

Submitted by:

Approved by Selectmen:

10/21/20

*amc*  
Adele M. Suggs  
Admin Asst

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**TOWN OF PHIPPSBURG  
SELECTMEN'S MEETING MINUTES  
October 14, 2020**

*The Selectmen convened at 5:00 p.m. at the Town Hall with Selectman Young,  
Selectman House and Selectman Mixon present.*

*Administrator Jones was absent due to being on vacation. The Select Board is running the Zoom call. If something goes wrong with the broadcasting and you are having troubles with Zoom, you can call Town Hall directly at (207) 389-2653 and we'll address any questions that you may have.*

**Reference 1 - Phippsburg Investment Committee Third Quarter Report**

**I. New Business**

1. Review and sign the FY 2021 Tax Commitment.

*Last week Assessing Agent, Juanita Wilson, provided to the Board information about setting the mil rate which they voted on and passed at \$9.14 which is the same as last year. From that Ms. Wilson has provided the Tax Commitment Certificate which requires the signature of the Selectmen.*

**Vote: Selectman House motioned to sign the FY 2021 Tax Commitment, which was seconded by Selectman Mixon and passed by a vote of 3-0.**

2. Meet with Fire Chief, Andy Hart, on the bids received for the 1985 Dodge Truck on October 9, 2020.

*Warrant Article #3 from the Town Meeting 2020, authorized the Selectmen to increase the limit for selling of vehicles and personal property from \$2,000 to \$10,000.00.*

*Selectman Young announced that five bids were received and he opened them as follows:*

1. James Totman - \$2,010.75
2. Tyler Warnke - \$3,750.00
3. Anthony DeBery - \$2,525.00
4. Adam Ward - \$1,985.00
5. David Hudson - \$2,225.00

*The high bidder is Tyler Warnke in the amount of \$3,750.00.*

**Vote: Selectman House motioned to accept Tyler Warnke's bid for \$3,750.00, which was seconded by Selectman Mixon and passed by a vote of 3-0.**

*The money from this bid will go into the Phippsburg Fire Department's Capital Account. Fire Chief, Andrew Hart, will contact Mr. Warnke and make arrangements for him to pick up and pay for the truck.*

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*ams*

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3. Consider accepting a donation of \$300.00 from Ann and Kent Mohnkern for the Goodwill Fund.

**Vote:** Selectman House motioned to accept the above Goodwill Fund donation, which was seconded by Selectman Mixon and passed by a vote of 3-0.

**II. Department and Committee Reports**

1. Phippsburg Investment Committee Third Quarter Report

*Doug Bates, from the Phippsburg Investment Committee, provided a three-page briefing to the Selectmen on the committee's Third Quarter Report. Selectman Young read the first two paragraphs of the report (Reference 1) aloud. The report will remain on file at Town Hall if anyone wishes to review the whole document.*

**III. Selectmen/Administrator Comments and Announcements:**

Absentee Ballots available

*Selectman Mixon announced that absentee ballots are available. Selectman Young added that you can also vote by absentee ballot at Town Hall.*

Winter Hours at Transfer Station: Mon., Wed., Sat., 8:00 a.m. - 4:00 p.m.

*The winter hours at the Transfer Station are now Mon, Wed & Sat from 8 am to 4 pm.*

One-lane closures expected on Meadowbrook Road

*There will be intermittent lane closures on the Meadowbrook Road south of Stoneybrook Road for repairs. The repairs have already started and they are looking good.*

*Selectman House mentioned that the Town would like to receive donations toward the George Bowker Memorial Bench at the George Bowker Town Landing, formerly known as the Meadowbrook Landing. \$1,100 in donations has been received thus far. The cost of the bench is approximately \$3,500 so more donations are needed and they can be made at Town Hall.*

**IV. Review and/or Sign:**

1. Payroll and Accounts Payable Warrants

**Vote:** Selectman House motioned to sign Payroll Warrant 35 and Accounts Payable Warrant 36, which was seconded by Selectman Mixon and passed by a vote of 3-0.

**Vote:** Selectman Mixon motioned to sign Accounts Payable Warrant 37, which was seconded by Selectman Young and passed by a vote of 2-0.

**Adjournment**

**Vote:** At 5:17 p.m. Selectman House motioned to adjourn which was seconded by Selectman Mixon and passed by a vote of 3-0.

## Phippsburg Investment Committee third quarter report 9/30/2020

September is finally over. It remained a volatile month for performance in light of heavy profit taking and market weakness. Despite all the clamor that abounds on the political stage and the covid 19 virus problems, the stock market soldiered onward despite very choppy performance. This month is often noted historically to be the weakest of all other months of the year, with exceptions, such as 2018.

