



TOWN COUNCIL MEETING MINUTES DECEMBER 2, 2008

Fern Larochelle, Jr., At Large 2010
Roger Cote, At Large 2011
Michael Bowie, At Large 2009
Gina Mason, District 1 2010
Janet Henry, District 1 2009
Dale Crafts, District 2 2010
Norma Wells, District 2 2009

The Town Clerk, Mrs. Lycette, called the Inauguration of Elected Officials to order at 7:00PM. She said 4,894 ballots were cast on November 4 and announced the Results of Voting.

The Town Clerk administered the oath of office to the following: Roger Cote, Prudence Grant, Jeff Ganong, John Wierzbicki, and Steven Miles.

ELECTION OF COUNCIL CHAIRMAN

VOTE (2008-188A) Councilor Larochelle nominated Councilor Bowie.

Councilor Henry, seconded by Councilor Cote moved to table this item until the next meeting since Councilor Crafts was not present. **Motion defeated - Vote 2-4.** (For: Henry, Cote) (Against: Mason, Bowie, Larochelle, Wells)

Councilor Henry nominated Councilor Larochelle. Councilor Cote nominated Councilor Mason. Ballots were cast and **Councilor Bowie was duly elected Council Chairman** with four votes for the ensuing year.

ELECTION OF COUNCIL VICE CHAIRMAN

VOTE (2008-188B) Councilor Bowie nominated Councilor Mason. Councilor Henry nominated Councilor Larochelle. Ballots were cast and **Councilor Mason was duly elected Council Vice Chairman** with five votes for the ensuing year.

PRESENTATION OF GAVEL

Councilor Wells passed the gavel to the new Council Chairman, Councilor Bowie. The Town Clerk thanked everyone for attending the Inauguration of Elected Officials and announced that the regular portion of the Council's Meeting would resume after a five-minute break.

CALL TO ORDER & PLEDGE TO THE FLAG. The Chairman, Michael Bowie, called the meeting to order and led the pledge of allegiance to the flag at 7:00 PM.

ROLL CALL. Members present were Councilors Wells, Cote, Bowie, Mason, Henry, and Larochelle. Councilor Crafts was excused. Also present were Stephen Eldridge, Town Manager; Nancy Bosse, Tax Collector; Cathy Ricker, Finance Director; Cathy Tyson from Runyon, Kirstein, & Ouellette; and approximately 20 citizens in the audience.

Councilor Wells commended Judy Hardy-Goddard and Rosie Bradley for doing such a fabulous job this year on the public Thanksgiving Dinner held at the Holy Trinity Church. She thanked the many local businesses who donated money and food and the local volunteers who put in a lot of time. She commented about how wonderful it was to have Mrs. Couture and her students help, that they started at 7AM peeling potatoes and carrots, then helped serve the meal, and even helped clean up. Many comments were received about how good this meal was and how nice the tables were decorated. The Girl Scouts provided the centerpieces and the 6th Grade students at PWS decorated the colorful placemats.

PUBLIC HEARINGS

RENEWAL JUNKYARD APPLICATION CAMPBELL'S USED AUTO PARTS

The Chairman opened the public hearing. There were no comments. The Chairman closed the public hearing.

RENEWAL JUNKYARD APPLICATION HUSTON'S AUTO SALVAGE

The Chairman opened the public hearing. There were no comments. The Chairman closed the public hearing.

CONSENT AGENDA

VOTE (2008-188) Councilor Larochelle, seconded by Councilor Wells moved to approve the renewal Junkyard Permit for Campbell's Used Auto Parts, the renewal Junkyard Permit for Huston's Auto Salvage, and the Minutes of October 21, November 6 & November 18. Order passed - Vote 6-0.

A. AUDITOR'S PRESENTATION

Item taken out of order.

The auditor, Cathy Tyson, gave a brief presentation highlighting the following items on the financial statement (see attached):

- Cash and Investments have decreased from 2007 by approximately \$562,000, which was a planned decrease since undesignated funds have been used to help off set taxes. This was mainly due to the budget and operating results for the year, which called for a substantial use of the fund balance.
- Accounts payable at year-end was \$271,681. Accounts payable fluctuates primarily because of the timing of payments around year-end.
- Accrued wages and expenses at year-end was \$769,082, which represents payroll earned prior to June, but paid in July or August.
- Deferred revenue for year-end was \$393,275, which represents taxes still unpaid 60 days after the end of the year. These accounts were not recognized as revenues in the current year.
- The reserve fund balance for year-end was \$285,416 and consists of primarily amounts reserved for long-term receivables.
- Designated fund balance for the School at year-end was \$346,535 and for the Town it was \$623,704. The designated fund balance represents unfinished projects or other carry forward balances.
- Expenditures were under budget in all major Town categories.
- The School's undesignated fund balance was \$468,907 at year-end and the Town's was \$1,278,503. Undesignated fund balances vary widely across the State. Nationally,

recommended amounts are trending upward. She encouraged the Council to save two months, instead of the typical one-month cushion. She mentioned 8% represented one month and suggested a good goal for Lisbon would be 20%.

