

North Berwick Board of Selectmen

PUBLIC HEARING ON BUDGET REFERENDUM QUESTIONS FOR JUNE 8, 2021 TOWN VOTE

Present: Chairman Cowan, Selectman Johnson, Sr., Selectman Hall,

Absent: Selectman Galemmo, Selectman Johnson, Jr.

Also Present: Dwayne Morin, Thomas Wright

Chairman Cowan welcomed everyone to the meeting and introduced herself as well as the other Board members, Selectman Hall and Selectman Johnson, Sr. and the Town Manager, Dwayne Morin.

Chairman Cowan went through the format that was outlined. She stated that the purpose of this Hearing is to review the 10 Budget questions in order for the voters to have an understanding of the questions they will be voting for on June 8th. As a reminder, any residents attending this hearing tonight may ask questions regarding the Budget. As you may be aware, based on COVID-19 conditions and restrictions, the Board decided to move Town Meeting to June 8th instead of our traditional 1st Saturday in April. Unfortunately, again this year, Town Meeting will be held as a Referendum or Ballot Vote Town Meeting which will also coincide with the MSAD60 School Budget vote also being held on June 8th.

Chairman Cowan stated that, in terms of the Budget questions being reviewed, Questions 1-7 are procedural questions that are presented at every Town Meeting in order for the Town to function on a day to day basis and to establish a \$0 based budgeting framework that the Town works under. Questions 8 and 9 relate to the Impact Fee Budget. She stated that these were described comprehensively in the Newsletter. Question 10 is the Budget question that adopts the budget framework for the ensuing year as recommended by the Budget committee and the Board of Selectmen.

Chairman Cowan went on to read each of the Referendum Questions.

Question 1: Shall the Town authorize the Collector to accept taxes in anticipation of tax commitment and to set a date for payment of taxes and determine a rate of interest on overdue taxes.

Due Date: October 1, 2021
Balance due: May 6, 2022
Interest: 6.00%

Delinquent: October 2, 2021
Delinquent: May 7, 2022

**BUDGET COMMITTEE RECOMMENDS: OUGHT TO PASS.
BOARD OF SELECTMEN RECOMMENDS: OUGHT TO PASS.**

EXPLANATION: This question allows the Tax Collector to accept tax payments and establishes the due dates for tax collection for the year. The Town has traditionally established tax due dates as the first Friday in October and the first Friday in May, and this year continues that tradition. The interest rate established is in compliance with the State of Maine Treasurer's recommendations.

There were no comments or questions from the public.

Question 2: Shall the Town vote to deposit the excess balance of the 2021 fiscal year Excise Tax and all unspent appropriated Excise Tax into the Equipment Fund.

BUDGET COMMITTEE RECOMMENDS: OUGHT TO PASS.

BOARD OF SELECTMEN RECOMMENDS: OUGHT TO PASS.

EXPLANATION: This question directs that all unused and excess Excise Tax collected is deposited into the Equipment Fund for the future purchase of equipment for the Town.

Dwayne Morin stated that they are looking at depositing between \$75,000.00 to \$100,000.00 into this fund this year.

There were no comments or questions from the public.

Question 3: Shall the Town authorize the Board of Selectmen to utilize Undesignated Fund Balance for the unforeseen purchase and/or repair of vehicles and equipment for the current fiscal year not to exceed \$40,000.00 during the fiscal year.

BUDGET COMMITTEE RECOMMENDS: OUGHT TO PASS.

BOARD OF SELECTMEN RECOMMENDS: OUGHT TO PASS.

EXPLANATION: This question allows the Board of Selectmen to utilize funds in the Fund Balance, up to \$40,000.00 for unforeseen purchase or repair of vehicles and equipment without having to hold a Special Town Meeting during the Fiscal Year.

There were no comments or questions from the public.

Question 4: Shall the Town vote to authorize the Selectmen to accept conditional and unconditional contributions of monetary gifts, property, and equipment on behalf of the Town.

