

**TOWN OF READFIELD
BUDGET COMMITTEE**

**Meeting of February 3, 2022
Minutes**

The Budget Committee of the Town of Readfield held a regularly scheduled meeting on February 3, 2022. The meeting was conducted as a hybrid session with some participants attending in person at Gile Hall, and others participating via Zoom. Committee members attending included: Andrews Tolman, Chairperson; Rebecca Lambert; Ed Sims; Martin Hanish; and Ellen Schneider. Eric Dyer, Town Manager, and Teresa Shaw, Readfield's Finance Director, were also in attendance. Several members of the public were also present: Bruce Hunter, Matt Lajoie, Jackie Druin, Hannah Flannery and Greg Durgin.

Tolman called the meeting to order at 6:35 pm ET. The first order of business was consideration of the draft minutes for the group's previous meeting.

Motion to approve draft minutes as presented offered by Sims; second provided by Tolman. There being no objections, the minutes as presented are adopted as final.

Ms. Flannery was then invited to present an overview of the proposed FY23 budget for the Recreation department, 30-10. She reported that the Recreation Committee recommends keeping the budget for the department largely the same as it has been in years past, adding that the pandemic has dampened the community's use of recreational opportunities over the past two years. The beach facilities are not self-supporting. The personnel budget proposed for the coming year reflects a decline in wages and associated FICA expense of about 16%. This is due to a reduction in staffing from 3 FTEs to 2 FTEs, reflecting anticipated lower volume of use of the facilities.

The budget for this department's utilities expense has been adjusted to align more closely with actual experience. Although this generates an increase of more than 42%, the dollar value of the increase is only \$150. Dyer noted that we are expecting an increase in the cost of electricity due to rate hikes, and also due to the fact that the outbuilding at the beach is now electrified.

The budget for fuel and maintenance in the recreation department reflect downward adjustments totaling \$250, to align the budget more closely to actual experience.

Building Operations and Maintenance for the department, however, is proposed to increase in the coming fiscal year. This increase is related to the need for building maintenance including repairs to the roofs for the picnic shelters (originally scheduled for the current year but not accomplished) and needed repairs to the outbuilding (addressing rot and installing new doors).

The budget includes \$4k to address building repairs to “hold things together” per Dyer, until the building can be replaced in 1-2 years.

Department 30-20: Recreation, Parks and Activities – The proposed budget for this department includes adjustments to better align the budget with historical experience. Dyer cautioned, however, that many of these figures remain estimates.

30-55, Swim Instruction has a FY23 budget proposed at a level 30% higher than the current year, \$1500. The instruction expense is minimum wage labor; that labor force has been hit hard by the pandemic. Dyer noted that it is likely that overall, swim instruction will run at a loss in the coming fiscal year, as fees for classes will not bring in revenue sufficient to cover expenses.

30-60, Other Events, includes activities like the annual ice fishing derby, winter fun day, as well as movie-permit fees for movie nights. This is proposed at a \$300 budget, which is 150% higher than the current year line item.

70-40, O/M Grounds, Recreation, Parks, Activities – The proposed FY23 budget remains flat. Dyer informed the group that the Town does need to invest in a new float system for the beach, which is likely to cost approximately \$2k; he feels the current system poses a liability for the Town. The “goose fence” also needs to be replaced. He added that these improvements were slated for the current year, but may not be addressed this year.

30-25, Heritage Days – The FY23 budget shows a 32% increase year over year, with a figure of \$6600. This reflects an increase in the planned entertainment budget, as well as an increase in the budget for lavatories for the event.

30-30, Conservation Board – Bruce Hunter was invited to present the Board’s recommended budget to the Committee. Hunter reported that the planned forest harvest was currently underway, which will bring in revenue. He updated the group on the status of the mapping of vernal pools, which has been a project that is on-going for several years. Hunter noted that the Board hoped to complete the project next year; the FY23 budget retains a flat \$700 for this effort (10-40, Publications).

10-85, Volunteers, Conservation Board – The Board is recommending a 50% increase (which amounts to \$50) to this line item, used to fund a multi-town conservation volunteer BBQ. This event is intended to thank the volunteers and to honor their value.

80-40, Materials, Conservation Board – The Board recommends this item be budgeted at a level of \$3500 in FY23. This is a 17% - or \$500 – increase, year over year. The resulting \$3500 budget would be used to fund the purchase of crushed stone for the fairground trails and for the production of additional trail signs.

