



Town of Hermon

Public Safety Meeting Room

March 3, 2022

Town Council Meeting

7:00 PM

MINUTES

To watch Council Meetings, go to hermonmaine.gov click Council click Town Council Meetings click Zoom
Council Meetings will be archived online after the meeting has taken place.

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: Ronald “Ron” Murphy, Phillip “Phil” Richardson, G. Stephen “Steve” Watson, Charles Lever IV, Steven “Steve” Thomas, John Snyder III, and Anthony “Tony” Reynolds

Members Absent: None

Others Present: Kristen Cushman Town Clerk, Michael Chammings Finance Director, Josh Berry Assessor, Jessefa Murphy Code Officer, Maclaren Davis and 9 guests

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

SIGNATURES. – APPROVE **Quitclaim Deed for M/L 047-064-00R Account # 1604**
Quitclaim Deed for M/L 011-025-000 Account # 1963

MINUTES. – APPROVE **2/17/2022 Minutes**

WARRANTS. – SIGN **3/4/2022 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:

FY21 Audit Findings- Hank Farrah, RKO

TOWN OF HERMON

FINANCIAL OVERVIEW

INSIDE

2. Summary of Audit Results
3. General Fund – Fund Balances
4. General Fund – Revenues – Town
5. General Fund – Expenditures – Town
6. Unassigned Fund Balance as Percentage of Budget
7. General Fund – Revenue Distribution
8. General Fund – Expenditure Distribution – 2021
9. General Fund – Expenditure Distribution – 2020

About this presentation

This presentation is intended as a tool to assist the Town Council and management in understanding its financial operating results. The information contained in this publication should be read in conjunction with the audited financial statements and related disclosures and should not be used for any other purposes without the expressed consent of [RUNYON KERSTEEN OUELLETTE](#).

Please contact us at 207-773-2986 or 1-800-486-1784
20 Long Creek Drive, South Portland, ME 04106



TOWN OF HERMON

SUMMARY OF AUDIT RESULTS

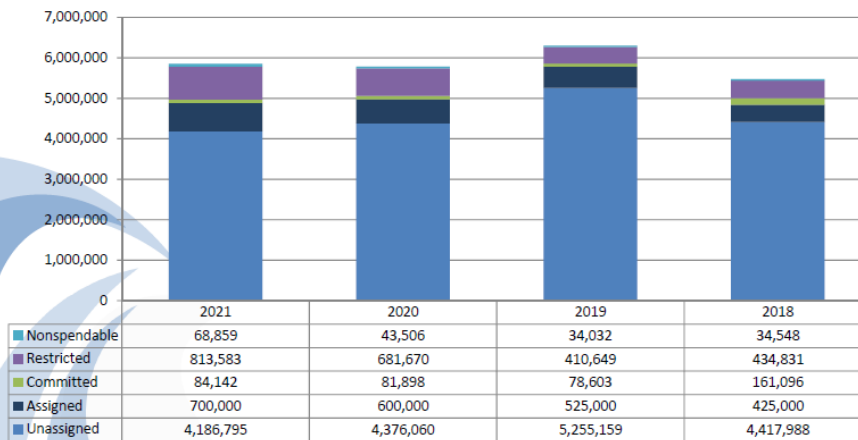
- Financial Statement Opinion - Unmodified
- Report Required by *Government Auditing Standards (GAS)*
 - No material weaknesses
 - No significant deficiencies
 - Recommendations / other comments related to:
 - Segregation of duties
 - Tax increment financing district tracking and budgeting
 - Credit enhancement payments
 - Payroll documentation
- Reports Required by Uniform Guidance
 - Major Program – Coronavirus Relief Funds (\$2.3M)
 - No Findings



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TOWN OF HERMON

GENERAL FUND - FUND BALANCES



SUMMARY OF SIGNIFICANT CHANGES

- Total fund balance increased \$70,245 during the fiscal year to \$5,853,379.
- Restricted is made up of amounts for TIF Districts.
- Assigned is the budgeted use of surplus for the subsequent fiscal year.



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TOWN OF HERMON GENERAL FUND – REVENUES

	Budget	Actual	Variance
Taxes	\$ 9,425,294	10,195,415	770,121
Intergovernmental	918,278	1,311,552	393,274
Licenses and permits	59,600	92,576	32,976
Charges for services	39,100	67,685	28,585
Interest earned	70,000	117,070	47,070
Other revenues	21,991	35,586	13,595
Total revenues	10,534,263	11,819,884	1,285,621
Utilization of prior year surplus	575,000	-	(575,000)
Use of TIF funds	608,168	-	(608,168)
Total revenues and other financing sources	\$ 11,717,431	11,819,884	102,453

SUMMARY OF SIGNIFICANT VARIANCES

- Tax revenues were over budget due to higher-than-expected excise tax revenues.
- The Town received more state revenue sharing than anticipated and \$250K of MDOT funding which caused intergovernmental revenue to come in over budget.
- Interest earned was conservatively budgeted in 2021.