BUDGET COMMITTEE RECOMMENDS: OUGHT TO PASS.

BOARD OF SELECTMEN RECOMMENDS: OUGHT TO PASS.

EXPLANATION: This question allows the Board of Selectmen to accept gifts, property, and equipment on behalf of the Town in the ensuing Fiscal Year.

Question 5: Shall the Town vote to certify that the public purpose of the Canal Street Affordable Housing Development District is being met and that the required housing affordability and other

conditions of approval, including limitations on uses of tax increment revenues for the approved development project costs, set forth in the Certificate of approval issued by Maine State Housing Authority for the District and the related Affordable Housing Development Program are being maintained and approve the appropriation into and the expenditure from the Affordable Housing Development Program Fund of the amounts required by the Credit Enhancement Agreement dated as of December 2006 between the Town and North Berwick Affordable Housing Limited Partnership established by the Town pursuant to the Canal Street Affordable Housing Tax Increment Financing District and the Development Program.

Explanatory Note: The Town voted to designate the Canal Street Affordable Tax Increment Financing District and adopt the development program for the District at the Special Town Meeting held on November 28, 2006,

BUDGET COMMITTEE RECOMMENDS: OUGHT TO PASS.

BOARD OF SELECTMEN RECOMMENDS: OUGHT TO PASS.

EXPLANATION: This question authorizes the Town to file the necessary reporting on the Canal Street TIF to the State of Maine and to expend the funds necessary to carry out the agreement requirements.

There were no comments or questions from the public.

Question 6: Shall the Town vote that all balances, both debits and credits in all departments of Town Government be lapsed except for the following account balances to be carried forward:

| | | |
|-----------------------|-----------|---------------------------|
| Winter Highway | Sidewalks | Mill Field Festival |
| Parks and Recreation | Patch | Capital Improvement Funds |
| Animal Control | HRA Funds | |
| Town Computer Account | | |

BUDGET COMMITTEE RECOMMENDS: OUGHT TO PASS.

BOARD OF SELECTMEN RECOMMENDS: OUGHT TO PASS.

EXPLANATION: This question establishes the Zero Based Budgeting framework that the Town works under and brings the amount remaining from the specified accounts to be utilized in the next Fiscal Year.

There were no comments or questions from the public.

Question 7: Shall the Town vote to apply the following estimated amounts from Excise Taxes, Miscellaneous Fee Revenues, Revenue Sharing, BETE Reimbursement and Homestead Exemption Reimbursement to use toward the 2020/2021 Budget Appropriations, thereby decreasing the amount to be raised by taxation.

| | |
|----------------------------|----------------|
| Excise Taxes | \$1,000,930.00 |
| Miscellaneous Fee Revenues | \$ 314,950.00 |

| | |
|-----------------------------------|-----------------------|
| State Revenue Sharing | \$ 173,695.00 |
| State Road Bond | \$ 67,500.00 |
| Homestead Exemption Reimbursement | \$ 210,000.00 |
| BETE Reimbursement | <u>\$2,000,000.00</u> |
| Total | \$3,767,075.00 |

BUDGET COMMITTEE RECOMMENDS: OUGHT TO PASS.

BOARD OF SELECTMEN RECOMMENDS: OUGHT TO PASS.

EXPLANATION: This question authorizes the Board of Selectmen to reduce the amount needed to fund Town Government by the estimated amount of revenue that is anticipated, thereby lower the amount needed from property taxation.

There were no comments or questions from the public.

Question 8: To see if the Town will 1.) authorize the Town Manager in Conjunction with the Great Works Regional Land Trust to apply, on behalf of the Town, for federal financing assistance under the provisions of the Land and Water Conservation Fund Act, Public law 88-578 for the purchase and stewardship of Bauneg Beg Mountain Recreation Area; and further authorize the Town Manager to enter into the Land and Water Conservation Fund Project Agreement with the State subsequent to federal approval of the project, 2.) appropriate \$80,000.00 from the Open space Impact Fee Fund to assist with the purchase of the property and \$20,000.00 from the Recreation Impact Fee Fund to assist with the stewardship of the property in conjunction with the Great Works Regional Land Trust and 3.) the town in conjunction with the Great Works Regional Land Trust will be obligated to pay all costs of the project “up-front” which will be repaid by federal reimbursement.

