

Carrabassett Valley Selectmen's Meeting

3:30 p.m. Monday September 24th, 2018 at the Town Office

Agenda:

Review and sign 2018 Payroll Warrants:

Review and sign 2018 Town Expenditure Warrants:

1. **MINUTES FROM PREVIOUS MEETING:** (September 24, 2018 attached).

2. **3:30 P.M. DISCUSSION CONCERNING THE OPTION OF HIRING A CONSTRUCTION MANAGEMENT COMPANY TO PROVIDE PRE-CONSTRUCTION AND CONSTRUCTION SERVICES TO BUILD THE PROPOSED NEW "MOUNTAIN FIRE STATION":** John Blanchard from H.E. Callahan Co. will be present to explain how this option works. This is informational as the Fire Station Committee and Board of Selectmen continue to explore options to construct this facility should the Voters of the Town vote to build a new Mt. Fire Station. As you know, over the past three years the voters have approved funding for a new fire station (\$190,000 to date) and have approved expending some of these funds for planning purposes. The other two options for construction are the tradition method of hiring an architect/engineering firm to design the building and then going out to bid and a "Design/Build" option (developing a basic set of specifications and going out to bid where the contractor builds the building and hires the architect/engineering sufficient to complete the project and provide the necessary "stamped plans" to meet State Fire Marshall's Office approval).

John was our contact person from H.E. Callahan when the Town's Community Center building was built (through a construction management contract). Regardless of which design and construction option is chosen it is anticipated that these services will go out to bid.

3. **MAINE DEPARTMENT OF LABOR AWARD FOR THE FIRE DEPARTMENT:** Mike LaPlante of the Maine Dept. of Labor will be present their 'Shape Award' to Fire Chief Courtney Knapp and our Fire Department. This represents many hours of work to receive this prestigious Safety and Health Award.

4. **PROPOSED FOURTH AMENDMENT TO THE GOLF COURSE LEASE WITH SUGARLOAF:** Going Back to 2015, the Golf Course Greens Committee has discussed changing the Golf Course Lease with Sugarloaf to reflect the "current realities" of operating the golf course. As an outcome of that discussion, we have attached the proposed fourth golf course lease amendment and corresponding information explaining some of the history regarding these proposed changes. The changes include changing the "Extraordinary Maintenance" threshold amount (the amount that Sugarloaf has to pay for a "single

incident of golf course maintenance” before funds would come from the Golf Course Reserve Fund) from \$25,000 in 2000 plus the C.P.I. since then to \$10,000. Another change is to require Sugarloaf to pay \$10,000 for five years for the debt service on the 2017 \$200,000 golf course project and bond (which they paid in 2017). This amendment took a while to go through Boyne due to their change in now owning Sugarloaf. The Town has previously voted to authorize the Selectmen to approve a lease amendment.

- 5. SALE OF 5,000 SQUARE FEET OF TOWN OWNED LAND IN BACK OF A LOT ON RT. 27:** Similar to eleven other lot sales which the Board has approved over the past twelve years, Ross Horn the owner of Map 9 lot 66 wishes to purchase a 100'x50' piece of land abutting the back of his property to make his lot “conforming” to Town Land Use Standards. We have previously sold the other lots for \$3,000 each and required the landowner to pay survey and deed costs. Please find attached a copy of previous correspondence that was sent to all the landowners in that area (abutting the original Town Lot).
- 6. TWO-YEAR BID RESULTS TO PLOW ALL TOWN ROADS AND PARKING LOTS:** Please see the attached Bid Result Spreadsheet. We have talked to two of the apparent lower bidders and feel reasonably comfortable concerning their equipment, experience and manpower to do the job. We have their bid sheets that list their equipment, etc. if you wish to see them also. The Board will need to award these contracts.
- 7. ENGINEERING FOR DRAINAGE IMPROVEMENTS FOR THE OUTDOOR CENTER ROAD:** We currently working on revising the scope of work and costs associated with designing a replacement for large stream culvert crossing on the Outdoor Center Road that has caused considerable damage to that road during the two big rain events over a six-year period and may have additional information at the meeting.
- 8. INFORMATIONAL:**
 - The Marijuana Business Ordinance Committee is meeting at 6:00 p.m. on Tuesday September 25th at the Town Office.
 - The Carrabassett Valley Mountain Bike Trail Committee will be meeting at 1:00 p.m. on Friday September 28 at the Town Office.

