

Annual Report
Northport Village Corporation
2002



Bayside,
Town of Northport,
Maine

NORTHPORT VILLAGE CORPORATION

Telephone: 338-0751
Address: 813 Shore Road,
Northport, ME 04849

- Board of Overseers meets the 4th Sunday of the month, 10:00 A.M. October through May- Drinkwater School.
June-September- Community Hall.
- The Northport Village Corporation Annual Meeting is held the 2nd Tuesday of August.

Town of Northport Transfer Station Hours

**Summer: Sunday, Tuesday, and
Thursday--9:00-4:00
Friday-- 3:00-5:00
Winter: No Friday hours**

**Northport Volunteer Fire Department
and**

**First Responders:
For Emergency, Dial 911.
For Meetings only: 338-6200**

**Burn permits are available at the Northport
Town Hall, Bayside Country Store, and the
Fire Chief.**

Annual Report
of the
MUNICIPAL OFFICERS
of the
Northport Village
Corporation
2002

Table of Contents

Town Officers	4
Dedication	5
Minutes of Annual Meeting August 13, 2002	6-9
Clerk's Report	9
President 's Report	10-11
Utilities Activities Report	12-13
Village Agent Report	14
Village Properties Report	15-16
Building Permits	16
Safety Committee Report	17
Wharfmaster Report	17
Information Committee Report	18
Archives	18
Parks Committee Report	19
Bayside Historical Preservation Society	20
Bayside Garden Club	21
Northport Yacht Club	22
Auditors' Report	23-37
Budget	38
Warrant	39-40

Town Officers

President

Kenneth Vlodak

Treasurer

Russell Handler

Clerk

Eleanor Lagner

Board of Overseers

January 1-August 13, 2002

Dan Doucette, John Lightner, Mathew O'Malia,
Judy Rohweder, Elaine Smith, Steve Trenholm,
Diane Whitten

August 14-December 31, 2002

David Crofoot, Greg Closter, Dan Doucette,
Joe Krulis, Douglas Mayer, Judy Rohweder,
Elaine Smith

Code Enforcement Officer

Blaine Richardson

Wharfmaster

Alfred Keith

Utility Superintendent

John Fancy

Police Officer

Sal DeMeo

State Representative

Walter Ash
Belfast, Maine
338-3485

State Senator

Carol Weston
Montville, ME
588-4481

Dedication



From 1981-82 to 2000-2001, Jeanette Ruth (Hook) Tardif served the Northport Village Corporation as its Clerk. During her 20 years in this office, Jeanette saw the Village move from a small, tightly-knit summer community, populated by many families who for generations had called Bayside their summer homes, to the conglomerate municipality we have today. Jeanette herself is a 3rd generation summer resident, having vacationed in the Morrell cottage since her childhood.

Jeanette was not only the official clerk, but her cottage is a gathering place. Anyone needing information about the community, or who just wants to chat, turns up at Jeanette's cottage. She still keeps track of the Community Hall calendar, being sure that it is available when needed, and doling out the keys when required.

With thanks for her many years' contribution to Bayside, this 2002 Annual Report is dedicated to Jeanette Tardif.

Clerk's Report of the Annual Meeting
of the Northport Village Corporation

Annual Meeting
August 13, 2002

The Annual Meeting of the Northport Village Corporation was held on Tuesday, August 13, 2002, at 6:30 PM in the Bayside Community Hall with approximately 157 voters attending. The clerk opened the meeting by reading the Call and Return on the Warrant. The printed Warrant was made available to voters as a handout.

(Article 1) J. Timothy Samway was nominated, then elected Moderator of the meeting. After being sworn in by the Clerk, Tim invited 2 local Cub Scouts, Dustin Nadeau and Jared Alley, to lead the meeting in the Pledge of Allegiance. Tim thanked Steve Trenholm and Dick Tardif for their work in setting up for the meeting, and announced the up-coming ceremony at the library to honor Eldon and Henrietta Pond. Tim then introduced the Officers and Board of Overseers, and thanked them for their work over the past year. Sal Demeo, police officer, and Northport's Animal Control Officer, Raymond Tucker, were also introduced.

The Moderator read the rules of Town Meetings.

The Clerk's report of the 2001 Annual Meeting was made available as a handout.

The following is the Treasurer's Report as of December 31, 2001:

General Government	
Checking	\$49,074.35
Community Hall	290.27
Money Market	<u>42,360.76</u>
Total	\$91,725.38
Water Department	
Checking	\$22,451.40
Wastewater Department	
Checking	\$16,158.58
CD	19,369.70
Money Market	<u>21,689.43</u>
Total	\$57,217.71

The following is the Treasurer's Report of July 31, 2002:

General Government	
Checking	\$16,373.18
Community Hall	291.71
Money Market	<u>42,692.79</u>
Total	\$59,357.68
Water Department	
Checking	\$90,327.00
Checking	<u>10.00</u>
Total	\$90,337.00
Wastewater Department	
Checking	\$14,805.68
Checking	10.00
CD 721053	19,650.15
Money Market	<u>21,830.96</u>
Total	\$56,296.79

(Article 2) The Moderator asked Nominating Committee Chairman Bill Cressey to present the slate of officers. The Treasurer Russell Handler and Clerk Eleanor Lagner were re-elected by casting one ballot for each office, as there were no nominations from the floor. For President, the Nominating Committee nominated Ken Vlodek, and Josiah Huntoon was nominated from the floor. A written ballot vote was taken, and Ken Vlodek received 79 votes with Huntoon receiving 65 votes, so Ken Vlodek was elected President.

While the votes were being counted, Sid Block presented the Nominating Committee report. He thanked Bill and Gina Cressey for their work setting up the slate of officers, and then he stressed the need for everyone to become involved in Community affairs.

(Article 3) The Nominating Committee presented the slate of Overseers for the coming year as follows: Gregory Closter, David Crofoot, Daniel Doucette, Joseph Krulis, Doug Mayer, Judy Rohweder, and Elaine Smith. Fred Lincoln was nominated from the floor. A written ballot was taken with the following vote tally:

Judy Rohweder	135
Douglas Mayer	133
David Crofoot	129
Joseph Krulis	125
Dan Doucette	115
Gregory Closter	114
Elaine Smith	113
Fred Lincoln	98
Write-in John Dykstra	1

The first seven Overseers were duly elected.

(Article 4) In his President's report Ken Vlodek praised the Webster's Bayside web site and the *Sea Breeze* for better publication of Village business and communication with Town residents. There is also a reference room set up in the library where people can read minutes of meetings and village ordinances. An important step was taken this year. The deeds to land which had been the property of the Northport Wesleyan Grove Campmeeting Association up to August 29, 1940, have now legally been transferred to the Northport Village Corporation.

Ken then presented an "Outstanding Service Awards" Plaque to honor residents who have made outstanding contributions to the community. This plaque will be hung in the Community Hall, with the first recipients of the award being Al Keith, Beverly Crofoot, Alice Strong, and Jeanette Tardif.

Ken then asked that everyone please remember those community members who have passed away this year: Bill Thorndike, Genevieve Sheffield, Shirley Deacon, Henrietta Pond, Winona Clark, Paul Bowen, Janell Miklos, George Parsloe Jr., Barry Santerre, and Christine Burbank Ortman.

(Article 5) Dan Doucette moved, and Matthew O'Malia seconded the motion to appropriate and authorize a majority of the Overseers of the Corporation to borrow on behalf of the Northport Village Corporation a principal amount not to exceed \$500,000, and to issue and sell for that purpose general obligation bonds or notes of the Northport Village Corporation, the proceeds to be used for the purpose of financing improvements to the water system within the Village Corporation, including but not limited to construction of new water lines on Bluff Road and Shore Road, both within and without the geographic boundaries of the Northport Village Corporation (the "Project"); such bonds and notes to be issued upon such further terms or conditions as may be determined by a majority at least of the Overseers of the Northport Village Corporation, and further to authorize the Overseers to accept and expend federal or state grants, execute any and all contracts and documents, and take any and all actions necessary or convenient to issue the bonds or notes of the Northport Village Corporation and accomplish the Project. Materials presented by Superintendent John Fancy were reviewed, followed by several presentations by residents supporting the article. Article 5 was then **voted** by a large majority.

(Article 6) Dan Doucette moved, and Dan Webster seconded a motion to approve the Overseers' proposed budget and to authorize the Northport Village Corporation to raise and appropriate \$110,000, the money to be raised as follows: \$20,000 to be requested from the Town of Northport on the warrant of its Town Meeting, and the balance to be raised from the

Village Tax. If the warrant is not approved by the Town of Northport, the budget will be raised entirely from the Village Tax. **So voted.**

(Article 7) Dan Doucette moved, and Dan Webster seconded a motion to approve borrowings by the Northport Village Corporation in an amount not to exceed \$50,000 for working capital purposes. **So voted.**

(Article 8) Dan Doucette moved, and Dan Webster seconded a motion to approve borrowings by the Northport Village Corporation in an amount not to exceed \$100,000 for the purpose of replacement of the Community Hall and Wharf as needed, emergency repairs to utilities operated by the Village Corporation, or for reconstruction of shoreline damage to property owned by the Northport Village Corporation as a result of a storm. **So voted.**

(Article 9) Dan Doucette moved and Dan Webster seconded a motion to charge interest of 10% on all unpaid taxes after November 30. An amendment was voted to add "2003" to the date. **So voted.**

(Article 10) The following gave reports for their committees: Beverly Crofoot for the Utilities Committee; Jane Phillips for the Parks Committee; Judy Rohweder for the Safety Committee; Steve Trenholm for the Recreation Committee; John Lightner for the Information Committee; and Elaine Smith for Archives.