BUDGET COMMITTEE RECOMMENDS: OUGHT TO PASS.

BOARD OF SELECTMEN RECOMMENDS: OUGHT TO PASS.

EXPLANATION: The Town and Great Works Regional Land Trust have partnered to apply for a grant from the Land and Water Conservation Fund to purchase over 50 acres on Bauneg Beg Mountain near the existing Bauneg Beg Mtn Conservation Area. This grant requires matching funds, so the Board of Selectmen and Budget Committee are proposing an appropriation of \$80,000.00 from the Open Space Impact Fee Fund to assist with the purchase of the property and \$20,000.00 from the Recreation Impact Fee Fund to assist with the stewardship of the property in conjunction with the Great Works Regional Land Trust. Note that money in this question comes from Impact Fees and not taxes. This question authorizes the Town Manager to apply the LWCF Grant and enter into an agreement should the grant be approved.

Dwayne stated that the size of the lot has changed a little bit. The one that was in our Newsletter showed one of the areas being retained by Mr. Thompson (Dwayne displayed the plan on the computer for everyone to see). Instead, he will retain that original area and we will obtain another piece. We are looking to purchase about 55.7 acres.

There were no comments or questions from the public.

Question 9: To see if the Town will raise and appropriate the sum of \$37,000.00 to be funded by the Recreation Impact Fee Fund for Capital Improvements at the North Berwick Community Center, Canal Street Park and Elroy Day Canoe Launch.

BUDGET COMMITTEE RECOMMENDS: OUGHT TO PASS.

BOARD OF SELECTMEN RECOMMENDS: OUGHT TO PASS.

EXPLANATION: This question authorizes the Board of Selectmen to utilize \$37,000.00 from the Recreation Impact Fee Fund for purchase of equipment and capital improvement projects at the Community Center, Canal Street Park and Elroy Day Canoe Launch.

Dwayne said that they are looking to add 3 playground additions at the Community Center. They will add a Tether Ball, Big Town Bouncer and Fun Tunnel. They are also looking at putting portable bike racks at the Community Center because they have had a lot more biking there. They will also add some at the Canal Street Park because of the influx of kids that are utilizing their bikes. They are looking to replace all of the wooden picnic tables with metal picnic tables so that we can get longer life out of them. This makes up the majority of the cost of \$22,500.00. They are purchasing 17 or 19 tables town wide with the majority of them being at the Community Center. They will also replace the railing at the Community Center that goes down to the soccer field. It has taken some severe beating and is all bent and warped. They will also do a few landscaping upgrades at the Community Center primarily around the middle memorial stone in the center circle, the flagpole area, the beach rose area and the area adjacent to the gable end of the Center.

Thomas Wright asked if the picnic tables are going to cost \$978.00 apiece. Dwayne said that this was correct. Mr. Wright said that this was a lot of money for a picnic table. Dwayne stated that they will last forever. He said that the wood ones that they have been buying splinter and cause a significant amount of problems. They last about a year or two and we spend about \$200.00 on those. He said that they did a test run with one of the metal tables. They have had it at the Canal Street Park for 2 years. It is weathering very well and standing up very well. They are heavy duty and meant for Parks and Recreation situations. Selectman Johnson, Sr. also mentioned that they are quite heavy so someone cannot just pick them up and take off with it.

Mr. Wright stated that there are 3 new playground implements being placed. He asked if the tether ball set was a cost of \$1,500.00 and Dwayne said that this was correct. Dwayne said the cost was for the purchase and install. Dwayne said that he knows the prices are high and he is just as shocked at the pricing on some of these things as everyone else. He said that they cannot just go to Walmart and buy one. He said that they need to be more playground ready, more rigid, and more heavy duty. They are buying all of these from the company that they purchase all of their playground equipment with, and they will be installing everything.

