



Town of Hermon

Public Safety Meeting Room

May 13, 2021

Town Council Meeting

7:00 PM

MINUTES

Council Meetings may be viewed live online and are archived after the meeting has taken place – check hermon.net Town Council for a Zoom link.

ALL ITEMS ARE SUBJECT TO APPROPRIATE COUNCIL ACTION

I. CALL TO ORDER BY CHAIRPERSON

II. PLEDGE OF ALLEGIANCE

Chair Thomas led those in attendance in the Pledge of Allegiance

III. ROLL CALL

Members Present: John Snyder III, Douglas “Doug” Sinclair Sr., Ronald “Ron” Murphy, Charles Lever IV, Steven “Steve” Thomas, Anthony “Tony” Reynolds and G. Stephen “Steve” Watson

Members Absent: None

Others Present: Town Manager Howard Kroll, Town Clerk Kristen Cushman, Town Attorney John Hamer, Josh Berry, Police Sergeant Bobbie Pelletier, Finance Director Michael Chammings, Superintendent Jim Chasse, Teddy Harris, 10 residents and 2 non-residents.

IV. REVIEW CONSENT CALENDAR: REGULAR BUSINESS, APPOINTMENTS, SIGNATURES, And APPROVAL OF MINUTES:

SIGNATURES. –APPROVE

MINUTES. -APPROVE 4/29/2021 Minutes

WARRANTS. –SIGN 5/14/2021 Warrant

RESOLVES. –SIGN

Councilor Snyder moved to approve the Consent Calendar as presented. Councilor Murphy seconded the motion. Motion passes 7-0.



V. NEWS, PRESENTATIONS AND RECOGNITIONS:

VI. PUBLIC ITEMS OR COMMENTS: *(Items Not Already on Agenda)*

VII. PUBLIC HEARINGS:

- **Hold** Public Hearing -- Special Amusement Permit for Morgan Hill Event Center

Chair Thomas opened the public hearing at 7:02PM. No public comments were given. The hearing closed at 7:04PM

- **Hold** Public Hearing – Conley Events LLC –(DBA Morgan Hill Event Center) Liquor License Renewal

Chair Thomas opened the public hearing at 7:04PM. No public comments were given. The hearing closed at 7:05PM

- **Hold** Public Hearing -- XL Golf (DBA The Sports Arena) Liquor License Renewal

Chair Thomas opened the public hearing at 7:05PM. No public comments were given. The hearing closed at 7:06PM

- **Hold** Public Hearing – Clark Road Properties LLC, M/L 042-066, M/L 049-006, M/L 041-051 and M/L 049- 1 & 6 zone change from residential B and Agricultural Forestry to Residential A

Isaac Raymond: Changing from Residential B and Agricultural Forestry to Residential A is a change in lot frontage (150’). This development has approximately 87 acres. This development will have modular and stick built homes only.

Steve Thomas: How many house lots?

Isaac Raymond: Until the wet land mapping is complete you will not know for sure how many lots. In this first Phase of development possibly it might add an additional 2 lots but engineering of the road and lots will need to be completed first.

Chair Thomas opened the public hearing at 7:06PM. Public comments were given. The hearing closed at 7:12PM

VIII. COMMITTEE REPORTS:

IX. SCHEDULED AGENDA ITEMS:



A. OLD BUSINESS:

B. NEW BUSINESS:

R20-21-40 Consider approving **Morgan Hill Event Center** Special Amusement Permit on June 25th & 26th 2021 for a performance by David Allen Coe from 6:30 pm to 10pm

Councilor Reynolds moved to approve R20-21-40. Councilor Snyder seconded the motion. The motion was accepted unless doubted. Motion passes.

R20-21-41 Consider approving **Conley Events LLC** liquor license renewal

Councilor Snyder moved to approve R20-21-41. Councilor Murphy seconded the motion. The motion was accepted unless doubted. Motion passes.

R20-21-42 Consider approving **XL Golf** liquor license renewal

Councilor Snyder moved to approve R20-21-42. Councilor Murphy seconded the motion. The motion was accepted unless doubted. Motion passes.

R20-21-43 Consider approving **Clark Road Properties LLC** M/L 042-066, M/L 049-006 and M/L 041-051 zone change from residential B and Agricultural Forestry to Residential A

Councilor Reynolds moved to approve R20-21-43. Councilor Murphy seconded the motion. The motion was accepted. Motion passes 7-0.

O20-21-19 Consider holding a public hearing on May 27, 2021 for **Penobscot Snowmobile Club** for Concourse Gathering Application for Truck and Tractor Pulls on July 17, 2021

Councilor Snyder moved to approve O20-21-19. Councilor Murphy seconded the motion. The motion was accepted unless doubted. Motion passes.

