

**Town of Kennebunkport
Board of Selectmen Meeting
Village Fire Station-32 North Street
January 28, 2016 – 6:00 PM**

Minutes of the Selectmen Meeting of January 28, 2016

Selectmen present: Stuart E. Barwise, Patrick A. Briggs, Allen A. Daggett, and Sheila Matthews-Bull and Edward W. Hutchins

Others present: Dean Auriemma, Gerry Dworki, Amy D'Amico, Werner Gilliam, Tim Good, David James, Daniel Lay, Jen Lord, Arlene McMurray, Molly Reinfried, Craig Sanford, Laurie Smith, Jim Stockman, and others

1. Call to Order.

Chair Matthews-Bull called the meeting to order at 6:00 PM.

2. Approve the January 14, 2016, selectmen meeting minutes.

Motion by Selectman Hutchins, seconded by Selectman Daggett, to approve the January 14, 2016, selectmen meeting minutes. **Vote:** 5-0.

3. Public Forum (This is an opportunity for anyone who wants to address the Board of Selectmen with any issue that is not on the agenda.).

There were no comments.

4. H.M. Payson to present annual investment report.

The Investment Policy requires the Investment Committee and H.M. Payson to report to the Board of Selectman annually. Daniel Lay and Molly Reinfried of H.M. Payson presented their report. (See Exhibit A).

Gerry Dworkin of the Cape Porpoise Fire Company asked if money from the Kittredge Fund could be used to purchase a rescue boat.

Fire Chief Allan Moir said he planned on using the Kittredge fund to replace an existing ladder truck in the future. He said he needs more details if the Fire Company wishes to purchase a rescue boat. He needs a mission statement indicating the distance the boat would go, where it would be stored, who would operate it, etc. He would like to go in with other towns if they were to purchase a rescue boat.

The Board supports proceeding with H.M. Payson's growth plan.

5. Update on 2016 foreclosures and possible land purchase installment contracts.

Treasurer Jen Lord said nine accounts came to foreclosure. Four wish to enter land installment contracts, one is working with their bank and would like to come to the February 11 meeting, one is currently in a land installment contract, one is waived, one has a military exemption, and one she hasn't tracked down.

Motion by Selectman Briggs, seconded by Selectman Daggett, to approve the land installment contracts for Wade and Tammy Bickford; and the Grace Brennan heirs. **Vote:** 5-0.

6. Update from Amy D'Amico regarding Habitat for Humanity.

The Habitat for Humanity has raised funds to build a home for a veteran. Amy D'Amico reported that they broke ground on the property at 160 Beachwood Avenue and will try to put the foundation in within the next couple weeks. They will continue work throughout the winter, weather permitting. She said the families selected are required to complete 400 hours of work "sweat equity" such as working on their home and volunteering for Habitat for Humanity of York County. They are hoping that the home will be ready so the family's children can attend school in Kennebunkport in the fall. Interested volunteers can contact the Habitat for Humanity at 985-4850.

7. Review of Dock Square Parking Lot Operations - 2015

Ms. Smith presented the history of the parking lot and Police Chief Craig Sanford discussed the staff operations. The Dock Square Parking Lot has been in existence since 1984. In its first year of operations, the lot took in revenues slightly over expenses (\$37,000). It was a cash only, manned lot. Over the years, the amount of revenues increased to \$350,000. Last year, a new system was installed with security cameras and credit card machines. The lot was open from June 3, 2015, to October 29, 2015, with 11 days lost from problems with the card reader, replacing parts, and eventually replacement of the entire exit payment machine. Gross revenue was \$350,271 and most people did not take advantage of the free parking. Out of 5,000 chaser tickets issued, only 849 were redeemed.

Chief Sanford explained that the main problem at the lot was people trying to exit. When someone had trouble with the credit card machine, a line would form and sometimes extend back out into the street. He said a solution could be to make people entering the lot turn left to look for a parking space instead of going straight. This option would cause them to lose some parking spaces. He thinks it is good to have staff there during the busy hours to help with technical issues and people issues.

Discussion followed such as:

- They must make sure the abutters are aware before they make any changes.
- They need to look at increasing fees if they lose parking spaces to offset the costs.
- They could make semi trucks park at Cross Street.

Mr. Smith thanked the Police Chief for all of his help with the parking lot and also all of the people who helped this past summer.

8. Set the 2016 fees for Goose Rocks Beach parking stickers.

Current fees are:

Resident seasonal	\$5.00
Nonresident daily	\$15.00
Nonresident weekly	\$50.00
Nonresident seasonal	\$100.00

Motion by Selectman Daggett, seconded by Selectman Hutchins, to keep the fees the same for the Goose Rocks Beach parking stickers. **Vote:** 5-0.

9. Adopt the Goose Rocks Beach Parking Sticker Rules/Regulations.

Motion by Selectman Daggett, seconded by Selectman Hutchins, to adopt the Goose Rocks Beach Parking Sticker Rules/Regulations. **Vote:** 5-0.

