

TOWN OF READFIELD BUDGET COMMITTEE

Minutes of Meeting
February 4, 2021

The Budget Committee of the Town of Readfield held a regularly scheduled meeting on February 4, 2021. Due to the ongoing pandemic, the meeting was held via Zoom; notice to the public regarding public participation in the proceedings was posted on the Town website in advance of the meeting. Committee members in attendance included Andrews Tolman; Ed Sims; Rebecca Lambert; and Ellen Schneider. Martin Hanish joined the meeting at approximately 7:30 pm. Eric Dyer, Town Manager and Teresa Shaw, Readfield Finance Director, were also present, as were several members of the public.

Tolman called the meeting to order at 6:35 pm. The first order of business was consideration of the draft minutes of the prior meeting. Sims offered a motion to approve the minutes as presented; Lambert provided a second. The motion passed unanimously.

The Committee agreed to address certain departmental budgets out of order to accommodate those members of the public who were present, representing other Committees of the Town, who intended to present budget recommendations.

Sean Keegan and Hannah Flannery of the Recreation Association presented an overview of their group's planned activities and objectives for the coming year. They noted that there were several capital improvements they hoped to address. This work would be funded at least in part with \$12k in reserves set aside for recreation. The projects include work on the Church Road fields; this activity includes re-surveying, as the last time surveying was done at this site was in 2009. Keegan noted that the Association was engaging in fundraising with the goal of raising approximately \$40k to undertake this project.

Association representatives Keegan and Flannery then described the proposed budget for the beach, noting that the budget they were requesting differed from that included in the paperwork provided by Dyer to Budget Committee members in advance of the meeting. He noted that the Association's goal was to replace the roof on the picnic sheds to make the facility more attractive and usable. Keegan reported that they had recently established an ice rink at the beach, which is something they intend to do each winter. The Association would like to purchase a snowblower to facilitate snow removal from the ice for the rink.

The Personnel budget for the beach reflects an increase due to planned higher levels of staffing; the new staffing configuration will include one beach superintendent and two part time beach attendants. Since the Town voted last year to make the beach "fee free" the cost of personnel will have to be fully funded with tax dollars.

Division 70-60 includes funds for upgrading the utility shed at the beach and the shelter roof tops, as well as general "spiffing up" of the facility. A member of the public attending the meeting noted that the current shelter roof tops are approximately 40 years old.

Finally, the Association members reviewed plans for recreational activities, the cost of which are offset by user fees.

The next item of business was consideration of the Conservation budget. Bruce Hunter and Greg Durgin of the Conservation were in attendance to present that budget. Hunter noted that there are two categories of funding in the Conservation budget: tax supported activities and activities supported with land accounts funds, which are derived from timber sales. He informed the Committee that there will be no planned revenue from a forest harvest for FY22.

The consulting forester has recommended delaying harvesting until such time as pulp prices begin to rise again. They are currently very low, making the proposition of harvesting a costly one.

Hunter then updated the Committee on the vernal pool project. The wrapping up of that initiative had originally been planned for FY21 but was interrupted by the pandemic. Instead, that work will stretch into FY22.

The proposed Conservation budget includes a very modest amount for the Readfield Commission to hold a joint networking event with the Conservation Commissions of Wayne, Manchester and Monmouth, with the intent of strengthening relationships and looking forward to ways the groups might work collaboratively.

Division 80-40 includes \$3k for a collaborative effort with the Age Friendly Committee and the Trails Committee to repair trails that have degraded over time. The Budget Committee was reminded that the Age Friendly Committee has submitted a grant request to fund this work, but the grant would require local match. The \$3k allocation would provide that match.

The proposed budget also includes funding for property taxes due to the Town of Wayne for that portion of the Town forest that falls within Wayne's town limits. It also includes \$1500 for the control of invasives, as recommended by the consulting forester.

Division 80-80 has a budget of \$500 for the cost of new signs at the Torsey Pond Nature Preserve.

In all, the Conservation budget for FY22 totals \$6,250.

Durgin, who is also a member of the Trails Committee, then presented the Trails budget. He stressed that the Committee has worked diligently to keep costs and budget requests as low as possible. He added that there is currently approximately \$1k in the Trails carrying account; the total budget for Trails in the proposed budget is \$500.

Importantly, Durgin pointed out that the work of the Trails Committee is supported generously by many volunteers, giving many hours of their time to ensure the people of the Town have access to this valuable resource. That said, he reported that the trails are currently in rough shape, as the pandemic prevented volunteers - including those from Kents Hill School - of assisting in trail maintenance over the past 11 months.