The meeting was adjourned at 9:35 PM.

Eleanor D. Lagner, Clerk

Clerk's Report

Deaths

Eugenia Allen
Lillian Parsloe
George Parsloe
William Mason Parsloe, Jr.

President's Report: 2002
(as delivered to the Annual Meeting, August, 2002)

The dates 1915 to 1927 represent the term of office of this Corporation's first president, Ira M. Cobe. Twelve consecutive years; a remarkable testament to civic spirit. The Historical Society presented a plaque to honor the past presidents of the Corporation which is displayed in the back of the Community Hall. Over the last few months as we have as we have held the Board of Overseers meetings in this hall, I have spent time after each meeting looking over the names on the plaque. The plaque lists fourteen presidents who have served this community. Each month I have been drawn back to the first name listed. If Mr. Cobe was sitting here tonight in my place, a man described in the thumbnail history of Bayside as a man "of vision and large affairs," would he recognize this community? How have things changed and how have they stayed the same?

Stepping outside of this building, Mr. Cobe would see many changes in the physical appearance of the Village, but that has always been a part of Bayside. The community has changed greatly from the original tents that were set up each summer for the prayer meetings. One aspect of the Village I believe Mr. Cobe would feel very comfortable with is the sense of community that makes Bayside such a special place. This is a very closely knit community. Many families have ties to this Village that go back generations. This is a place where there is still an honest sense of neighbors caring about their fellow neighbors. If someone is in need, it does not take long for the community to rally.

Most of us here tonight are seasonal residents of the Village. This is a place we are only lucky enough to call home for what is always too short a summer season. We look forward to opening up our cottages each spring, enjoy the beauty of the surroundings, and most importantly, renewing friendships.

This has been a very busy year for the Board and the various committees. Mr. Cobe would have found the complexity of the issues that have been dealt with over the last twelve months very challenging, to say the least. Later this evening you will hear the committee reports which will only highlight the work that was accomplished. If you would like to get a fuller sense of what the Board and the committees have dealt with, I would recommend spending some time looking over the monthly Board minutes. You will find copies of the minutes included in a recently created Village reference section in the Village library.

Baysidemaine.com, the website that Dan and Lisa Webster have devoted so much energy to, also contains the minutes. In fact, I would highly recommend that all Village residents join the 145 current subscribers to the website's e-mail list. This is the fastest way to stay up-to-date with what is happening in Bayside throughout the year, including receiving the minutes each month.

What would I consider the most important accomplishment of this past year? This is a very small, closely knit community where rumors do have a tendency to circulate, sometimes quite wildly . I am very surprised that an issue of such paramount importance to the community had been kept a secret since the 1940's. In dealing with a land issue last fall it was brought to the attention of the Board that there was a question of proper conveyance of title from the Campmeeting Association to the Village. Namely the Village parks that the Campmeeting Association had meant to convey. After months of research and the filing of a suit in Waldo County Superior Court, the highlight of my term as president was opening a letter from our legal council this spring. The letter dated June 7, 2002, reads in part: "Dear Overseers: Please be advised that we have obtained a Judgement from the Waldo County Superior Court in connection with the title issues which have been lingering since 1940. We now have a Judgement which determines that all the land which had been owned by the Northport Wesleyan Grove Camp Meeting Association as of August 29, 1940, is properly owned by the Northport Village Corporation . The title to the parks is now resolved."

This is just one issue that Judy Metcalf worked on this past year. One of the most difficult tasks in talking with various officials is just getting past trying to explain the Village Corporation . It is such an asset to this Corporation to have our legal council be from the Village and to be so passionate about preserving its character.

There are seven Overseers , a Village Clerk , a Treasurer and many committee members who have spent untold hours this past year in an effort to make Bayside a better place. Our Village Agent, Bill Paige, and Utilities Superintendent, John Fancy, we ask to wear so many different hats. Quite often we hear that community spirit is dead. Nothing could be further from the truth in Bayside. Over the last seven years, we have honored four individuals with Outstanding Service Awards. Tonight I have the honor to announce that the Board of Overseers has authorized a plaque to be placed beside the presidents' plaque honoring Al Keith, Beverly Chatham Crofoot, Alice Strong, Jeanette Tardif, and future recipients "...in recognition of outstanding service and dedication to the community."

One of the president's duties at our annual meeting is to read the list of our neighbors who have passed away during the last year. We will miss Bill Thorndike, Genevieve Sheffield, Shirley Deacon, Henrietta Pond, Winona Clark, Paul Bowen, Janell Miklos, George Parsloe Jr., Barry Santerre, and Cristine Burbank Ortman.

In closing, it has been an honor to represent and serve this community this past year. I hope I have lived up to the values of Ira M. Cobe and helped to advance his vision.

Kenneth Vlodek
President, NVC

NVC UTILITIES ACTIVITIES REPORT FOR 2002

Probably the biggest event for the year, and certainly the most noticeable, was the beginning of the \$1.4 million Infrastructure Upgrade Project. Starting in September, Broadway, Park Row, Main and Griffin streets were torn up as new water lines, sewer lines and storm drains were installed. The water lines were small old pipes that were beginning to give us problems with leakage and could not carry the volume of water needed today. The sewer lines were even worse. Some of them dated back a hundred years or more and were intended to convey groundwater as well as sewage to the bay. Built with open joints they worked like underdrains when the ground was wet. Daily flows through the wastewater treatment plant sometimes topped a quarter million gallons on days when less than 15,000 gallons were purchased from the Belfast Water District. Since almost every cottage that had a new water or sewer line installed in front of it also had new service lines it seemed for a while that every square foot of earth in Bayside was going to be dug up. The good news is that this project will be completed in 2003.

All of these improvements come at a price and, after holding two public hearings the Overseers approved rate increases for both the sewer and the water. These became effective as of the beginning of 2003 and the water rates will be based on actual water use as measured by a water meter. In December the first of the water meters were installed for year round customers. Summer customers will have their meters in the spring of 2003.

For several years now there has been an interest in extending the water line south on both Shore Road and Bluff Road to serve an area that has a very serious problem with arsenic in the groundwater. This effort received a boost in early 2002 as Rural Development, the folks who provided much of the funding for the Infrastructure Upgrade Project, offered a \$578,000 loan/grant package. After a lot of planning and work during the year the funding for this project was completed in December when the State of Maine, through the CDBG program added a grant of \$400,000. The Town of Northport is working with NVC and is planning on providing about \$70,000 to rebuild a portion of Bluff Road after the water main is installed. Construction is planned for the fall of 2003.

Water use continues to increase as it has each year since NVC connected to the Belfast Water District. This year a total of 6.8 million

gallons (a 4.4% over 2001) were used. This reflects not only the excellent quality of the water but also the steady increase in water customers.

Negotiations continue with the Maine DEP on a program to replace the wastewater treatment plant. This facility has had operational problems ever since it started up but the big problem is that the flow limit in the EPA License can not be increased (Federal law) and NVC can not meet this limit. This could lead to undesirable consequences, such as a building moratorium or major fines, and this is one of those things that are better resolved now and not left for the future. Some operational changes were made in 2002 to ensure that the plant runs better during the summer months.

Submitted by John Fancy , Utilities Superintendent

Village Agent Bill Paige

During January in 2002, a village fire hydrant on George and Sea Streets was found frozen, caused by inadequate pumping out. The Fire Department, after using a hydrant, was encouraged to contact Agent Paige who would double check to be sure hydrants were cleared.

The Village is still left with 10,000-gallon tanks and two 33-34-foot ramps, which should be disposed of, and it was decided to offer them for salvage.

A contract for mowing the parks was awarded to Lawns Are Us. Grass was mown when it reached a height of 3-1/2 to 4 inches.

All trash is collected by the Agent and taken to the Northport Transfer Station. All garbage must be placed in bags, with a sticker affixed. During the summer there was some problem with oversized bags, and residents were asked to use only the allowable bag, which then must be set out at the curb in a sealable container. There was a period during the spring when no recyclables were being taken; during July, for example, only milk and water plastic jugs were accepted, but as the year progressed, this ban was lifted. By the end of the year, cardboard, cans, and plastic jugs were accepted, but no glass. Recyclables were collected with the Monday morning trash. Brush and leaves were not being accepted during the spring, but again, in May, they were once again received.

Rocks which were surfacing in Ruggles Park were interfering with mowing and needed to be removed, but further investigation into costs was needed, so action was delayed until next spring. However, the ground beneath the playground equipment needed some work, and the Board replaced the child's picnic table, and checked the S-hooks on the swings.

During the Fall, the idea of building a Village Office was explored. The Water Company building was first considered, but it was decided to investigate other possible locations before making a decision. In November, the Board chose to improve the office space in the basement of the Community Hall as the most practical approach, and it was decided to hire an Office Manager to assist the Utilities Departments and work on other Village office tasks. This was to take place in January, once an office space could be ready.

Winter snow plowing was contracted to the same person who plowed before. Floats were stored on the wharf causeway for the winter, as the usual location in Ruggles Park would be torn up due to the construction.