Ms. Tyson said Lisbon had no material weaknesses and indicated there were no taxable liability issues resulting from all the School Department journal entries. She indicated that the 97% collection rate matched our current economic times. She pointed out that the School had fully funded the teacher's summer wages this year.

Ms. Tyson pointed out that during the audit; they became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. She advised the Council to look at the Schedule of Comments attached under "Other Comments" and highlighted the following:

Segregation of Duties - Town and School Department

Segregation of duties involves the assignment of responsibilities in such a way that different employees handle different parts of the same transaction. Anyone who records transactions or has access to assets ordinarily is in a position to perpetrate errors or irregularities. Appropriate segregation of duties helps to detect errors in a timely manner and deter improper activities. For example, having an employee with no cash receipts or disbursements responsibility perform the bank reconciliation is considerably more effective in meeting the applicable specific internal accounting control objectives. Similarly, internal accounting control is enhanced when the employee who handles the accounting for an asset, such as cash, is denied access to the asset; for example, the employee who maintains the general ledger system should not have access to those assets, such as cash. Because of the small size of your accounting staff, ideal segregation of duties is not practical. We wish to inform you that certain functions, ideally performed by separate individuals, cannot be accomplished and, therefore, internal accounting controls are not as strong as they might otherwise be. However, we recommend that the Finance Director be taken off as signer for the Accounts Payable and Payroll cash accounts, as they have access to payroll software, can make journal entries to the General Ledger system, and they reconcile the bank statements. We also recommend that the signature stamp be maintained in the Town Manager's office and that the Town Manager's assistant sign (stamp) all checks.

In addition to systems at the Town Office and the School Department Central Office, there is one other area in which segregation of duties presents a problem. Within the Lisbon School Department, the following department/program has limited segregation of duties and results in a greater risk of misappropriation of funds: the Student Activity accounts. We recommend that in the case of this area, specific controls are established to mitigate the weakness inherent in a system in which one individual performs the majority of the accounting functions. Additionally, with respect to the areas mentioned above, we recommend consideration be given to reviews to be performed by someone from the Business Office during the year on a surprise basis. The following areas should be reviewed and documentation of such review should be maintained by the reviewer:

- Whether bank reconciliations have been prepared promptly and reconciled
- Whether deposits are made promptly
- Whether disbursements are supported adequately
- Whether deposits are supported and reconciled to receipts
- Whether any accounts or funds have unexplained negative variances
- Whether cancelled checks are properly signed and made out to the same vendor listed in the check register
- Whether any unusual activity is noted

She said they had reported those comments that were applicable to the School Department in a separate letter to the School Committee.

In conclusion, she went over her firm's final recommendation that Lisbon consider appointing an Audit Committee as outlined in the Management Letter to handle issues that may arise during the audit and to deal with issues that involve School and Town functions, which would streamline the process and provide continuity from one year to the next.

COUNCIL ORDERS, ORDINANCES & RESOLUTIONS

POLICY FOR DISPOSITION OF REAL PROPERTY

Mr. Eldridge presented the Disposition of Real Property policy to the Council. He indicated that no prior policy exists and that one would have been helpful when the Teen Center sold to address concerns raised about the process at that time. Councilor Cote recommended the public be given an opportunity to comment prior to the sale. Councilor Larochelle asked that the public hearing process be included in this policy. Councilor Bowie pointed out that Section 4 paragraph A referred to a section not there. Mr. Eldridge said he would revamp this policy and bring it back to the Council for adoption.

FORECLOSURE PROPERTY POLICY

Mr. Eldridge presented the Foreclosure Property Policy to the Council detailing the process for dealing with these properties. Councilor Cote suggested the process include looking into liability issues before foreclosing on properties. Mr. Eldridge said our CEO goes out to look at these properties as well. Councilor Larochelle asked that Mr. Eldridge expand the review paragraph. Mr. Eldridge said he would revamp this policy and bring it back to the Council for adoption.

(1) CONSERVATION COMMISSION RESIGNATION

Mr. Eldridge informed the Council that Kris Kucera would be willing to hold off on tendering his resignation. Mr. Eldridge said he would like to contact the Chairman of the Conservation Commission again.

