

Minutes of Meeting
July 21, 2022
Board of Selectmen
Town of Long Island

Attending: Joseph Donovan, Chair; Selectmen: John Burke, John Wallace; Brian Dudley, Town Administrator; Adam Kimball. Viewing Remotely: Jean McAleney; Leah Doughty; Joe Miller; Dennis McCann; Brenda Singo; Nancy Jordan; Camille Wolfertz; Rennie Donovan; Mark Greene; Ed McAleney; Steve Hart; Beth Limerick; Barbara Johnson; and Matt Byers.

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 July 14, 2022. (Motion passed 3-0).

Selectmen reviewed communications received. There were communications regarding:

- 1) Community Center doors need additional service.;
- 2) More information was received on the materials applied to the whale carcass prior to the burning. Note this will be discussed further when the Fire Chief is present on July 28th.;
- 3) More signage is needed on the Mariners Wharf floats on the two hour maximum tie up limit.;

4) Vandalism.

Brian briefed the board on the following:

- 1) The furniture for the Beach Avenue townhouse was assembled and the portable water dispensing system arrived. A kitchen table and grill are still needed. A volunteer to oversee the house would be helpful..
- 2) Lisa will update the week with the auditors later tonight.
- 3) The public safety discussion will be on Thursday, July 28th when the Fire Chief returns from vacation.
- 4) Brian and Ed Rea met to discuss the impact of the \$477,000 grant that was included in the package of Congressionally Directed Spending from Senator Collins Office. This is still pending passage of the final appropriations bill.
Brian is waiting for an appointment of a new director of the MDOT SHIP program so that he can amend the original grant award to a higher total. Brian and Lisa are working with bond counsel on the pending Maine Bond Bank application and the total amount to be requested.
- 5) Brian noted that the washed up seals have been disposed of. He is waiting for a new agreement with the State Bureau of Parks for covering this expense.
- 6) A second proposal was received from Tranzon Auctions for the disposition of Lot#431. Brian will discuss these later in the meeting.
- 7) CPM Construction is scheduled to replace the three missing pilings at Ponce's Landing starting the week of August 15th.
- 8) I have twice requested CBL to pick up the portable toilets to bring them in town.

- 9) Brian spoke with Barbara Johnson about a vandalism incident at the School Department. There have also been similar problems with teens accessing the Community Center after hours. Residents are reminded again to call Cumberland County Dispatch when they suspect or see suspicious activity. The Deputy Sheriff is now on the island and these continued incidents will not be tolerated.
- 10) Brian noted that the Planning Board is having difficulty accessing Zoom. There have been platform changes which will also impact the town hall use of Zoom on its chromebooks. Steve Hart will explore other options.
- 11) Leah reported that she has work to be done on the slope at the VFW Hall as well as the entryway to the beach stairs.

From the CEO Office: The CEO contacted Peter Evans to remind him that his originally-issued building permit was now void due to long term inactivity and that new code requirements are now in effect for any new permit. Mr. Evans was given ten (10) days to submit the new permit application or he would be cited and fined for land use violations. A new revised building permit was submitted Wednesday.

Two internal plumbing permits were issued.

Jim received a notice of a complaint filed with the Department of Environmental Protection on the whale carcass burning at 117 Eastern Avenue and a request for more information.

From the Clerk/Tax Collector: The annual Municipal Valuation Report (MVR) is being adjusted to reflect the Henry Donovan land change status request to Open Space. While the Open Space designation was not approved, new land values were assigned that will represent an approximate decrease in those properties values of about \$34,000.

From the Wellness Center: Casco Bay Lines is nearing the opening of the Quiet Area in the main terminal for traveling island residents who are ill.

Mark Greene asked if there were any questions on the Genesis program aimed at housing. The Comprehensive Plan implementation committee will be following up on it. He noted that the year Round Housing Committee is still in place but needs more active members.

The Selectboard then opened the Public Hearing on the banking incident of April 22, 2022 when \$3,500 of town funds were discovered missing. Chairman Donovan introduced the issue noting that Selectman Wallace had asked for a public hearing to address the rumors that were circulating as to the cause of the issue. Selectman Wallace noted that the town's investigation led to a statement saying that Gorham Savings Bank (GSB) had essentially admitted that the release of funds from the town's account to him was their mistake.

Chairman Donovan then asked for the record for Brian Dudley and Lisa Kimball to both read their cumulative notes throughout the

entire incident. Brian began with a summary of the facts of the case starting with the discovery of the missing \$3,500 on Wednesday afternoon, May the 4th by the Treasurer upon her return from vacation. Brian reached out immediately to Selectman Wallace who stated that he rarely goes to the Long Wharf branch of GSB where the incident occurred and also that he did not recall any \$3,500 transactions.

