

Carrabassett Valley Selectmen's Meeting

4:30 p.m. Monday December 19th, 2016 at the Town Office

Agenda:

Review and sign 2016 Payroll Warrant(s):

Review and sign 2016 Town Expenditure Warrant(s):

1. **MINUTES** of the previous Selectmen's meeting (November 28th, 2016): attached.

2. **REQUEST FROM SNOWFIELD PRODUCTIONS (WSKI) TO RECEIVE AN INCREASE IN THE PERCENTAGE OF THE CABLE TV FRANCHISE FEES THAT THE TOWN COLLECTS:** Nadene McLeod from WSKI will be present to request an increase in this percentage from the current 25% to 30%. Based on the total of the last two semi-annual payments (\$38,068) received from Cable TV franchise fees this would represent an increase from \$9,517 to \$11,421 or \$1,904. For all practical purposes, WSKI is the Town's Public Access Channel. The loss of a couple of more substantial advertisers is the explanation we have been told for the requested increase.

3. **REQUEST FOR A 2017 CDBG 'MICRO-ENTERPRISE BUSINESS ASSISTANCE GRANT' APPLICATION FROM 'WINTERSTICK' (SNOWBOARDS).** This company, located in the old golf course clubhouse, currently employs two full-time and three part-time employees. They are requesting that the Town apply for \$50,000 from this grant funding that would enable them to hire an additional two full-time employees. The grant funding would pay for \$35,000 in needed equipment and \$15,000 in building improvements. As was the case with Town's successful 2016 Micro-Enterprise Business Assistance Grant a 'Letter of Intent' to apply needs to be sent to the State of Maine Dept. of Economic and Community Development by the first Friday of January (Jan. 6th, 2017 deadline). If agreed, the Board should approve moving forward with the 'Letter of Intent' and the grant application process.

If the 'Letter of Intent' is accepted by the State the Town is then approved to make a grant application (essentially, this is a screening process to make sure initially, that the project meets the grant criteria). If this grant application moves forward the Town will need to approve the grant application, etc. (at the March Town Meeting) and two public hearings will be needed. There is \$700,000 statewide available from this Community Development Block Grant. The Town received \$135,000 from this amount in 2016's allocation. This grant application would request \$50,000.

4. **UPDATE ON AIRPORT FUEL FARM PROJECT:** The construction is completed (we anticipate receiving an invoice soon from the contractor). We are in the process of

contracting with a Credit Card Service Company (that accepts State WEX cards) and getting fuel delivery for Aviation Fuel (100 low lead). We anticipate receiving a full day training session very soon that will involve additional people from the Airport Committee. We are not able to obtain "MOGAS" a.k.a. non-ethanol gas until spring. We hope to be able to sell aviation fuel within two to three weeks.

- 5. POTENTIAL 2017/18 AIRPORT CAPITAL IMPROVEMENT PROJECTS: RUNWAY PAVEMENT CRACK SEALING AND OBSTRUCTION (TREE) REMOVAL PROJECTS:** The Airport Committee is recommending moving ahead with these projects which would need to be approved by the Town (March Town Meeting). Please find attached the cost estimate for these projects which are combined over two years. The combined cost estimate over the two years is \$268,000 with the Town being responsible for 5% or \$13,400. We've been told by our consultants that the estimates are conservative and actual costs are expected to be lower. As part of moving forward with the engineering for these projects we are required to obtain an 'Independent Engineering Estimate' (which will provide comparable pricing).

As in the past, in order to be eligible for grant funding from the Federal Aviation Administration (FAA) projects must be engineered and put out to bid with bids received at the time of the grant application deadline (May 1st of every year). Unfortunately, this requires the municipalities or airports involved to front the cost of some of the engineering prior to applying for the grant. Prior to the grant application municipalities and their airport consultants go through an extensive dialogue and process with the FAA and are "pretty much" (although not 100% guaranteed) assured of receiving a grant.