10. Accept donation of \$204.50 from the families of Consolidated School to the to the Kennebunkport emergency fuel program. They also donated 100 pounds of nonperishable food to the food pantry, which came from their annual Sock Hop.

Motion by Selectman Hutchins, seconded by Selectman Daggett, to accept a donation of \$204.50 from the families of Consolidated School to the to the Kennebunkport emergency fuel program. **Vote:** 5-0.

11. Authorize the closure of the School Street land purchase account.

Ms. Smith explained that the Town approved funding \$400,000 from the undesignated fund balance to purchase Dick McCabe's land adjacent to Parsons Field. After the land was purchased, \$11,633.25 remains. She said the Treasurer is requesting to return the \$11,633.25 back to the undesignated fund balance.

Motion by Selectman Daggett, seconded by Selectman Barwise, to approve returning \$11,633.25 back to the undesignated fund balance. **Vote:** 5-0.

12. Appoint Alison Kenneway as Assistant Health Officer.

Motion by Selectman Hutchins, seconded by Selectman Briggs, to appoint Alison Kenneway as Assistant Health Officer. **Vote:** 5-0.

13. Other business.

a. February Meeting Schedule

Ms. Smith asked who would be attending the meetings in February. There will be a quorum for both meetings.

Director of Planning and Development Werner Gilliam said they may see an increase in elevations on the FEMA maps. It may be June 2017 before there will be something to vote on.

14. Approve the January 28, 2016, Treasurer's Warrant.

Motion by Selectman Barwise, seconded by Selectman Daggett, to approve the January 28, 2016, Treasurer's Warrant. **Vote:** 5-0.

Selectman Daggett thanked the Town Manager, MDOT, and Highway for clearing out the brush on Route 9.

15. Adjournment.

Motion by Selectman Barwise, seconded by Selectman Daggett, to adjourn.

The meeting adjourned at 7:05 PM.

Submitted by

Arlene McMurray
Administrative Assistant

HMPayson

January 2016

Town of Kennebunkport
Portfolio Review

Daniel M. Lay, Esq.
Managing Director

Molly C. Reinfried, CFP®
Relationship Manager

Jenny Lynd Robinson
Investment Assistant

H.M. Payson

Town of Kennebunkport Portfolio Overview

Goals:

- Implement an Investment Policy Statement
- Generate income to provide for beneficiaries
- Title 9- Prudent Investor Rule
- Grow the balance of the trusts long term to hedge inflation

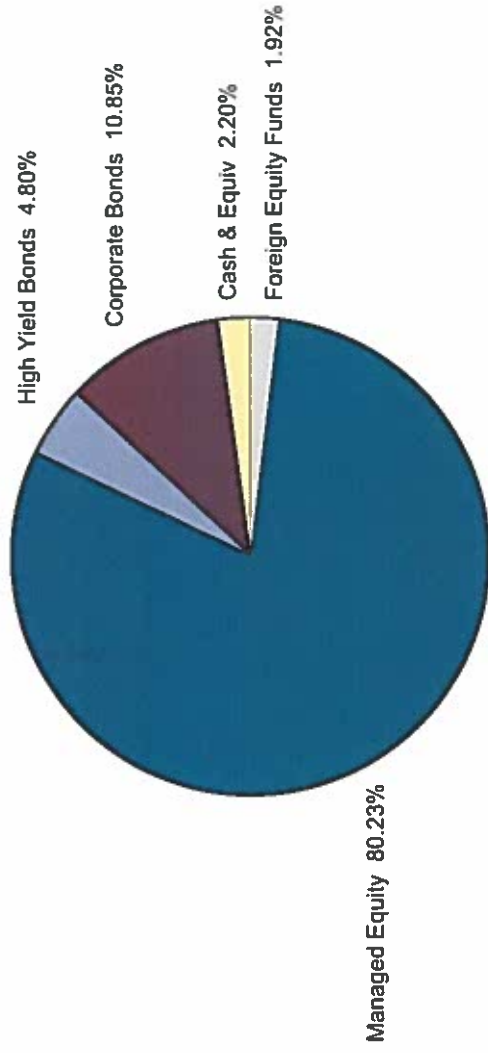
Portfolio Composition

Trust	Market Value 12/31/15	Beneficiaries
Kittredge Trust	\$640,380.80	Vehicles for fire companies (per trust %)
Maccomber Trust	\$5,336.51	Support public health nurse
Picavet Trust	\$422,581.19	½ Police Department equipment ½ Equipment and supplies for Public Health and Nursing Service

TOWN OF KENNEBUNKPORT

Account #: 5990438786
 Report Period: 02/28/2015 - 12/31/2015

Asset Allocation Detail



	Market Value	Percent of Total
Cash & Equiv	23,554	2.20
Corporate Bonds	116,106	10.85
High Yield Bonds	51,376	4.80
Managed Equity	858,222	80.23
Foreign Equity Funds	20,488	1.92
Total Account	1,069,746	100.00

