

**TOWN OF READFIELD
BUDGET COMMITTEE**

**Minutes of Meeting
January 28, 2021**

The Readfield Budget Committee held a regularly scheduled meeting on January 28, 2021. Due to the on-going public health crisis, the meeting was held via ZOOM. Committee members attending included Andrews Tolman, Chair; Rebecca Lambert; Ed Sims; and Ellen Schneiter. Martin Hanish was not present. Also participating in the session were Eric Dyer, Town Manager and Teresa Shaw, Finance Director.

The meeting was called to order at 6:35 pm and began with consideration of the draft minutes for the meeting of January 14, 2021. A motion was offered by Lambert to accept the minutes as drafted. Sims seconded the motion which was approved unanimously.

Department II was the subject of this meeting's review. Romaine Turyn, member of Readfield's Age Friendly Committee, was in attendance for the outset of the session, and the Members invited her to review the activities of the Age Friendly Committee over the past year, as well as the Committee's budget proposal for the coming fiscal period. Turyn indicated that the Age Friendly Committee was not requesting any resources for the coming fiscal year. Dyer noted that the group had not yet expended any funds in the current fiscal year. He attributed that to the impact of the pandemic – while events had been planned for the year, they had to be cancelled due to the virus. This issue has impacted several of the Town departments in a similar fashion, depressing expected spending. Turyn expanded on this observation by reporting the plans for "Readfield U" were suspended mid-year in 2020 due to the pandemic. Similarly, plans for "Readfield U" were cancelled for this year, as well.

Turyn reported that the Age Friendly Committee continues to seek grant funding to support activities. They recently completed an application to the Maine Community Foundation for funding (\$2500) to carry out certain improvements at the fairgrounds designed to make the facility more accessible and interesting to older residents. She added that should the grant be awarded, the Conservation Committee would be donating \$2k to augment the MCF grant. These monies would be used to replace bluestone on some of the trails, to improve footing on those pathways.

The Members then turned their attention to Division 25-10, Animal Control. The proposed budget calls for a slight increase in the stipend for the Animal Control Officer, as called for in the collective bargaining agreement. There is also a slight decrease in the budgeted amount for tools.

The proposed budgeted for Divisions 25-20 – Kennebec Land Trust – and 25-25 – KVCOG are flat. The Town does not yet have information from KVCOG regarding dues for the coming year, but Dyer informed the group that that organization has historically kept increases to a minimum, so he was not expecting the budget to increase materially.

Division 25-40 is the Library budget. Dyer pointed out that wages for this division were due to increase a bit due to the collective bargaining agreement. The budget line 40-20 Utilities/Electronic Communications is proposed to increase substantially. The group concluded that this was likely due to a budgeting error for the current year, where this line – which covers the cost of the Library's website – seems artificially low. It appears that the budget for FY22 should more likely be around \$900, rather than the proposed \$810.

Dyer informed the Committee that the Library has a “healthy” reserve of approximately \$15k, which he feels may be too high an amount. He intends to speak with the Library Committee about using reserves to cover some operating costs.

Division 25-60 relates to Public Access TV. Wages for this division are proposed to be \$1500 for FY22. Dyer explained that the Town had tried to hire an assistant station manager in the past, and had budgeted for the position, but had been unsuccessful for several years running to hire anyone. This situation led to the budget for the position being zeroed out. However, the Town has now identified someone to step into the position and assist the Station Manager with the final push to move from analog to digital broadcasting, as well as to provide some relief to the Station Manager. The proposed budget is based on a wage of \$15/hour and 100 hours per year.

Division 25-60, Street Lights, was reviewed next. This includes the expense related to electricity for Readfield’s streetlights. The proposed budget reflects a year over year decrease of 38.5%, a savings of \$2500. Per Dyer, this is attributable to the fact that the conversion to LED streetlights is almost complete, resulting in considerable savings for electricity.

Division 25-90 is the Maranacook Lake Dam. Dyer reported that the new dam is now fully functional. The proposed budget is flat and reflects Readfield’s share of maintenance costs for the dam.

Overall, the proposed budget for these divisions is proposed to increase by 0.45%. The associated revenue budget increases more than does the expense budget (2.94%), driven by a proposed increase in cable TV franchise fees.

The Committee Members then reviewed Division 40 – Protection, starting with 40-10, Fire. Dyer said that Chief Mank had not requested any increases to his operating budget. The increases that are included relate to wages, that are driven by collective bargaining. Stipends for Fire Captains are also proposed to increase by \$1300 due to an increase in the number of Captains from 4 to 6. Overall, this division’s expense budget is proposed to increase by 9.6%, or \$6k.