The Budget Committee then considered Division 30-25, Readfield Heritage Days. The proposed budget is flat funded. Hanish, who joined the meeting at this point, reminded the Committee members of the meeting he had previously reported on regarding increased participation on the part of town volunteers - like Committee members - in Heritage Day activities and the desire of the Select Board to engage in strategies to increase public participation in Heritage Days activities. Hanish suggested some thought be given to budgeting some amount of money for advertising around Heritage Days to boost participation. Dyer noted that he had already allocated a portion of the operating budget for this activity to advertising.

Dyer explained that the revenue budget for Department 30, particularly 1010 - Beach Income, reflects the impact of the Town vote to make the beach fee free. This results in a year over year decline in revenue of \$6492. \$3500 in revenue for beach fees is still anticipated. These revenues would be derived from the sale of non-resident passes and rentals. Dyer noted that this may be a conservative estimate. He also told the Committee that the Heritage Days committee intends to fundraise to cover the cost of fireworks for the event.

The next budget reviewed was 60-10, Roads and Drainage/Road Maintenance. Division 50-50, Engineering, includes \$10k for contract services. This is the amount originally intended for the design phase of the sidewalk on Church Road, a project that has now been approved by Maine DOT. The Town must provide the State with evidence of its capacity to take on the project by budgeting the amounts required under the grant for this type of planning a project work. The Committee was reminded that the construction costs for the sidewalk are reflected in the capital budget.

80-10, Public Ways Operations and Maintenance has a budget for contract services that shows a decline of 7%, year over year. This includes contracted work for ditching and striping. Dyer said that he is anticipating an increase in the cost of sand and gravel, due to the heightened demand in the construction sector, so he felt it prudent to try to cut back on these activities for the coming year until prices stabilize.

60-40, Winter Maintenance also includes a contract services line, that reflects an increase of \$5k over FY21. This is the line where the contract for plowing appears. That contract is being put out for RFP, as the current contract is now coming to an end. Dyer expects that the cost of the service will increase with the new contract.

Dyer also mentioned that the RFP for paving for the Plains Road (to be done in the spring of 2021) and Sturtevant Hill Road, (summer of 2021/FY22) is about to be published.

There were no other material changes in this departmental budget. Overall, the budget reflects an increase of \$10,700 or 2.73%. The Members discussed the potential for these budget figures to be too low, given rapidly rising costs of inputs and services.

The corresponding revenue budget reflects an increase of \$2k in local road assistance state reimbursement.

65-01, Capital Improvements was the next budget section considered. This is the portion of the budget where expenses related to the Select Board's planned broadband project appear. Division 50-50, Engineering, includes \$100k for the cost of planning and design for the project. Dyer clarified that this is Readfield's share of the cost; other towns collaborating in this initiative (e.g., Wayne, Fayette, Mt Vernon, Vienna and perhaps Leeds) will incur similar costs, with total costs allocated based on tax valuations. Total project costs are projected to be approximately \$4 million. Dyer noted that the warrant will include articles for the voters to approve this initiative.

The Committee had a discussion regarding the project and the potential benefit it might provide. Dyer noted that this is a challenging undertaking, as the Town has little to no experience in overseeing/implementing a utilities-type project like this. One member expressed concern that the Select Board would remain committed to an expansive undertaking like this, given the history surrounding the solar project that seems to have been taken off the table after many volunteers spent time on the project's consideration. It was noted that the Budget Committee would have the opportunity to discuss this and other capital projects with the Select Board at an upcoming joint meeting.

The budget for Division 65-30, Equipment Replacement, has been zeroed out. There is no need for future expenditures on this line as the digital conversion is now all but completed.

Division 65-05, Fire Department was reviewed next. 65-12 is the Fire Station addition, which has run over budget. 50-26 shows a budget of \$200k in additional project expenses to cover the cost of installing a sprinkler system for the entire building as opposed to the new bay.

65-30, Library Capital, also reflects project cost overruns. 50-26 includes \$50k for construction costs related to planned installation of egress from the 2nd floor of the building, although the original project budget still has somewhere between \$30k and \$50k in balance to meet this expense. There is also a desire to remodel some of the second floor rooms, essentially expanding the scope of the original project. There was some discussion about focusing on completing the planned project by addressing the need for second floor egress and putting off addition remodeling for later down the road.

65-40, Cemetery Capital is zero, as no capital projects are planned for the coming fiscal year.

65-50, Sidewalks, includes \$45k for the Phase 2 sidewalks reserves required by Maine DOT as a show of commitment to the approved project grant from the state.