RKO

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TOWN OF HERMON GENERAL FUND – EXPENDITURES

	Budget	Actual	Variance
General government	\$ 1,069,971	1,025,107	44,864
Economic development	373,168	186,277	186,891
Public safety	1,008,320	1,024,788	(16,468)
Public works	913,742	1,584,598	(670,856)
Solid waste	435,857	482,284	(46,427)
Recreation and social services	345,779	343,697	2,082
County tax	816,353	816,353	-
Tax increment financing	110,000	189,436	(79,436)
General assistance	5,000	2,343	2,657
Education	5,503,657	5,507,000	(3,343)
Transfers out	590,000	590,000	-
Appropriated for TIF	507,626	-	507,626
Total expenditures and transfers out	\$ 11,679,473	11,751,883	(72,410)

SUMMARY OF SIGNIFICANT VARIANCES

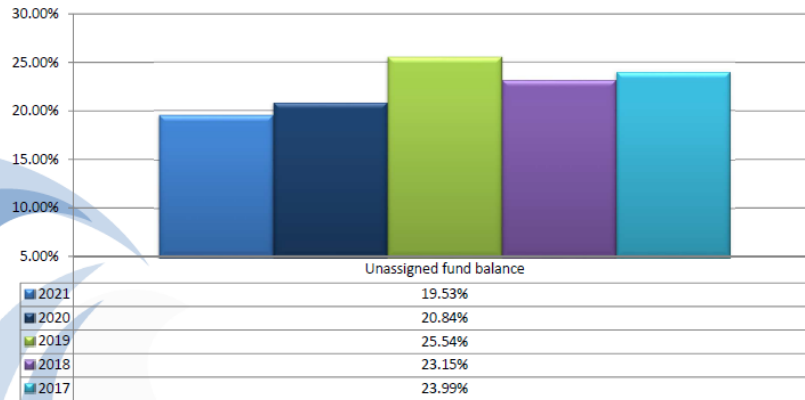
- General government had savings in benefits.
- Economic development projects were not completed.
- Public works was over budget due to extra road construction required and the timing of the Billings Road project (received MDOT funding).
- TIF was overspent due to timing of RIDER payment (was pushed into FY21).

RKO

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Town of Hermon

GENERAL FUND – Unassigned Fund Balance as a Percentage of Expenditures



SIGNIFICANT OBSERVATIONS

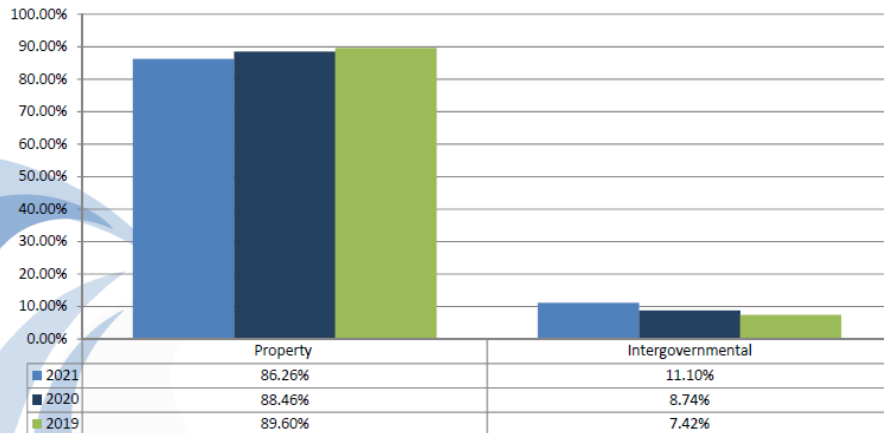
- This calculation is comparing the Town's unassigned fund balance to the combined Town and School budgets.
- Town unassigned to Town budget (which includes appropriation to School) calculates to 35.85%. School has an unassigned fund balance percentage to budget of 20.5%.



