that had been issued to remove those signs, to identify a point in time that references the particular signs, the particular place and time.

Osgood will check to see if he can get some sort of written report from the committee about what they remember.

Dunn stated that the Board is not opposed to this idea, but it would be helpful to have a suggested motion to empower the chair and town manager to draft a letter to MDOT.

Dunn suggested that Osgood consolidate the information and get that back to the Board, which would be very helpful.

**9. 6:30 PM – Public Hearing on a Warrant Article Scheduled for Referendum Vote on November 8, 2016:**

**Hardy made a motion that the Board opened the public hearing concerning the referendum question that will be presented to the voters on November 8<sup>th</sup>. Durity seconded the motion. The motion passed on a 5-0-0 vote.**

The actual wording of the ballot question:

*To see if the Town will vote to authorize the Board of Directors of the Mid-Coast Solid Waste Corporation to enter into a contract for up to 5 years to dispose of Municipal Solid Waste to commence on or about April 1, 2018, for the fixed price of \$57.85 per ton plus annual increases in the Consumer Price index and on such other terms and conditions that the Board of Directors deem appropriate, with ecomaine, a non-profit corporation owned solely by municipalities and located in Portland, Maine.*

There were no public comments.

**Hardy made a motion that the Board close the public hearing. Durity seconded the motion. The motion passed on a 5-0-0 vote.**

**10. Solar Energy Project – Update Provided by the Lincolnville Energy Team:**

Attorney Bill Kelly represents several municipalities and has looked at three other deals in the past between Camden and Belfast and now Lincolnville. His job was not to change the good work of the committee, but to look at some of the details, should there be any issues in the future.

Two of the main areas that he has worked on, were not obvious in the document, was to make sure that there was a set price in year seven, if the town wishes to purchase the facility; the town would know what the price is.

Kelly explained, “You might think that with looking at the document and the schedule that was attached, in Exhibit 4, that those were the purchase price numbers. Not really. It’s not a trick; it’s just the way that the document reads. Those numbers have a bearing on a variety of issues, but what the IRS requires, with the various number of complicated tax credits that are involved, is that the purchase price be at fair market value in year seven, should you wish to do that. ReVision is happy to have a set price for you to purchase the equipment in year seven, but it cannot set that fixed price right now for the benefits that it wishes to as part of the deal. So one of the things that we have is a Gift Letter and it has already been drafted. The gist of it is that if the town decides to purchase the facility in year seven, you know what your price is. I have had some issues with other negotiations with larger facilities; it’s a big deal, to know exactly what the purchase price is going to be.”

Kelly also explained, “If the town elects to purchase this in year seven, it’s a fixed price, \$56,786 and if the town has to pay more, then ReVision would gift that back to the town. In a couple of these I have negotiated, this is just happening in year seven, and that's important. If you know you are going to buy it, you know the price, and year seven is the year. Everything you give over \$56,786 you will get back. If you wait until year eight, that's not the deal anymore, it's whatever the fair market is. Quite frankly, ReVision wants you to buy it in year seven, so they are working with you through this arrangement to do that.”

Kelly stated, “Second issue of importance was the taxation issue for the value of this facility. Of concern in this document is that the town is responsible for paying the property tax for this facility, which could be a lot of money over the course of the life of the facility, and there has been some discussion whether ReVision has been able to take these and file for as the owner of the solar array, for the first seven years at least, whether this qualifies in the State of Maine for a program called BETE. That's an acronym and the long and short of it is we would like them to do that, meaning the town of Lincolnville, because you want them to be responsible for the taxes and you’re perfectly happy if they can get an exemption in the state law.”

Kelly stated, “One of my goals, and I have done this before, is to minimize the

likelihood that the town is going to have to pay any personal property tax on this, even though the contract says you're supposed to. The contract says ReVision has to because they are stuck with the situation that they have to own it during the first seven years. We used language in the statute that if the town has some kind of interest in the array now, even if they don't own it yet, then it gives us the one window of opportunity under the statute to not tax yourself, or because under this contract ReVision is not paying personal property tax. So the language in there says that ReVision is pledging an interest in the array to the town, and by doing that we are satisfying a statutory exception such that there will be no personal property tax that the town has to pay for this.

Kelly also stated, "Those are the two things of substance I brought to the table and they were most important. I reviewed the document to make sure it was reasonable and what you would expect to see. I would just reference to you, this is a new format for me, fourth time around, in terms of structure, and is easier to me because no longer does ReVision seek an easement in the town land, instead what you are going to do is give them a license to use the town land. It won't be registered in the registry, and a license is a lesser quality, so to speak, set of rights, and unfortunately we have had to have more complicated documents in other towns because of needing easements and getting recorded in registries, more difficult to break. This is a better situation for the town. The second thing I would note is that where this array is going is a general location based on depictions in the contract. If the town decides in 3,4,5 years to move it, you have the right. You have to pay to move it, but you have the right to do that if the fire department's land becomes more important for another use. Some people get nervous that it's a 20-year document, but there is flexibility, and options to extend in five-year increments if desired, increasing flexibility."

Kelly finished by saying, "So while the Select Board is executing the document tonight, in part because it appears it won't be until October 11 that you have a town meeting, ReVision needs to know this is moving forward and they need to start ordering equipment, this document states very clearly that the Select Board will take a vote, authorize the chair to execute it, but not a contract until town meeting. Then it's a done deal. Usually the Select Board has the ability to sign up for electricity without a town vote, but this is a license and it's different. It's on town property, which kicks it over to a need for town vote."

The Board thanked Bill Kelly for his excellent summary.

