



MINUTES TOWN FINANCE COMMITTEE

Thursday – June 11, 2026

Hybrid
5:00 P.M.

Item 1. Call to Order. L. Cain, Finance Chair, called the meeting to order at 5:00 p.m.

Item 2. Those Present. Finance Committee members present: Councilors Larry Cain – Chair, Jonathan Anderson and Karin Shupe. Others present: Thomas J. Hall, Town Manager, Liam Gallagher, Assistant Town Manager, Norman Kildow, Finance Director and Karen Martin, President of SEDCO.

L. Cain, Finance Chair noted the Committee had a full agenda and our two State Representative are present this evening to speak on Item 6, which is the Property Tax Stabilization item and asked that this be the first item up for discussion.

Motion by HJ. Anderson, seconded by K. Shupe, to move approval to move Item 6, as the first topic for Committee discussion.

Vote: 3 Yeas. Motion Carried.

Item 3. Approval of Minutes: April 30, 2026 - Special Meeting & May 14, 2026 – Regular Meeting. Motion by J. Anderson, seconded by K. Shupe, to move approval of the minutes from April 30, 2026 and May 14, 2026 meetings.

Vote: 3 Yeas. Motion Carried.

Item 6. Discussion - Property Tax Stabilization- Regional Optional Sales Tax

T. Hall, Town Manager, led a discussion on property tax stabilization, which proposed a countywide optional sales tax model with a revenue-sharing component aimed at alleviating local property tax burdens. This 1% sales tax proposal for Cumberland County would require a voter referendum and allocate funds based on population. While addressing concerns about tourism impacts from higher sales tax, it was noted that research indicated minimal deterrence for visitors from areas with higher rates. The initiative envisioned regional cooperation for shared services and was supported by State Representatives Gattine and Murphy, though challenges regarding business engagement and funding priorities were acknowledged. A full council workshop is slated for August, inviting state officials to further explore these issues would be scheduled.

Item 4. Discussion & Action - Revised Timeframe for Long-Term Capital Plan

The Committee discussed developing a 10-year capital improvement plan (CIP) with 5-year and 15+ year buckets, similar to what was done in another community with a 5-year plan for regular projects and 30-year plan for infrastructure like pipes. The Committee debated how to handle major projects like the community center and library expansion, with a suggestion these might be better positioned as 20-year projects or as modular components rather than single large projects. It was also discussed the need to show prioritization between "must-haves," "should-haves," and "could-haves" across different areas like vulnerability, transportation, and parks facilities. The Committee agreed to work toward completing the

CIP document by calendar year end, with Town Manager taking the lead on drafting it and incorporating input on project priorities and timing.

Item 5. Discussion - Waiver of the impact fees for the school project

The discussion revolved around the school project and the misunderstanding regarding impact fees. It clarified that the issue is not a waiver of these fees since the Planning Board lacked approval authority for such waivers. Instead, the fees were never assessed, leading to confusion. The budget had line items for impact fees and off-site improvements, indicating that removing the impact fees line did not imply the town is covering those costs elsewhere. Concerns were raised that traffic models may suggest that impacts extend beyond the school site, and that the existing budget might not adequately address all potential costs. The importance of clear language in discussing these matters was emphasized, as current regulations did not allow the Council to waive fees, presenting a challenge for future projects. Suggestions to modify ordinances to grant such authority were considered, but caution was advised to avoid opening up requests for waivers from all developers.

Item 7. Discussion - TIF Shelter Benefit Analysis

K. Martin, President of SEDCO, presented an analysis on tax increment financing (TIF) districts, which revealed their influence on state valuation formulas and funding implications. Key points included the shift benefit analysis indicating wealthier communities required less external funding, and the need for accurate state valuation audits to enhance consistency. Anticipated growth from the school funding formula and revenue sharing, especially for fiscal year 2026, emphasized immediate revenue focus over historical impacts, with a projected \$6.9 million in property tax revenues. The discussion highlighted the significance of Payments in Lieu of Taxes (PILOTs) and a projected \$2.2 million in Conditional Economic Assistance (CEA) payments, underscoring that sheltering benefits could cover 81% of CEA costs. It raised concerns about TIF fund usage and compliance while considering the potential for affordable housing TIF districts and the economic implications of TIF versus non-TIF dollars. Furthermore, the differences between Haigis Parkway and Downs TIF structures are noted, emphasizing past experiences that have informed current financing choices. Overall, the analysis balances financial strategy with growth management and compliance, reflecting positive long-term community trends.

After a brief discussion, it was decided to postpone the next meeting to August rather than July, as several key participants would not be available.

Item 9. Public Comments. None at this time.

Item 10. Adjourn. Motion by J. Anderson, seconded by K. Shupe, to move approval to adjourn the regular meeting of the Finance Committee.

Vote: 3 Yeas. Motion Carried.

Meeting adjourned at 6:50 p.m.

Respectfully submitted,

Yolande P. Justice

Clerk to the Council

[Not present at meeting; translated by Video]