**TOWN OF CARRABASSETT VALLEY
MINUTES OF SELECTMEN'S MEETING
September 10, 2018**

Board Members Present: **Bob Luce** **Jay Reynolds**
 Karen Campbell **Lloyd Cuttler**

Others Present: **Dave Cota** **Courtney Knapp**
 Tim Flight **Jess Beer**

Lloyd Cuttler opened the meeting at 4:00 p.m. and welcomed those present.

Payroll Warrant #33 and #35 for \$40,390.58 and \$30,617.05, respectively, were reviewed and signed by the Selectmen.

Expense Warrant #34 and #36 for \$470,384.37 and \$406,410.95, respectively, were reviewed and signed by the Selectmen.

~~The Minutes of the August 13, 2018 Selectmen's Meeting were reviewed. Jay Reynolds made a motion to approve the minutes as written. Karen Campbell seconded the motion. Motion approved.~~

While waiting for other members to arrive, Dave Cota reviewed Informational items.

Informational:

- There will be a forum over Homecoming Weekend concerning "Losing Winter: Climate Change in Ski Country and what we can do about it" sponsored by the Citizens' Climate Lobby of Maine. This will be held at the Outdoor Center on October 6th.
- The Marijuana Ordinance Advisory Committee will be meeting tomorrow night at 6pm at the Library. Both Jay Reynolds and Lloyd Cuttler are on this committee, along with six other people. There's a lot of work to be done on the matter.
- The next Selectmen's Meeting is September 24th.

Dave Cota addressed the need to get an engineered design for culvert replacement and related improvements to the stream crossing on the Outdoor Center Road. Last year, when we had the serious flooding, there was a large portion of the road lost, costing as much as \$5,000. One engineering quote came in quite high, but Dave would like to revisit this with another firm that he's worked with. He'll bring more info to the next meeting, with perhaps a plan to put the project out to bid in the spring.

Maine Huts & Trails has requested a "frontload" of \$6,000 for use of the Marooka machine in exchange for the Town's use of the machine for 120 hours. At this time, the Town rents a backhoe for the mountain bike trail program. The Town would insure it, and MH & T would be responsible for any capital repairs to the machine. There's a fair amount of work to be done by

the Town in October, so there's a need for it, and hopefully it will be ready by that time. Jay Reynolds made a motion to repair the machine in accordance with the agreement on the lease. Karen Campbell seconded the motion. Motion approved.

Dave Cota reviewed bids for the new 35kw generator with transfer switch for the Outdoor Center, in accordance with the recommendation put forth by Courtney Knapp. The Town has appropriated up to \$25,000. Jordan Lumber came in with the lowest bid at \$17,988. Sugarloaf will be donating the electrician hours to hook this up. Lloyd Cuttler made a motion to accept Jordan Lumber's bid. Jay Reynolds seconded the motion. Motion approved.

Dave Cota had a call from Charlie Woodworth of the Greater Franklin Development Council. They are requesting existing TIF money in the County accounts to support the GFDC organization for the remainder of their fiscal year. The GFDC is the economic development organization for the county. They've asked for Carrabassett's letter of support to the county commissioners. Bob Luce explained that, when the county budget was done, this was left out, and there was not a way to add it back in. Bob agrees that the initiatives undertaken by GFDC could be very important for the county, going forward, and there needs to be a presence to help bring businesses into Franklin County. Lloyd Cuttler made a motion to send a letter of support. Jay Reynolds seconded the motion. Motion approved.