In our case, the FAA is requiring us to do the pavement crack sealing and the obstruction projects as two separate projects. However (good news) they are allowing us to complete most of the permitting related work associated with the obstruction removal project as part of the pavement crack sealing project. This will allow us to do this work in 2017 and be reimbursed for it in 2017 (prior to applying for the 2018 May 1 grant application for the obstruction removal project).

To secure F.A.A. funding for these projects we will need to expend approximately \$20,000 in engineering costs in January for the design, bidding and Admin. for the Crack Sealing project. We will explain the various cost components of both projects at the meeting.

- 6. POTENTIAL \$200,000 GOLF COURSE IMPROVEMENT PROJECT:** (Also, see attached summary). As part of the discussion with the Golf Course Greens Committee concerning capital improvement needs at the Golf Course, Sugarloaf Management has produced an 'Asset Allocation' spreadsheet that shows all capital maintenance items (cart paths, sand traps, pump station, etc.) that, over fifteen years, show the amount of capital maintenance costs that may be needed (\$1,088,000 "in a perfect world so to speak").

The spreadsheet shows the total golf course asset value at \$4,663,000. We will provide copies of this spreadsheet at the meeting (it's on Ledger sized paper).

This "Asset Allocation" information is being discussed as part of the negotiation between the Town and Sugarloaf for making changes to the Golf Course Lease with Sugarloaf. The Town authorized the Board of Selectmen to make changes to the "lease that relates to cost sharing with regards to both "Extraordinary Maintenance" and the Golf Course Reserve Fund".

As part of this discussion a proposal is being advanced to undertake a \$200,000 project at the Golf Course that would accomplish the following:

- Practice Range: \$80,000--conceptual estimate to rebuild what has been labeled as the worst piece of the golf course. Cost would include irrigation, fill, etc..
- Greens Covers: \$80,000 (\$60,000 for the impermeable covers which get replaced every 15 years and \$20,000 for the "evergreen" covers which get replaced every 5 years)
- Cart Paths: \$40,000 (make this work until 2020/21).

These items appear to be biggest capital maintenance needs for the next five years at the Town-owned golf course. This five-year period also coincides with the expiration of Sugarloaf's lease payments for the year 2000 \$800,000 golf course improvement project. These payments, paid entirely by Sugarloaf expire as follows: 2020: \$33,141 per year and 2021: \$32,564 per year or approximately \$65,000 per year.

The proposal is to borrow \$200,000 over 5 years (the least amount of time allowed with Maine Bond Bank). Attached is a recent printout of a five-year amortization schedule. As you can see it's about \$41,600 per year. However, interest rates are going up and this may change.

The current proposal is for the Town to pay \$30,000 and Sugarloaf \$10,000 a year during this five year loan period. Currently, there is approximately \$55,000 in the Golf Course Reserve with both the Town and Sugarloaf contributing \$5,000 per year into this fund. The proposal calls for eliminating putting money into the Reserve for the next five years until the five-year note is paid off.

The thinking behind the 3 to 1 debt repayment (\$30,000 versus \$10,000) over the next five years is that currently Sugarloaf is paying \$135,800 per year and the Town \$97,200 per year (\$38,600 difference per year) for debt repayment for previous golf course improvement projects (the new Clubhouse, Irrigation System project and the 2000 year project improvements).

The Town (voters) would need to approve this \$200,000 project. It is believed that this project would cover the next five year's most needed capital improvements at the golf

course now (to be completed in 2017). It would more evenly distribute the debt requirements between the Town and Sugarloaf (for the Town's asset) for the next five years. Approximately \$55,000 would still remain the Golf Course Reserve Fund and at the expiration of some of Sugarloaf's lease payment requirements (\$65,000) in 2021 they would then hopefully be in a better position to contribute more matching funds to the Town to support future needed capital improvements at the golf course.

- 7. MOUNTAIN BIKE TRAIL DEVELOPMENT FUNDING FOR 2017:** We are meeting with the Mountain Bike Trail Committee on December 16th to start to firm up recommendations for funding trail development and maintenance in 2017. Based on that meeting we will report Town funding and matching funding recommendations.

