

## MINUTES TOWN FINANCE COMMITTEE

Thursday – May 1, 2025

5:00 P.M.

**Item 1. Call to Order.** J. Anderson – Chair, called the meeting to order at 5:03 p.m. and noted that D. Cushing would be joining us shortly.

**Item 2. Those Present.** Finance Committee members present: Councilors Jonathan Anderson – Chair, Donald Cushing [arrived at 5:15 p.m.] and Karin Shupe. Others present: Thomas J. Hall, Town Manager, Liam Gallagher, Assistant Town Manager, Norman Kildow, Finance Director, Nick Cloutier, Town Assessor/Director of Special Projects and Town Staff.

**Item 3. Approval of Minutes: February 20, 2025, April 14, 2025, April 15, 2025 & April 17, 2025.** Motion by J. Anderson, seconded by K. Shupe, to move approval of the minutes from February 20, 2025, April 14, 2025, April 15, 2025 & April 17, 2025.

Vote: 2 Yeas. Motion Passes.

**Item 4. Discussion and possible action on FY2026 Municipal/School Budgets:**

**a. Review Budget Adjustments as of 04/17/2024 and b. Review further potential Adjustments [Work in Progress - Material will be provided at the meeting.]**

### **Conservative Tax Estimates and Revenue Analysis**

The Finance Committee reviewed two analyses presented by the Town Assessor. The first showed that the Assessor's estimates for tax rates and other budget factors have been consistently conservative over the past 5 years, with actual tax rates coming in lower than projected. The second analysis demonstrated that if the town had consistently raised the tax rate by 3% annually over the past 6 years, it would have collected an additional \$19 million in revenue. Committee members expressed that this information provides helpful context for budget decisions, noting that while past conservative approaches saved taxpayers money, they may have also deferred some investments in town services and infrastructure.

There was discussion around the low tax rate and understaffing of departments, noting that it hinders the town's ability to support its rapid growth. There was concerns raised about the lack of citizen engagement in budget meetings and suggests that a significant portion of the town's population, particularly older residents, felt disconnected from local government. It is important to consider the needs of all demographics when making budget decisions.

### **Finance Committee Reviews FY26 Budget**

The Finance Committee reviewed the FY26 budget recommendations, discussed adjustments made since the last meeting. Kate Bolton from the School Department explained reductions in the school

budget, including personnel estimates and energy costs, as well as the addition of funds for the pre-K program. On the municipal side, there are increases for workers' compensation premiums and a Metro pilot project, along with some reductions in operations budgets. The total adjustments for town and school combined amount to \$286,826. The committee expressed appreciation for the significant staffing investments proposed and the efforts made by departments, particularly fire and public safety, to find savings in their operating budgets.

**Microtransit Pilot Program Funding Discussion**

The Committee discussed the potential funding and implementation of a microtransit pilot program. They agreed to modify the budget line item to "Metro pilot project matching funds," emphasizing the need for other stakeholders like businesses to contribute. The Committee expressed concerns about the lack of detail in the initial presentation and stresses the importance of a well-thought-out proposal before committing funds. They also highlight that this is a pilot to test the service, not a full-scale transportation commitment, and that further Council approval would be required before any contract with Metro is signed.

**Finance Committee Approves Budget Amendment**

The Finance Committee recommended a budget amendment to the Council, which included a \$.41 increase in the tax rate. This translates to approximately \$307 per year or \$25 per month for a home valued at \$750,000. The Committee members discuss the benefits of the budget, including improved public safety services, fair compensation for town employees, and maintaining service levels. They agreed that the budget invests in the right areas, particularly in personnel and public safety.

Motion by D. Cushing, seconded by K. Shupe, to move approval of the Finance Committees recommended amendments and to move the proposed amendments on to the full Council:

<b>Finance Committee Recommended Adjustments FY 26 Budget</b>			
<b>Adjustments as of 4/29/2025</b>	Expense Increase (Reduction)	Revenue Increase (Reduction)	Net Appropriation Increase (Decrease)
<b>School</b>			
<b>Operating:</b>			
One-to-One Ed Tech positions	102,000	-	102,000
Updated Medical Insurance Rates	212,382	-	212,382
Updated Delta Dental Rates	(7,880)	-	(7,880)
Workers' Comp Rates	(49,835)	-	(49,835)
Unemployment Assessment	(5,000)	-	(5,000)
Apply Reserve Funds to Pre-K	-	70,000	(70,000)
Adjust Open Positions per recent new hires			
Ed Techs	(30,000)	-	(30,000)
Bus Drivers	(30,750)	-	(30,750)
Custodians	(48,240)	-	(48,240)
Out of District Placement	75,000	-	75,000
Pre-K Program	70,000	-	70,000
K-2 Curriculum multi-year purchase	(6,501)	-	(6,501)
Facilities contracted services - tariff contingency	50,000	-	50,000
Energy Costs - refine projections per CES	(37,500)	-	(37,500)
<b>Operating Subtotal</b>	<b>281,664</b>	<b>70,000</b>	<b>211,664</b>
Adult Education (Health, Dental, WC)	90	-	90
School Nutrition (Health, Dental, WC)	(5,903)	-	(5,903)
Revenue Adjustment School Nutrition (Health, Dental, WC)	-	(5,903)	5,903
<b>Adult Ed &amp; School Nutrition Subtotal</b>	<b>(5,813)</b>	<b>(5,903)</b>	<b>90</b>