Dave Cota updated the Selectmen on the financing and process involved with the proposed new "Mountain" Fire Station. He outlined potential Maine Municipal Bond Bank financing. Additionally, he's waiting for a Memorandum of Agreement from Boyne for a long-term land lease (which looks favorable. The reserve is currently \$190,000. The project is going cost roughly \$1M. With the financing \$750,000, the debt service would likely be less than the \$60,000 annually that the Town has been putting in to this reserve. Once the Selectmen are prepared to start looking at how to put this project out to bid, several options could be looked at (Design Build versus Construction Management versus traditional). Bob Luce said that there's a fair amount of information to be compiled for the March town meeting, and there's still the Memorandum of Understanding that needs to come along from Boyne should the Board consider doing this project in 2018 which is still to be determined. Courtney added that he, Dave and John Tobias visited Buckfield, and their building really fits Carrabassett Valley's needs. He thinks there is potential for savings by using those plans for design. Engineering would be needed for siting the property. Dave Cota suggested a meeting of the Fire Station Committee and Selectmen. The goal is to keep the project moving forward, at least in some capacity. Bob Luce said that the MOU needs to be in place prior to sending any money on the project.

The Campbell Field Bridge will be done this week. The work on the approaches is being completed at this time. Dave Cota reported that it appears that FEMA will be providing funding for the Narrow Gauge Trail and Huston Brook Bridge, to the tune of \$65,000. They will fund the Outdoor Center funds of \$6,600 (plus \$1,300 from the State). On the Campbell Field Bridge, there's an indication that FEMA will be paying \$151,000 (plus \$30,000 from the State). These numbers have not yet been confirmed, but Dave is very hopeful. With regard to the Munzer Bridge redecking work, the Selectmen would like the bridge open at Homecoming, if it's started prior to Homecoming.

Dave Cota reported that he's going to the Maine Municipal Convention this year and requested Selectmen's signatures on voting rights at their annual meeting.

Dave Cota is looking at the Town's investment accounts. There are two banks very interested in reviewing the accounts and potentially making a proposal to the Town. Dave will meet with them and report back to the Selectmen long before anything moves forward. The two accounts that exist are earning very low interest rates. He invited any interested Selectperson to attend these meetings and Bob Luce has agreed to participate.

Meeting adjourned.

Respectfully submitted,
Lynn Schnorr

**FOURTH AMENDMENT TO
AMENDED AND RESTATED LEASE**

This Fourth Amendment (“Fourth Amendment”) is made and entered into this ___ day of June, 2018 (the “Effective Date”), by and between the Inhabitants of the Town of Carrabassett Valley, a body corporate under the laws of the State of Maine (the “TOWN”), and Sugarloaf Mountain Corporation, a corporation existing under the laws of the State of Maine, whose address is Route 27, Carrabassett Valley, Maine (“LESSEE”).

WITNESSETH:

WHEREAS, the TOWN and the LESSEE entered into that certain Amended and Restated Lease dated November 16, 2003 (the “Original Lease”). The Original Lease was amended by (i) that certain First Amendment to Amended and Restated Lease dated July 26, 2004, (ii) that certain Second Amendment to Amended and Restated Lease dated October 25, 2004, and (iii) that certain Third Amendment to Amended and Restated Lease dated May 24, 2012. The Original Lease, as so amended, is referred to herein as the “Lease”.

WHEREAS, the TOWN and LESSEE desire to amend the Lease.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt whereof is hereby acknowledged, the parties hereto agree as follows:

1. Definitions: Terms not expressly defined herein shall otherwise have the meaning given them as set forth in the Lease.

2. Extraordinary Maintenance Threshold: The second paragraph of Article IV, Section A of the Lease shall be amended and restated in its entirety to read as follows:

“Extraordinary Maintenance” shall be defined as any single incident of golf course maintenance which costs in excess of \$10,000.00 and would, in the ordinary course of LESSEE’s business, be treated as a capital expenditure on LESSEE’s balance sheet. To the extent that the cost of any such Extraordinary Maintenance exceeds \$10,000.00, then any such excess cost shall be paid by the TOWN solely from funds contained in the Capital Reserve Account. In the event that there are insufficient funds in the Capital Reserve Account to pay such excess cost, then to the extent of such insufficiency, the cost shall be shared equally by the TOWN and LESSEE. Payments from the Capital Reserve Account shall be made to LESSEE within five (5) business days of invoice.