- 8. EMPLOYEE HEALTH INSURANCE COSTS:** Health Care Insurance costs continue to escalate (for most everyone) and the Town's Employee Health Care Insurance cost is going up 11.2% in 2017. We are reviewing some options for the Selectmen to consider to possibly reduce some of the increased cost such as having both the Town and the Employee pay for one-half of the annual increase (which employees currently pay for in their share of dependent cost) or dropping down in coverage (higher deductibles and maximum out of pocket costs). We have met with the employees and we will discuss these options at the meeting. We have attached some related information that we will explain at the meeting.

- 9. EXECUTIVE SESSION TO DISCUSS EMPLOYEE EVALUATIONS:** As allowed under M.R.S.A. Title 1, Section 405 (6A). A vote to go into and out of executive session (and time in and time out) must be recorded.

- 10. DISCUSSION OF POSSIBLE INFLATIONARY INCREASES FOR TOWN EMPLOYEES FOR 2017:** The latest Consumer Price Index (Northeast) increase is 1.5 or 1.6%. We will provide salary information at the meeting. Any wage adjustments recommended by the Board of Selectmen will be included in the proposed 2017 Municipal Budget which will be reviewed by the Budget Committee.

11. INFORMATIONAL:

Next Selectmen's Meeting: Jan. 9th?? (2nd Monday)

Budget Committee Meetings: Tuesday Jan. 24th?? and, necessary Jan. 26th??

**TOWN OF CARRABASSETT VALLEY
MINUTES OF SELECTMEN'S MEETING
November 14, 2016**

Board Members Present:	John Beaupre Tom Butler	Jay Reynolds Bob Luce
Others Present:	Dave Cota Bill May	Martha Blackburn

John Beaupre opened the meeting at 4:39 p.m. and welcomed those present.

Payroll warrants #53 for \$21,500.14 was reviewed and signed by Selectmen.

Expense warrant #54 for \$82,020.31 was reviewed and signed by Selectmen.

A public hearing was held for the purpose of reviewing a request for a liquor license. Martha Blackburn and Bill May, representing Slopeside Provisions, were in attendance. They will be open from 10:30 am to 7pm, doing sandwiches, rotisserie chickens, appetizer foods and other take-out items. They will have a full bar available, with seating for just under 30 people. They hope to open on December 9th. Long-term, they would like to have delivery to condos. Jay Reynolds made a motion to approve the license. Tom Butler seconded the motion. Motion approved.

The minutes of the November 14, 2016 Selectmen's Meeting were reviewed. A motion was made by John Beaupre to accept the minutes as written. Jay Reynolds seconded the motion. Motion approved.

Dave Cota said that everyone needs to RSVP for the December 10 event at the new Competition Center at 2:30 p.m.

Dave would like to get together with Bob and John to discuss the Golf Course reserve.

Jay Reynolds said that he's getting some complaints about the condition of Route 27. Dave Cota added that there was a fatality last night on Route 27, north of the mountain but that appeared to be "an elevation event" in terms of icy conditions and MDOT cannot be blamed for every "bad road" condition event. However, Dave wants to get a meeting with the MDOT to discuss who is in charge of checking the roads daily now and he hopes to confirm something this week, and he would like to have the CV Police Department patrol the roads early in the mornings if necessary.

Dave will do some checking to see when he can schedule the next meeting. He's meeting with employees on Dec. 7th to discuss possible options for dealing with the continued health insurance premium increases which will be 11% in 2017.