55-60, Town Forest, Community Services, Conservation Board – The proposed budget reflects no year over year change. Hunter noted that a priority for the coming year is the cleaning up of

invasive plants (honeysuckle and raspberries), as well as the conduct of a feasibility study related to the elimination of blackthorn at the Torsey Pond Preserve.

30-50, Open Space Plan, Recreation, Parks and Activities – Dyer advised the Committee that this budget issue is reflected in the capital budget, as it involves purchasing of land, as opposed to operating costs.

40-70, Lavatory, Recreation, Parks, Activities – this budget is proposed by Dyer to be zeroed out, as these lavatories were not used. This generates a savings of \$750.

75-40, Materials, Town Property – The FY23 budget is proposed to be reduced by \$2k, zeroing out the line. Dyer noted that the Town does not anticipate any expenses in this category in the coming year.

30-70, Trails, Recreation, Parks, Activities – Jackie Druin and Greg Durgin were invited to present the Trails Committee's proposed budget. They reported that the Carlton Pond Trail needs a kiosk and sign. The Trails Committee also anticipates a need for additional bluestone for trails, including the fairground trails (the Trails budget along with some assistance from the Conservation Board supports these trails). Additional maps will need to be printed and geotek fabric will need to be purchased for trail maintenance. The trails budget also includes an expense provision (Misc) for Trails Day.

The most significant expense item for this budget division is expense related to a trails contractor, \$1950 – 80-10, Contract Services. This cost is shared with the Conservation Board and has previously been offset by a grant awarded to Readfield's Age Friendly Committee. Durgin and Druin advised that it is challenging to project trail maintenance needs for the coming year. Use of the trails has increased markedly during the pandemic.

There followed a brief discussion regarding the balance of funds available to the Trails Committee for its work. Dyer informed Durgin and Druin that the Trails Committee has spent down its carryover funds for gravel. He added that he supported the Trails Committee to maintain a \$5k-\$10k reserve and invited the Trails Committee to request funding for such a reserve.

The next budget item considered was 30-80, Town Parks. There is no year over year change proposed for this item.

Overall, the Recreation, Parks and Activities departmental budget is proposed to increase by almost \$5400, or 10.7%.

The Budget Committee next considered 60-10, Roads and Drainage, Road Maintenance. Dyer informed the members that there is a persistent need for engineering services (50-50, Engineering) in this division. The current fiscal year budget for this line is \$10k, that is intended to meet the engineering and design expense for the Readfield Corners project, as well as a

project involving the intersection of P Ridge and Nickerson Hill Roads. To date, only \$2k of the \$20k budget has been spent.

80-10, Contract Services, Public Ways Operation and Maintenance – This budget covers ditching, culvert work, striping, brush clearing and tree cutting and is budgeted \$2200 lower for FY23 than it is for FY22. The total budget, however, for this item is \$105k. Dyer believes this to be a relatively solid estimate of costs, *if* the Town is able to quickly issue RFPs for these services and *if* reasonable bids are received. He added that this work remains very important to attend to, as it impacts road surfaces.

Dyer also told the members that there has been a dramatic increase in the cost of winter services across the board. The current plow contractor recently raised the price of services by 25% with little justification provided. That contractor has also notified the Town that they will not provide plow services next year, so this contract will have to be bid out again. The challenge is that it will be bid out at a higher base price, given the current contractor's recent price hike.

80-20, Salt, Public Ways – Dyer noted that he is recommending the addition of \$10k to this line item, to reflect recent increases in actual costs. This is a 25% or \$10k increase.

80-70, Patching, Public Ways Operation and Maintenance – The current year budget is \$500; current year expenses are almost double what was budgeted. This is attributable to a steep increase in the prices for cold patching. The FY23 budget, as a result, is recommended to be \$1000, to align with actual cost experience.

Overall, the road maintenance budget proposal reflects a \$77k increase – about 18% - year over year.

The next department reviewed was 65-01, Capital Improvements, Technology. 65-10, Computer Hardware, remains zeroed out. 65-30, Capital Equipment, Admin Tech, is proposed to increase from \$0 in the current year to \$9k in FY23. Per Dyer, this budget is intended to meet the cost of completing a conversion of the Town TV system to full digital service.

