



## MINUTES TOWN FINANCE COMMITTEE

Thursday – October 9, 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 Larry Cain. Others present: Thomas J. Hall, Town Manager, Liam Gallagher, Assistant Town Manager, Norman Kildow, Finance Director, Nick Cloutier, Town Assessor/Director of Special Projects, Nick Cliché, Director of Community Services, Karen Martin, Director of SEDCO, Angela Blanchette, Town Engineer, Shannon Lindstrom, Chair of the Board of Education and Kate Bolton, Director of Business and Finance for the School.

**Item 3. Approval of Minutes: July 10, 2025 & September 11, 2025.** Motion by K. Shupe, seconded by L. Cain, to move approval of the minutes from the June 12, 2025, Finance Committee meeting.

Vote: 3 Yeas. Motion passes.

**Item 4. Discussion and action relating to Stormwater Fees.**

The Finance Committee discussed stormwater fee implementation, with the Town Manager and Town Engineer presenting data on current operating expenses (\$540,000) and capital investments for FY2026. The Committee reviewed potential overhead costs for establishing a separate utility, including three new full-time staff positions, which would add approximately \$350,000 in annual expenses.

It was noted that the current engineering team is stretched thin, handling MS4-related task, development oversight, and various infrastructure projects. There was discussion of the potential benefits and challenges of establish a standalone stormwater utility, including the need for additional staff and administrative capacity. It was emphasized the importance of prioritizing core mission tasks and highlighted ongoing projects like the low-impact development ordinance and the Sawyer Street Project. The conversation also touched on the administrative challenges of managing a stormwater utility, including billing, credits and customer service needs.

The Committee expressed concerns about the inequity of the current stormwater fee system, arguing that it is unfair for large properties to pay the same as smaller ones. It was proposed exploring ways to make the system more equitable, but the Committee decided against pursuing a stormwater fee at this time due to poor economic returns and potential political backlash. Instead, they agreed to continue discussions on future stormwater improvements and focus on existing projects funded by downtown TIF revenues.

Motion by J. Anderson, Chair, seconded by L. Cain, to move approval to no longer pursue a stormwater fee at this time, but encourage Council to continue to explore options for future stormwater improvements.

Vote: 3 Yeas. Motion Passes.

#### **Item 5. Discussion and action on School Impact Fees.**

K. Martin, Director of SEDCO, presented a refined proposal for school impact fees, adjusting the relationship between different housing unit types and single-family homes based on child generation rates. The proposed fee structure would charge single-family homes \$10,400, while other unit types would pay proportionally less, with multifamily units paying as little as 10% of the single-family rate. It was projected a 40% mix of single-family homes in future development, which would generate \$26 million, requiring an increase in the single-family fee to reach the target \$45.8 million. The Committee discussed the possibility to revisiting the fee structure every three years to adjust for changes in growth patterns, and it was agreed to research how other communities handle affordable housing discounts in their impact fees.

There was further discussion on school impact fees in Scarborough, focusing on how to set appropriate fees levels and whether to include existing debt in the calculations. There was expressed concern about pricing out potential home builders while noting that current impact fees in Scarborough are around \$10,000, which is higher than in neighboring communities. The discussion included considering a discount factor for affordable housing units and whether to include an additional \$30 million in existing debt in fee calculations with Scarborough leading toward including this amount to avoid making fees unattainable for new builders.

The Committee proposed moving forward with a recommendation for impact fees to the next council, scheduling a workshop, if the school ballot passes, in December and including a 50% per unit decrease for affordable housing projects, exempting senior-only affordable housing projects from paying school impact fees.

Motion by J. Anderson, seconded by L. Cain, to move approval that the Committee move forward scenario 2 and the 50% per unit decrease for affordable housing projects, exempting senior-only affordable housing projects from paying school impact fees and to schedule a workshop in December on this if the school ballot passes.

Vote: 3 Yeas. Motion Passes.

#### **Item 6. Discussion and action on use of Turf Reserve Account**

The Committee discussed how to use existing funds for a turf and track project. Scarborough explained that there are two options: applying the funds to existing debt service or using them to reduce future borrowing. The Finance Director suggested that paying down debt would provide tax benefits within a year. The Committee agreed that borrowing less, now, at lower interest rates, would be more beneficial than borrowing more later. They also discussed the history of the turf field fund, which was created to cover repairs and maintenance but has not generated as much revenue as initially hoped. The Committee will need to decide how to use the funds when the bond issue for the track portion of the project comes up.

The Committee discussed allocating funds from a reserve account for a track project bond. They agreed to use \$135,000 from the reserve, with Scarborough proposing this amount after debate between \$100,000 and \$140,000. The Committee decided to leave some money in the reserve as a safety net, though the exact amount was not specified. They planned to include this decision in the next Committee agenda for authorization.

Motion by J. Anderson to move approval to use \$100,000 from the Turf Reserve Account to be used for the track project bond. After a brief discussion. He withdrew his motion and made the following:

Motion by J. Anderson, seconded by L. Cain, to move approval to use \$120,000 from the Turf Reserve Account to be used for the track project bond.

Further discussion around the amount to be used from the Account.

Motion by L. Cain, seconded by J. Anderson, to amend the main motion to change the amount to \$135,000.

Vote on amendment: 3 Yeas. Motion Passes

Main Motion as Amended:

Motion by J. Anderson, seconded by L. Cain, to move approval to use \$135,000 from the Turf Reserve Account to be used for the track project bond.

Vote: 3 Yeas. Motion Passes.

**Item 7. Report on Beach Parking Revenue.**

The Committee focused on reviewing beach parking pass revenue, which showed an increase of over \$100,000 compared to the previous year, despite lower daily pass sales. It was noted that the higher fees appeared to have reduce crowding, though there was discussion about finding the right balance between revenue generating and beach accessibility. There was discussion around an upcoming report on an automated parking system, which will include a fiscal analysis of expenses and revenues. The Committee acknowledged the need to consider future capital investments at Hurd Park.

**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: 3 Yeas. Motion Passes.

Meeting adjourned at 6:21 p.m.

Respectfully Submitted,

Yolande P. Justice

Clerk to the Council

[Not present at meeting, Transcribed by Video.]