Meeting adjourned.
Respectfully submitted,

Lynn Schnorr



ENGINEER'S CONSTRUCTION COST ESTIMATE

Airport: Sugarloaf Regional Airport
Project: Airport Crack Sealing, Crack Repair, Permitting and Obstruction Analysis
Phase: Preliminary

AP No. 3-23-0013-05
 Hoyle Tanner Project No. 390207
 Project Engineer: TJA
 Date of Estimate: 10/27/2016
 Revised: 12/13/2016

Airport Crack Repair/Sealing and Marking & Obstruction Analysis (FY 2017)

Base Bid Item No.	Description	Unit	Quantity	Unit Cost	Cost
P-001-1	Seal All Cracks on Airport Pavements (Approx. 22,000 LF)	LS	1	\$20,000.00	\$20,000.00
P-001-2	Crack Repair on Airport Pavement (Approx. 1,200 LF)	LF	1,200	\$45.00	\$54,000.00
P-620-1	Pavement Painting (Existing Runway and Taxiway Markings)	SF	6,500	\$2.00	\$13,000.00
P-620-1	Pavement Marking Removal	SF	500	\$5.00	\$2,500.00

Estimated Total Construction Cost \$89,500.00
Estimated Project Admin. \$8,000.00
Estimated Design and Data Collection (Crack Sealing) \$10,000.00
Estimated Obstruction Analysis and Physical Marking (Obstructions) \$25,000.00
Estimated Wetland Delineation and VP Surveys (Obstruction) \$15,000.00
Estimated Wetland Permitting: If needed (Obstruction) \$15,000.00
Estimated Licensed Forester: Marking in Buffer Areas (Obstruction) \$5,000.00
Estimated Bidding (Crack Sealing) \$6,000.00
Estimated Construction Admin. (Crack Sealing) \$6,000.00
Estimated Resident (Crack Sealing) \$12,000.00
Estimated Closeout \$4,000.00

Rounded Total Cost (FY17) **\$198,000**
 FAA 90% \$176,400
 State 5% \$9,800
 Town 5% \$9,800

Obstruction Removal (FY 2018)

Item No.	Description	Unit	Quantity	Unit Cost	Cost
G-001-1	Mobilization	LS	1	\$10,000.00	\$10,000.00
P-151-1	Clearing	AC	2	\$5,000.00	\$10,000.00
P-151-2	Clearing Single Tree Equal to or Less than 24" in Diameter	EA	25	\$300.00	\$7,500.00
P-151-3	Clearing Single Tree Greater than 24" in Diameter	EA	10	\$500.00	\$5,000.00
P-152-3	Clearing In/linear Wetlands	AC	1.0	\$5,000.00	\$5,000.00
P-156-3	Silt Fence	LF	1,000	\$4.00	\$4,000.00

Estimated Total Construction Cost \$41,500.00
Estimated Project Admin. \$6,000.00
Estimated Obstruction Removal Design (Plan and Specs) \$30,000.00
Estimated Bidding (Obstruction) \$6,000.00
Estimated Construction Admin. (Obstruction) \$15,000.00
Estimated Resident (Obstruction) \$15,000.00
Estimated Closeout \$4,000.00

Rounded Total Cost (FY18) **\$72,000**
 FAA 90% \$64,800
 State 5% \$3,600
 Town 5% \$3,600

Total of FY17 and FY18 **\$288,000.00**
 FAA 90% \$241,200
 State 5% \$13,400
 Town 5% \$13,400

5

Summary of Proposed \$200,000 Golf Course Improvement Project—December 2016

\$200,000 Project to create Golf Course Improvements until 2020/21 when \$65,000 in Sugarloaf golf course debt (part of their lease payments) is retired. Project would make the following improvements that are thought to be the most important over the next five years:

- Reconstruct Practice Range (functionally and visually not to up the Standards of the golf course)
- Provide New Greens Cover System: To improve condition of the greens in the spring, allowing earlier and better spring opening, less resources to bring the greens back to suitable condition in the spring allowing more resources to be expended on the rest of the golf course.
- Repair Cart Paths: Hopefully, enough to get by for 4-5 years.

5-Year \$200,000 Note to be paid: \$30,000/yr. Town and \$10,000/yr. Sugarloaf

- Would bring annual Golf Course Related Debt to \$145,800 Sugarloaf and \$127,200 Town.

