

Town of North Yarmouth
Budget Committee Meeting
August 23, 2023

Meeting called to order by Chair Walsh at 6:00 p.m. Members Merrill, Palmer, Fulton, Falsey, and Hamlin were in attendance. Also, in attendance was Town Manager Barnes.

Chair Walsh asked for nominations for officers for the next year. Palmer nominated Walsh for Chair. The vote was unanimous for Walsh. Hamlin nominated Merrill for Secretary. The vote was 5 in favor and Merrill was opposed. Merrill said he should have kept shorter notes and there might have been someone else taking the Secretary position!

The minutes of the May 4, 2023 meeting were reviewed. Fulton moved and Hamlin seconded their approval. The vote was unanimous to approve the minutes. Hamlin said they will now be placed on the website.

Barnes stated she printed out a draft warrant to review. The first page says Article 3 is to borrow up to \$750,000. She said the whole amount is in Article 3 in case the next article that seeks to use TIF money to pay some of the cost does not pass. If using TIF funds was defeated, we would need to borrow the whole amount.

Barnes referred to the top of page two where she has a financing estimate based on a quote through the manufacturer at 5.79% for the full amount. She said that amount will go down as she received some lower financing rate quotes that are less than the manufacturer's rate. She will show the entire price of \$750,000 with the interest amount, and show the \$570,000 price if TIF money is used and the interest amount for that. She said we will not vote on Article 3 tonight. We do have to vote on Article 4 because it is to use TIF funds.

Walsh asked what the entire price of the truck is. Barnes said it is \$750,000. She explained that Greenwood has a new truck that they will sell us that when it is outfitted for us will cost \$750,000. It is not the same truck as the one proposed to be purchased for \$1,000,000 but it has what we need and will fit in the station. It will do what we need and save \$250,000.

Barnes said it will also come in about 8 weeks after we authorize the purchase, and we need it since the one it is replacing can't be used any longer due to its problems. She mentioned the pump has died completely and repairs to the truck will cost over \$200,000.

Palmer asked about the delivery date. Barnes confirmed the eight weeks from order date is the expected delivery timeframe. Barnes said the Special Town Meeting to vote to purchase the truck will be held on September 30, 2023. The closing on the loan will be in the middle of October.

Merrill asked if the engine was taken to Brunswick for testing as the Chief said it would be at the last Select Board meeting. Barnes said it was and the pump won't work at all. She said it is wear and tear on a twenty-year-old truck.

Walsh said it is good news if we can get a truck cheaper. Barnes said it will be cheaper and we will get it right away. Walsh asked what some things are we aren't getting that were on the original list.

Barnes said she did not know. Merrill said what was brought up at the Select Board meeting. The Town did not write specifications for a 1,000-gallon tank but had a 750-gallon specification instead. Merrill said this larger tank is better for the Town due to the rural nature of the community. He also said it did not have a foam pump and the cabinets were shells with no shelving.

Walsh asked about the tank and was it made of stainless steel. Merrill confirmed with Mike Mallory who was in attendance, and said it was an aluminum tank on a galvanized undercarriage. Barnes said that this truck was already built so the newest price increases are not in the sales price, so this saves about 7% of the cost.

Merrill said the Chief describes this is almost the same as the truck it is replacing. It is the same length, a little taller, but everything else is the same and saves a quarter million dollars and we can get it right away.

Barnes mentioned the other issues that need repair on the truck. Fulton wants to make sure it fits in the station. Barnes said the truck was brought here and fits in the station. Falsey asked if the interior of the cabinets can be switched to the new truck. Barnes asked Mike Mallory if it would be possible. He said no. It is like switching car brands and the parts aren't interchangeable.

Walsh asked for other comments. Merrill asked about the money to be taken from the TIF. Barnes said she is taking 24% of the truck cost from the TIF money based on her calculation. Merrill asked if that means we consider 24% of the use of the truck to be in the TIF and Barnes said she does. Barnes said she can't use 100% as 100% of the Town is not in the TIF.

She used the recent large fire at Fat Andys, and the new commercial property such as the new veterinarian, Deacon Hayes Commons, and Trudy Birds as a factor in coming to 24%. Barnes said the Town determines the percentage and there is nothing in the law that says it must be a certain percentage.