3. Base Rent: In addition to the Base Rent set forth in the Lease, LESSEE shall pay the TOWN annually \$10,000.00 for five (5) years commencing on _____, 2017 and with the last such payment being made on _____, 2021 to cover portions of the cost of the 2017 capital maintenance project.

4. Terms and Provisions of Lease. Except as specifically modified by the provisions of this Fourth Amendment, the terms, conditions and provisions of the Lease shall remain in full force and effect.

5. Representations and Warranties. LESSEE hereby represents and warrants to the TOWN that, to the best of its knowledge as of the date hereof, it is in full compliance with the Lease and all of the provisions thereof, and no event of default has occurred, nor has the LESSEE committed any act or omitted to undertake any act such that with the passage of time, any such act or omission to act shall be or become an event of default.

6. Applicable Law; Severability. This Fourth Amendment is made under the applicable laws of the State of Maine and if any term, clause, provision, part or portion of this Fourth Amendment shall be adjudged invalid or illegal for any reason the validity of any other part or portion of this Fourth Amendment shall not be affected thereby and any invalid or illegal term, clause, provision, part or portion shall be deleted and ignored as if the same had not been written.

7. Due Authorization. TOWN and LESSEE each represent and warrant to the other that the execution, delivery and performance by them of this Fourth Amendment and each of the transactions contemplated hereby have been authorized by all necessary corporate (in the case of LESSEE) or municipal (in the case of TOWN) actions.

IN WITNESS WHEREOF, the parties have caused this Fourth Amendment to be executed as of the ____ day of June, 2018.

TOWN OF CARRABASSETT VALLEY

Witness

By: _____
Its:
Printed Name:

SUGARLOAF MOUNTAIN
CORPORATION

Witness

By: _____
Its:
Printed Name:

Dave Cota

From: Strunk, Sarah <sstrunk@sugarloaf.com>
Sent: Tuesday, August 14, 2018 2:56 PM
To: 'towncvtm@roadrunner.com'
Cc: Strand, Karl
Subject: FW: Golf Course Lease Amendment
Attachments: Fourth Amendment to Amended and Restated Lease FS draft 6.6.18.doc

Hi Dave,

Attached is the updated golf course lease for your review.

Best regards,

Sarah Strunk

Sugarloafer since 1975

Executive Assistant
5092 Access Rd
Carrabassett Valley, ME 04947
p: (207)-237-6903



SUGARLOAF

From: Dave Cota <towncvtm@roadrunner.com>
Sent: Monday, August 28, 2017 2:35 PM
To: Strand, Karl <kstrand@sugarloaf.com>
Subject: Golf Course Lease Amendment

Hi Karl:

As we have discussed, the Town and Sugarloaf have been discussing making a few changes to the Golf Course Lease. I'll try to keep this simple.

Having said that, the following are issues I'm aware of right now that can be resolved with a letter and some that will need to be addressed in a lease amendment (#4??).

Issue #1: Please refer to the attached Discussion Sheet (which we discussed originally in December of 2015). This discussion led to you (Sugarloaf) presenting a long-term capital maintenance/project spread sheet and, in turn, led to agreement to fund a \$200,000 2017 golf course project consisting of rebuilding the practice range, paving cart paths and purchasing new greens covers. The agreement (verbal) called for the Town to secure a five-year \$200,000 note and the Town to pay \$30,000 and Sugarloaf \$10,000 a year to pay off the note (the interest payments will come from the Golf Course Reserve Fund). Lease amendment #3 Section C. allows the Town and Sugarloaf to agree to pay an annual lease payment more or less than the original and amended lease "rents" in writing. We may want to that or include it in a lease amendment #4.

Issue #2: In the lease discussion it became obvious that the golf course revenue (and expenses) are not what they were at the time of the original amended lease (2000) and that the threshold provision for the “Extraordinary Maintenance” provision in Article IV Section A was no longer workable. As written, when a single incident of “extraordinary maintenance” (as defined) occurs Sugarloaf is responsible for paying the first \$25,000 plus adjusted for the Consumer Price Index since then. I haven’t done the math but my guess is that this threshold number is now over \$50,000 or more. We agreed to change that number to \$10,000 as of the date of a lease amendment (a question remains as to whether or not we add a CPI index to the \$10,000??).