Village Properties
David Crofoot

As the Overseer assigned responsibility for issues dealing with Village owned properties and infrastructure, I brought several issues to the Board of Overseers throughout the year which are enumerated here:

Code Enforcement: At the beginning of the year, the Village and the Town of Northport were still in dispute about who should enforce zoning and building codes. Considerable time was spent in the fall and winter in search of a suitable Code Enforcement Officer for the Village. This became moot when the legal judgment said that all code enforcement should be done by the CEO of the Town of Northport, Mr. Therio. At the present time, all building permits will be obtained through the Town of Northport CEO who enforces both the Town Shoreland Zoning and the Village Zoning Ordinances.

Nitzburg Property: Mr. Nitzburg who lives on lower Clinton Street wished to rebuild a seawall and shore up his very steep bank. In order to do so, he needed to be able to transit equipment and materials across the village property at the lower end of Clinton Street. Since this was also a steep bank on which the Village had expended a significant sum for stabilization in years past, there was worry regarding possible damage and liability. Mr. Nitzburg worked very well with the Village in refining his plans to have minimal impact and providing proofs of insurance and "hold harmless" agreements to the Village in return for which he was given an appropriate easement. The work was late to start, but all impact on Village property on Clinton Street was finished by the end of May, 2003.

BHPS Cottage: Early in the fall, the Bayside Historical Preservation Society had the opportunity to rescue an historical tentlot cottage from slated demolition. Bert Sturup donated the cottage to the BHPS with the condition that they find a place to site it and to arrange for its move. The Overseers agreed to provide the BHPS with a long-term lease of village property to set up this cottage as a museum and display area. Original plans to site the cottage on Wharf St. fronting onto George St. (Village owned property) met with some objection from abutters. The cottage was stored there through the winter.

Pingree Property: A narrow plot of land across the street from the Community Hall and extending down to the water has had unclear ownership for some years. Research by Judy Metcalf found this to be a

residual of the Pingree Estate (Mrs. Pingree owned the Mansion on Bluff Road after Ira Cobe.) Negotiations with the Estate are in progress with the reasonable hope that this orphan property will be deeded to the Village.

Cradle Park: The Village owns considerable property between Clinton and Pleasant Streets including the cut-through listed as Grove Street and the discontinued street listed as Wharf Street. This is commonly referred to as Cradle Park. For the last twenty years, this has been used for the storage of boat cradles and trailers in the summer and for small boat storage in the winter. The Overseers have wished to use some of this space for overflow parking to relieve the congestion in Merrithew Square. We have also had problems with residents using Cradle Park for the dumping of leaves and branches. Much thought has gone into setting up rules to regulate boat, cradle, and trailer storage under the guidance of the Wharfmaster, and to setting aside some area of the park for overflow parking. Some of this will be addressed in a proposed Village wide Parking Ordinance.

Submitted by David Crofoot, Village Properties Committee

Building Permits

There were 10 building permits issued in the Northport Village Corporation area in 2002.

Houses:	3
Barn/garage:	2
Additions/decks:	5

Total cost of materials (1 omission): \$285,800

Number of septic systems required: 1

Number of plumbing installations required: 6

Number of shoreland zoning structures: 3

For building permit applications, please contact Frank Therio, P.O. Box 396, Stockton Springs, ME 04981.

SAFETY COMMITTEE.

The Safety Committee is an ad hoc committee formed at the request of the Overseers. The main responsibilities of the Safety Committee are the hiring of the lifeguard and the summer safety officer. General safety rules are outlined in the Safety Handbook distributed in Summer of 1999. Present committee members are Martha Borgeson, Betty Wilson, Peter Allen, and Maureen Einstein.

In 2002, the Safety Committee rehired our Police Chief, Sal DeMeo and also hired a lifeguard, Mary Melone. A backup lifeguard was wanted for Mondays, but unfortunately we were unable to find a second lifeguard; luckily, summer 2002 was completed without incident. Our police coverage is a 40-hour-a-week job which includes coverage from 6 p.m. to 2 a.m. on weekend nights, Friday, Saturday and Sunday, plus two nights at his discretion. At year's end (2002), information was presented regarding the possible acquisition of an official NVC police car.

Submitted by Judy Rohweder, Chair

WHARFMASTER

The 2002 season was another busy one at the Alfred J. Keith wharf. Northport resident John Patten was kind enough to install a plaque on the rock at the entrance of the wharf that was presented to Al Keith in September 2001. Flower boxes which added a nice touch at the wharf entrance were donated by the Bayside Garden Club. Also added to the wharf area was a dinghy donated by Mrs. Peg Lovejoy. The dinghy had been used by Peg's father, and has been in her family for over 50 years! Thanks go to Todd Park Merolla and Joe Krulis for their efforts in restoring and painting the dinghy, then in assisting Ms. Jane Phillips and the Garden Club in planting flowers for all to enjoy. Many thanks go to Peg Lovejoy for her contribution.

It is asked that all users of the wharf please read and follow the dock rules that are posted at the wharf entrance. It is hoped that everyone using the wharf will be kind, courteous, safe, and considerate of others.

Contributed by Steve Trenholm, Assistant Wharfmaster.

Information Committee

The Information Committee is a committee of one, but relies on fellow members of the Board of Overseers, as well as members of other Bayside organizations and the Baysidemaine.com website, to provide information deemed relevant to disseminate to the Bayside community-at-large.

The primary methods that the Information Committee uses to convey information are *The Sea Breeze*, the official Northport Village Corporation newsletter, and the various bulletin boards placed throughout the village. During the past year, the *Sea Breeze* was published in the fall and the late spring.

The May, 2002, mailing to all residents included the "Resident Information Pack" which contained all information vital to running the Village efficiently, and the Community Calendar, a comprehensive coverage of events for the upcoming 2002 summer. Also included was the Village Directory, listing those involved in community activities, with phone numbers so they could be reached. (this Directory was sent out in September for Fall 2002 readers.) All three documents were also made available in selected locations throughout the community.

Also during the past year, signage was placed on the bulletin boards delineating areas on the boards in which only official NVC notices may be placed. This was done in an effort to make it easier for residents to quickly identify official notices such as meeting dates and times. The bulletin board in Ruggles Park was also refurbished by giving a much-needed facelift to the area on which notices are posted.

Submitted by Greg Closter, Information Committee

Archives

Continued the previous year's work of arranging documents in chronological order within categories. In accordance with the Northeast Document Conservation Center advice; documents are being unfolded (unless it will break them) and arranged in a manner to place less stress on them. Skeletal cataloguing of content has begun (another sweep through the documents will be needed for more detailed record).

Plans include replacing staples and paper clips with nonrusting ones. File folder and storage boxes need to be replaced with acid-free, buffered file folders and archival quality storage boxes.

Submitted by Elaine Smith, Archives

Parks Committee
Jane Phillips, Chairman

A park beautification project was initiated by Jane Phillips. A request for the donation of a dinghy was put in the news letter, and three village residents responded, Harry Rosenblum, Claire Gotham, and Peg Lovejoy. The latter's offer was accepted gratefully as the one most suitable to fill with flowers for placement in Ruggles Park. Wharfmaster Steve Trenholm transported the dinghy to the home of Todd Merolla and Joe Krulis, where the two restored it to perfection. By Memorial Day weekend, the dinghy was placed in the circle at the park and filled with flowers for everyone to enjoy. It was a collaborative effort by Todd Merolla, Joe Krulis, and Steve and Sally Trenholm, to make Jane's plan a reality.

In compliance with the Northport Village Corporation Tree Ordinance, a Sargent Flowering Crabapple tree replaced the damaged tree next to the basketball court. This tree was selected for its diminutive size, beauty, and suitability for the site.

As a safety factor to help prevent basketballs from rolling into the road, a plan was devised to build up the soil and plant ten juniper shrubs around the court. These shrubs were chosen for durability, low height, low maintenance, and to enhance the attractiveness of the area.

Two hydrangea bushes were planted I Bayview Park as part of our Maine Forestry Grant program.

These projects were carried out by Dutton Landscapes/Nursery of Morrill. Removed for their safety during the road construction , perennials were dug up and wintered at Dutton's Nursery and will be replaced when construction is completed.

A number of trees were removed or pruned as a safety factor in parks, streets, and village land. The trees in Blaisdale Park will be replaced. The tree work was done by Northeast Tree Service, registered arborists, of Camden.

A request to hold a wedding and reception in lower Bayview Park by the owners of the Nutshell on Sea Street was accepted. No tent was allowed, and non-consumption of alcoholic beverages was explained. It was determined at an Overseer's meeting to allow only residents the use of the park, observing the above regulations. Plans must be made in advance by request.

Submitted by Jane Phillips, Parks Committee Chairman

Bayside Historical Preservation Society

The Bayside Historical Preservation Society was established in 1995 to bring together people interested in preserving the history of Bayside and preserving the features which give Bayside its unique historical character. BHPS is a successor organization to the Bayside Improvement Association, but is incorporated as a charitable, non-profit 501 (c)(3) organization. A Board of Directors and Officers are elected yearly the second Saturday of July, and these individuals plan and organize events.

The year 2002 proved to be a banner year with a highly successful house tour in August, the publication and sale of five new postcard designs at a postcard show in the Community Hall. Dick Brockway unveiled a model of the Northport Wesleyan Grove Camp Meeting Auditorium which he had built over the winter using both oral and photographic resources. Earle Shettleworth gave a fascinating slide presentation at the Society's annual meeting. In early September, BHPS was given a cottage by Burt Sturup and Kim Shelley. Bob Allen moved the cottage from its Griffin Street location to Scribner Park for winter storage, and on May 21 he moved it to its permanent location on Pleasant Street. The cottage, like many in the Village, started as a tent platform, later acquiring wooden walls supporting a canvas roof, later a wooden roof, followed by a porch and back ell. Its appearance today recalls the early days of the campmeeting in the grove.