O20-21-20 Consider holding a public hearing on May 27, 2021 for **Morgan Hill Event Center** for a Special Amusement Permit. The main performer will be Colt Ford & Band from 6:00 pm to 10:00 pm.

Event was cancelled – no action



R20-21-44 Consider to authorize the Town Manager, Howard Kroll to sign the letter of Financial Commitment and any applicable investment documents with Northern Borders Regional Commission for a State Economic & Infrastructure Development Program.

Councilor Snyder moved to approve R20-21-44. Councilor Murphy seconded the motion. The motion was accepted unless doubted. Motion passes.

C. WORKSHOPS:

School Budget Presentation by Jim Chasse, Superintendent

	FY20 Budget	FY21 Budget	FY22 Proposed	Change	Change %
Revenues	(\$14,579,695.00)	(15,266,023.00)	(15,744,065.10)	478,042.10	-3.13%
Expenditures					
1. Regular Instruction	\$6,244,242.20	6,433,483.00	6,634,402.24	200,919.24	3.12%
2. Special Educaton	2,330,561.87	2,390,207.00	2,460,875.36	70,668.36	2.96%
3. CTE	-	-	-	-	0.00%
4. Other Instruction	455,534.31	468,999.00	544,105.85	75,106.85	16.01%
5. Student and Staff Support	1,515,737.95	1,584,770.00	1,620,781.73	36,011.73	2.27%
6. System Administration	415,792.84	432,147.00	465,598.95	33,451.95	7.74%
7. School Administration	727,245.65	843,395.00	910,419.58	67,024.58	7.95%
8. Transportation	650,972.43	692,952.00	654,374.79	(38,577.21)	-5.57%
9. Facilities	1,740,812.75	1,759,651.00	1,787,446.10	27,795.10	1.58%
10. Debt Service	436,795.00	610,419.00	601,060.50	(9,358.50)	-1.53%
11. All Other Expenditures	35,000.00	50,000.00	65,000.00	15,000.00	30.00%
Total Expenses	\$14,579,695.00	15,266,023.00	15,744,065.10	478,042.10	3.13%

	FY20 Budget	FY21 Budget	FY22 Proposed	Change	
GENERAL FUND REVENUES					
1. 41200-000 LOCAL RAISED FOR FOOD SERVICES	(\$35,000.00)	(\$50,000.00)	(65,000.00)	(\$15,000.00)	30.00%
2. 41201-000 TRANSFER FROM RESERVES	(\$240,000.00)	(\$240,000.00)	(200,000.00)	\$40,000.00	-16.67%
3. 41211-000 LOCAL APPROP. OPER & PROGRAMS	(\$4,068,102.00)	(\$4,188,978.00)	(4,239,798.33)	(\$50,820.33)	1.21%
4. 41212-000 LOCAL APPROP. DEBT SERVICE	(\$463,795.00)	(\$610,419.00)	(601,060.50)	\$9,358.50	-1.53% Local T Additional
5. 41213-000 LOCAL APPROP. W/O STATE	(\$603,651.00)	(\$654,260.00)	(925,296.08)	(\$271,036.08)	41.43% (\$327,497.91)
6. 41324-000 SECONDARY TUITION - REG INSTR REV	(\$1,700,000.00)	(\$1,700,000.00)	(1,960,000.00)	(\$260,000.00)	15.29%
7. 41327-000 SECONDARY SPED TUITION REVENUE	(\$283,722.00)	(\$283,722.00)	(264,788.02)	\$18,933.98	-6.67%
8. 41510-000 INTEREST INCOME	\$0.00	\$0.00	(24,000.00)	(\$24,000.00)	0.00%
9. 41900-000 MISCELLANEOUS REVENUE	(\$80,000.00)	(\$76,000.00)	(20,000.00)	\$56,000.00	-73.68%
12. 41956-000 Rmbt for Curriculum Coordinator from RS	(\$48,400.00)	(\$49,852.00)	0.00	\$49,852.00	-100.00%
13. 41961-000 I.S. BUSINESS OPERATIONS REV	(\$28,000.00)	(\$28,000.00)	(14,000.00)	\$14,000.00	-50.00%
15. 43111-000 STATE APPROP. OPER & PROG	(\$6,253,473.00)	(\$6,661,192.00)	(6,702,322.17)	(\$41,130.17)	0.62%
16. 43121-000 STATE AGENCY CLIENT REV - ES & MS	(\$7,000.00)	(\$7,000.00)	(10,000.00)	(\$3,000.00)	42.86%
17. 43123-000 STATE AGENCY REVENUE - HIGH SCHOO	(\$6,000.00)	(\$6,000.00)	(10,000.00)	(\$4,000.00)	66.67%
18. 44310-000 H.S. JROTC REVENUE	(\$75,600.00)	(\$75,600.00)	(77,800.00)	(\$2,200.00)	2.91%
19. 44340-000 E-RATE REVENUE	(\$76,952.00)	(\$25,000.00)	(25,000.00)	\$0.00	0.00%
20. 44585-000 MAINECARE REVENUE	(\$10,000.00)	(\$10,000.00)	(5,000.00)	\$5,000.00	-50.00%
22. 45000-000 BALANCE FORWARD REVENUE	(\$600,000.00)	(\$600,000.00)	(600,000.00)	\$0.00	0.00%
SUBTOTAL GENERAL FUND REVENUES	(\$14,579,695.00)	(\$15,266,023.00)	(15,744,065.10)	(\$478,042.10)	3.13%