55-55, Broadband, Capital Improvements – This is a new budget line and is proposed for FY23 at the level of \$1.135 million. Dyer told members that of this total, \$135k would be funded using the Town's ARPA allocation. The remaining \$1m would be raised through a bond issue. Dyer added that this was very much an estimate of potential cost, but that the Western Kennebec Lakes Association working group was focused on narrowing down costs. The \$1.135m is, as a consequence, very much a placeholder. Dyer suggested that the Town would likely require some type of BAN (bond anticipation note) or bridge financing due to timing differences between anticipated project activities and the bond issuance cycle.

60-73, Fire Equipment, Capital Improvements – This line item is budgeted at \$500k, which is the expected cost of a new fire truck. Dyer would plan to include this item in an overall \$2m bond package that would be financed with a 20-year term.

50-26, 65-12, Fire Station Addition, Contract Services, Capital Improvements – Dyer reported that the work on this project has been completed. Thus, the budget for this line – currently at \$200k – is zeroed out for FY23.

Dyer informed the group that the RFP for the installation of the sprinkler system for the station has been issued; the current budgeted cost of \$200k – the current year budget – is expected to hold.

70-60, Maintenance, Building Operations and Maintenance – The budget for this line item is proposed to increase \$10k or 100%, bringing this item to \$20k. This represents a step toward building a reserve to fund projects needed for Gile Hall in the future, as needs arise.

65-25, Contract Services, Capital Improvements/Parks & Recreation – The FY23 budget proposes to zero out 50-50, Engineering for the coming year, which is a reduction of \$30k. The money included in the current year budget is for engineering work at the ballfields; that project will be completed in the current year.

80-10, Contract Services, Public Ways Operation and Maintenance – The current fiscal year budget for this line is \$45k. The proposed FY23 budget increases this line by more than 1000% or \$455k, to \$500k. This is the high end of the cost projections provided by the engineers for the cost of planned improvements to the ballfields at the fairgrounds. Dyer noted that this would be part of the proposed \$2m bond package.

Hanish expressed his concern the process used to guide the engineering estimates for this project have not been carried out in an efficient manner, as not all stakeholders seem to have been actively involved. He is concerned that once the estimates are “finalized” by the engineers, others will want to chime in, conceivably leading to the specs needing to be revamped, resulting in additional engineering costs.

50-26, Library Improvements, Capital Improvements, Library – The proposed FY23 budget reflects a zeroing out of this line, which is a reduction of \$50k. Dyer told the members that while the work on installing/constructing the required second floor egress has not been done, the funds to pay for that expense are in reserve. Dyer clarified that the cost of the project (\$50k) includes the construction of a handicapped accessible ramp for the main library entrance.

80-10/65-30, Contract Services, Public Ways Operation and Maintenance, Library – This line is budgeted at \$15k for the coming year, with a current year budget of \$0. This budget value reflects the anticipated cost of paving the library parking lot.

65-35, Capital Improvements, Open Space – In the current year, this budget is \$10k. In FY23, this budget line is proposed to be \$50k, which represents an increase of 400%. Dyer explained that the preservation of open space is a Town priority. As such, the Town needs to build a reserve that may be used to purchase space to preserve its openness, lest it be developed. This item led to some discussion with Committee members, with some members expressing concern that in order to truly be meaningful, this Reserve fund would need to be much larger. At the current rate – even adding \$50k each year – it would take a very long time to accrue enough monies to purchase land to put it into protection. Those members encouraged Dyer to consider a substantially larger budget figure for this line item.

65-40, Cemetery, Capital Improvements – Line 50-50, Engineering, is zeroed out for FY23, resulting in a reduction of \$5k.

80-10, Contract Services, Cemetery – This line item is proposed to increase from \$0 to \$10k, building a maintenance reserve. Tolman – who serves as a member of the Cemetery Committee – noted that these reserves are needed to meet expenses that will be incurred when a current wall that is in tenuous shape, needs repairs.

65-50, Sidewalks, Capital Improvements – The FY23 budget for 80-10, Contract Services, is budgeted to be zeroed out, resulting in a reduction of \$45k. The current budget of \$45k is for engineering services and will be spent in FY22.