Other on-going activities include an oral history project, and a History of Bayside book project. New volunteers to these efforts are always welcome, and membership is open to all for a modest fee.

Directors for 2002-2003 are Martha Borgeson, Bill Cressey, Jackie Facey, Sue Fleming, Zelma Huntoon, Amos Kimball, Joe Krulis, Joe Reilly, Beverly Crofoot (President), Marge Brockway (Vice-president), Katie Hall (Secretary), and Jo Huntoon (Treasurer).

Submitted by Beverly Crofoot, President

Bayside Garden Club

On June 19, 2002, the first meeting of the newly established Bayside Garden Club was held. The Bayside Garden Club was organized by Jane Phillips to continue the plan established earlier in the season which included flowers on the wharf, dinghy, and hanging baskets at the bulletin boards and in lower Ruggles Park. Officers were elected as follows:

President: Jane Phillips
Vice-President: Alice Stein
Treasurer: Joe Krulis
Secretary: Pam Williams

On July 27, 2002, there was a revival of an old tradition, the Bayside Garden Party. Open to all, the 2002 Garden Party was hosted by Todd Merolla and Joe Krulis at their oceanfront cottage "Springtide", 650 Shore Road, Northport. Party planners were the hosts, Sally and Steve Trenholm, Jane Phillips, and many dedicated volunteers. Frank Wareham provided the music. About 235 people attended, raising approximately \$500 to benefit the Garden Club's future projects. So many commented on the delicious food that one of the next projects will be a Bayside Cookbook. Over 200 residents attended the party.

Garden Club dues are \$10.00 per year, and membership is open to all.

Submitted by Jane Phillips and Joe Krulis

Northport Yacht Club

The Northport Yacht Club was founded in 1938 in an effort to promote sailing in the Bayside community. The club is managed by elected officers who hold two-year terms, and elected directors who hold three-year terms. The first clubhouse was centered on the old steamboat wharf, while today's clubhouse was built in 1950 at the water's edge in Ruggles Park. The 2002 membership was about 135, half being boat owners, and the balance social members.

The active club offers a full calendar of events. The year's festivities began with a "kick-off dinner" attended by 65-75 members on Memorial Day weekend. The remainder of the month of June was spent preparing the boats for launching, opening the clubhouse, planting the window boxes and landscaping, and sanding, scraping, and painting, all done by volunteers.

Once the summer season opened in July, every week was filled with activities. A shore-clean-up day was held on June 29 before launching the club's 4 Daysailers. Sailing lessons began on July 1, where basic sailing skills and seamanship are taught. Throughout the season about 75 students participated.

Racing is always a big part of the club's activities. Informal Thursday night races began on July 4, six John Short Series races were held during the summer and two Walter Downs' Regattas were held for the young sailors. Post race socials, often including hamburgers and hot dogs on the grill, followed each race.

Many social events rounded out the activities. These included a band concert in the park, children's games on the 4th of July, a cocktail party held on the clubhouse deck, a tag sale, pancake breakfast, Marshall Cove picnic, lobster bake, bonfire on the beach, and pot luck supper, all presented by member volunteers.

General meetings were held on July 20 and August 17 (the annual meeting), and three issues of the *Tell Tale* were published, keeping members abreast of club news.

In September, 43 boats took part in the Club-sponsored "Around Islesboro Race". Eighteen sponsors contributed, with profits going to worthy causes in the community and Belfast; COME BOATING was the recipient in 2002. Another benefit put on by the club was the toy drive at the Christmas tree lighting (which was rained out), but the toys were sent to the Salvation Army as usual.

Contributed by Arthur Hall, Commodore

**NORTHPORT VILLAGE CORPORATION
FINANCIAL STATEMENTS
DECEMBER 31, 2002**

Table of Contents

Independent Auditors' Report

General Purpose Financial Statements:

Exhibit A	Combined Balance Sheet - All Fund Types
Exhibit B	Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund Types
Exhibit C	Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Capital Projects Funds
Exhibit D	Combined Statement of Revenues, Expenses, and Changes in Retained Earnings - All Proprietary Fund Types
Exhibit E	Combined Statement of Cash Flows All Proprietary Fund Types
	Notes to General-Purpose Financial Statements
Schedule 1	Schedule of Valuation, Assessment and Collection of Taxes

NORTHPORT VILLAGE CORPORATION
 COMBINED BALANCE SHEET - ALL FUND TYPES
 DECEMBER 31, 2002

Exhibit A

	Governmental Fund Types		Proprietary Fund Types		Account Groups		Totals	
	General Fund	Capital Projects Fund	Water Fund	Wastewater Fund	General Fixed Assets	General Long Term Debt	(Memorandum Only)	2001
Assets:								
Cash	52,300	428,330	30,089	18,374				529,093
Money Market and Designated Funds	27,896	15,417		23,680				66,993
Receivables								
Taxes - Current Year	13,693							13,693
Taxes - Prior Years	2,390							2,390
Accounts Receivable	26,285		7,227	6,864				40,376
Lien Costs and Interest Rec.	601							601
Due From Other Funds	1,050		13,600	56,654				1,050
Deferred Debits								70,254
Construction in Progress		266,754						266,754
Wastewater Treatment Plant				881,717				881,717
Accum Deprec-Waste Wtr Plant				(488,047)				(488,047)
Fixed Assets Net of Accumulated Depreciation			606,990	3,325	1,210,462			1,820,777
Organization Costs			3,394					3,394
Amount to be Provided for Retirement of General Long-Term Debt								
Total Assets	124,215	710,501	661,300	502,567	1,210,462	757,000	757,000	2,620,452

NORTHPORT VILLAGE CORPORATION
 COMBINED BALANCE SHEET - ALL FUND TYPES
 DECEMBER 31, 2002

Exhibit A

	Governmental Fund Types			Proprietary Fund Types		Account Groups		Totals	
	General Fund	Capital Projects Fund	Water Fund	Wastewater Fund	General Fixed Assets	Term Debt	General Long	(Memorandum Only)	2001
Liabilities									
Accounts Payable	3,835		4,400					8,235	23,595
Due to Other Funds			525	525				1,050	2,152
General Obligation Bonds			500,000				75,000	575,000	625,000
Construction Notes							682,000	682,000	
Total Liabilities	3,835		504,925	525			757,000	1,266,285	650,747
Fund Equity:									
Donated Capital			4,000					4,000	4,000
Contributed Capital	5,000		25,309	568,739				599,048	599,048
Retained Earnings:									
Appropriated			138,335					138,335	106,044
Unappropriated			(11,269)	(66,697)				(77,966)	(52,000)
Investment in General Fixed Assets									
Amount Provided for Retirement of General Long-Term Debt			266,754				1,210,462	1,477,216	1,216,374
Fund Balances:									
Designated	99		428,330					428,429	15,516
Undesignated	245,281		15,417					260,698	225,723
Total Fund Equity	120,380		710,501	502,042			1,210,462	2,699,760	1,969,705
Total Liabilities & Fund Equity	124,215		710,501	502,567			757,000	3,966,045	2,620,452

**NORTHPORT VILLAGE CORPORATION
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2002**

Exhibit B

	Actual	Budget	Variance Favorable (Unfavorable)
INCOME			
Taxes - Real Estate	92,785	86,500	6,285
Taxes - Boat Excise	2,027	0	2,027
Donations	105	0	105
Town Appropriation	20,000	20,000	0
Investment Income	542	500	42
Other Revenue	1,000	0	1,000
Interest on Taxes	621	0	621
Miscellaneous	298	3,000	(2,702)
Total Income	<u>117,378</u>	<u>110,000</u>	<u>7,378</u>
GENERAL GOVERNMENT			
Village Officials	14,087	16,500	2,413
Bookkeeping Service	2,954	3,500	546
Tax Collector	0	1,300	1,300
Professional Services	1,875	2,000	125
Legal	8,188	6,000	(2,188)
Building & Utilities	2,203	4,500	2,297
Insurance & Bonds	4,198	4,500	302
Office Expense	3,084	3,000	(84)
Payroll Taxes	1,672	2,100	428
Miscellaneous	840	5,325	4,485
Phase II	7,500	0	(7,500)
Total General Government	<u>46,601</u>	<u>48,725</u>	<u>2,124</u>
ROADS & STORM DRAINS			
Road Maintenance	1,809	12,000	10,191
Winter Roads	2,400	2,250	(150)
Total Roads & Storm Drains	<u>4,209</u>	<u>14,250</u>	<u>10,041</u>
PROTECTION & SAFETY			
Street Lights	5,709	7,000	1,291
Police	5,326	6,000	674
Hydrant Rentals	1,730	1,600	(130)
Life Guards	3,184	4,000	816
Total Protection & Safety	<u>15,949</u>	<u>18,600</u>	<u>2,651</u>
COMMUNITY			
Parks	7,266	8,000	734
Library	229	500	271
Wharfs/Floats & Other	1,066	5,000	3,934
Total Community	<u>8,561</u>	<u>13,500</u>	<u>4,939</u>