RESEVE ACCOUNTS (June 30, 2020)	BALANCE
1. School Capital Improvement Reserve	739,668.00
2. Elementary School Reserve	297,721.00
3. Tax Stabilization Reserve	153,620.00
4. Unemployment Reserve	40,749.00
5. Fuel Reserve	214,977.00
6. Bus Purchase Reserve	55,997.00
7. Athletic Complex Reserve	300,000.00
Total School Reserves (June 30, 2020)	1,802,732.00

Capital Improvement Projects 2021-22 Warrant Article Requests

1. Hermon High School Gymnasium Rubber Roof Replaci	150,000	RFP in process Carpenter Associates
2. PADS Elementary School Roof Repair	50,000	Longterm leaking at roof and stage area
3. Bus Purchase Reserve (local share of new bus)	30,000	To general fund for 21-22

Undesignated School Fund Balance Transfers (1.2 million)

Athletic Complex Reserve Transfer	150,000	Community Track Anticipation
Bus Reserve	30,000	Future Bus Anticipaition
Food Service Reserve (new act)	50,000	COVID Receipt Issue/Hopeful Federal Funds
Tax Stabilization Reserve Transfer	100,000	Future Need Anticipation
Enrollment Stabilization (new act)	100,000	Tuition Rev Anticipation
	430,000	
balance (approximation)	770,000	

End of Year Forecast (Not complete but on track)

School presentation requested has an increase of \$ 327,497.91 to last Fiscal Years budget.

General Fund Revenues from chart #2

1. Local raised for food services -	increase of	\$ 15,000.00
3. Local appropriation – operation & programs -	new reserve fund \$	50,820.33
4. Local appropriation – dept services –	new reserve fund \$ -	9,358.50
5. Local appropriation – without state-	increase of	\$ 271,036.08

Zoom link: <https://bit.ly/3eZdWbm>



Steve Thomas: School budgets have run a pretty good surplus the last couple of years. I am still not following the reasoning behind setting up an enrollment stabilization and food services reserve account? You would be asking the Town to increase taxes and mill rate to stabilize taxes. If the money is not defiantly needed for the next year why would we possibly raise taxes and put it in the bank?

Jim Chasse: The original tax stabilization fund I do not have the history on that but I assume to save for a rainy day or challenging years.

John Snyder: It was for a balloon payment on the middle school but we ended up refinanced.

Steve Thomas: I am not sure, with everything else being equal we could theoretically have to raise taxes come up with the money to put into a bank account. We usually run a pretty good surplus. Howard, what was the surplus last year?

Howard Kroll: School was \$ 1.3 million which included the \$600,000.00 which was carried forward.

Steve Thomas: So that was after all the operating expenses there was a cushion of approximately \$600,000.00?

Howard Kroll: This is extra revenue you have.

Steve Thomas: So most likely we will have another surplus in this budget of \$600 to \$700 thousand, right?

Howard Kroll: That would be fair to say that is accurate. It could be more. I do not follow the schools anticipated revenues are compared to what they have budgeted. I don't know where their expenses lie. I know on the municipal side we are exceeding in certain types of revenue. I would say they are doing fairly well but I do not know exactly where they stand.

Steve Thomas: I question trying to put \$150,000 aside and raising taxes when we generally have a surplus and there is not an immediate need to use the funds.

John Snyder: before we were saving money, knowing a payment was coming.

Steve Thomas: Is this something that can be worked on?

Jim Chasse: The tax stabilization for sure. I understand the logic.

John Snyder: Can you get a closer number of what you will have left?

Jim Chasse: We can that is the next step.

