

North Yarmouth Budget Committee  
Minutes of May 4, 2023 Meeting  
Wescustogo Hall & Community Center, Merrill Room

The meeting was called to order at 6:02 p. m. by Chair Andy Walsh. Committee members present were Secretary Linc Merrill, and members Sandra Falsey, Steve Palmer, Darla Hamlin, Bill Young, and Jay Fulton.

Also in attendance were Town Manger Diane Barnes, Assistant Town Manager Debbie Grover, CEO Ben Scipione, Fire Chief Greg Payson, and several members of the public.

The minutes of the April 6th, 13th, 20th, and 27th meetings were presented. Palmer moved that they be approved. Hamlin second the motion. They were all approved unanimously.

Barnes said that the purpose of this meeting was to make final decisions on the 2024 Fiscal Year budget. She said that on May 22 or 23 the Budget Committee would meet with the Select Board to approve the Warrant Articles for our Town Meeting. The Tax Assessor (Cumberland County) advised her that the new valuation for the TIF District and the taxes to be collected from the TIF are \$253,863. That is determined by the estimated mill rate times the valuation. The assumption is that the mill rate will go up 56 cents.

The Personal Property Tax valuation will be the same as this year. Barnes then said the mill rate increase may be between 55 and 60 cents.

Barnes reviewed the municipal budget. Legal fees for Deacon Hayes Commons are \$36,000 and may go over \$40,000. Palmer asked whether there was enough in the legal budget. Young also questioned whether the budget was high enough. Barnes then recommended that legal be increased to \$50,000. Upon a motion by Fulton and a second by Falsey, the Budget Committee voted unanimously to support the \$50,000 figure.

Additional discussion took place about the budget for Department 110-01 Municipal Administration. Walsh questioned the need for new siding on the Town Hall. Falsey asked if \$102,200 is to do everything that is needed for repairs at the Town Office and the rental house Fire Chief Payson lives in.

Grover said they want to do both buildings at the same time. Siding, doors, and windows at the Town Office is \$55,400. It is \$46,800 to do the same thing at the rental property. Grover said that there is not much in the reserve account. Barnes said she had originally budgeted more for capital reserves but took it out to keep the budget down.

Palmer asked if we should add \$27,000 to the amount and raise the \$102,200 to do the job. Barnes replied that we could take \$37,000 out of reserves to do the complete job. Palmer said he did not want to do that. Walsh asked if we could spend \$100,000 additional or take some of it from capital reserves. Hamlin asked if the repairs would improve energy costs. Walsh said probably and asked if we should do both buildings.

Barnes said we could put vinyl siding on to lower maintenance costs. Hamlin said we need to keep up the buildings. She said to spend the money to fix them both. She also said not to take anything from reserves. If we do all of \$102,000 it will raise the mill rate.

Palmer argued to break the cost up into 2 years because the mil rate was already going up 55 cents. Barnes said if we raise the budget by a couple hundred thousand more than what she proposes, it will add 30 cents to the mill rate. Fulton said to split it into 2 years.

Hamlin and Merrill talked about an overview of the budget.

Fulton said we need to build capital reserves. He suggests we need a strategic plan. Walsh said we need to make a statement to the Select Board that they should do a further study of MainePers for the employee retirement plan. It is a big decision.

Hamlin said that it all makes sense, but this should be a yearlong ongoing process.

Walsh suggested we meet earlier in the year and address long-term planning.

Barnes said that she is starting to work on that. She is taking nothing from Undesignated Funds and wants to increase it. She wants to raise \$150,000 for Overlay and then move to Undesignated Funds whatever is not used. When enough is in the Undesignated Funds, she wants to use that additional money to do capital expenditures to keep the budget from fluctuating. If Undesignated Funds are over 17%, the balance can be used for capital expenditures. 12% to 17% of the annual budget is the range she would like to see carried in Undesignated Funds.

Barnes said we are in a reactive position because of the 2 previous commitments and the need to dig out of a hole.

Barnes spoke about MainePers. She said the most important thing we can do is join. 57% of municipalities have it, 60% have Social Security, 14% have 401a, 61% have 457s, and 18% have IRAs. She said it is well run and is 82% funded, now.

Young said it is a good idea to ask the Select Board for a long-term plan. He urged the Town to set up a Finance Committee. He pointed out that you can serve on the Select Board with no financial knowledge.

Fulton moved and Falsey seconded a motion that we recommend to the Select Board that they and the Town Manager form a multiyear financial plan for at least the next 5 years. Walsh said it should include the capital reserve account. Palmer said we are being distracted from the 2024 Fiscal Budget. Falsey said the plan should be delivered by January 2024. The vote was taken and only Palmer voted against the motion.

Walsh returned to the question of the building repairs. He asked if we do one now and wait on the other. Palmer made a motion that we repair the rental house now and do the Town Office next year. Falsey seconded the motion, and it received a unanimous vote.

