

North Yarmouth Budget Committee Minutes
April 6, 2023
Wescustogo Hall & Community Center, Merrill Room

The Budget Committee met at 6 p.m. Prior to the call to order the Town Manager informed Bill Young that he was still a member of the Committee. The meeting was called to order by Chair Andy Walsh. In attendance were members Steve Palmer, Sandra Falsey, Jay Fulton, Darla Hamlin, Linc Merrill, Bill Young, Town Manager Diane Barnes, and Assistant Town Manager Deb Grover.

Steve Palmer made a motion that Andy Walsh be elected Chair of the Committee. The motion was seconded, and the vote to elect Walsh was unanimous.

Palmer moved that Young be elected Secretary. Young declined. Palmer nominated Merrill who said it is hard to take notes and participate in the discussions. Palmer asked Barnes if someone else could take the notes like at other Boards meeting so a member did not have to. Barnes explained that could not be done.

Palmer's motion was seconded by Falsey and the vote was unanimous for Merrill to be the Secretary.

Palmer moved and Falsey seconded the approval of the April 19, 2022 minutes. The vote was unanimous except for Hamlin who abstained as she was not on the Budget Committee at that time.

Walsh had Hamlin introduce herself to the Committee members and she gave her background serving on town committees and boards.

Town Manager Barnes gave a slide presentation on the budget highlights. (After the meeting this slide deck was emailed to committee members). The largest items driving the increase in spending on the municipal budget are COLA for town employees of 6%, \$56,316 to change the employee retirement plan to Maine PERS, funding the Capital Reserve account which through error was missed in a prior fiscal year, and a large increase in waste disposal including new trash bins for all residents which are required for the new trash pickup system.

The new trash totes will have our Town logo on them, and they will be owned by the Town. All homes will receive two totes. They come in two sizes, also.

There is \$380,00 budgeted for Capital Reserves. We spent money from this account last year even though we missed funding it one year.

Barnes reported that Municipal Revenue Sharing from the State is up \$50,000. Excise Tax collections will also be above budget for the current fiscal year. Merrill asked if we have a recession, will the Excise Tax decline. Barnes responded that the tax collection was up due to new residents of town who are registering cars and the availability of new automobiles to purchase as inventory was not available during COVID. She said it will be hard to judge what the amount collected next fiscal year will be.

MSAD 51 said that with the additional funding to be received from the State Aid to Education they will ask North Yarmouth for \$294,000 less than they originally planned. Barnes said there is \$287,000 in new tax revenue from \$15 million in new property valuations due to new construction. The breakdown between TIF and General Fund revenue is not known yet. Young said that some school staff is working without a contract and that outcome might impact what is going to be spent by the district.

Barnes said that the calculation of house sales prices to property valuations carried on the assessor records is such that the Homestead Exemption and the Veterans Exemption will be reduced. Currently, the Town valuation was 99% which means the Homestead Exemption is \$24,750. The new valuation will be 87% so the Homestead Exemption will drop to \$21,750. The Veterans Exemption will drop in the same proportion.

The Committee began to review the Budget under Tab 1 Dept. 110 Municipal Administration. The Select Board stipend is the same as last year. The employee COLA is 6% but the Town Manager has a different contract date, so the actual dollars raised is less than 6%. The peer group for salary data is Cumberland County.

There was a long discussion on the proposed change to Maine PERS and the increased cost to the Town. The proposal would let employees choose Maine PERS defined benefit plan or the current defined contribution plan through Mission Square. It was suggested that the contribution rate by the Town to Maine PERS and the defined contribution be the same. The required Maine PERS contribution rate and matching it in the defined contribution plan plus more staff and higher pay results in the increase of \$56,316.

Dues. TIF will pay the GPCOG dues. Health Insurance is purchased on a calendar year cycle through MMA. It is group rated but individually rated within the group if large enough. This budget has 6 months of actual costs and 6 months of estimated costs assuming an 8% increase.

Legal was proposed at \$20,000 but Barnes said it would probably be more. Palmer suggested it be higher. After discussion, it was moved by Fulton and seconded by Palmer that legal be increased to \$35,000. The vote was unanimous.

Website expenses are down because we are doing more with our staff and not hiring outside resources.

Dept. 110-03 is the Town Office and Sharp's House where the Fire Chief lives. It was said that the House tenant pays their own utilities.

Blue Haven charges the Town quarterly for the solar array. The electricity costs include that charge. Barnes will find out the breakdown.

Palmer asked about keeping Sharp's House in good repair. He said that new windows were put in 5-10 years ago. Grover said the siding on Town Hall was washed on the front but not the others. She also said the heaters fell off the building from rotten siding. There are no mold issues.

Palmer asked that we put more into the account to keep the Town Hall up also. Merrill said that if the mill rate was going up 8 to 11 percent or more, he could not support a proposal to raise it even more. Barnes asked where that increase was coming from. Merrill responded that it was in the budget package and gave the mill increase listed for County, Municipal, and School budgets. Barnes replied that those were a worst-case scenario where no new revenues would be collected to offset the increased spending. The new property valuations, higher Excise Tax collections, and more State Aid to Education will all drop those increases down. Merrill responded that this was not clear to him in the materials presented.

It was decided to revisit the additional repair work to Town Hall when we have a better feel for the mill rate in a couple of weeks.

110-04. Barnes is working on the insurance renewal now. She has a 6% premium increase in the budget. Some building values have been increased for insurance purposes. Some duplicates were taken off the schedule of insured items.

110-06 \$10,000 to replace computers. This should bring the equipment current, so we don't need to budget any next year.

110-08 Debt service costs are down, and we only have debt on Wescustogo Hall & Community Center. US Bank holds the note and there is a lot of annual paperwork. The note's interest rate increases over time.

110-11 The County changed their budget year, so they had a half year that they did not have funded. Each community had the option to pay their share of that half year over 5 years at 20% of the amount each year. North Yarmouth opted to do this. There is no interest being charged.

120-04 General Assistance. The hourly rate to Opportunity Alliance is going up. Our General Assistance spending was up this year due to an increased need. The State reimburses 70% of what the Town spends in this category, but they often delay payment for 2 or 3 months leaving us with a receivable to book at the end of our fiscal year.

120-05 The Committee discussed the various organizations that we provide financial support to. Regional Transportation helps take residents to services they need and was supported. Regarding funding Maine Public, the Committee, on a motion by Fulton and a second by Merrill, voted to "strike it this year and resume it in a future year". The vote carried 5-2 (Young, Palmer opposed). The Committee voted on supporting Opportunity Alliance at \$4,000. The vote was 2 (Palmer, Fulton) to 5 against. The Committee voted 6-1 (Palmer) to recommend \$2,000 in funding.

Palmer moved and Falsey seconded that the Committee adjourn. Vote was unanimous. Committee adjourned at 7:55 p. m.

Lincoln J. Merrill, Jr.
Secretary

Approved: May 4, 2023