Issue #3: We discussed either better defining “Extraordinary Maintenance” or replacing it with “Capital Maintenance/Repairs” and defining it (versus regular maintenance). Some of the items we discussed were: Cart Path Restoration (versus patching), sand trap restoration (versus adding sand), green covers replacement, flood damage or other acts of nature. Cost of equipment and equipment repair are Sugarloaf’s responsibly as part of regular maintenance.

I have only included a copy of the ‘Discussion Sheet’ we looked at (Dec. 2015). I can send copies of the original lease and the three amendments to Foster or whomever. As you know, we have spent approximately \$172,000 of the \$200,000 loan leaving the remaining funds for purchase of the greens covers.

Please let me know where you want to go with this. Thank you.

A more complicated question is whether or not we want to incorporate the Original Lease (year 2000) with Amendments #1,#2,#3 with what will now be amendment #4 into one document (anxious to hear what Foster has to say).

dave

Dave Cota
Town Manager
Town Office, 1001 Carriage Rd
Carrabassett Valley, ME 04947
207-235-2645
towncvtm@roadrunner.com

Discussion Regarding the Golf Course Lease December 2015

The Original Lease is now going into its 16th year. Recent discussions involved in Golf Course Greens Committee meetings and Selectmen's meetings have indicated a desire to have Sugarloaf and Town "heads of state" to meet and discuss possible options going to forward to provide funding for Capital Maintenance and Capital Projects on the golf course. The discussion may need to focus on the continued financial position of the golf course operations and how to fund ongoing Capital Projects and Capital Maintenance and what should the cost sharing formula look like between Sugarloaf and the Town going forward.

We have enclosed the following background lease information in hopes that it helps the discussion (if you would like copies of the full golf course lease and amendments please let us know).

- Brief (one page) Outline of the History of the Golf Course Lease since 2000.
- Copy of the provisions for "Maintenance" (including the original Capital Reserve \$15,000 contribution provision) and "Extraordinary Maintenance" in the Original Lease
- Copy of the change to the Capital Reserve provision in the Third Amendment to the Golf Course Lease.
- Copy of Sugarloaf's (Lessee's) and the Town's (Lessor's) maintenance responsibilities regarding the new Clubhouse.
- Copy of the (Jan. 2015) Town Debt Service Payment Schedule and Sugarloaf's cost sharing for the golf course related projects to date (\$135,787 payments for 2015).

The following are some questions that may help the discussion:

1. What is Sugarloaf's real Profit and Loss Statement information and financial position on the operation of the golf course??

Does it include Sugarloaf's Debt Service Payments for the Golf Course (\$135,787 in 2015)? Does it include all related Revenues (food, beverage, and lodging etc.)?

2. Does the "Extraordinary Maintenance" Provision in the Lease with or without the \$25,000 (plus the C.P.I. since 2000) threshold continue to work. If not, how do we replace it??
3. How do we fund "Capital Improvements" and "Capital Maintenance" Projects going forward??
4. What is considered Capital Maintenance and who pays (cart paths, pump house irrigation system pumps and related equipment, sand trap reconstruction, major bridge repair, flood damage, etc.).
5. At what level should each party fund the Golf Course Reserve??

Brief Overview of the History of the Sugarloaf Golf Club Lease and Lease Amendments---December 2015

The following is brief overview of the history of the golf course lease and Subsequent amendments between the Town of Carrabassett Valley and Sugarloaf Mountain Corp. from November 2000 to the present (December 2015) written by Town Manager Dave Cota. It is not intended to include all lease items and the reader should read the original lease and amendments for more specific information.

Original Amended Lease November 2000: Intended to provide a long-term lease to accommodate and justify completion of an \$800,000 project to provide general improvements to the golf course.