The uncertainties of the previous month often is followed by greater strength in October. With the presidential election in the offing, it is difficult to reassure investors of optimism this year.

The volatility that occurred earlier this year returned, but only after the Dow Jones Industrial Average and Standard & Poors 500 index reached new all time highs. As I have noted earlier in this year, the sentiment ratios of investor confidence again revealed far too much optimism in early September achieving 61.4% of knowledgeable investment respondents who said they were bullish about the next approximately six months in the future. It was the highest reading since September of 2018 when the index registered 61.8% bulls. And the markets this year responded as they did two years ago, plummeting on too much confidence. And this was confirmed by the VIX ratio which recorded a low reading of nearly 25. Recall that low numbers in this case reflects overconfidence, complacency. Within one week, the VIX rose and the Sentiment Index declined- both significantly. It was not as dramatic as the spring of this year, but the outcome was the same- market prices plummeted.

I recognize that the comments offered in the paragraph above are imprecise and can be reinterpreted, but they do suggest signs of overconfidence when markets rise, and excessive worry when prices fall. Long term investors may not care especially if they have no imminent cash needs. Others who may claim to be long term investors can be spooked by declines and are prone to selling at the wrong time. And so the markets repeat behaviors that have existed for many centuries.

In this past quarter, there were astonishing gains in the values of Apple, Microsoft, Alphabet (Google), Amazon and Facebook. The market was ripe for taking profits to secure big gains. These stocks fell 20% or more as they did earlier this year. But they regained some of these losses near the end of September. These are now huge companies worth trillions of dollars as measured by the market. They appeal to the hedge funds, private equity and similar group investors who have huge sums of

cash to invest and can exploit considerable risks. They are unafraid to explore opportunities to profit from market rises and declines.

But we are not a hedge fund. Our balanced account continues to perform well and currently is valued very near its all time high. We could be considered to be boring, but we seek cautious growth and income with limited surprises.

As most investors recognize, interest rates remain very low; even US Treasury bonds are offering very little income. The often cited 10 year US Treasury bond continues to provide only approximately .7% return in income. This enables mortgage borrowers to enjoy a very low rate, but it also suggests that real estate prices can escalate which could be a problem in the future. A cause of these very low rates is related to the economic government stimulus programs and an aversion for greater risks in a fully priced stock market.

And the election? The stock markets are most interested in the prospect of earning a return on their capital. This year, some have speculated that if the Democrats win the White House, interest rates and taxes will rise. Whether this might occur, it remains a certainty that investors will always be seeking opportunities to make money. The Republicans have created far more federal debt and spending than the cautious Democrats, roughly the opposite of what occurred in past decades. Some investors have said that interest rates will likely rise as a result of the excessive spending by the current administration.

One thing remains impressive and certain. The extensive investments in new technology, artificial intelligence, algorithms, biotechnology and other investment vehicles are overtaking old investments in industry, coal and oil, real estate and others. The future looks very promising, but will we be able to manage the technological advancements or will they manage us.

The present state of the economy is an enigma. The stock and bond markets overall are doing well, yet there is much concern about the high levels of unemployment and underemployment. Investors seem to be willing to overlook the present scenario of stalled progress, hoping that they were be a covid 19 vaccine that will evolve in the near future, and we will resume our growth bias soon. I hope so but there are no guarantees. There should be no surprise that market volatility will remain with us until a more confident path emerges in the future.

Comparisons with miscellaneous indices, excluding dividends:

**Standard & Poors 500 Stock Index:**

Value: 1/1/2020 3293.25 value on 9/30/2020 3335.47 gain of 42.22 pts  
or 1.3%

**Dow Jones Industrial Average:**

Value: 1/1/2020: 28,534.91 Value on 9/30/2020 27,781.70 loss of  
723.21 points or 2.6%

**NASDAQ Composite:**

Value: 1/1/2020 8734.45: value on 9/30/2020: 11167.51 gain of 2433.06  
points or 27.9%

**MSCI EAFE (non-US, developed economies only):**

Value: 1/1/2020 2043.72: value on 9/30/2020: 1855.32 loss of 188.40 pts  
or 9.2%

**MSCI ACWI (includes 23 developed and 23 undeveloped economies only):**

Value: 1/1/2020 567.62: value on 9/30/2020: 562.70 loss of 4.82 or  
.85%

Remarks in this report are evaluative of our investment policy statement and  
should not be considered recommendations for any individual investors.

10 October 2020

Douglas C. Bates