

TOWN OF READFIELD

BUDGET COMMITTEE

Meeting of January 3, 2019

Minutes

The Readfield Budget Committee held a regularly scheduled meeting on January 3, 2019. Committee members attending included: Andrews Tolman, Chairperson; Rebecca Lambert; Martin Hanish; Peter Davis; and Ellen Schneider. Eric Dyer, Town Manager and Teresa Shaw, Town Finance Director, were also present. The meeting was convened at approximately 6:35.

The first order of business was a review of the minutes of the November 29th meeting. Schneider noted that, based on feedback from other members, she had made several non-substantive edits to the draft minutes circulated prior to this meeting. Hanish offered a motion to accept the minutes as amended. Lambert provided a second and the minutes were accepted unanimously.

Dyer then reviewed the budgeting goals identified by the Readfield Select Board. These goals reflect an increased emphasis on the integrity of the large capital assets of the towns, including buildings belonging to the town, including the fire station and the library. Other capital needs have also been identified as a top priority.

Consideration of the implementation of a solar energy project is also an important priority for the Select Board. Dyer reminded the Committee that there are two proposals pending for the installation of a solar energy array that will likely be sited at the transfer station grounds. He noted that this project would have little budgetary impact in the short term, as the proposals each involve financing mechanisms. The more significant fiscal impact of this initiative will be realized over time, as the seven-year mark of implementation approaches. At that point, in time, the Town will have to arrive at a decision regarding how to move forward with the cost of the array. Dyer also informed the Members that the question of whether or not to move forward with a solar energy investment might be included on the June warrant.

The Select Board is also interested in sponsoring Readfield Heritage Days as an annual rather than a biannual, event. The caveat to this plan is that the annual event is to cost no more than 50% of the biannual event. That being the case, the change presents no budgetary impact for this Committee to consider.

The Select Board would also like to identify a way to provide free access to the Town Beach for all Readfield residents. They are also interested in having a Town recreational program director. Dyer estimates the cost of the free beach access as approximately \$6k per year. He noted that the question of a more formalized recreational program is an issue that will require careful discussion at the Select Board level, and that there are others who disagree with using public funds to provide free beach access.

Dyer informed the Committee that the Select Board is considering development of traffic and parking ordinances. While this type of ordinance can provide a revenue source to the Town, it also costs money to enforce, so the budgetary impact is, at this point, unknown.

The Select Board has also noted its intent to focus on the Town mil rate, exclusive of the total mil rate that incorporates the school taxes. As the Select Board's impact is most directly exercised on the Town mil rate, and to the extent that another body sets the school budget, this represents a sensible approach.

The Committee then turned its attention to budget proposals for Department I. Bill Monagle, Executive Director of the Cobbossee Watershed District was invited to present an overview of the District's budget request. The District's budget is Department 80-10 in the Town's budget system. Monagle noted that the District had not yet begun to work on its FY20 budget in earnest, but would be presenting his best estimate of their needs in the coming year. Over the course of the past few years, the District's budget has increased at a year over year rate of about 3%. Not anticipating any material changes in the District's activities in the coming year, Monagle hopes that the increase for FY20 will be roughly similar.

In the draft budget proposal, Dyer had built in a 4.26% increase. Based on the input from Monagle, this will be reduced to 3%, which is a downward change of about \$622.

The Committee heard next from Bruce Hunter, representing the Conservation Commission (Department 15-30). Hunter presented a budget request that was reviewed and approved by Conservation Committee members on December 21, 2018. The proposed budget requests an additional \$700 from Town tax revenues to fund vernal pool inventory follow up. Hunter reported that the Commission members are committed to finish compiling the database for the inventory, which was conducted several years ago, focusing exclusively on significant vernal pools. The \$700 would cover the cost of printing a report and updating maps.

In discussing this request, Committee members noted that the Commission had also requested and received \$700 in the current fiscal year for the same purpose. Those monies have not yet been spent, as the compilation, reporting and mapping activities have not yet been completed. Hunter clarified that the Commission was not asking for an *additional* \$700, but rather to carry forward funds appropriated but not spent by FY19 year-end.

