

Minutes of Meeting
June 30, 2022
Board of Selectmen
Town of Long Island

Attending: Marie Harmon, Chair; Selectmen: John Burke and John Wallace; Selectman-Elect Joe Donovan; Brian Dudley, Town Administrator; Steve Hart, Mark Greene and Matt Byers. Viewing Remotely: Jeannie McAleney; Catlin Byers; Camille Wolfertz; Rennie Donovan; and Ed Rea.

Selectmen previously reviewed the weekly Town Warrants.

The board reviewed the minutes of the previous meetings.

- It was Moved (Burke), Seconded (Wallace) and Voted to approve the minutes of the meeting of June 23, 2022. (Motion passed 3-0).

Selectmen reviewed communications received. There were communications regarding pickleball, recent state legislation on affordable housing and local zoning laws; and the need to spray calcium on the gravel roads.

Selectman Wallace noted that he has resigned his positions within the Long Island Fire & Rescue department as including his custodian work for the rescue boat.

Brian briefed the board on the following:

- 1) The pile of debris has been swept up near the town garages down front. Two rear doors facing the banking were forced open into the garages. The installation of outdoor security cameras will continue to be looked into.
- 2) Brian is working on a formal contract with GEI Consultants for the engineering/design work for Ponce's Landing.
- 3) Portable toilets finally arrived. A new vendor had to be found.
- 4) Furniture is scheduled to arrive today for the Beach Avenue town house; the home has been thoroughly cleaned; and new batteries for the smoke detectors are on the counter.
- 5) Brian received word from Senator Collins Office that the grant he submitted for additional funding for the needed wave screen in the amount of \$477,000 has been approved. It is now contingent on Congress passing the appropriations bill containing the funds.
- 6) A second quote has been received for the three pilings at Ponce's Landing that need to be replaced. It is higher than the first one in the estimated amount of \$16,000.
- 7) Brian submitted the Local Road Assistance Program Certification forms to MDOT for the fiscal year 23 grant. Last year's grant was for \$9,600.
- 8) Cunningham Security is doing service work at the Community Center on Tuesday, July the 5th.
- 9) Senator Breen will be scheduling a meeting with the Selectboard to discuss state and local issues.
- 10) Brian has obtained an opinion from town counsel that should the board want to publicly auction off Lot#431 as approved at the May annual town meeting, it can do so subject to the voter requirement of a minimum bid in the amount of \$80,300.

At the request of the Selectboard Chair, Marie Harmon, Brian read the following statement into the public record:

**(COPY OF TRANSMITTAL E-MAIL FROM MATT
TARASEVICH, ESQ, BERNSTEIN SHUR)**

Please find attached the Investigative Report that the Board authorized after it received conflicting and somewhat confusing statements by Selectman Wallace regarding the transfer of Town funds into Selectman Wallace's personal account. Due to those circumstances, the Board properly exercised its fiduciary and oversight responsibility to the Town by approving an independent investigation of the matter.

While the Town did not allege or imply wrongdoing, it was necessary for the Select Board to investigate the matter in order to fully understand the circumstances that led to the transfer, actions that were taken thereafter, and to consider future actions to ensure that this type of incident is avoided in the future.

-Matt Tarasevich, Esq.

INDEPENDENT INVESTIGATOR'S REPORT

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MEMORANDUM

TO: Brian Dudley, Town Administrator

FROM: Jonathan M. Goodman

DATE: June 28, 2022

RE: Financial Irregularity Investigation

I was engaged by the Town of Long Island to investigate a Banking irregularity discovered by Town Treasurer Lisa Kimball.

On May 4, 2022, Treasurer Kimball was reconciling the Town's Gorham Savings Bank accounts when she discovered an April 22, 2022 withdrawal for \$3,500.00 from the Town's general funds checking account for which there was no corresponding Town Transaction.

Treasurer Kimball contacted the Bank and learned that on April 22, Town Selectman John Wallace visited the Bank's Long Wharf Branch, at which time a transaction took place in which \$3,500.00 was withdrawn from the Town's general funds checking account and deposited into Mr. Wallace's personal checking account.

During my investigation, Gorham Savings Bank Chief Deposit Officer Dan Hancock confirmed that Mr. Wallace requested that funds be transferred between two of his own personal accounts and that the Bank erroneously transferred the funds from the Town's account to Mr. Wallace's personal account.

Due to security concerns, Mr. Hancock would not provide detailed answers to my questions regarding how the error could have occurred, but there is evidence suggesting that the error occurred because Mr. Wallace is a signatory on the Town's accounts, and when Mr. Wallace requested that funds be transferred between his accounts, the teller pulled up all accounts associated with Mr. Wallace's name, leading to the Bank's erroneous transfer between a Town account and Mr. Wallace's personal account.

Mr. Hancock stated that the issue has been addressed with the Bank's staff member who was involved in the erroneous transaction. Mr. Wallace has also since reimbursed the Town by redepositing \$3,500.00 to the Town's account.

In light of the foregoing, my conclusion is that Mr. Wallace did not direct Gorham Savings Bank to transfer \$3,500.00 from a Town of Long Island account to his personal account but, rather, the transfer was the result of a Bank error. Therefore, further investigation of this matter is not necessary.

From the CEO Office: Two permit applications still unpaid for will be returned to the applicants; new building permit applications have been received for two decks and a shed.

From the Clerk/Tax Collector: Fireworks permits, a BYOB permit and the business license application for the Boathouse have been received. 34 vehicles have been registered this week and a draft of the Municipal Valuation Report has been completed by Ed Rea, Chair, Finance Committee.

Amy noted that the Wellness Center has received a \$10,000 grant for handicap ramps.

Prior to public comments, Brian noted for all that this is Marie's last day as a Selectperson having decided not to seek her reelection in May. She has dedicated nine years to the town and helped guide it through some difficult issues. Members of the public also acknowledged her contributions over the years.

The meeting adjourned at 5:50 PM. The next meeting of the board is Thursday, July 07, 2022 at 5:00 PM.

Respectfully Submitted

Brian L. Dudley, Town Administrator