**NORTHPORT VILLAGE CORPORATION
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2002**

*Exhibit B
 Continued*

	Actual	Budget	Variance favorable (Unfavorable)
DEBT SERVICE			
Wastewater Bond	7,500	7,500	
Total Debt Service	<u>7,500</u>	<u>7,500</u>	0
TOTAL EXPENSE	<u>82,820</u>	<u>102,575</u>	(19,755)
EXCESS OF REVENUES OVER EXPENDITURES	<u>34,558</u>	<u>7,425</u>	<u>27,133</u>
Transfer to Accumulated Bond Retirement	<u>15,000</u>		
Net Revenues and Transfers	19,558		
Fund Balance as of January 1, 2002	<u>225,723</u>		
Fund Balance as of December 31, 2002	<u>245,281</u>		

**NORTHPORT VILLAGE CORPORATION
 CAPITAL PROJECTS FUNDS
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT C

REVENUES:	
Town of Northport	11,654
Interest Earned	1,410
Other	20
	<u>13,084</u>
EXPENDITURES:	
Capital Outlay - Water and Wastewater	<u>266,754</u>
Deficiency of Revenues under Expenditures	(253,670)
Other Financing Sources:	
General Obligation Note Proceeds	<u>682,000</u>
Excess of Other Financing Sources	428,330
Fund Balance, January 1, 2002	<u>15,417</u>
Fund Balance, December 31, 2002	<u>443,747</u>

**NORTHPORT VILLAGE CORPORATION
 COMBINED STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 2002**

Exhibit D

	<i>Totals</i>			
	<i>Proprietary Fund Types (Memorandum Only)</i>		<i>2002</i>	<i>2001</i>
	<i>Water</i>	<i>Wastewater</i>		
Operating Revenues:				
User Fees	98,961	59,120	158,081	154,178
Other Revenue	653	355	1,008	160
Total Operating Revenue	99,614	59,475	159,089	154,338
Operating Expenses:				
Administration	9,048	9,296	18,344	17,847
Contractual Services	11,615	11,125	22,740	14,667
Utility Costs	15,658	1,526	17,184	11,909
Repairs & Maintenance	1,854	2,426	4,280	9,319
Materials & Supplies	392	10,966	11,358	9,312
Insurance	525	525	1,050	1,040
Depreciation	10,156	43,562	53,718	54,264
Miscellaneous	2,395	595	2,990	1,545
Total Operating Expenses	51,643	80,021	131,664	119,903
Operating Income (Loss)	47,971	(20,546)	27,425	34,435
Non-operating Revenues (Expenses):				
Interest Income	107	690	797	1,836
Interest Expense	(15,788)	(6,110)	(21,898)	(23,949)
Total Non-operating Revenues (Expenses)	(15,681)	(5,420)	(21,101)	(22,113)
Net Income (Loss)	32,290	(25,966)	6,324	12,322
Retained Earnings at Beginning of Year	94,775	(40,731)	54,044	41,722
Unrestricted Retained Earnings at End of Year	127,065	(66,697)	60,368	54,044

**NORTHPORT VILLAGE CORPORATION
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 2002**

Exhibit E

	Proprietary Fund Types		Totals	
	Water	Wastewater	Memorandum Only 2002	2001
Cash Flows From Operating Activities:				
Operating Income (Loss) (Exhibit C)	47,971	(20,546)	27,425	34,435
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	10,156	43,562	53,718	54,264
Amortization	850		850	850
Change in Assets and Liabilities:				
(Increase) Decrease in Account Receivable	2,415	1,232	3,647	(2,698)
(Decrease) Increase in Accounts Payable	(2,215)	(9,195)	(11,410)	9,909
(Increase) Decrease in Deferred Charges		(24,787)	(24,787)	(31,867)
Net Cash Provided (Used) by Operating Activities	59,177	(9,734)	49,443	64,893
Cash Flows from Capital and Related Financing Activities:				
Principal Paid on Bonds	(35,000)	(15,000)	(50,000)	(50,000)
Interest Paid on Bonds	(15,788)	(6,110)	(21,898)	(23,949)
Village Appropriation		15,000	15,000	15,000
Net Cash Provided (Used) by Capital and Related Financing Activities	(50,788)	(6,110)	(56,898)	(58,949)
Cash Flows from Investing Activities:				
Construction	(858)		(858)	(1018)
Purchase of Equipment				(3840)
Interest Received on Investments	107	690	797	1836
Contributions In Aid				1,018
Net cash Provided (Used) by Investing Activities	(751)	690	(61)	(2,004)
Net Increase (Decrease) in Cash	7,638	(15,154)	(7,516)	3,940
Cash and Investments at Beginning of Year	22,451	57,208	79,659	75,719
Cash and Investments at End of Year	30,089	42,054	72,143	79,659

**NORTHPORT VILLAGE CORPORATION
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2002**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Northport Village Corporation (the "corporation") was incorporated on March 29, 1915 and given the authority to raise money for the operation and maintenance of the corporation as set forth under the provisions of the State of Maine. The corporation operates as a village corporation under a Council-Committee form of government and provides the following services to its property owners and resident: public safety (police and fire), streetlights, streets, sanitation, culture-recreation, and general administrative services.

The accounting policies of the Northport Village Corporation conform to generally accepted accounting principles.

Basis of Presentation

The accounts of the corporation are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. The various funds are grouped by type in the financial statements.

Governmental Funds:

General Fund - The general fund is the general operating fund of the corporation. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. This fund pays the general operating expenditures, fixed charges and capital improvement costs that are not paid through other funds. The collection of property taxes is the Northport Village Corporation's primary source of revenue. If they were unable to collect future property taxes, there is substantial doubt about the general funds ability to continue as a going concern. (See Proprietary Funds Below)

Capital Projects Fund - The capital projects fund is used to account for financial resources used in the acquisition or construction of major capital projects. Its main use was to monitor revenues and expenditures involved with the wharf construction project.

Proprietary Funds:

Proprietary Funds - are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). The water department and wastewater departments are combined in Exhibits D and E for presentation purposes only.

**NORTHPORT VILLAGE CORPORATION
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 DECEMBER 31, 2002**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

The major source of revenue for both the water and wastewater funds is user fees. Without the continued collection of these user fees, it is doubtful that either fund could continue to operate. Construction projects for these funds are accounted for within the respectful funds.

Account Groups:

General Fixed Assets - Assets in this account group are other than those accounted for in the proprietary or trust funds.

General Long-Term Debt - This account group is established to account for the long-term debt that is backed by the corporation's full faith and credit.

Basis of Accounting

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

The accrual basis of accounting is utilized by the proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

General Fixed Assets:

The corporation does maintain a record of the General Fund's general fixed assets. Expenditures for property and equipment are however charged against departmental operations whenever such items are purchased. Currently, the General Fixed Assets Account Group is comprised as follows:

<u>Fixed Asset Type</u>	<u>Basis</u>	<u>Accum. Depr.</u>	<u>Net of Depr.</u>
Building & Infrastructure	\$ 276,316	\$42,185	\$234,131
Office Equipment	1,110	979	131
Land	976,200	-0-	976,200
	<u>\$1,253,626</u>	<u>\$43,164</u>	<u>\$1,210,462</u>

**NORTHPORT VILLAGE CORPORATION
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2002**

General Fixed Assets (Continued):

The basis of assets acquired by purchase is reported at the asset's acquisition cost. Basis of assets acquired by means of other than purchase is determined by estimation of the asset's fair market value. Their inclusion in the general-purpose financial statements does not affect the fund balance. Rather, the investment in General Fixed Assets is shown as a separate fund equity account type on the Combined Balance Sheet. Depreciation of Building and Structures is computed using the straight-line method over a 40-year life. Because depreciation does not represent an expenditure of the General Fund, it is not shown as an operating item of the general-purpose financial statements.

Proprietary Fund Fixed Assets:

Fixed Assets of the Water and Wastewater Funds are reported in the asset section of the balance sheet for that fund at their historical cost. Depreciation is computed using the straight-line method over the asset's estimated useful life. Useful lives for the assets of both proprietary funds are as follows:

Misc. Furnishings & Minor Equipment	5 - 10 Years
Service Equipment	20 - 50 Years
Facilities & Site Improvements	40 - 75 Years

NOTE 2: CASH AND CASH EQUIVALENTS

Bank deposit balances at December 31, 2002 totaled \$596,086. Cash in the amount of \$443,846 is designated for special uses as follows:

Unexpended Construction Note Proceeds	\$428,330
Funds designated for wharf repairs or improvements	15,417
Funds designated for community hall use	99

All designated funds have been so designated by the board of overseers with all major decisions being made through vote at the annual meeting. All accounts are fully insured or collateralized.

NOTE 3: PROPERTY TAX

The corporation's property tax for the current year was levied on the assessed value listed as of April 1, 2002 for all real and personal property located in the corporation. Taxes are typically due on November 30, with interest at the rate of 10% per annum on unpaid taxes after that date.

Under normal policy, taxes receivable are transferred from the current taxes receivable account to the prior year's taxes receivable account one year after the date of imposition. They are then transferred to the tax liens receivable account after an additional six months. Liens are then placed on the property, the property owner is charged for all costs associated with placement of

**NORTHPORT VILLAGE CORPORATION
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 DECEMBER 31, 2002**

NOTE 3: PROPERTY TAX (Continued)

the lien. Typically, interest is charged to the property owner and is based on the value of the property. Lien costs and interest charges are recognized by Northport Village Corporation when the liens are recorded.