Mr. Wright asked if the bathrooms in the Community Center are going to be open during the summer months. Dwayne said that the bathrooms inside the Community Center will not be open. They have a Port-A-Potty that is outside. Mr. Wright asked why this was done. Dwayne said that we have nobody to maintain the bathrooms. The one time that we did allow it, we had

severe vandalism. There is no way for us to secure the inside of the Center. The cost to have a janitor maintain the bathrooms and monitor those bathrooms would be cost prohibitive for the Town. Mr. Wright stated that is poor behavior for the town people to do. He said that it is a shame to have the beautiful Center and have it locked up all the time so people cannot utilize it.

Question 10: Shall the Town raise and appropriate the sum of \$4,878,509.00 to be funded in part with \$147,155.00 from Enterprise Fund and \$227,650.00 from Undesignated Fund Balance for the Town of North Berwick FY2022 Fiscal Year Budget.

BUDGET COMMITTEE RECOMMENDS: OUGHT TO PASS.

BOARD OF SELECTMEN RECOMMENDS: OUGHT TO PASS.

EXPLANATION: This question approves the Budget for the Town for the ensuing Fiscal Year. Within the pages of this Newsletter, the Budget along with the specific projects are described for voters to understand the Budget. The Budget was developed to NOT require a tax increase for municipal services for the next Fiscal Year.

Dwayne showed everyone a slide to show our Fiscal health since FY2020. We ended the year with \$3.26 million in Undesignated Surplus. Our benchmark is 90 days of expenditures which is \$2.8 million. As you can see, we are financially healthy. Our property tax collection rate on a 5-year average is almost 97% and the 10-year average is just a little over 96%. This funds the majority of our budget. Last year we had a tax rate decrease of \$.45. Last year's budget was a little over \$5 million. This year, they asked the Department heads to come in with a lower budget. Due to COVID, we didn't want to put more financial stress on taxpayers. The initial Budget requests came in at about \$4.9 million which is about a 2.87% decrease from last year. The Budget Committee reviewed the Board of Selectman and Town Manager's recommendations. They are all recommending a budget of \$4.8 million which represents a 3.56% decrease from last year.

Dwayne stated that it still does have a 5.42% in Operations and a decrease of 40% in our Capital Projects Budget. He said that the significant changes from FY21 Budget on the Operations side include Salaries. Our COLA increase this year was 3%. Our Rescue Squad had an increase because there was a change in State Law. The Law that says that for every 40 hours that you work, you get 1 hour of earned time. Our Rescue workers are per diem workers, they will have to pay the cost out which will be about \$12,000.00 a year just to pay for that earned time. With our health insurance, our premiums remained the same for the year, but we have had some turnover in employees. This included new employees that opted to take the coverage. This increased our premium health costs by about 15%. Our Workers Compensation and Property Casualty insurances are also expected to increase around 13% over last year.

Dwayne stated that ME PERS increased the contribution that the Town must contribute to the employee's retirement plans. This resulted in about an 8% increase for regular employees. There is also a change in Law with Maine PERS for those hires that have retired in place, we now have to pay for their retirement or 5% surcharge. This resulted in an increase in the Police Department budget because they have 3 officers that are retired in place. We also saw an increase in the Fire Department retirement costs due to the new volunteers that we have taken on

board. Regarding the Dispatch costs, this is the 3rd year of a 5-year increase on the new 10-year contract. We were paying substantially lower than what our dispatch costs should have been. When we signed our contract with the City of Sanford, they agreed to allow us to ramp up to the \$150,000.00 cost. We were paying about \$84,000.00. It is a \$14,000.00 a year increase. After 5 years, we will settle in with a 3% cost of living increase for our dispatch costs. The largest increase this year is with our hydrant rental. Pursuant to State PUC laws, the Town has to pay 30% of the operating budget of the Water District if you have hydrants within your town. Because of recent bonding and Capital Projects that the Water District has gone through, it has significantly increased their budget. Our costs will increase this year at \$48,600.00 with an additional \$21,000.00 in the FY23 Budget. Initially the cost was going to increase by about \$78,000.00 this year. The Board met with the Water District, and they have agreed to limit some of their Capital Projects and change some of their operations over a longer period of time instead of hitting the Town with one large increase.