Howard Kroll: May 27, 2021 a Public Hearing will be held for the Municipal and School budget. If the Council agrees on a School budget, I will prepare a warrant with the expenditures and revenues. On Tuesday June 8, 2021 are the Election and the start of Annual Town Meeting. A Moderator will be appointed and voting will take place for Town Council, School Board and local track question. Mr. Wagner will be the Moderator for the Annual Town Meeting. The above dates do not allow for any extra room to push off this decision. The Town's extra value will allow for approximately \$ 109,000 to \$ 150,000. They are asking for an increase of \$327,497.91, come up with a difference and we don't have a tax increase.



Town has had a \$100,000.00 County increase, contractual obligations such as snow plow contract and was leveled off with the funds from State Revenue Sharing and excise tax on the Municipal side of the budget. We run a tight ship and know what we get in and when we are spending.

After a discussion it was agreed to increase the budget at Annual Town Meeting as follows:

Annual Town Meeting Warrant article #33:

HERM 07- School Repair Reserve-	\$100,000
HERM 33- Bus Reserve-	\$30,000
HERM 40- Food Service Reserve-	\$30,000
HERM 41- Enrollment Stabilization Reserve-	<u>\$100,000</u>
	\$260,000

Manager Kroll: CIP was submitted for Council approval March 2021 and included parking lot/driveway repair at the High School. Mr. Chasse asked for CIP for various roof repairs. Mr. Kroll clarified the project to be completed was the roof repairs vs. the parking lot/driveway.

Ron Murphy: Would like to see the money come from the reserve funds. I find it hard to ask the taxpayers to come up with the difference.

Jim Chasse: Let's do it

IT Discussion:

Jim Chasse: Hermon has a unique IT arrangement and setting for awhile. HermonNet you could dial up and access the internet First Class server (email server). Some of you still use First Class, there are probably better browsers for email points. There are somewhere between 50 and 100 users of HermonNet. What is HermonNet? It is a concept of dialing into the internet and free email. HermonNet is a pipeline between the Town and School via fiber. Town's phone system and internet is through the School. There is HermonNet and a group who did this Nightscape thing and brand new stuff (equipment) to make a transition with modern day devices to reach kids during the pandemic. School has been servicing the Town for sometime and we have cut the revenue line in half for next year. IT group is three people. IT Director is Jeff Wheeler, Gary works on Power School and Alan Owen is a Mac expert at the High School. Three people support the Town, 1300 students 800 one-to-one devices, servers, phones, copiers, and security system. The IT budget is down \$ 20,000 but is approximately a half a million dollars per fiscal year. This accounts for salaries and up to \$25,000 for new servers.



Nightscape is a vendor that has saved thousands of dollars for the taxpayers of Hermon. Nightscape bids certain technologies through competitive bidding. It is vetted by the original attorneys that put Nightscape together.

Steve Thomas: You said Nightscape has saved thousands of dollars. How you actually know that? From what I understand Nightscape is a for profit entity.

Jim Chasse: It is.

Steve Thomas: Nightscape was set up and incorporated to make money. Nightscape is essentially used by the School to manage the bid process. They go out to bid when a need is determined and manage the process. They know who to go to for the bids. They have certain companies to go and in the end they are the low bidder.

Jim Chasse: They are not always the low bidder. They frequently are though.

Steve Thomas: It's a for profit entity, working within the school, using school resources to support that entity. That entity is also supporting HermonNet. HermonNet charges \$ 9.99 per month for residential and \$ 34.99 business use. I was not able to see in the Audited financial statements where that money comes in as a revenue source. The revenue is collected for those services are going to Nightscape? The supported services for that revenue is that the Hermon IT department? Are the taxpayers of Hermon subsidizing Nightscape?

Jim Chasse: No, they are not. They don't do anything during the school day it is done after hours. When it was originally started, it was how do we got the Hermon residents on for free. If they get a call from someone using Nightscape and needs trouble shooting they wait until after hours. I think it's time to look at what is HermonNet and what it could be or should be? Our mission is academic and not getting the entire community online. No, we don't profit from Nightscape.

Steve Thomas: Who actually reports the revenues? If I have a contract with Nightscape and pay \$ 9.99 a month, who gets that money? Is it Nightscape?

Jim Chasse: Yes. They support the point to point, not the internet itself. It's a set up and support to get you online and keep you going.

Steve Thomas: Where does Nightscape operate out of? Out of your office?

Jim Chasse: Absolutely not. It is operated out of Josh Burgess's garage.

Wendy Wiles-Scott: So there is no equipment at all at the school for Nightscape?

Jim Chasse: No, they house the First Class server the school system has that in the server room I think that is where the First Class server is.