NOTE 4: FIXED ASSETS

The Property, Plant, and Equipment of the Proprietary Funds at December 31, 2002 is comprised as follows:

	<i>Water Fund</i>	<i>Wastewater Fund</i>
Misc. Furn. & Minor Equipment	1,825	6,811
Service Equipment	599,189	
Facilities & Site Improvement	<u>61,514</u>	<u>881,717</u>
Subtotal	662,528	888,528
Accumulated Depreciation	<u>56,054</u>	<u>491,533</u>
Book Value before Land	606,474	396,995
Land	<u>516</u>	<u>0</u>
	<u>606,990</u>	<u>396,995</u>

NOTE 5: LONG-TERM DEBT:

At December 31, 2002, the Northport Village Corporation had a total of \$625,000 in outstanding bonds and notes payable.

<i>Account/Fund Type</i>	<i>General Long-Term Debt Account Group</i>			
	<i>Wastewater Project Bond</i>	<i>Wastewater Project Bond</i>	<i>Water Project Bond</i>	<i>Water Project Bond</i>
<i>Obligation</i>				
Issue Date	10/29/86	10/26/89	10/26/88	9/3/98
Maturity Date	11/01/06	11/01/07	11/01/06	9/1/18
Interest Rate	6.2% - 6.6%	7.9% - 7.1%	6.5% - 7.3%	2.86%
Authorized Amount	\$135,000	\$100,000	\$115,000	\$600,000
Issued Amount	\$135,000	\$100,000	\$115,000	\$600,000
Current Annual Pmt.	\$10,000	\$5,000	\$ 5,000	\$30,000
Retired-Prior Years	\$85,000	\$60,000	\$ 90,000	\$90,000
Current Year	\$10,000	\$5,000	\$ 5,000	\$30,000
Outstanding Balance at 12/31/02	\$40,000	\$30,000	\$20,000	\$480,000

**NORTHPORT VILLAGE CORPORATION
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
 DECEMBER 31, 2002**

NOTE 5: LONG TERM DEBT (Continued)

Other Debt:

PHASE I Interim Financing, \$682,000 at 1.94% water and sewer bonds to be refunded by 30 year bonds at rates not to exceed 4.75% with Rural Utilities Service

The payment requirements of annual principal and interest to amortize long-term debt over the following five years follow:

		Wastewater Bonds		Water Bonds	
2003	Principal	\$10,000	\$5,000	\$5,000	\$30,000
	Interest	2,640	2,460	1,450	13,046
	Total	\$12,640	\$7,460	\$6,450	\$43,046
2004	Principal	\$10,000	\$5,000	\$5,000	\$30,000
	Interest	1,980	2,110	1,095	12,395
	Total	\$11,980	\$7,110	\$6,095	\$42,395
2005	Principal	\$10,000	\$5,000	\$5,000	\$30,000
	Interest	1,320	1,760	740	11,603
	Total	\$11,320	\$6,760	\$5,740	\$41,603
2006	Principal	\$10,000	\$5,000	\$5,000	\$30,000
	Interest	666	1,410	385	10,811
	Total	\$10,666	\$6,410	\$5,385	\$40,811
2007	Principal		\$5,000		\$30,000
	Interest		1,060		10,019
	Total		\$6,060		\$40,019

NOTE 6: TOTAL COLUMNS

Totals (Memorandum Only) columns of each financial statement are presented for information purposes only. These columns are not intended, nor do they purport to present consolidated financial information.

NOTE 7: PRIOR YEAR TOTALS

Amounts from the prior year, presented in the Totals (Memorandum Only) columns, are shown for comparative purposes only.

**NORTHPORT VILLAGE CORPORATION
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2002**

NOTE 8: WASTEWATER PLANT AND ASSOCIATED DEBT:

The individual proprietary funds are responsible for the interest payments on their bonds. The water fund bears the cost of the principal portion of its own bonds while the general fund is responsible for payment of the principal portion of the wastewater bonds. This policy is subject to annual approval by the board of overseers.

NOTE 9: ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS:

At 12/31/02 all taxes were considered to be collectible and no allowance for uncollectible taxes is reported.

NOTE 10: CONSTRUCTION PROGRAMS:

At December 31, 2002, expenditures for water and sewer improvements totaled \$266,754, as presented in the Capital Projects Fund. On completion of the projects, distribution will be made to the respective water and wastewater fixed asset accounts.

NOTE 11: SUBSEQUENT EVENTS - ENVIRONMENTAL

In May 2003, the Village Corporation entered into an administrative consent agreement with the State of Maine Department of Environmental Protection. The financial consequences of the agreement included payment to the State of Maine of \$12,500 in May 2003 and \$12,500, six months later plus an additional \$14,683 suspended on certain conditions described in the order including commencement of construction of a new wastewater facility by November 1, 2007.

As at December 31, 2002, a contingency reserve had not been established for this action.

**NORTHPORT VILLAGE CORPORATION
SCHEDULE OF VALUATION, ASSESSMENT, AND
COLLECTION OF TAXES
FOR THE YEAR ENDED DECEMBER 31, 2002**

Schedule 1

Valuation:		
	Land	22,489,500
	Buildings & Structures	<u>13,334,800</u>
	Total Valuation	35,824,300
Assessment:		
	Valuation x Rate -	
	35,824,300 x .259 =	<u>92,785</u>
	(Property Taxes are imposed at \$2.59 per \$1,000 of assessed property value.)	
Collections and Credits:		
	Cash Collections	<u>79,092</u>
2002 Taxes Receivable at December 31, 2002		<u>13,693</u>

	ACTUAL 2000	Actual 2001	Actual 2002 (not final audit)	BUDGET 2002	BUDGET 2003	proposal 2004
REVENUES						
TAXES - REAL ESTATE	52,573	68,867	81,461	86,500	86,500	88,750
TOWN APPROPRIATION	17,500	17,500	20,000	17,500	20,000	25,000
INVESTMENT INCOME	5,043	2,120	541	1,500	500	350
OTHER REVENUES	4,582	7,553	3,422	4,500	3,000	2,000
FROM SURPLUS	34,260	10,994		0	0	0
GRANTS	4,672	0		0	0	0
TOTAL INCOME	118,631	104,034	105,424	110,000	110,000	116,100
EXPENSES						
GENERAL GOVERNMENT						
VILLAGE OFFICIALS	1,795	595	1,000	1,200	1,200	1,200
BOOKKEEPING SERVICES	4,275	2,722	2,984	4,100	3,500	3,500
VILLAGE AGENT	14,755	13,784	13,087	15,300	15,300	15,800
TAX COLLECTOR	1,085	1,145	1,875	1,200	1,300	1,300
PROFESSIONAL SERVICES	1,800	1,850	8,191	2,000	2,000	5,000
LEGAL	6,466	8,122	2,203	6,000	6,000	5,000
BUILDINGS & UTILITIES	4,803	2,671	5,248	4,500	4,500	4,500
INSURANCE & BONDS	2,540	4,174	525	3,500	4,500	4,500
MMA MEMBERSHIP	500	525	0	525	525	550
CODE ENFORCEMENT			3,071	2,500	2,500	0
OFFICE EXPENSE	3,347	3,106	1,672	3,000	3,000	3,500
PAYROLL TAXES	1,914	1,779	315	2,100	2,100	2,400
MISC.	0	519	7,500	2,800	2,300	2,000
	43,279	40,992	47,640	48,725	48,725	49,250
ROADS						
WINTER ROADS	443	541	1,550	2,250	2,250	2,250
ROAD MAINTENANCE	10,022	7,477	1,809	12,000	12,000	12,000
ROAD STUDY	3,000		3,359	0		
	13,464	8,018	6,718	14,250	14,250	14,250
PROTECTION & SAFETY						
STREET LIGHTS	6,159	6,288	5,709	6,700	7,000	7,200
POLICE	4,251	5,367	5,326	4,500	6,000	6,500
HYDRANT RENTALS	1,600	1,600	1,730	1,600	1,600	1,600
LIFE GUARDS	3,240	2,822	3,184	4,000	4,000	4,100
	15,250	16,077	15,948	16,800	18,600	19,400
COMMUNITY						
PARKS	9,456	5,953	6,988	8,000	8,000	8,000
COMMUNITY EVENTS					1,000	1,000
INFORMATION & NOTICES					1,000	1,000
TREE PROJECT	14,100		0	2,500	0	0
LIBRARY	1,110	277	229	500	500	500
WHARF/FLOATS	6,972	17,717	1,066	3,000	3,000	3,000
	31,637	23,947	8,283	14,000	13,500	13,500
DEBT SERVICE						
WASTEWATER BOND	15,000	15,000	7,500	7,500	7,500	10,000
	15,000	15,000	7,500	7,500	7,500	10,000
TOTAL EXPENSES	118,631	104,034	86,090	101,275	102,575	106,400

Public Notice
Northport Village Corporation
Annual Meeting
August 12, 2003, at 6:30 PM

To Sal Demeo, constable of the Northport Village Corporation in the County of Waldo, State of Maine.

GREETING:

In the name of the State of Maine, you are hereby required to notify and warn the inhabitants of the Northport Village Corporation in Waldo County, Maine, qualified by law to vote in town affairs, to meet at the Community Hall in Bayside on Tuesday, the 12th day of August A.D. 2003, at 6:30 o'clock in the evening, then and there to act upon the following articles:

Article 1: To choose a Moderator by written ballot to preside at said meeting.