Walsh talked about MainePers. He said he was hung up on the employee contribution and bringing the 401k contribution from 5% to 10%. Fulton asked if funding MainePers was in the 56-cent mill rate increase. Barnes said it is. It is \$113,000 with all employees in MainePers or a \$56,000 increase over the current cost. The current retirement program is \$57,000 and MainePers is \$113,000.

Young said you are going with the "Cadillac" MainePers plan. He asked what it would cost if you went to another plan. Barnes said she did not know. Barnes said the retirement age is 65 which it was changed to in 2014. Fulton asked if we could change the plan in the future. Barnes said yes.

Palmer said my greatest fear is other surprises next year. He used 80/20 health insurance as an example. He wants a full analysis of our benefits to see where we are overall. He said we need to do a study and be competitive. Merrill said we should fund pay and benefits to be competitive.

Fulton said to trust the Town Manager and go to MainePers. Walsh said he was on the fence. He said it is a long-term commitment and asked if we can get out in the future. Barnes said yes. Walsh asked if it happened. Barnes said that some had withdrawn. Young asked if it was either/or IMCA or MainePers. Barnes said that the Town can stay with IMCA. Young said in Old Orchard Beach where he worked as a Fire/Rescue employee that they could get both.

Fulton asked what a start date would be. Barnes said it would be on 8/1/2023.

It was moved by Palmer and seconded by Hamlin to enter into MainePers. The vote was 6-1 (Merrill opposed).

Palmer asked if employees could do a rollback. Barnes said yes. Employees can move IMCA money to MainePers. Hamlin said we should look at this benefit regularly.

Palmer asked about office equipment and whether the copiers were black and white or color. Barnes said black and white is more expensive than color ones. Barnes said she would need to check with the vendor to see how many color copies are being allocated.

Palmer asked about the copiers going from \$5,000 to \$20,000. Barnes said it is for 3 new copiers. Chief Payson said his copier is 12 years old and he can't get parts anymore.

Fulton suggested that typefaces can be changed to reduce the costs substantially by using up to 30% less ink. He also asked to take out Maine Public Radio for the \$100 contribution. He was advised it was removed.

Chair Walsh introduced the fire truck and firefighter item. Barnes said that the intensive hiring process means it will be January before a firefighter starts. She is also proposing taking the per diem rate up to \$28 an hour. The updated budget shows only ½ a year of a fulltime firefighter. The annual cost is \$103,296.

Walsh asked if a higher per diem rate will mean more coverage. Chief Payson said it is not going to improve coverage, just keep us from losing staff to another department for higher pay. Walsh asked if we could fill the open spots in the schedule with a higher per diem pay. Payson answered that he wants an employee to guarantee that there is someone at work from 7AM until their 10-hour shift ends.

Palmer asked how many hours for fulltime. Payson answered that it is 40 hours, so 4 days of 10 hours each. The Chief and call members will cover the other hours.

Hamlin asked about call volume and the hours when the calls occur. Chief Payson said that weekdays are higher than weekends. The lowest call volume is 2 A. M. to 4 A. M. because people are sleeping.

Young said he talked to over 40 firefighters about hiring a single firefighter. If we had the call volume, we would be able to use them. The Chief is trying to get to 4 fulltime firefighters. We had better think this over. Once we go down this route, it is very expensive. Young said he supports raising the per diem wage, so it is almost the same as nurses receive.

Payson said he agrees 100% that 1 fulltime firefighter will not fill the need. He said he can ask for 4 fulltime firefighters, but we can't afford it. He said I made it very clear that I want a full-time firefighter on duty all the time.

Young said if the per diem is okay then give it a year and then decide what to do. Palmer asked if hiring a full-time person puts a crimp in the per diem workforce. Payson said yes but it gives us guaranteed coverage.

Fulton said the budget includes 6 months of full-time. Merrill said fulltime firefighters will drive the call company members out. Payson said I support the call company. He said he hires good people that work well together.

Motion by Palmer to hire a fulltime firefighter for half year in the budget. Seconded by Fulton. More discussion preceded the vote.

Young asked about the call volume breakdown. He said it is not large enough for a fulltime fire department. Payson said the call volume exact figures were sent out to the Budget Committee. He said he shares them with the Select Board each quarter.

Fulton said he had the rescue respond and they were super. He said the team was good. He said I support the Fire Department and will vote for their issues. Falsey said we should take a year and study this more. Walsh said he has reservations about resources and capital reserves. He said it sounds like the per diem is not certain.

Barnes said the call volume will continue to increase. Grover said that there is a lot of paperwork with Civil Defense and grants. Barnes said the Chief responds to all calls seven days a week even when he is on vacation. She said you can't always rely on the call staff.

Young said that the full-time person will only be here 4 days a week and not at night. We only had 3 per diem shifts missing coverage in 3 months. He asked about ALS from Yarmouth. Payson said the cost of the contract has not gone up in 6 years.