Capital:				
Remove/Defer proposed FY26 items (appropriated)				
	School Nutrition ovens removed (purchased with FY25 surplus)	(31,000)		(31,000)
	MS STEM labs deferred to FY27	(25,000)		(25,000)
	<b>Capital Subtotal</b>	<b>(56,000)</b>	<b>-</b>	<b>(56,000)</b>
	<b>School Total</b>	<b>219,851</b>	<b>64,097</b>	<b>155,754</b>
<b>Town</b>				
<b>Operating:</b>				
	New Firefighters (8) - 3rd Ambulance (deferred hire 3 mos.)	622,938	-	622,938
	Convert Part-time Wages to Full-time Staff for 3rd Ambulance	(357,200)	-	(357,200)
	Additional Revenue from 3rd Ambulance	-	75,000	(75,000)
	Maine EMS Sustainability Grant for 3rd Ambulance	-	85,000	(85,000)
	New Police Officers (4) (deferred hire 6 mos.)	237,056	-	237,056
	New Dispatcher (1) (deferred hire 6 mos.)	50,148	-	50,148
	Police Incentive Reductions (Stipends)	(12,480)	-	(12,480)
	Dispatch Incentive Reductions (Stipends)	(20,800)	-	(20,800)
	Fire Incentives Reductions (Stipends)	(28,084)	-	(28,084)
	Police Vehicles Reductions	(38,000)	-	(38,000)
	Higgins Beach Additional Revenue	-	70,000	(70,000)
	Additional Recreation Revenue	-	40,000	(40,000)
	Workers Compensation Premium Increase	95,000		95,000
	METRO Pilot Project	65,000		65,000
	Police - Vehicle Replacement	(20,000)		(20,000)
	Facilities - Misc. Maintenance/Repairs	(20,000)		(20,000)
	Public Works - Misc. Winter Ops Reductions	(15,000)		(15,000)
	Fire Part-Time Wages	(25,000)		(25,000)
	Public Engagement Communications	7,500		7,500
	Investment Income	-	100,000	(100,000)
	Eastern Trail Fencing - defer to FY27	(40,000)	-	(40,000)
	Ice Bank Kits and Ground Work - move funding to Downtown III	40,000	40,000	-
	<b>Operating Subtotal</b>	<b>541,072</b>	<b>410,000</b>	<b>131,072</b>
<b>Capital:</b>				
	New Pickleball Courts (Bond funded)	100,000	100,000	-
	Lights at Peterson Field (Bond funded)	75,000	75,000	-
	<b>Capital Subtotal</b>	<b>175,000</b>	<b>175,000</b>	<b>-</b>
	<b>Town Total</b>	<b>716,072</b>	<b>585,000</b>	<b>131,072</b>
	<b>Total Adjustments</b>	<b>935,923</b>	<b>649,097</b>	<b>286,826</b>

Note: Shaded items added after 4-17-25.

Vote: 3 Yeas. Motion Passes.

### **Follow up:**

1. Town Council to review and vote on the proposed budget amendments at the next Council meeting.
2. Town staff to prepare an amended budget order reflecting the Finance Committee's recommendations for the next Council meeting.
3. Town staff to modify the language of the Metro pilot project budget line item to "Metro pilot project matching funds".
4. Town Council to further discuss and potentially approve the Metro pilot project, including seeking partnerships and funding from local businesses.
5. Town staff to prepare a communication to residents explaining the budget impact in terms of monthly cost increase for an average homeowner.

**Item 5. Public Comments.** None at this time.

Prior closing the meeting, J. Anderson, Committee Chair, thanked Councilor Cushing for his service to the Committee and the Community.

**Item 6. Adjourn.** Motion by D. Cushing, seconded by K. Shupe, to move approval to adjourn the Finance Committee meeting.

Vote: 3 Yeas. Motion Passes.

Meeting adjourned at 5:57 p.m.

Respectfully Submitted,

Yolande P. Justice

Clerk to the Council

[Not present at meeting, Transcribed by Video.]