Merrill asked if it was based in percentage of valuation. Barnes said it was not. Barnes chose what she thought was fair for the Town. Walsh asked if there was a cap. Barnes said no but she chose what she thought was reasonable and defensible.

Merrill asked how much money will be left in the TIF when this is taken out. Barnes said there is \$800,000 in the TIF and about \$200,000 that has not been specifically designated. Merrill asked what the tax impact would be if it was in the budget at the regular Town Meeting. Barnes said that will depend on the financing cost. She will have that for the Select Board before they vote on the warrant articles.

Walsh asked if we had thought about using any excess money in the reserve to put towards this purchase. She said no and used an example of some black mold they found in the Town Office from a roof problem, and it needs to be addressed right away. Barnes does not want to draw down the reserves for this purchase. There was a discussion about the roof problem. Barnes said our budget is bare boned and there is not money there for emergencies.

Merrill asked if the \$180,000 from the TIF will go to the purchase price deposit. Barnes said it would. Palmer said he was shocked by the finance charges on a \$1,000,000 bond. Barnes said she wants to aim to a 5-year bond.

Merrill asked what we are doing for coverage if we can't use this truck. Barnes said we are relying on mutual aid. Merrill suggested the Town Meeting should be told how coverage will be provided while that truck is out of action and until the new truck arrives.

Walsh accepted a motion from Palmer to approve Article 4 for the Special Town Meeting warrant. Fulton seconded. The vote was unanimously approved.

Barnes then began to present the expenses from June 30th fiscal year end which are unaudited. Merrill questioned the dates. Barnes said they are "all months" from 2023. If it was 2024 fiscal year months, it would say "current".

Barnes pointed out that the Legal and Solid Waste were over budget for the 2023 fiscal year. Overall, on the last page, it shows \$387,505.32 is the Unexpended Balance (income over expenses) and it will go into Undesignated Funds. Barnes said it was because Overlay was so high in 2023.

Hamlin asked about the Legal fees. Why are we spending \$93,000 on Legal. Barnes said it is for appeals. Half of the legal cost is from Deacon Hayes Commons, and it is still not all resolved. Hamlin asked about the money the volunteers had to defend themselves from suits. Barnes said that they were not suits. They were Code of Conduct complaints. Hamlin said we won't get the best of the best people if we have this situation because they won't serve on the boards because of this. Barnes said the complaints came from the public and not the Select Board.

Barnes said both complaints were dismissed. Hamlin said they had to pay their own legal defense. Barnes said if it was a legal complaint, then the Town would defend them. It wasn't, so the Town did not. The Select Board hears Code of Conduct complaints.

Merrill asked about the Undesignated Funds and whether it will get us to what the auditor suggested we carry of 12% to 17% of our annual budget. Barnes said it will go to that, but she does not have any final figures. We collected more than \$175,000 over what we anticipated we would have for revenue this year. Walsh thinks we are adding \$500,000 to Undesignated Funds and are around 11% now.

Barnes said we might not have as much in Undesignated Funds percentage as we think because it depends on the budget. Merrill suggested if we cut the budget we can get there faster. Barnes said in a couple of years we can see if we are able to use any. We are moving in the right direction.

Palmer asked to clarify the Unexpended Balance and the actual revenue. Walsh and Barnes answered his questions. Palmer said TIF has helped provide some of our spending. Walsh reminded the committee members that we must use TIF carefully.

Merrill asked where the rental payment for the telephone building is (on Village Green). Barnes said that is Consolidated Communications. They did not pay until after the fiscal year ended.

Fulton said that the meeting notes are very good. He said Merrill said he had a hard time to write the minutes and participate in the meetings. Fulton suggested perhaps a moment at the end of the meeting for the secretary to clarify any questions. Merrill said he never knows what the questions are that he has until he types them up. After a lot of discussion, no changes were made to the current process.

Walsh asked the public for comments. There were none.

Hamlin moved we adjourn, and it was seconded by Falsey. The vote to adjourn was unanimous.

The meeting was adjourned at 6:39 p.m.

Respectfully submitted,

Lincoln J. Merrill, Jr.

Secretary