TAX WAIVERS

VOTE (2008-192) Councilor Wells, seconded by Councilor Larochelle moved to authorize the Tax Collector to file waivers on the following properties:

U19137010000 Archer, James B. III	R08028037000 Myers, Darrell
U19137005000 Beaulieu, Glenn	R04015A 016 O'Connor, Jason
R08030036000 Cormier, E. J.	U19045002000 Pelletier, Tom & Karen
R08030037000 Crozier, Mike	U05236019000 Skolfield, Kattie
U19137012000 Dwyer, Wayne	U19137009000 Tardiff, Deborah
R08030021000 Kullison, Lisa	U19137008000 Wakefield, Monica

Order passed – Vote 6-0.

OTHER BUSINESS

A. AUDITOR'S PRESENTATION

(Item taken out of order – after consent agenda above)

B. TOWN MANAGER'S REPORT

Mr. Eldridge met with the Capital Improvement Budget group and finished their review process. He said once the Planning Board has had an opportunity to review it, that he would place it in on the Council's agenda. Whether or not Lisbon funds the capital budget will depend on the operating budget this year.

Mr. Eldridge pointed out that the 35-year-old grader was not worth repairing any more and suggested selling it. Mr. Beal and he are working on a per diem rate with Lewiston to use their grader on an hourly basis supplying our own operator.

Mr. Eldridge pointed out our Healthcare Insurance will increase 5.9% in January. Lisbon budgeted for a 7% increase. Other proposals are being sought.

Mr. Eldridge and Mr. Samson met with Vision Appraisal to discuss Lisbon's revaluation. Vision Appraisal recommended Lisbon test approximately 150 homes to see how much of a variance there is. Mr. Eldridge said he was waiting to see how much this data test costs.

AUDIENCE PARTICIPATION

Michelle Turmelle asked why Mr. Eldridge picked the Property and Casualty Insurance to go out to bid first and why he was not aggressively pursuing worker's compensation and healthcare quotes. Councilor Larochelle said Lisbon was moving in the right direction, that a lot of good information had come out of these insurance discussions, and that Lisbon was not dragging its feet here, but moving in the right direction.

APPOINTMENTS - NONE

COUNCILOR COMMUNICATIONS

Councilor Mason said a year ago a few individuals were tasked with figuring out what to do with the old Campus Avenue School. Prudence Grant said she served on this committee with A. Noyes Lawrence, Paul Chizmar, Gina Mason, Fern Larochelle, David Hale, and Jennifer Norris-Sewell. She indicated that the open house they held was very well attended. She remembered the neighbors were concerned about noise levels. At that time, residents were okay with selling the property as long as the low noise level was maintained. Ms. Grant said this building is now on the National Historic Register. Most residents and this group wanted to see the building preserved, architecture saved, and the building improved. Councilor Larochelle suggested Lisbon look for grant money to help preserve the building or to help sell it to potential developers.

Councilor Henry thanked Ms. Brooks for making wreaths, holding wreath-making classes, and for using the proceeds to buy equipment for the park. She announced the Lisbon Boosters would be meeting on December 9 at 6:30 PM at the Lisbon High School Library. She encouraged everyone to attend the Boosters Craft Fair at the Lisbon High School Cafeteria from 9AM to 3PM December 6.

Councilor Larochelle said the Community Thanksgiving Dinner was great and that he had an awesome time. They served 104 residents and delivered 28 meals. Volunteers brought in 38 homemade pies. Over 25 local businesses donated to it. He said he would like to see this grow and thanked all the volunteers.

Councilor Cote thanked the citizens that put him into office and said he hoped to fulfill their wishes. He commended the Football Team for an outstanding year and pointed out Lisbon had three all-star members this year, Josh Cote, Jake Cyr and Nate Blackwell. He suggested the Council's seating arrangement be changed.

The Council received thank you cards from Mr. and Mrs. Paul Fournier and former Councilor Charles Smith.

EXECUTIVE SESSION

VOTE (2008-193) Councilor Wells, seconded by Councilor Mason moved to go into Executive Session at 9:10 PM per 1 MRSA Section 405 (6) (D) Labor Negotiations. **Order passed - Vote 5-0-1.** (Abstained: Henry) The Chairman dismissed the Council Secretary. The Council came out of executive session at 10:05 PM.

ADJOURNMENT

VOTE (2008-194) Councilor Wells, seconded by Councilor Cote moved to adjourn at 10:05 PM. The Council Chairman dismissed the Council Secretary. **Order passed - Vote 5-0.**

Respectfully Submitted,

Twila Lycette, Town Clerk
Lifetime Certified Clerk of Maine

These minutes are not verbatim. Cassette tapes are filed in the Town Clerk's Office.