Town of Kennebunkport Account Activity 1/1/2015 – 12/31/2015

Beginning Market Value - 1/1/2015		\$0
Income		
	Dividends	\$20,036
	Interest	\$0
	Other Income	\$0
Additions		\$1,149,090
Withdrawals		
	Account Fees	-\$6,486
	Taxes Paid <i>(on foreign equities)</i>	-\$252
	Other Disbursements	\$0
Increase in Market Value		-\$94,090
Ending Market Value - 12/31/2015		\$1,068,298

Town of Kennebunkport Performance through 12/31/2015

	From Inception*
	2/28/2015
Total Account	-6.80%
Fixed Income (Bonds)	N/A
Equity (Stocks)	-8.53%
	Benchmark ¹
	-4.01%
* Annualized	

¹ Benchmark mix allocation 75% S&P and 25% MSCI ACWIexUS

Town of Kennebunkport Top 10 Holdings

<u>Company</u>	<u>% of Total Equity</u>	<u>Sector</u>
Southern Company	5.46	<i>Industrials</i>
Sysco Corp.	5.40	<i>Consumer Staples</i>
Berkshire Hathaway Inc. Cl B	5.01	<i>Financials</i>
Intel Corp.	4.73	<i>Information Technology</i>
Exxon Mobil Corp.	4.55	<i>Energy</i>
Apple Inc.	4.48	<i>Information Technology</i>
Chevron Corp	4.2	<i>Energy</i>
Occidental Petroleum Corp.	3.94	<i>Energy</i>
Pfizer Inc.	3.90	<i>Health Care</i>
Procter & Gamble	3.71	<i>Consumer Staples</i>

HMPayson

Income: past vs. future

Past 3 years average income:*

\$10,371

1.5%

2015 Income^

\$19,759

1.9%

	Total Portfolio	%	Projected Income	%
US Equity: Large Cap	826,575	80%	24,072	2.9%
US Equity: Small Cap	0	0%	0	-
International Equity: Developed	0	0%	0	-
International Equity: Emerging	19,019	2%	468	2.5%
Real Estate	0	0%	0	-
Corporate: High Yield	50,665	5%	2,969	5.9%
Corporate: Investment Grade	116,184	11%	1,374	1.2%
Government	0	0%	0	-
Municipal	0	0%	0	-
Cash	18,840	2%	24	0.1%
Total	\$1,031,283	100%	\$28,907	2.8%

*Does not include Picavet trust; based on 2012, 2013 and 2014

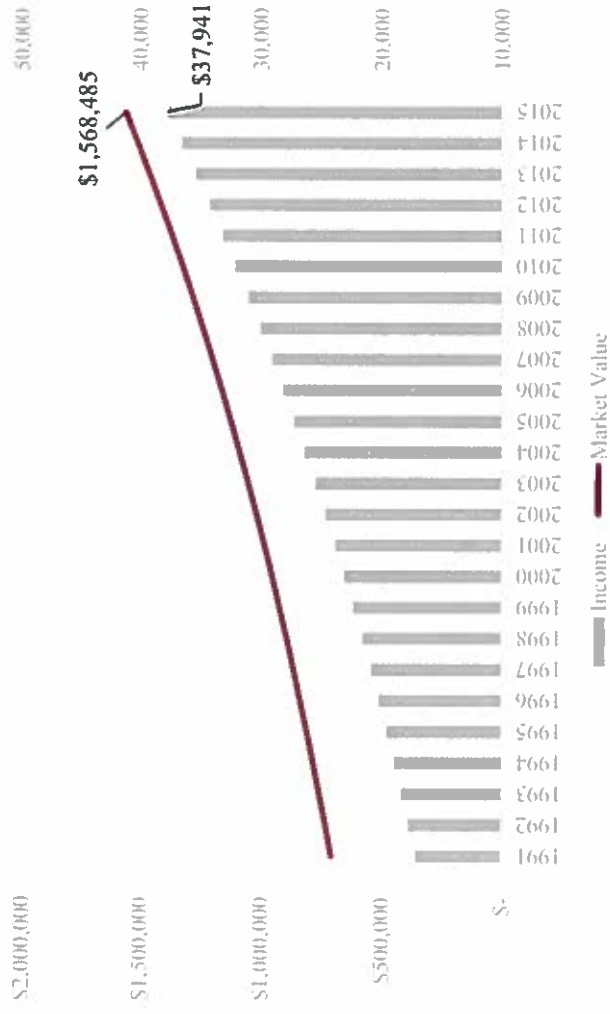
^ 2015 income for 10 months (beginning March 2015)

HMPayson

What If?

Assumptions:

- Kittredge Trust principal: \$688,206 (no additional funds added)
- Assume 6% total return beginning 1991
- 2.5% income distribution each year



S&P 500 annual return approximately 9% over this time period

Effect of Inflation

Assumptions:

- Kittredge Trust principal: \$688,206 in 1991
- No additional funds added or distributed from principal
- 3% inflation discount applied each year
- *\$338,551 value in today's dollars*