70-60 is the budget of for the Salt/Sand Shed replacement, which has been under discussion for several years. Dyer explained that the Town is trying to build a reserve of funds to underwrite this work. He noted that the replacement of the shed is not an emergent issue; the current structure will remain usable for a short while longer. The total cost of replacement will depend on the type of structure chosen — it can be a top of the line, “institutional” type of structure or a simple large carport-like structure, which would be far less costly. The related costs could range from \$400k on the high end to \$100k on the lower end.

80-90, Paving, includes \$175k for paving of Sturtevant Hill Road. This work is on the docket for FY22 as the Town makes its way through paving projects, taking on a handful at a time, thus avoiding the need for a massive amount of road work at one point in time.

65-66 is Leases. 60-50 in this Division includes \$6180 for the lease cost of the new pickup truck. This line was zero in FY21.

65-70, Transfer Station, was considered next. 10-50 is the Capital Reserve for the Transfer Station. The FY22 budget shows a 19% increase of \$24k. Committee members were reminded that this cost is shared amongst the three towns using the Transfer Station.

Consideration of the Transfer Station capital reserves spurred a discussion of how much “room” Readfield has in terms of structurally being able to take on additional debt. This is an important question given the many capital project ideas the Select Board is interested in pursuing and the fact that the cost of borrowing is currently so low. Dyer noted that the leases associated with equipment at the Transfer Station impact the Town’s income statement in a manner that occupies a good deal of “fiscal room” that can crowd out the Town’s borrowing ability. The only way the Town could bond a project there is for the leases to be first paid off.

65-85, Municipal Building, was reviewed. 50-26 has included funding for improvements to the municipal buildings. As those projects are coming to a close, no funding is required for the coming fiscal year.

The Committee then looked at the associated revenue budget for Capital Projects. Dyer pointed out that he had built in a placeholder for a \$250k bond to fund the installation of the sprinklers at the fire station and the remaining work at the library. There is an interaction with this provision and keeping the tax impact of the budget for all non-public education items flat for FY22.

Department 70-10, Solid Waste has a proposed budget that includes only minor year over year changes. 20-60, Wages, shows only a 0.67% increase. The Members briefly discussed the fact that this rate of increase looks much lower than wage increases in other departments. Dyer indicated he would be researching why that might be.

40-20, Electronic Communications, includes a \$600 budget increase for the cost of internet service for the Transfer Station superintendent. A point of service system is planned for the Transfer Station, which will require internet connectivity.

The cost of contract services for the Transfer Station are shifting a bit. Handling cost are increasing and while tipping charges for single sort are dipping slightly, demo and trash tipping charges are increasing.

60-35, Maintenance, reflects a decline in budget. This is attributable to the good work being done at the facility to maintain equipment in good working order.

65-50 includes \$2k in budgeted funding for the purchase of tools like pallets, cardboard boxes, and so on, at the Transfer Station. The cost center has historically not had a budget for this type of item and adding a line like this will make the budget more transparent.

80-10, Contract Services, includes \$1500 for striping at the Transfer Station. The volume of traffic at the facility results in the need to restripe twice each year.

Overall, operations and maintenance budgets for the facility are projected to increase by 2.3%.

The revenue budget for the Transfer Station reflects an improving picture. This improvement is driven by the work of the facility's superintendent, who is doing a very good job. The budget can now reflect revenues that outpace increases in expenses, resulting in an overall net decline in cost center expense.

At this point in the meeting, Lambert provided a quick update on the RSU budget process, in which she participates. She indicated that the budget is no longer looking like it will be flat, as previously thought. Instead, the first draft of the budget shows an increase of just over 4%.

The Committee then reviewed 85-10, Debt Service. Dyer noted that in FY21, a road bond that had been carried for many years was retired. The proposed budget reflects the estimated Year One payment on a the \$250k bond Dyer built in as a placeholder to fund remaining needs at the fire station and library. 90-10, Unclassified, is the overlay, which is budgeted at \$50k, accounting for an anticipated need for more poverty abatements. A similar increase is being budgeted for Local Tax Relief, although this program has not been used much, to date.

90-20 is the department for Non-Profit Agencies. The proposed budget reflects a modest increase as agencies are asking for increased contributions.

90-60, Readfield Enterprise Fund was reviewed. Dyer noted that there is a pending application for these funds - which have not attracted much interest historically - from the Union Meeting House.

Finally, the Committee considered 95-10, General Assistance, which is flat funded in the budget proposal.

Tolman reminded members that the next meeting would be held on February 25th. That meeting will be a joint meeting with the Select Board, to discuss the Capital Investment Plan.

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

Respectfully submitted,
/ejs/