Dyer pointed out that the fire division is one of the areas where COVID seems to have impacted current year spending. Not only were planned trainings not done, but the number of fires were also down substantially. At the same time, the size of Readfield’s volunteer corps has held steady.

Division 40-20, Ambulance was reviewed next. Dyer informed Members that the proposed budget – which reflects an increase of about \$2800 – as presented at this meeting should only be considered a placeholder. Winthrop has not yet finalized next year’s rates for this service.

Similarly, the budgeted amount for Division 40-40, Dispatch, is also only a placeholder at this point in time. It is known that Winthrop’s dispatch rates will be increasing, but the rates for the other service providers is not yet known.

Division 40-70, Emergency Operations, reflects a \$500 budget for refreshment of supplies in the Town’s emergency response kits, which need new batteries, markers, a new radio and similar low-priced items.

The revenue budget for Division 40 does not reflect any year over year change.

Division 50-10, Cemeteries, was considered next. Tolman, who serves on the Cemeteries Committee presented this budget proposal, noting that the numbers included in the documentation provided to Members

by Dyer in advance of the meeting were incorrect. The budget for 50-35 – Stone Repair is projected to be \$6k, up \$1k year over year. The cost of repairs to stone monuments will be offset by monies from the perpetual care trust, which will appear in the revenue budget for Department 10.

The other increase is projected for 65-20 – Computer Software, which is proposed to increase by \$3k to \$8k. Tolman explained that this expense is related to an effort to digitally map the cemetery plots in town. Lambert reminded Tolman that MMA offers grants to towns to support interns, suggesting this might be good work for an intern to take on. She indicated that the proposal process for these grants is simple and that relatively few towns apply for them, so the chances of receiving one are high. The grant applications are due in March.

Division 85-10, Debt Service, was also reviewed. Dyer reported that there are currently three bonds the Town is paying down: one for a fire truck, which is retired in FY24; a second is for the Maranacook Dam, which is retired in FY29; and another the municipal buildings bond, which is retired in FY36. He reminded Members that a road bond would be retired in the current FY, substantially lowering the Town's debt burden.

There followed a brief discussion regarding the current low cost of debt and the opportunities that presents to the Town. Dyer informed Members that the Select Board has a range of capital projects they are exploring. These range from moving up road work projects to smooth out the pace of those initiatives over time, to the replacement of the Town's salt/sand shed, the installation of a metal canopy over the bins at the Transfer station, as well improving recreational resources and the development of a broadband system. The construction of a sidewalk on Church Road was also of interest. However, Dyer reported that the Maine DOT had recently approved the Town's proposal for that sidewalk and the project could now move ahead with funding, in part, from the DOT.

The Select Board is in the early stages of considering potential capital projects but might aim at a \$1 million/15-year bond. Dyer mentioned that the Town may be able to put off purchase of a new fire truck – originally planned for a few years from now – as the City of Cambridge may be interested in donating a late model truck to Readfield. Chief Mank is pursuing that option.

Members discussed the fact that while borrowing costs are very affordable at present, the low rates will likely not last forever, so whatever action the Select Board decides to take, if it involves borrowing that decision might need to be made sooner rather than later.

The Committee ended this meeting's reviews by considering the first comprehensive budget draft prepared by Dyer. This draft included some changes from the proposal reviewed by the Committee at its previous meeting. Specifically, the wages for Administration in the prior documentation neglected to include a negotiated salary pool increase for merit pay for employees. This correction increases the budget for Administration personnel to a total of \$69,648 and total budget for Administration to \$113k, which is a 1.7% year over year increase.

Dyer reviewed the municipal tax rate calculation, noting that due to the requirements that the Town keep pace with the valuations the State expects to see (so as not to jeopardize eligibility for revenue sharing), valuations will have to be increased another 10% in FY22, as they had to be for FY21. This leads to a decrease in the actual mil rate, thus resulting in a "wash" for taxpayers.

As things currently stand, and without consideration of any changes in the school budget, the proposal would result in an approximate \$75 increase on a \$242k home valuation. At the same time, the budget as proposed would have the Town pull less from both designated and undesignated fund balances. This seems reasonable given the heavy reliance placed on those funds for the current fiscal year. All in all, the budget would allow the

Town to remain in compliance with its working minimum fund balance requirement policy, which is two months of operating expenses.

Lambert provided an update on the school budget, as she is a member of that Committee. She reported that their goal is a flat budget, although it is recognized that the coming year must include a contracted step increase for teachers.

Tolman reminded Members that the next meeting of the Budget Committee was Thursday, February 4 at 6:30, when the proposed budget for Department III would be reviewed.

There being no other business, the meeting was adjourned at 7:58 pm.

Respectfully submitted,
Ellen Jane Schneiter