Article 2: To elect the Municipal Officers by written ballot.

Article 3: To elect Overseers for ensuing year by written ballot.

Article 4: President's Report.

Article 5: Shall a Bayside Utilities District be established by vote on the following question: "Do you favor permitting the Bayside Utilities District to acquire the water-related and sewer-related assets of the Northport Village Corporation?" To be voted by written ballot.

Article 6: Shall an Ordinance entitled "Parking Regulations for the Northport Village Corporation" be enacted. To be voted by written ballot.

Article 7: To see what sums of money the Northport Village Corporation will raise and appropriate for the following accounts for the fiscal year 2004:

Overseers' Proposed Budget

Total Income		\$116,100
Expenses		
General Government		\$49,250
Roads & Storm Drains	39	14,250

Protection & Safety	19,400
Community	13,500
Wastewater Bond	10,000
Total Expenses	\$106,400
Contingency	9,700
Total Budgeted	\$116,100

This money will be raised as follows: \$25,000 to be requested from the Town of Northport on the warrant of its Town Meeting, and the balance to be raised from the Village Tax. If the warrant is not approved by the Town of Northport, the budget will be raised entirely from the Village Tax.

Article 8: To approve borrowings by the Northport Village Corporation in an amount not to exceed \$50,000 for working capital purposes. Funds are to be borrowed in anticipation of the 2004 taxes.

Article 9: To approve borrowings by the Northport Village Corporation in an amount not to exceed \$100,000. Funds are to be used towards replacement of the Community Hall and Wharf as needed, emergency repairs to utilities operated by the Village Corporation, or for reconstruction of shoreline damage to property owned by the Northport Village Corporation as a result of a storm.

Article 10: To vote to charge interest of 10% on all unpaid taxes after November 30.

Article 11: Reports of Committees.

ADJOURNMENT

Dated: June 25, 2003.

Kenneth Vlodek, President
Northport Village Corporation

BOARD OF OVERSEERS

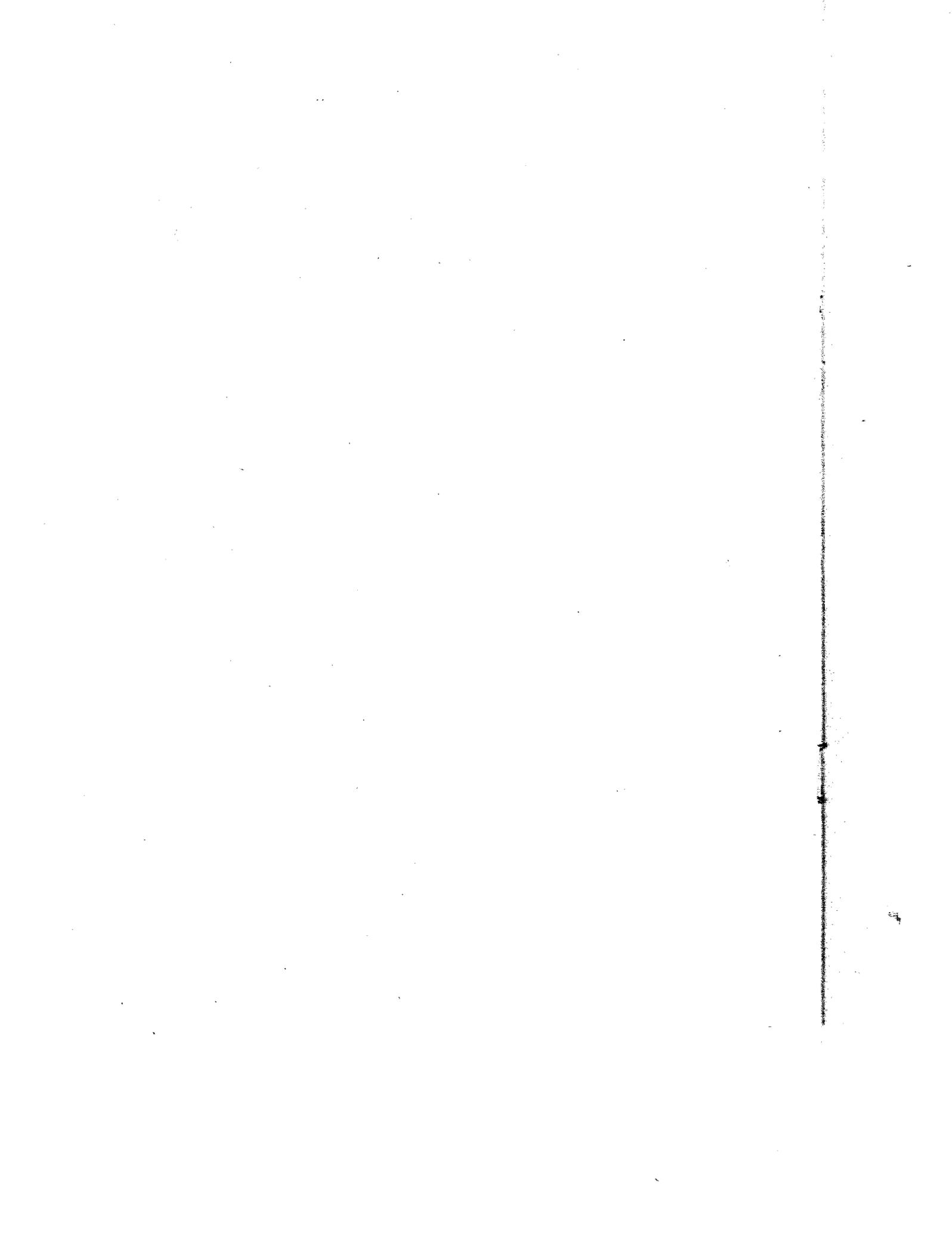
Gregory Closter
David Crofoot
Dan Doucette
Joseph Krulis
Judith Rohweder
Elaine Smith

Eleanor D. Lagner, Clerk
Northport Village Corporation

Russell Handler, Treasurer
Northport Village Corporation

Note: Due to early publication of the Annual Report, this warrant may be changed or amended before the August 12 Annual Meeting.





ADDENDUM

January-June 2003

Update Reports

Contents

R/E Collection Status Report as of June 27, 2003

Clerk's Updated Report

NVC Utilities Activities Report Update

Notes on Bayside Utilities District Information Meeting

Village Properties Update

Garden Club Update

Safety Committee Update

R/E Collection Status Report
 Non-Zero Balances
 Year 2001

#	Name	Year	Tax Due
1458	Brier, Richard	2001	105.33
686	Dodge, Jonathan	2001	72.08
1140	Fielden, James	2001	194.85
1066	Gerrity, Mrs. Th	2001	209.27
1174	Paige, William	2001	274.76
1272	Seavey, Gloria	2001	55.46
Total			\$911.75

Year 2002 (as of June 27, 2003)

972	Bartlett, James	2002	235.43
975	Bates, Harry	2002	31.08
1036	Bowen, Richard	2002	431.24
991	Bryant, Gloria	2002	124.32
1005	Christenson, Cli	2002	203.32
686	Dodge, Jonathan	2002	36.52
1031	Doucette, Daniel	2002	157.73
1035	Duggan, Thomas	2002	513.60
1140	Fielden, James	2002	204.09
1066	Gerrity, Mrs. Th	2002	218.34
1101	Godholm, Claire	2002	517.48
1021	Hellerich, Liane	2002	161.62
1094	Hoikala, Karen A	2002	165.24
1241	Kazilionis, Steph	2002	151.26
1174	Paige, William	2002	240.35
1489	Paige, William J	2002	59.05
1222	Schwartz, Larry	2002	276.10
1272	Seavey, Gloria	2002	15.02
1240	Spady, Jefferson	2002	77.18
Total			\$3,818.97

Clerk's Update Report
January 1-July, 2003

Minutes were published for the following meetings:

Board of Overseers: January 26, 2003
Board of Overseers: February 23, 2003
Board of Overseers: March 23, 2003
Board of Overseers: (Special Meeting) April 7, 2003
Board of Overseers: April 27, 2003
Board of Overseers: May 25, 2003
Board of Overseers: June 22, 2003

A workshop planned and facilitated by Overseer Douglas Mayer and Clerk Lagner was held at the Drinkwater School on February 22, 2003, to discuss the fees to be charged to new water customers. Approximately 20 people attended this workshop.

The Special Meeting on April 7 was called to sign papers beginning the funding for the Phase II Infrastructure project.

The format of the Annual Report was changed into a professionally printed document.

The Clerk published notes covering the Information Meeting held on June 21, 2003, about the proposed Bayside Utilities District.

NVC UTILITIES
ACTIVITIES REPORT
UPDATE FOR JAN./JUNE 2003

The first of January the new billing rates for both the water and sewer went into effect. The sewer rate saw a \$100 increase in the flat charge each house pays and this will go to repay the loan used to finance the upgrade to the Village sewers in Phase I. The water not only had an increase to pay for the replacement water lines in Phase I but also saw the change to a metered system. The water meters have been somewhat difficult as about 75% of the customers are seasonal and this required a meter installation that could be easily removed and drained for the winter. It was planned to have all the water meters installed by the time the seasonal customers arrived this spring but the program is slightly behind schedule.