Hunter reviewed other lines of the Commission's budget request, as well. The remaining expenditure lines would be funded by the Readfield Conservation Lands Account. These expenses include taxes, maintenance, control of invasives and boundary painting for the Town Forest. It also includes signage and trail repairs at the fairgrounds and at the Torsey Pond Preserve. The budget request also includes \$600 for revisions for mapping of conservation and recreation areas. Davis encouraged Hunter to investigate some of the many publicly accessible mapping applications to both facilitate the mapping process and reduce the cost.

Dyer then reviewed the proposed FY20 budgets for General Government, beginning with Department 10-10. He informed the Members that generally, wages would be increasing at a rate of approximately 2% - 4%. Readfield's Town Clerk will be leaving her job after 20 years, and will be replaced. Dyer thinks her replacement may cost "less" as the new hire will likely have less experience than the incumbent.

The budget for utilities reflects an expected decline in the cost of telephone. Dyer reported that the Town has renegotiated phone service and will be going with digital service. This switch comes with a savings of about \$60/month.

The budget for Contract Services is increasing. This line reflects the cost of computer support, which has been historically under budgeted. The budget will be increased to align with actual experience. The Town has now adopted a regular schedule of computer equipment refreshment, which will help smooth out related expenses. However, they have needed additional support from a contractor to move software programs and files over to new machines as they have been brought online.

The budget for assessing shows some material changes. These reflect the fact that Dyer had budgeted for the CEO to spend a portion of his time assisting the Assessor in assessing activities. This assignment was designed to help the Assessor stay current, thus ensuring the Town's valuations were up to date. For a variety of reasons, however, the CEO has not spent time on this duty and Dyer does not foresee that he will be doing so in the future – thus the adjustment to the assessing budget. The related publications line also needs to be adjusted by \$4k to build in the cost of updating property maps.

Heating Assistance (10-70) is not budgeted for any increase, nor has any of this year's funding been expended yet. Dyer noted that the Town has been relying on the wood program and on General Assistance to help residents with heating costs.

Overall, the budget request for General Government (10) for FY20 is relatively flat, showing only a 0.2% increase.

Dyer then reviewed the requests for Department 12, Maintenance. The budget requests an increase in funding for personal protective gear (\$300 increase). Investment in this equipment helps keep employees safer, helps generate a heightened attention to safety and enhances a culture of safety. It also serves to hold down the Town's workers compensation costs. Building Operations/Maintenance (12-20.70) covers O&M expenses in all town buildings. This budget should be adjusted to show an increase in line 70-20, Elevator, from \$1k to \$2k. The elevator in the Town Hall needs repairs on a relatively regular basis and this line has been historically underfunded. Even considering this adjustment, the overall budget request for Department 12 presents a year over year decrease in needed appropriations.

Dyer turned the Committee's attention to Department 15, Board and Commissions. The overall budget request for this department is also down, year over year.

Finally, Dyer reported that revenues for the current and coming year are looking good, overall. Solid waste revenue lines should be increased for FY20. Dyer mentioned that the Town does not currently charge additional fees or surcharges to heavy users of the transfer station, though should consider doing so. Heavy users include the RSU, which involves towns outside of the solid waste district; it also includes Camp Vega, which when in session, is a substantial user of the transfer station. By instituting a surcharge, revenues could be brought in from other sources, easing pressure on the costs allocated to the handful of towns that currently pay for the transfer station. This, in turn, eases pressure on mill rates.

This spurred a discussion regarding the costs associated with multi-sort and whether or not the Town should consider moving away from single sort. Dyer noted that he had looked carefully at this question and has concluded that a switch to multisort would drastically increase our expenses, without a concomitant increase in revenues. He added that currently, we are at a breakeven point between recycling and landfill use. Given the expense picture and the ethics of recycling v. landfill, he strongly supports continuation of recycling.

The Committee ended the meeting with a general discussion of the economic outlook. There is likely to be a softening of the economy late this year or early next year. Schneiter noted that while this downturn will not be as significant as the most recent recession, it would still present challenges. The Committee needs to bear this in mind while looking at revenues down the road.

Tolman reminded Members that the next Committee meeting would be held on January 17th at 6:30 PM.

At 8:25 pm, a motion to adjourn the meeting was made, seconded and accepted unanimously.

Respectfully submitted,
Ellen Jane Schneiter

The Committee had a general discussion about the economy, noting that an economic softening or downturn was likely by the end of the year or sometime early in 2020.