

**MINUTES
TOWN FINANCE COMMITTEE**

**Thursday – April 17, 2025
5:00 p.m.**

Item 1. Call to Order. J. Anderson – Chair, called the meeting to order at 5:05 p.m.

Item 2. Those Present. Finance Committee members present: Councilors Jonathan Anderson – Chair, Donald Cushing and Karin Shupe. Others present: Thomas J. Hall, Town Manager, Liam Gallagher, Assistant Town Manager and Town Staff.

Item 3. Discussion on Department CIP Budgets.

Pickleball Courts and Skate Park Plans

The Finance Committee discussed plans for pickleball courts and relocating the skate park. It was proposed using the current skate park location for 6-8 dedicated pickleball courts, utilizing existing funding allocated for the skate park. The Committee expresses concerns about removing the skate park without a relocation plan and parking issues. They decide to add \$100,000 to the FY26 CIP for pickleball courts, allowing time to develop a thoughtful plan that accommodates both pickleball and skating needs. The Committee also emphasizes the importance of better communicating existing court availability and gathering more community input on the skate park's future.

Discussion on Little League Lights

The Committee discussed adding lights to a Little League field and improving beach parking management. They approved adding \$75,000 to the budget for the lights project, with the understanding that Little League will match the funds. The Committee agreed to work with Little League to address concerns about design, neighborhood impact, and usage rights. Regarding beach parking, they discuss implementing a gated system with passes for year-round access, but decide more study is needed on enforcement, technology, and potential public reaction before including it in this year's budget. They considered adding a placeholder line item for future consideration of the parking project.

Scarborough Transit Improvements and Metro Joining

The discussion focused on potential transit improvements in Scarborough, particularly regarding joining Metro, a regional transit system. The Assistant Town Manager explained that while \$25,000 is already budgeted for the Old Orchard, Biddeford, Saco line, an additional \$65,000 would be needed to join Metro's combined service, which includes new fixed routes and micro transit. He noted that while TIF funds could be used, they are already heavily committed. The Council was already considering the timeline and budget implications of joining Metro, noting that it would take about six months of preparation even if they decided to proceed.

Microtransit Technology for Rural Areas

The Committee discussed the potential of microtransit technology, particularly in rural areas, and its potential benefits. It was suggested that Scarborough should consider creating incentives for people to not use their cars to get to Portland and also mentioned the need for a discussion on whether to include a \$65,000 item in their plans. He proposed a pilot project with MainHealth and the Downs, and suggested putting in a lower number to incentivize them and also encouraged the participation of the senior voice in the decision-making process.

Kindergarten Class Transitional Facility Funding

The Committee discussed the need for transitional facilities to accommodate the upcoming kindergarten class in 2027. It was explained that the funds for the building project and preliminary studies are not bondable and are not a viable solution. Instead, they proposed a contingency fund of \$600,000 for transitional costs, which could be used for temporary space or other needs. The school board and council will decide on the project and its costs after the budget vote.

School Operational Costs Discussed

There was discussion on the operational costs of a new school, which could be lower or higher depending on the chosen option. The committee is currently working on costing out the operating piece. Liam also mentioned the possibility of using portables for a temporary solution. The Town Manager presented a scorecard, which included support for adding 30 ambulances to town, seeking to put on 4 police officers, and a dispatcher position. The committee suggested finding a way to make it work without realizing the full cost. The new firefighters would be brought on target date in October, reducing the net cost by 25%. The police officers would be hired in the fall and spring, cutting the fiscal year expense in half. The dispatch position would be hired in December or January, cutting that into a quarter. The Council is willing to support the request for additional staffing, but some pieces need to be pared back.

Budget Adjustments and Mill Rate Increase

There was discussion on the budget adjustments, including a \$450,000 increase in expenses and a \$270,000 increase in revenue, resulting in a net of \$183,572. It was also mentioned ongoing refinements to the capital budget and potential deferrals. The mill rate was adjusted to 4.12% from 3.48%. It was clarified that a portion of last year's budget, originally set as a contingency for union contract negotiations, was not spent and will default to fund balance and the possibility of applying unassigned fund balance to offset the increase in the next year's budget.

Fund Balance and Mill Rate

The Committee discussed the use of fund balance and its impact on the upcoming bond issuance. The Assistant Town Manager expressed concern about using fund balance, emphasizing the importance of demonstrating fiscal discipline to bond analysts. The Committee debated whether to allocate the money to fund balance or use it to keep the mill rate down. They agreed to aim for a mill rate increase of less than 4%, and provide updated information by May 1st to achieve at least a 3% increase.

Budget and Community News Discussion

The Committee discussed the budget, acknowledging it's the highest in recent years but justified by necessary investments in schools, fire services, and public safety. They consider the historical context of tax increases, aiming for predictability for taxpayers. The conversation then shifts to the need for

improved communications following the loss of a local newspaper. The Assistant Town Manager suggested a potential model for a new community news platform, proposing a matching fund of \$250,000 from the town to support its development. The meeting concludes with a decision to reconvene on May 1st.

Committee Overview:

1. The Town Manager and the School Finance Director to work on refining the budget to try to get the mill rate increase below 4% and to provide updated budget information to the Finance Committee by May 1st.
2. Staff to explore options for a pilot microtransit project and associated costs before May 1st.
3. Staff to conduct neighborhood engagement regarding the East Grand Avenue roadway design project.
4. Nick to reach out to the Pine Point Association regarding the East Grand Avenue project.
5. Staff to get the word out about potential changes to the skate park and seek community feedback on design preferences.
6. Staff to work with Little League to iron out details of the field lighting project over the next 6 months.
7. The Town Manager to look into increasing the communications budget.

Item 4. Public Comments. None at this time.

Item 5. Adjourn. Motion by K. Shupe, seconded by D. Cushing, to move approval to adjourn the meeting.

Meeting adjourned at 6:38 p.m.

Respectfully Submitted,

Yolande P. Justice

Clerk to the Council

[Not present at meeting, Transcribed by Video.]