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TOWN OF HERMON

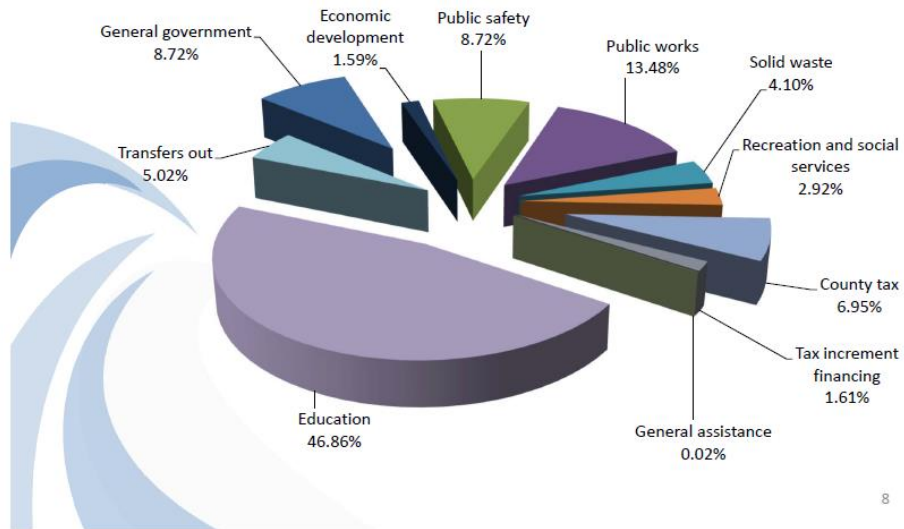
GENERAL FUND – REVENUE DISTRIBUTION



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TOWN OF HERMON

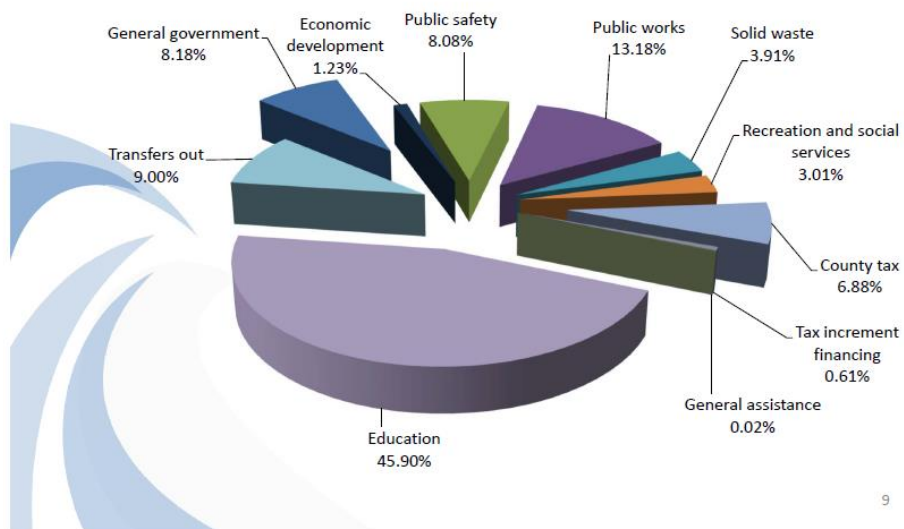
GENERAL FUND – EXPENDITURE DISTRIBUTION - 2021



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TOWN OF HERMON

GENERAL FUND – EXPENDITURE DISTRIBUTION - 2020



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

VII. PUBLIC HEARINGS:

VIII. COMMITTEE REPORTS:

IX. SCHEDULED AGENDA ITEMS:

A. OLD BUSINESS:

B. NEW BUSINESS:

R21-22-19 Consider accepting the FY23 Capital Improvement Plan.
Previously tabled from the February 17, 2022, meeting.

Councilor Murphy moved to table R21-22-19. Councilor Snyder seconded the motion. The motion accepted unless doubted. Motion passes.

C. WORKSHOPS:

D. OTHER ITEMS: (from Table Package)

X. APPOINTMENTS:

XI. MANAGER STATUS REPORT: None

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

Ernest Wheeler 20 Billings Road: Six weeks ago, Mrs. Rogerson came and spoke and asked you all to put some boots on the ground at 4 Billings Road, Mr. Perry's project. I'd like a show hands, how many people have been to 4 Billings Road in the last 30 days?

Four councilors raised their hand.

Mr. Chairman do we have a permit for putting footings in the ground?

Steve Thomas: We are not experts with every aspect of the building code here. I'll just say this project has been reviewed extensively, it went to the Planning Board, I understand that you're concerned about the underground storage tanks, there is a process that the developers have to go through with a DEP. And they cannot, from what I understand, provide a fuel storage plan until they complete their research.



Ernest Wheeler:

- **4 Billings Rd.**
 - **Lack of safety fences**
 - **Site visit from the Town Engineer to review the walls**
 - **Plan for permanent fences and landscaping**
- **2440 Route 2 has over 1000 yards of soil**
- **Ellis plaza has over 1000 yards of soil**

Jessefa Murphy: Plan was submitted on October 25, 2021. Planning Board of Appeals issue number four by a vote of 5 to 0 the Board determined the Planning Board did not err on determining the application was complete.

Councilor Reynolds: So, you have all the plans for gasoline and all the fittings.

Jessefa Murphy: The Town does not do anything with gasoline. DEP takes care of the fuel.

Councilor Reynolds made a motion to get a complete plan for the project, so we don't break our ordinance. Motion was seconded by Councilor Watson. Vote: 2 Yes, 2 No, and 3 Abstain.

XIII. COUNCIL ITEMS: None

XIV. EXECUTIVE SESSION:

XV. ADJOURNMENT:

Councilor Snyder made a motion to adjourn the council meeting at 7:43 pm. Councilor Watson seconded. With no objection the council meeting was adjourned at 7:43 pm.

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.