- Lease to run to November 2023 with ten-year option to renew.
- Sugarloaf was responsible for construction of improvements (paved cart paths, rebuilt sand traps, drainage improvements, building driving range, woods clearing, and acquisition of maintenance garage).
- Sugarloaf responsible for all debt service payments as part of long-term lease
- Continued "extraordinary maintenance" provision with Sugarloaf responsible for paying the first \$25,000 plus the annual CPI adjustment for "any single incident of golf course maintenance in excess of \$25,000. All expenses over the \$25,000 (plus annual CPI) to be paid from the Capital Reserve Account.

First Amendment to Lease July 2004: To finance the construction of a new golf course clubhouse.

- Provisions for responsibilities for operation and maintenance and capital maintenance.
- Town to pay 62.5% of debt payments and Sugarloaf the remaining 37.5%.

Second Amend to Lease October 2004: To construct and maintain the new Practice Putting Green.

- Town received a permanent easement for site.
- Town paid for construction (golf course reserve).
- Sugarloaf responsible for maintenance.

Third Amendment to Lease May 2012: To construct and finance the new Golf Course Irrigation System.

- Town and Sugarloaf to each pay 50% of the Debt Service.
- Sugarloaf to pay operating and maintenance costs (excluding "extraordinary maintenance" provision).

July 12th, 2007

Re: Purchasing abutting land from the Town of Carrabassett Valley

Dear:

You are being contacted because you own land on Rt. 27 in Carrabassett Valley that abuts the Town of Carrabassett Valley "Town" public lot. The Town of Carrabassett Valley has agreed to sell approximately 5000 sq.ft. of land from the Town's public lot to abutting Rt. 27 lot owners who may wish to purchase additional back land. In most cases, the additional land will make these Rt. 27 lots "conforming" to the town's land use ordinance requirements and may allow owners to build further back from the road, and provide greater distance between well and septic, etc. Most of these Rt.27 lots are approximately 15,000 sq.ft. in size (please see attached map). These lots are "grandfathered" in terms of the Town's land use ordinances which means you have the right to expand your building(s) size up to 25% of the building surface foot print area based on the size of your building(s) in 1986. If your lot becomes "conforming" or 20,000 sq.ft., your building(s) can be expanded up to 30% of the lot size provided all setback requirements are met. The Code Enforcement Officer has indicated that although some lots (with an additional 5,000 sq.ft.) may still fall slightly short of 20,000 sq.ft. the Town will "honor" these lots as "conforming" lots (20,000 sq.ft.) and will place a letter in the lot file to that effect.

The Board, through an independent land appraisal, has established the price of this land to be based on \$3,000 for 5,000 sq.ft. and to prorate any differences

We have received interest from several landowners who seek to purchase this additional land. We are requiring interested landowners to pay for the survey cost (and the corresponding deed description). We would prefer that the Town's Attorney write up the Deed (exceptions can be made) once the deed description is submitted and that cost will also be the responsibility of the buyer. The landowner will also be responsible for recording fees and State of Maine Transfer taxes.

Acme Engineering of Farmington, Maine is currently surveying several of these lots and they can be contacted at 207-778-4081 (Randy Collins or Eric Lockman). If interested, you will be responsible for initiating the call to the surveyor.