Both Town and Sugarloaf would paid new debt for five years and discontinue expending \$5,000 each into the Golf Course Reserve Fund.

- Current Balance of \$55,000 in this Reserve would remain.

Other Rationale for the Project:

- In 2020 and 2012, \$65,000 in current debt owed by Sugarloaf (as part of the requirements of the current golf course lease) expires. This should present an opportunity at that time for the Town and Sugarloaf to negotiate additional funding for the Golf Course Reserve to be able to make needed capital improvements.
- The addition of this \$200,000 project at this time would help the Sugarloaf Golf Course maintain its status as one of the 100 best golf courses in the country and help maintain and hopefully improve market share in a difficult golf competition and growth environment.
- The Golf Course is the Town's Asset.

Town of Carrabasset Valley Health Insurance PPO 500 Plan

	<u>2016</u>		<u>2017</u>		<u>Increase Difference</u>		<u>50% of Difference</u>
<u>2017 Rates for PPO 500 Plan:</u>							
Single Coverage	\$ 9,416	\$	10,475	\$	1,059	\$	530
Family Coverage	\$ 21,121	\$	23,497	\$	2,376	\$	1,188
Dependent Cost (family minus single coverage)	\$ 11,705	\$	13,022	\$	1,377	\$	658

**2017 Cost Sharing with 1/2
increase in annual premium:**

Employee Cost: Single (1/2 increase in annual premium)	\$ -	\$	530	\$	530		
Employee Cost: Family (family: 50% dependent plus 1/2 increase in premium)	\$ 5,853	\$	7,041	\$	1,188		20.30%
Town Cost: Family (family: minus 50% dependent cost plus 1/2 of increase in premium)	\$ 15,268	\$	16,456	\$	1,188		7.80%
Town Cost: Single (inc. 1/2 cost of annual premium increase)	\$ 9,416	\$	9,946	\$	530		5.60%

Cost of Different MMA Health Plans

	Single Premium Cost (100% Town)	Family Premium Cost	Town Share Family Premium	Employee Share Family Premium	Deductibles	Co-Insurance	Maximum Out of Pocket Costs
Health Plan:							
PPO 500	\$ 10,475	\$ 23,497	\$ 16,986	\$ 6,511	500/1,000	20%	1,500/3,000
PPO 1000	\$ 10,032	\$ 22,504	\$ 16,268	\$ 6,236	1,000/2,000	20%	2,000/4,000
Savings from 500 Plan	\$ 443	\$ 993	\$ 718	\$ 275			
PPO 1500	\$ 9,103	\$ 20,424	\$ 14,764	\$ 5,660	1,500/3,000	20%	3,000/6,000
Savings from 500 Plan	\$ 1,372	\$ 3,073	\$ 2,222	\$ 851			
PPO 2500	\$ 8,314	\$ 18,648	\$ 13,481	\$ 5,167	2500/5000	20%	3,500/7,000
Savings from 500 Plan	\$ 2,161	\$ 4,849	\$ 3,505	\$ 1,344			

Potential Savings and Exposure to Switch to PPO 2500 Plan (lowest plan)

Town Savings	Employee Savings	Exposure:	Exposure:
PPO 2500 Plan	PPO 2500 Plan	Deductible	Out of Pocket
(2017 Rates)	(2017 Rates)	Difference	Difference

Single Coverage:

1 @ \$2,161		3 @ \$2,000 = \$6,000	3 @ \$2,000 = \$6,000
(100% Town)	1 @ \$1,512		
	1 @ \$2,161 (School)		

Family Coverage 5 @ \$3,505 = \$17,525 5 @ \$1,344 = \$6,720 5 @ \$4,000 = \$20,000 5 @ \$4,000 = \$20,000

Total Savings **\$23,359** **\$6,720** **\$26,000** **\$26,000**

(Includes \$2,161 from School Dept.)

Total Exposure: **\$52,000** (includes \$4,000 from School Dept.)