The Phase I construction project lost a lot more time to the weather than would have been the case in a normal winter. This, and some problems last fall such as finding a number of unknown pipes under Broadway, has put the contractor well behind schedule. The good news is that the contractor doubled the number of crews on the project and as summer approaches they are close to catching up. Most of the work in the village center (George Street to Penobscot Bay from Clinton to Sea Streets) is done with cleanup now in progress. Upper Main Street will be the last section to be done before the contractor leaves town for the summer. The sewer work on Shore Road will be done in the fall. One additional bit of good news is that the project is within budget and expected to finish that way.

The Phase II project to extend the water lines down Shore Road and Bluff Road approximately a mile on each, received the last needed funding with a \$400,000 grant from C.D.B.G. Design is almost complete and it is expected to bid the job this summer and have construction start in the fall.

An Administrative Consent Agreement was signed with the D.E.P. that calls for the replacement of our current wastewater treatment plant by 2007. An engineering firm has been hired to do a study of alternatives and a search for funding will start soon.

Bayside Utilities District (BUD)
Information Meeting
June 21, 2003

At 6 P.M. On June 21, 2003, approximately 50 people gathered in the Bayside Community Hall to discuss the possibility of setting up a Utilities District for the Sewer/Water Users in the Bayside area. The meeting was facilitated by Steve Levy, Director of the Maine Rural Water Association.

Steve reviewed provisions of the new law which allows creation of the new District. He gave a description of the proposed District, the powers and authority that Districts have, the governing structure commonly used, and the wording of the vote to be presented to the voters at the Annual Meeting in the Northport Village Corporation and in a special election for the voters in town of Northport outside the Village who are eligible to vote because they will be included in the BUD. The votes to be presented are as follows:

To residents of the Northport Village Corporation:

“Do you favor permitting the Bayside Utilities District to acquire the water-related and sewer-related assets of the Northport Village Corporation?”

To legal voters within the proposed district but outside the Village Corporation:

“Do you favor creating the Bayside Utilities District?”

Briefly, the powers of the District are as follows:

1. Powers outlined in the Maine Revised Statutes, Title 35-A, Chapter 64.
2. Authority to purchase water from the Belfast Water District.
3. Authority to provide water and sewage treatment and collection systems.
4. Authority to take, hold, use, and distribute water and sewage from the NVC.
5. Authority to acquire property and franchises of the NVC which are used or usable for handling the water and sewage in the BUD.
6. Authority to assume the water/sewer-related debts, obligations, and liabilities of the NVC.
7. Authority to borrow money for BUD projects.

Maps and descriptions of the proposed district were presented. Mr. Levy added that there were at present 90 to 95 Utility Districts in the state of Maine; it is by far the most common way of handling utilities.

Questions

- a. Do I have to take water or sewer service if I live in the proposed District?
No.
- b. Does BUD have to provide water and sewer service?
The BUD will have the authority to provide these services. If you ask for the service, you will receive it if you pay the costs of bringing the service to your home. You may be able to get government funding to assist in paying for the service, but the BUD cannot put all the rate payers at risk in order to pay your costs.
- c. If I live in the District, do I have to pay even if I don't use the services?
No.
- d. Can someone outside the District area get services?
Yes, with PUC approval for water users, and a legislative approval to amend the territory.
- e. What is used as collateral for the loans?
Revenue bonds are issued. There is no difference in the interest rates from the GO (General Obligation) bonds that the Village currently uses.
The new District will need a Bond Counsel.
- f. Is there a practical limit controlling how much the BUD can borrow?
Yes. It is based on the ability to pay, which in turn takes into account the median household incomes, and the average rate acceptable, usually \$300-\$400. Local surveys may be done if the state average is not acceptable; however, we are about where we ought to be.

Governing the District

Five trustees will be elected by written ballot in elections called in the NVC and the Town of Northport: 4 eligible voters from the NVC, and 1 at large (a utility user, but outside the Village Corporation boundaries). Terms will be three years, and after the first election, terms are staggered, with no trustee serving more than 4 3-year terms consecutively.

Nomination papers must be registered 45 days before the elections. (The job description of a trustee should be made available.)

Questions

- g. Suppose the NVC does not want to sell a property. Would a leasing arrangement be possible? Easements?
(Not sure. Will research.)
- h. Will the people of Birchcrest be able to vote?
The year-round residents will be able to vote.
- i. Don't we have a time crunch for setting this up, thanks to the time needed to register nomination papers, and the vote which must be taken during July/August?
Yes. This will have to be addressed. Several possible solutions were suggested.
- j. Won't it be hard to identify eligible voters in the District?
No. The NVC voter lists and Town Tax Maps will supply the names, along with voter names in other areas.
- k. Does Belfast have any approval rights?
No. We have a long-term agreement which is subject to review every 5 years. This would still stand with the District.
- l. Will an eligible voter list be posted?
Yes.
- m. Would the BUD be a commercial user of the Belfast Water district?
No. We would be classified the same with Belfast as we are now. Our agreement states that we will not take on a commercial user without the approval of the Belfast Water District.
- n. Would the BUD improve our chances for Federal/State loans?
Maybe. Districts are better understood than Village Corporations. Also, the increased area might help. Rural Development and DEP grants will be based on user fees.
- o. Would there be any difference in the authority to buy land for projects?
No. The BUD would have the right to claim land by eminent domain, but would still be paying the individual owner.
- p. Who would be setting the rates?
The Board of trustees sets the rates, after a public hearing, and limited by a cap.
- q. What if BUD trustees disagree with the aims of the Overseers?

They would try to solve any differences, but the BUD trustees have the authority to make their own decisions for the District; the Overseers do not have any authority over the trustees.

- r. Would the relationship between the NVC and Belfast Water District change?
No.
- s. What happens if the District runs out of money?
Raise revenue or cut expenses.

Summary Pros and Cons about a Utilities District

Pros

Overseers can concentrate on other issues.
Divisions of government work well together.
Some owners are threatened by the idea of eminent domain rights.
Stable directors due to staggered terms.
Directors more knowledgeable, trained, and interested.
Eminent domain rights give BUD means to build sewer treatment facility in future.
BUD focuses on utilities only.
Efficiency and timeliness. Better long-range planning; reserve accounts.
No redundant work.
Legislators more familiar with a District; don't understand the Village Corporation type of government.
Current customers outside the NVC boundaries will have a vote.
Districts have additional sources of funding to draw on.

Cons

Division between Village & District.
Finding Trustees
Another government division.
Some owners are threatened by the idea of eminent domain rights.

Village Properties
Addendum 2003

BHPS Cottage:

After having been stored next to the library for the winter, the cottage was moved to a final site on Pleasant Street next to Cradle Park at the end of May, 2003. The BHPS expended much energy and are very excited about the prospects that this cottage will benefit the whole village and provide a focus for their ongoing work of historical preservation.

Kazilionis Property: Mr. Kazilionis wished to put a foundation beneath his Oriental cottage on George St. A building permit was issued by the Town of Northport but no permission was sought from the village for permission to place the cottage temporarily on Village property (Upper Bayview Park) while the foundation was excavated and poured. The cottage was already jacked up and ready to be moved in mid-May, 2003, before it became evident that this was what was planned. The owner very promptly complied with Village requirements for guarantees of insurance, hold-harmless clauses, and permission to use the park in return for which an easement was granted with strict timetables for completion.

The emergency nature and retroactive process used for this was awkward. Any property owner wishing to make use of Village property in this way must seek Village permission and an easement and must provide proofs of insurance, promises to restore any damage, release of liability, and a hold-harmless agreement as well as submit to Village timelines. The Overseers have, in the past, granted permission for such work--but, as a matter of public safety and village convenience, usually in the fall to avoid inconveniencing the Village at its most crowded time.

We have communicated to Mr. Therio these requirements which must be met for granting of a building permit. Please note that the placement of a foundation basement does not allow for elevation of an existing building any higher than three feet above its pre-existing station.

Parking Ordinances: The very nature of space limitation in the central Village with high density of population in the summer months has put severe strain on parking in the Village. Many roads are narrow, visibility at corners is poor, many children and pedestrians are put at risk, and parks meant as vistas for otherwise crowded inhabitants may find their beauty marred by unregulated parking. The Villagers at their annual meeting have indicated their wish for some regulation and this is not possible

without a comprehensive Parking Ordinance. The Overseers have viewed sample ordinances from other towns and have tried to adapt an ordinance to the Village needs. Each Village inhabitant may see these needs differently. A proposed ordinance is being prepared for consideration at this year's Annual Meeting. Any citizen input is welcomed as we try to devise a fair and equitable Ordinance.

Samples of the proposed Ordinance have been placed at the Northport Web Site. Two informational meetings will be held on July 5 and July 19, 2003.

Submitted by David Crofoot, Village Properties

Garden Club 2003

The Garden Club's 2003 Garden Party will be held August 2 at Bohemia, the home of Dr. and Mrs. David Crofoot.

Flowers will again be placed in Ruggles Park for the pleasure of the community, and flags will be placed for the 4th of July.

All meetings will be posted on the bulletin boards.

Safety Committee 2003

A new lifeguard, Michelle Munson who is a Belfast high student, has been contracted for the 2003 summer.

In February 2003 it was voted by the board to allocate \$3,000 for an official NVC police car. In April, an appropriate vehicle was located in Amherst on the Airline Road. It's a '96 Chevy Caprice, previously owned by a local police chief, and never used on patrol. The chairperson with help from Sal DeMeo and Bob Smith drove to Amherst and tested, approved and purchased this car. It has been cleaned up and outfitted under Sal's supervision and is now in use.