Maybe you could come to the June School Board Meeting to ask some of these questions directly.



Jim Chasse reading questions: Does the service generate revenues for the school? No, it does not.

There are two people, one is employed by us, the other is not. The work is outside of the school day.

Teachers are ecstatic with the new technology.

How is internet outages/service issues managed during the day vs. night?

High School does have a large generator installed for outages and maintained by the IT department.

IT department has a complete inventory of the devices and acceptable policy of the use.

Has a survey ever been administered by an independent third-party to confidentially assess computer education requirements of the school department? Jeff thought this was done many years ago.

Steve Thomas: Has the school hired an outside third party consultant firm to evaluate how things are functioning and make recommendations and upgrading the technology.

Jim Chasse: No we have not. In many ways it's a good idea especially changing from Citrix. My intention is to simplify Hermon to do more as the school system goes.

Steve Thomas: Survey Monkey is a great way for people to voice their concerns without feeling uncomfortable coming forward to speak on support, security etc. I want to do the best we can for our students. On a side note it seems like a distraction to have Nightscape and trying to provide services for the town. Seems like this is pulling away from the primary focus where the IT department should be concentrating on exclusively on the teachers and students.

Jim Chasse: Academic growth is all that matters. If we are not concentrating on that and getting everyone online in the world and servicing. My plans are to move away from that. A good solid technology committee would be helpful.

Sometimes techie people go into a different stratosphere and you have to bring it back down to what we are doing right and what we want to do. We don't have to do everything.

Tony Reynolds: Nightscape was created for the School to buy directly from China. To buy direct you are required to have a business. Hermon saved a boat load of money by buying all their technology from China. We were saving 70% off the stuff we were buying elsewhere. We are looking to reduce the budget but now we are going to pay more money in the long run for the stuff that they



can't buy. If you really want to take care of the teachers and the staff then you need to add another employee. So you are going to add more to the budget. Then if you want to reduce the budget but hire a third party to come in and tell you what needs to be done. Looks to me we are going backwards.

Charles Lever: They are no longer buying from China, they are getting it from Southern Maine.

Tony Reynolds: Maybe some stuff, but a lot came from China very cheap. The other problem I have is people complain about Jeff Wheeler. Jeff Wheeler could make double his salary if he left Hermon. So anyone who thinks Jeff Wheeler is not doing a good job for Hermon is not paying attention.

Jim Chasse: I think a tech committee could vet all we are looking for and help the process while we are transitioning with better computers and technology, it will be a good thing. Having administration and teachers in the process will help. If anyone wants to come to the June School Board Meeting to ask more questions, you're invited to. Go Hawks.

D. OTHER ITEMS: (from Table Package)

X. APPOINTMENTS:

XI. MANAGER STATUS REPORT:

Thank you for the School Budget presentation by Jim Chasse.

XII. FINAL PUBLIC ITEMS OR COMMENT: (*Items Not Already on Agenda*)

Teddy Harris 515 Patten Drive. Before this year with COVID I would have been very interested in an independent company told us we needed to invest into. We have received 1000 Mac books which did not come from the taxpayers of Hermon, but from all of us. At this point I feel confident if we do a survey prior to Mac books and now answer questions would be a valuable tool that we are making progress. If we have this independent company come in is the Council ready if they come back and say you need to invest another half million dollars into your system. Are you interested in going up on taxes to do so? This is my concern.

Steve Thomas: This would be a conversation we would need to have and the reasons why. The reason I brought up these questions, I heard we were falling behind. A third party to come in objectively and assess, I don't see any harm in doing that.

Teddy Harris: I don't either. I look forward to the results now that we have the Mac books.



XIII. COUNCIL ITEMS: None

XIV. EXECUTIVE SESSION:

XV. ADJOURNMENT:

Councilor Murphy moved to adjourn the meeting at 8:19PM. Councilor Reynolds gave seconded. With no objection the meeting was adjourned at 8:19PM.

Respectfully Submitted, Kristen Cushman, Town Clerk

Explanatory note #1: All items in the CONSENT CALENDAR are considered routine and are proposed for adoption by the Town Council with one motion without DISCUSSION or deliberation. If DISCUSSION on any item is desired, any member of the Council or public may request the removal of an item for it to be placed in the regular agenda prior to the motion to approve the Consent Agenda.

Explanatory Note #2: In the interest of effect decision-making: At 10:00 p.m., the Chairman shall poll the Council and Town Manager to identify remaining items which shall be carried forward to the next Regular Meeting.

Explanatory Note #3: A Councilor who feels the need for the Council excusing his/her absence will make the request to the Town Manager or the Town Clerk prior to the meeting.