The public commented. Caroline---- said she has done EMS for 10 years. She is a nurse practitioner. She sees the Chief burning out like she sees at her work. She said he shows up on vacation. He can't work day and night. She asked that we support our local rescue unit. The Chief is in charge of a lot.

Rob Haile works fulltime in Yarmouth Fire/Rescue. They are hiring a lot of new people. They (Yarmouth) will be harder to get to respond with their higher call volume.

The vote was taken on the fulltime firefighter. It passed with Merrill and Young opposed.

The new fire truck was brought up. Barnes said she wants to go to referendum in November for the truck. There will be another truck replacement coming soon and the annual cost may be \$150,000 to \$200,000. The current truck that needs to be replaced has a 3-to-5-year life expectancy.

Walsh said we are in a big hole. \$202,000 total is reserved for equipment. Payson said Engine 51 is to be replaced. He does not want a ladder truck for North Yarmouth. Walsh said to put money in capital reserves and raise the mill rate to \$19. Young said he would like to see the schedule of capital reserves. Palmer said we have the capital reserve sheets. Walsh said put \$150,000 to \$200,000 in.

Barnes said the actual warrant article can say more (a higher amount). It can't be increased on the floor of the Town Meeting.

Motion by Walsh and seconded by Palmer to put \$150,000 in the Capital Equipment Reserves. The vote was unanimous.

The improvements to Wescustogo Hall which were discussed in prior meetings were addressed. Barnes said that the proposal to do the work was to do all of it. If the Lukas tool for rescue was paid for from the Capital Reserves, we would have to raise \$14,000 from taxes to do everything else.

Walsh said we could take \$20,000 from the reserves or not do it. He is tempted to hold off until next year. Hamlin said don't deplete the capital reserves. Palmer moved and Hamlin seconded that we take \$20,000 from the capital reserves and the balance be raised in the budget. The vote passed with Walsh opposed.

Adding a half time position to Wescustogo Hall and Community Center was discussed. The cost is \$19,240 plus FICA. The reason for the hire is to reduce the workload on the staff and be open as needed. Motion by Hamlin and seconded by Palmer that we support the additional position. Motion carried with Walsh and Palmer opposed.

Public Works took out the farm tractor so \$42,189 is the new number from the equipment reserve. Palmer moved and Fulton seconded to approve this item and it was a unanimous vote.

Barnes said we could reduce the fuel cost budget line as we got a better price of \$1.00 per gallon less on the bid. Barnes went over additional changes. Paving is \$126,000, personnel has changed, added \$640 more for animal control, took \$5,000 out and now it is \$2,250 for assessing and software, and the garbage bags drop is \$70,000.

Merrill asked if we have a financial obligation for orange garbage bags that are out there for sale when they aren't needed. Barnes said we do not. Merrill said we don't want extras left over that can't be used.

Scipione addressed the building permits. He expects them to drop next year. There was a rush this year due to the building cap. Walsh suggested the building permit revenue be budgeted at \$50,000. A motion to that effect was made by Walsh and it was seconded by Young. The motion was withdrawn.

Barnes has budgeted \$70,000 for interest income. There was no interest earned in the past as the Town was not using interest bearing bank accounts. Walsh asked Barnes to confirm that we had not been earning interest in the past. Barnes said we were not.

Merrill asked if the excise tax was a realistic number. Barnes said it is. Walsh asked when the cell tower lease is up. Barnes said she will look that up. Barnes said we could exceed our municipal revenue sharing if the State of Maine revenue is up. She said we get this from the State monthly.

Walsh asked why our Workers Compensation modification number was up. Barnes said a good loss experience year dropped off.

Young said he needed to talk about the TIF. He said he has studied it for 3 years and has a good handle on it. He said the lawyer says the Town can do things and the State says we can't. He asked Barnes how she justifies spending on these items. Barnes said that we are putting \$200,000 of TIF money into the

sidewalk plan. Young asked how you justify that. Barnes said it is in or adjacent to the commercial district.

Young said sidewalks do not add to commercial development. He asked why we don't use the money for water infrastructure rather than sidewalks. Barnes said water is expensive and we don't have enough to fund it.

Select Board Chair Brian Sites said that the State of Maine worked directly with the town attorney on the TIF spending. Alyssa (attorney) checks with the State on the questions. Young and Sites exchanged words. Sites said he would now stop talking and sat down.

Fulton said people like sidewalks to Baston Road (2 people told him he said). Hamlin said I voted against sidewalks as a Select Board member, but I support them now. Walsh said we need them to support businesses. Barnes said we have a lot of residential development downtown and this will tie it together.

Young and Walsh discussed the spending and the need for water up Route 115.

Barnes advised Sites that she invited the Budget Committee to the Select Board meeting to sign the warrant. Palmer moved and Fulton seconded a motion to adjourn the meeting. The vote was unanimous.

The meeting was adjourned at 9:20 P. M.

Respectfully submitted,

Lincoln J. Merrill, Jr., Secretary

Approved: August 23, 2023