65-55, Roads, Capital Improvements – 70-60, Sand Shed Maintenance – This has been an item for consideration for several years. The current FY budget is \$50k; no expenses have been incurred year to date and, per Dyer, none are expected to be incurred. He has been working on alternate plans to accommodate the Town's need for a storage facility and believes he has developed a sound approach. This plan involves the installation of a pad and landing area in a plot in the Transfer Station property that is ready to accept such a facility, constructed primarily using a tube housing on concrete. This unit could be ready to store sand when the current shed fails. In the meantime, it could be used to store equipment for the new plow contractor. The cost of implementing this plan, budgeted for FY23, is \$150k.

80-10, Contract Services, Public Ways – This line item is currently budgeted at \$0, but in FY23 is budgeted at a cost of \$50k. Dyer explained that \$25k of this cost is for contracted services for the improvements at Readfield Corner; the other \$25k is for the project planned for the P Ridge and Nickerson Hill Roads intersection.

80-90, Paving – Dyer told the Committee that there are no paving projects currently planned for FY23. Still, it is important to maintain our contributions to the reserves for this purpose, albeit at a lower rate. As a result, this line item is proposed to be budgeted at \$200k in FY23, which is a reduction of \$172k or 46%, year over year.

65-70, Transfer Station, Capital Improvements – 10-50, Miscellaneous – This budget item shows a slight increase (7.4% or \$1827) year over year. This adjustment is needed to keep our current reserve commitment at required levels.

70-60, Maintenance, Capital Improvements, Transfer Station – The budget document shared with the Committee shows an increase in this line from \$0 to \$46.5k. Dyer indicated that this line needs to be researched, as he thinks it may be an error.

85-40, Debt Service – The budget for this Department reflects several on-going borrowings. This includes interest payments on a fire truck bond, which continues to decline slightly each year; this bond will be retired in November 2023. Dyer expressed his preference that the purchase of a new truck be delayed for one additional year until the current truck bond is retired, but understands the need to get the purchase underway.

85-23, Debt Service 2023 Municipal Projects Bond – This is the debt service budget for the proposed \$2m bond package referenced elsewhere in the budget document. The total amount of the borrowing would be \$2m over a 20 year term at an estimated interest rate of 2.5%. In FY23, only the first interest payment would be due, as the bond – if approved by the voters – would be issued in Spring 2023. That amount would be \$14k, assuming the terms described above.

Dyer reviewed the FY23 payments on other extant bond issuances, on which the Town continues to make both principal and interest payments in the coming fiscal year.

The review of the debt service portion of the budget document having been completed, Dyer quickly reviewed the graphic representations he is preparing to accompany the budget, specifically as they relate to debt.

The group then considered 90-10, Unclassified. Dyer told the group that the budget request for overlays is proposed to decline by \$173k from \$223k to \$50k. Last year, the school district returned monies to the Town, which have been placed in reserve and used to offset future mil increases. Dyer reported the Town has not seen increasing needs for overlay/abatements during the pandemic, contrary to what had been expected, thus the reduction in this line item.

10-50, Nonprofit Agencies – The FY23 budget includes \$15k for this line item. Dyer noted, however, that the various agencies ordinarily funded have not yet submitted their requests, so this is a placeholder. He does not expect, however, that actual requests will materially differ from this amount.

90-40, Contingency – The FY23 contingency budget is held flat at \$25k.

90-50, Snowmobiling – This budget is being adjusted upwards slightly to better align with actual revenue experience.

90-60, Enterprise Fund – Dyer noted that while the budget document shared with the Committee shows a budget of \$1k, which is a \$9k reduction, there is an error in the document. The actual number should remain flat, at \$10k for the coming year.

90-90, Revaluation – Dyer reported that the Town currently has more than \$100k in reserve for the revaluation effort. He indicated that there is no need to save additional funds to cover the cost of a full valuation initiative. Dyer added that the Town has been conducting quarterly assessments in an effort to stay on top of changes in valuation and to minimize the need for marked corrections down the road.

95-10, General Assistance – Dyer reported that there has been very modest use of the General Assistance budget. At the same time, there has been more use of the local heating assistance program. The proposed budget reflects a \$500 decrease in this line item, for a FY23 budget of \$5k.

With the review of the budget document concluded, Dyer cautioned members that the budget itself still requires work. Next step in the budget process is a joint meeting with the Select Board to discuss the Capital Investment plan, which will occur the evening of March 3, 2022.

The Committee expressed their sincere thanks to Dyer and Shaw for their patience and hard work.

There being no other business, the meeting was adjourned at 8:50 pm

Respectfully submitted,
/ejs/