Cindy Dunham, Chair of the Energy Committee read the following letter:

A proposal is currently set in such a way as there will be no added tax to town residents and to do this with minimal risk now and in the future. This proposal is time sensitive, and would be most beneficial if started before December 31. In order to take advantage of this offer, we are asking the Select Board to hold a SPECIAL TOWN MEETING on October 11, 2016.

At the end of the last meeting, you encouraged us to work through a number of details, especially of those details that would normally be handled by the town administrator. I think one of the challenges at the last minute is that we flooded you all with a lot of information. To do better, I have been designated as the chairperson and I am going to be the one to update you tonight, but there are a whole bunch of talented people in the audience who can answer your questions.

We have been busy at work since the last work. Our committee contacted 12 other towns that have experience with municipal solar electricity generation. Those towns were asked, among other things, their experiences with ReVision Energy, steps taken to bring solar projects to a signed agreement, their approach to the buyout option, legal review of the Power Purchase Agreement, their lease arrangement and perceived risk from changing state policy on net metering. The entire matrix, along with a summary, was in your packet.

We found the survey extremely helpful and gave us insights to the entire process. It helped to identify Bill Kelly as well as wording for the Town Warrant Article. It also helped us to more fully understand why a few projects did not work out on their first go-around.

Last week, ReVision Energy's PPA was submitted to Bill and the town for review. The Energy Review Committee has continued working on the budget plan, and we hope that we have prepared something suitable. We also hope that with the additional two weeks you have had to study the overwhelming amount of information you have received, you are in a better position to ask us more questions.

This past week, John Williams ran some more scenarios, which looked at four cost options for purchasing electricity over the next 14 years. The most expensive option is to buy the solar array outright. The second most expensive is to continue doing business with CMP. Third is buying solar electricity through the PPA through ReVision without the buyout. And the least expensive option and also the most beneficial after year 15 is the PPA with the buyout in year 7. After the buyout, it could save the town between \$150,000 and \$300,000.

We talked with reps from both the Budget Committee and the Town Financial Advisory Team, and nobody expressed serious concerns about the project or the proposed budget options. It might be worthwhile to get an outside financial review just to check on things, but we hope that that process would not hold up the project.

Future budget and energy projections are always a risk however with the option of continuing to purchase our own power for up to 30 years; we are also creating some budget stability.

Last spring when talking to David Kinney about the subject, or the challenge of the state's lack of solar policy, he responded that everything has risks and the future of the

electricity market overall has great uncertainty. He strongly encouraged us to proceed with the project regardless of the state policy climate. The current warranty from ReVision also helps to alleviate some of the town's risk from future changes to the net energy billing policy. While we have not identified any one project manager, Jim and Andy Oliver are willing to act as co-managers. They are prepared to be on-site as needed during installation and to serve as the contact to communicate with ReVision. In addition, I am happy to serve as the voice of the Energy Review Committee, and Dunn has graciously offered to be the liaison with the town office.

The fire department is on board with this project, and they hope that representatives of our energy committee can meet with them prior to a town vote. They have been included in the discussions since the site was first reviewed, and the chief and the Lincolnville Fire Department, Inc. president are willing to attend the town meeting and voice their support. The Conservation Commission is also in support of the project, and has been included in many of the discussions and Rich Smith is an official liaison between the Energy Review Committee and the Conservation Commission.

This municipal solar energy concept, including the PPA, is not easy to articulate or is something with which people are familiar. If you approve the go-ahead, we will do our best to get the word out and help educate the community members about the proposal.

We know many residents of Lincolnville are excited about the idea of local, renewable energy, and without a big upfront cost or tax increase, it is a really appealing project. We continue to strongly believe that using renewable local energy is a great opportunity for Lincolnville, not only financially but also for the benefit of future generations. I hope you feel comfortable enough to call for a special town meeting on October 11 to discuss and vote on Lincolnville's solar energy project proposal.

Dunn thanked Cindy Dunham.

**Durity made a motion to authorize the chairperson of the Select Board to sign a long term Solar Power Purchase Agreement with ReVision Investment, LLC in the form presented to the Select Board tonight, September 26, 2016, subject to the ratification and approval of the voters in a Special Town Meeting. Barrows seconded the motion. The motion passed on 5-0-0 vote.**

**Dunn made a motion that the Town will vote to authorize the Board of Selectmen to negotiate a solar power purchase agreement, including related license and easement agreements, between the Town and ReVision Investments, LLC of Portland, Maine, or its nominee, for the installation of a solar electric array at the Town's Fire Department located at 470 Camden Road (a portion of Tax Map 20, Lot 14) for a term not to exceed 30 years on such further terms and conditions as the Board of Selectmen determines to be in the Town's best interests, and to execute such agreement, including related license and easement agreements;**

provided, however, that the Board of Selectmen shall first (i) engage a professionally recognized solar energy consultant to review the business terms and perform a risk analysis of the agreement; and (ii) may conduct a public hearing on the transaction once the terms of the agreement, including related license and easement agreements, have been tentatively agreed to by the Board of ReVision Investments, LLC, or its nominee. Laite seconded the motion. The motion passed on a 5-0-0 vote.

11. Treasurer's and Payroll Warrant(s) & Coombs/Griffin Trust– Approve and Sign:

Hardy made a motion that the Board approve the Coombs/Griffin Trust, Treasurer's and Payroll warrants. Laite seconded the motion. The motion passed on a 5-0-0 vote.

12. Adjourn:

Durity made a motion to adjourn. Laite seconded the motion. The motion passed on a 5-0-0 vote.

Respectfully submitted,

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Melissa A. Geary  
Administrative Assistant