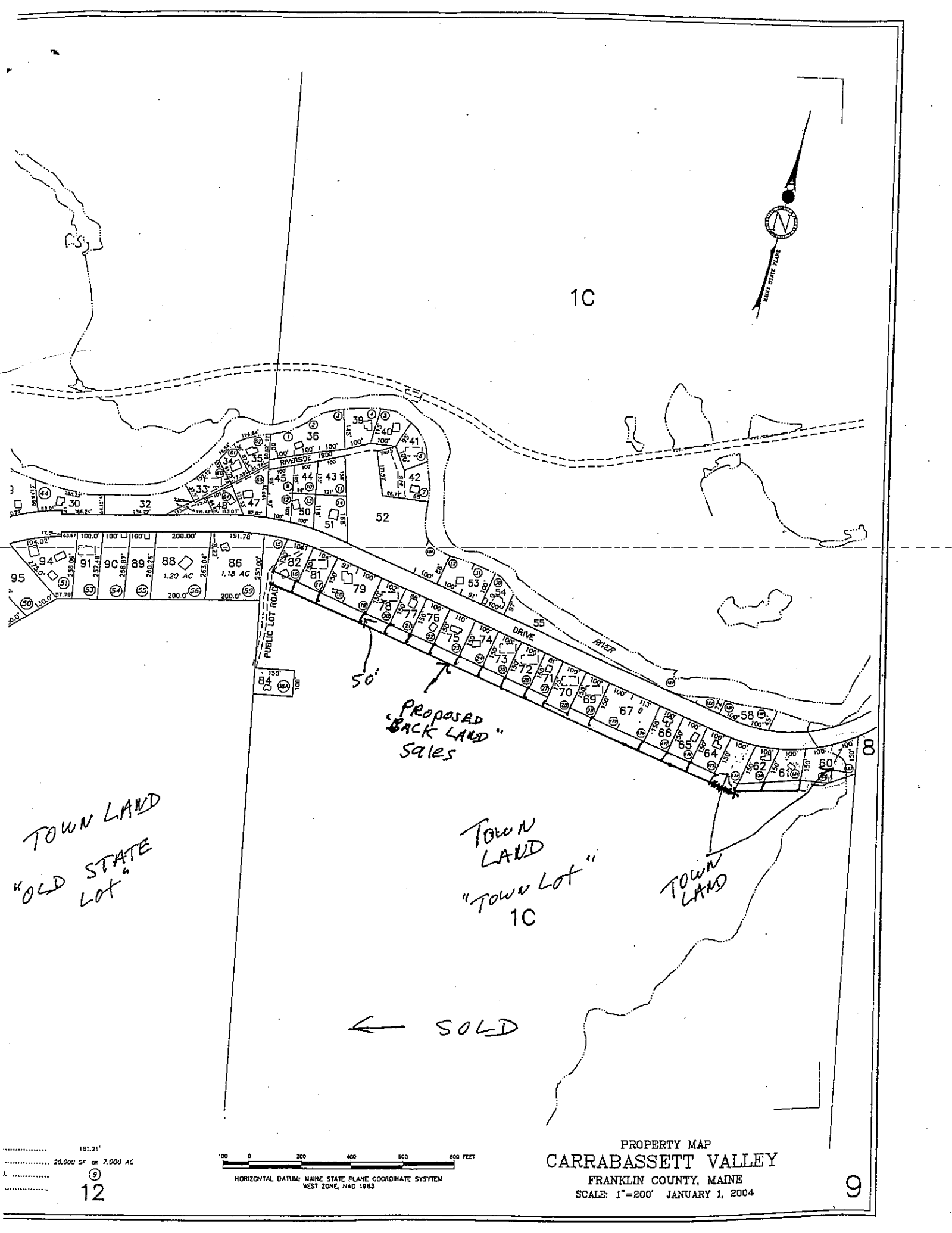
The Board is making this offer available in 2007. If completed in future years, prices may change. It's not the Board's intent to get into the real estate business but they wish to assist landowners abutting the Town's public lot to acquire enough land to bring the size of their lots up to "conforming" status. If you do not need or wish to accept this offer we completely understand.

If you do wish to pursue this offer or if you have any questions or concerns please feel free to contact me at the Town Office at 207-235-2645 or email me at towncvtm@adelphia.net .
Thank you.

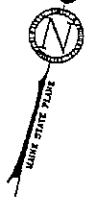
Sincerely,

David E. Cota
Town Manager

Cc. Board of Selectmen



1C



TOWN LAND
"OLD STATE LOT"

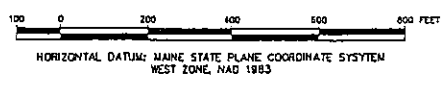
50'
↑
PROPOSED
"BACK LAND"
SALES

TOWN LAND
"TOWN LOT"
1C

TOWN LAND

← SOLD

161.21'
20,000 SF OR 7,000 AC
③
12



PROPERTY MAP
CARRABASSETT VALLEY
FRANKLIN COUNTY, MAINE
SCALE: 1"=200' JANUARY 1, 2004

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