

**Town of Readfield
Budget Committee**

**MINUTES OF MEETING
September 14, 2021**

The Readfield Budget Committee held a scheduled meeting on September 14, 2021. Committee members in attendance included: Andrews Tolman, Committee Chairman; Rebecca Lambert; Martin Hanish; Ellen Schneider; and Ed Sims. Eric Dyer, Town Manager, was also present. Some participants attended the meeting in person at Gile Hall; others participated by Zoom. There were no members of the public present for the meeting, which was convened at approximately 6:35 pm.

The first order of business was consideration of the draft minutes of the Committee's meeting the previous week. Hanish provided a motion to accept the minutes as presented; Lambert seconded the motion. The motion passed without objection.

Tolman summarized the purpose of the evening's meeting, which was to further consider the draft articles and in particular, Article 4, prepared by the Select Board. While the Articles 2 and 3 do not require any recommendation from the Budget Committee, Article 4, which is a bond question, legally requires the Committee to review and offer a recommendation. The Committee failed to come to agreement on the question at its last meeting, with Members requesting additional information to assist in the decision-making process. Dyer provided Committee Members with more information and context the day prior to the meeting of September 14th.

Hanish began the discussion by asking for clarification on the authority that Article 4, if passed, represents. He remains concerned that the question is premature in the absence of information regarding implementation of the project and a detailed plan of operations (and related costs). Dyer explained that there would be no way for the Selectboard to proceed with issuing a bond without going back to the voters. He added that as a practical matter, however, the Selectboard could not reasonably undertake a borrowing unless and until they have a detailed operations plan.

Hanish thanked Dyer for the additional information provided to the Committee, particularly that related to debt service that would arise from any borrowing authorized under Article 4 (if invoked) in the context of the Town's overall debt service picture. He added, though, that he is still having issues discerning how far the Budget Committee should reasonably go with regard to authorizing borrowing, if needed, at this juncture. He wanted to be clear that he is not in

favor of the Town incurring an additional \$5 million in debt for this project, given our current debt service load and likely future borrowing needs.

Hanish added that if the Committee were to recommend “ought to pass” on Article 4, it would imply to voters considering the warrant question that the Budget Committee endorses the borrowing, which he does not. He remains opposed to the addition of another \$310k in annual debt service over the next 20 years, particularly considering the risk associated with the operations/subscription assumptions not playing out as projected. If enough subscribers are not signed on to the service, excess costs could fall to the Town. Dyer noted that the operating cost assumptions presented by the consulting firm working on the project were conservative, so that eventuality should not be realized. He shared that approximately 33% of the total cost of the project would be embedded in taxes and the balance would fall to subscribers. However, there is always some degree of risk that cannot be discounted.

Hanish reiterated his intent to vote against recommending passage of the Article. Sims agreed with that position, stating his view that the project does not represent an essential service for the Town. It would be “nice” to have but does not carry the same priority as do roads or public safety investments.

Schneider noted that in the most recent election, Readfield voters expressed overwhelming support for further work being done to develop a municipal broadband project. She views the authorities conferred by the Articles as allowing the Town maximum flexibility in doing just that and, further, that she is not concerned by the prospect of the Town taking on this level of additional debt. Lambert stated that she can appreciate both sides of the argument. She added that the consultants’ report indicates that the savings to Readfield residents of a municipal system would not be significant, as compared to Spectrum, but the Town’s participation in this type of effort would carry benefits in terms of collaboration with other towns and the schools.

Tolman informed the group that the money was not his primary concern. He is most concerned about committing substantial resources to building infrastructure that will become obsolete over time, likely before any related bond is retired. Dyer told the Committee that equipment replacement was considered in the project plan on a 7-year refresh cycle; the costs associated with that refresh are already built into the pricing of the bond.

Hanish offered a motion that the Budget Committee vote against recommending passage of Article 4 until such time as more specific information regarding the costs and benefits of the project, as well as the number of residents intending to subscribe to the service was available. Sims provided a second. The motion failed on a vote of 2-3.

Lambert provided an alternative motion that the Budget Committee votes to recommend “ought to pass” on Article 4, provided the question come back to the Committee when more information becomes available. Dyer told the Committee that the law requires a yes/no vote on the question, as town Budget Committees are required to express a recommendation on all borrowing questions. He suggested there could be a separate sentiment adopted encouraging

the Selectboard to work closely with the Budget Committee as the planning process further unfolds. Hanish noted that the voters will not see the sentiment on the warrant, only the "OTP" recommendation.

Based on this feedback, Lambert revised her motion to be: The Budget Committee recommends "ought to pass" on Article 4, as drafted. Schneiter provided a second. The vote was called and passed 3-2.

There followed a brief discussion about the need for drafting a sentiment to be sent to the Selectboard. It was ultimately decided that no such sentiment was necessary, as it is the Budget Committee's responsibility to play a continued role in this process.

There being no other business, the meeting was adjourned at approximately 7:35 pm.

Respectfully submitted,
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