Thursday morning the 5th, Selectman Wallace went to the GSB Falmouth Branch and secured a letter from them stating that there had been a bank error and the missing \$3,500 was restored to the town's accounts. Selectman Wallace delivered to Brian the signed statement on plain paper from the GSB Falmouth Manager upon his arrival to the island later that same afternoon.

Brian instructed the Treasurer to report the incident to the Town's external auditors. Brian also contacted the Town outside counsel for advice.

Following an executive session on May 12th with outside counsel present, it was agreed that Brian and Lisa should meet with the bank to continue to ask questions to determine how this could have happened as well as to develop amended policies and procedures to prevent it from happening again in the future. While scheduling that meeting with GSB, Brian asked Lisa to have GSB confirm that their Falmouth branch had closed at some point during their regular operating hours

on April the 22nd as was later stated by Selectman Wallace as the reason that he conducted business that day at the Long Wharf branch.

GSB reported back that there was no reduction in hours for any reason on April the 22nd. Hearing this Brian reached out to the Board Chair, Marie Harmon as well as outside counsel indicating that neither he nor the Treasurer were comfortable proceeding in the role of investigators.

Given this series of inconsistencies in statements, on May 19, 2022, the Board voted 3-0 to approve an independent investigator to be obtained by Bernstein Shur.

This action: 1) fulfilled the Board's fiduciary obligations to the Town Treasury; 2) removed any possible claims of conflicts of interest or bias between fellow board members; and 3) aided the further identification of systemic/process corrections to prevent this from happening in the future.

Treasurer Kimball read into the record her notes recorded throughout the incident. Those notes mirrored the summary from Brian and also added some additional details regarding specific conversations with the bank branch managers.

Lisa concluded by stating: “**...Since** May the 5th, upon discovering this banking incident of April 22nd, we have all been put in a difficult position. Mine is due to my position as Treasurer and my proximity to the town's bank accounts. My focus...has been making sure we do due

diligence in protecting the taxpayer money and also protecting the integrity of this office and my position. The involvement and the difficult questions we have all had to ask have been time consuming, uncomfortable and stressful...I would like to be very clear that I have kept this incident confidential, sharing only what was necessary with people trying to resolve it. Under no circumstances at any time have I posted anything about the incident or **people online.**”

Selectman Burke asked Brian to read into the record an email received that afternoon from former Board Chair, Marie Harmon.

(Copy of E-Mail from Marie Harmon, May 21, 2022):

“...I thought I’d send a brief recap of my view of the banking issue. When you first told me of the banking issue I replied that Jay had gone out of his way to tell me about a personal issue he had with GSB about a deposit he said he had made to his account. He had tried to use his debit card and it was declined which puzzled him because of a 1000.00 deposit he had made the day before the decline. He also said he spent an hour at the bank straightening it out. When we as a board questioned him about the Town issue I asked if the issue he had previously told me about was separate from the Town issue and he said yes. I questioned him why he never told me about the Town issue at the same time but he had no answer.

When his story about which bank he went to changed after our meeting that included the Town Attorney, I did ask him to resign

which prompted him to ask if he did resign “would this all go away”. That question, along with changing stories about facts related to bank visits, supported our need to go through the motions to try to figure out what really happened.

There was no “we’re out to get him” atmosphere. We as a board felt it necessary to investigate for the Taxpayers who put us in that office. We were trying to look out for the Town and set a precedent that procedures need to be followed to assure that all cards are on the table in situations **such as this...**”

The notes and statements of Lisa, Brian and Marie are available to be read by the public at town hall. This issue will likely be reported in the annual town audit. Reimbursement of legal fees for this matter from GSB will be reviewed.

Joe Donovan summarized the process and noted that due to the inconsistencies in the statements made by Selectman Wallace, this investigation was made necessary. He also noted the time, expense and emotional toll that the entire matter had resulted in. He felt that Selectman Wallace should take responsibility and issue an apology.

Charman Donovan then opened up for public comment:

- Jeanne McAleney asked if a similar incident involving a Selectman had occurred in the past as she had heard. Treasurer Kimball said this had never happened during her years here.

Nancy Jordan, the former Treasurer, concurred that this had never happened before.

- Ed McAleney then asked if as a result of all of this, any apologies would be made? Chairman Donovan revisited his comments of a few minutes earlier, agreeing with Ed that an apology was indeed due, but not from the town.

The next meeting of the board is Thursday, July 28, 2022 at 5:00 PM.

Respectfully Submitted

Brian L. Dudley, Town Administrator