Thomas Wright asked for an explanation of a retired in place Police Officer was. Dwayne said that we offer the employees Maine PERS which is the Maine State Retirement. Under Maine State Retirement, when you are vested and you hit your vested number, you can actually retire from the system. It doesn't mean that you actually retire, you just retire from the system. There were a lot of people doing this. They were retiring in place, remaining at their current job, and just not contributing to the retirement system which was causing a strain on the system. Three years ago, the State of Maine passed a law stating that anyone that does this, there is a surcharge of 5% for those employees, which is actually lower than what we pay. For a Police Officer, we currently pay 12% per year on their salary for their retirement. It actually saved the Town money. For the past 5 years, we have not been paying anything and now we have to pay 5% for those employees.

Dwayne stated that this year's budget will not have an impact at all on the tax rate with it being lower than last year's budget. Chairman Cowan stated that given the confines that they have been forced to operate in this year, it has been strenuous for town residents and for the Board as well to try and bring in a budget that's reasonable and hopefully help reduce some of the stress of the potential increase in the tax rate. She stated that they are very pleased that the Town Departments have done so well and appreciate Dwayne's efforts on that behalf as well. Bringing this year's budget in at a lower amount than last year's is a significant accomplishment.

Thomas Wright asked Dwayne for an update on the new Fire Station planning. He said that we have done \$50,000.00 a year for the past 3 years for a total of \$150,000.00. Mr. Wright said that we are going to do \$50,000.00 more for the upcoming year for a total of \$200,000.00. Mr. Wright stated that \$200,000.00 to just get a completed architectural drawing is an awful lot of money. Dwayne said that, unfortunately, that is not even close to what it is going to cost. Dwayne said that our initial contract with our architects and engineers was \$25,000.00. That study has been completed. He showed everyone the design and layout of the building. Now we have a conceptual design and a conceptual layout. Now in order to create the bid documents, it will cost \$235,000.00. This is just to get the documents so we can send it out to bid and get some prices on construction. The estimated construction of the building as of January 2021 but before significant price increases in building materials was around \$4 million. With the increase in building costs, he anticipates that the cost will be even higher. Dwayne said that they are

currently sitting on the project. They will move forward with at least putting the bid documents together. They will watch the climate of the construction industry and see if costs are going to come down. This is just not the time to building it because of the current costs. He said that they have been putting \$50,000.00 away purposely, knowing that whatever we build, we will need to borrow money to build it. Dwayne said that buildings are not cheap to construct, especially municipal buildings because they are held to a higher standard than any other industry. Also, because we are building a Fire Station, there are even more additional codes that we have to maintain.

Mr. Wright asked why we couldn't do an addition into the Mill Field from the existing building. Dwayne said that the reason the Mill Field wouldn't work is because it would actually be more expensive to build in the Mill Field. The biggest problem is getting the trucks out of downtown. The Mill Field is bordered by basically 2 one way streets with very limited access. In order to get the trucks into the existing building, we block off streets in order to get them in. Also, with the condition that the existing building is in, adding to that would have been significantly more expensive. Mr. Wright asked what happens if the voters don't approve the building. Dwayne said that they wouldn't build it. They have the ultimate say.

Chairman Cowan reminded everyone to go vote on 6/8/21.

Wendy Closed the Public Hearing at 7:14 pm.

Respectively Submitted,
Susan Niehoff, Stenographer

Original to Town Clerk

Chairman: Wendy Cowan

Selectman: Jonathan Hall

Selectman: Michael Johnson, Jr.

Selectman: Charles Galemmo

Selectman: Michael Johnson, Sr.