

TOWN FINANCE COMMITTEE**Thursday – September 11, 2025****Hybrid****5:00 P.M.**

Item 1. Call to Order. J. Anderson – Chair, called the meeting to order at 5:03 p.m.

Item 2. Those Present. Finance Committee members present: Councilors Jonathan Anderson – Chair, Karin Shupe and Council Chair April Sither – arrived late. Others present: Thomas J. Hall, Town Manager, Liam Gallagher, Assistant Town Manager, Norman Kildow, Finance Director, Nick Cloutier, Town Assessor/Director of Special Projects, Karen Martin, Director of SEDCO, Angela Blanchette, Town Engineer and Jim Katsiaficas of Perkins Thompson.

Item 3. Approval of Minutes: July 10, 2025. No action taken.

Item 4. Discussion on the Stormwater Fee Update.

The Finance Committee met to discuss several key topics, including a potential stormwater fee, property tax assistance, school impact fees, and tax increment financing modeling. Angela Blanchett, Town Engineer and Jim Katsiaficas of Perkins Thompson presented on the stormwater fee, explaining its purpose, legal requirements, and implementation challenges. The Committee explored how other municipalities manage stormwater fees and considered the possibility of regional collaboration to share administrative costs. They also discussed the existing MS4 Program requirements and how a stormwater fee might complement current efforts. The conversation ended with questions about the feasibility and benefits of implementing a stormwater utility in Scarborough.

Due to a prior commitment, K. Shupe had to leave the meeting.

Item 5. Discussion and consideration on the proposed amendment to Chapter 313-A the Town of Scarborough Property Tax Assistance Ordinance.

The Finance Committee discussed the proposal brought forth by Councilor Cain. The supported his recommendation to increase the benefit amount from \$1,000 to \$1,200 for eligible seniors, with a potential annual budget impact of \$100,000 and a corresponding mill rate increase of about a penny. They agreed to move this proposal forward for council consideration at the next meeting.

Motion by J. Anderson, seconded by L. Cain, to move approval to move the proposed recommendation to Chapter 313-A, the Property Tax Assistance Ordinance to adjust the benefit amount from \$1,000 to \$1,200 for eligible seniors.

Vote: 2 Yeas. Motion Passes.

Item 6. Discussion on Revising School Impact Fee.

K. Martin, President of SEDCO, presented three scenarios for school impact fees, ranging from \$29 million to \$55 million, based on different cost assumptions and payment periods. The Finance Committee discussed balancing the need to raise funds with keeping fees reasonable, particularly for single-family homes. They agreed to analyze historical data over the past five years to determine the mix of single-family versus multifamily units and adjust the fee structure accordingly. The committee also considered the impact of LD1829 on future development and housing density. It was decided to continue working on the Impact Fee Model and potentially bring it to the Council after the school bond vote.

- Sue Hamill of Bay Street, voiced her concerns around two bedrooms versus three bedrooms and where the kids are actually coming from. She further commented on the LD1829 and how will the town combat it and one way is to make sure that the impact fees are in line with what the true costs are. She would have no problem with a \$10,000 new home fee for a school impact because it is a real cost that the taxpayers are facing.

Item 7. Discussion on the Tax Increment Financing – Shelter Benefit Modeling Update.

K. Martin, President of SEDCO and N. Cloutier, Town Assessor, presented the benefits of tax increment financing (TIF) districts, focusing on the fiscal year 2026 impact of \$1.5 million, which represents a 22% benefit compared to if the TIF districts did not exist. They explained the complex calculations involved, including how state funding formulas use data from previous years and how TIF districts can increase state funding and reduce county taxes. It was noted that while the benefit is split between increased state aid and cost avoidance in the general fund, it is not a direct cash rebate but rather a shift in how funds are allocated. They also mentioned that Scarborough's town is no longer a minimum receiver of state aid and that the model's sensitivity to changes in TIF capture rates could be explored further.

It was explained how TIF revenues can be used for qualified projects and discussed the flexibility of TIF districts in saving funds for future projects. The Committee compared different projection models for TIF benefits, presenting various estimates and percentages. They also discussed the timing of benefit calculations and the need for transparency in reporting TIF benefits. The conversation ended with a brief discussion about including TIF information in an upcoming growth workshop.

Item 8. Public Comments. No public comments at this time.

Item 9. Adjourn. Motion by L. Cain, seconded by J. Anderson, to move approval to adjourn the regular meeting of the Finance Committee.

Vote: 2 Yeas. Motion Passes.

Meeting adjourned at 7:25 p.m.

Respectfully Submitted,

Yolande P. Justice
Clerk to the Council

[Not present at meeting, Transcribed by Video.]