



**BUDGET REVIEW COMMITTEE
MEETING MINUTES
FEBRUARY 12, 2020**

1. CALL TO ORDER

Meeting called to order by Chair Bill Sawyer at 10:00 a.m.

2. ROLL CALL

Members present: Rick Dolliver, Bill Sawyer, Fred Lynk, Tom Sellers, and Alternate Elaine Cooper. A motion was made to excuse Member Mark MacLeod and Alternate Peter Kahn by Dolliver 1st; Sellers 2nd. Approved 4-0. Elaine Cooper, Alternate was then recognized as a voting member for this meeting.

3. OLD BUSINESS

Reviewed the minutes from the December 18, 2020 BRC meeting and amended. On a motion by Sellers 1st and Cooper 2nd the minutes were approved as amended. Vote 4-0. Dolliver abstained as he was not present at the December 18 meeting.

4. NEW BUSINESS

Financials (Revenue and Expenses) for the first six months (as of December 31) of Fiscal Year 2019-2020 were reviewed by the Town Treasurer. She reported that expenses are tracking exactly where they should be for the year. Cooper noted that the third firefighter line was ahead of most other expenses, but this is probably due to timing given that the third firefighter was on in the summer and shoulder season. She also noted that the equipment line is nearly exhausted and questioned whether this is likely to be overspent by the end of the year. She also noted that Public Works electricity is high. The Town Manager believes that this is an allocation issue. Staff is undertaking an effort to apportion utilities by Department and the Public Works expense was probably not charged correctly. Cooper also noted that janitorial supplies are being consumed at a high rate and that the budget was overspent last year. The Town Manager said that the proposed Facilities Department budget should show this is “right sized.”

Cooper thanked the Town Treasurer for the decrease in the number of line items in the budget.

The Chair noted that the only departments that were further along for the year in terms of spending due to timing were Visitor Services, and Lifeguards. Also, Debt Management is further along due to timing of when payments have to be made.

When Revenue was reviewed the Treasurer reported that she didn't have any concerns with where we are for the year. On a question from the Chair about a \$12 million revenue figure in

the report that was generated, the Town Treasurer answered that the entry on the report is really a receivable that is equal to the tax revenue to be collected during the fiscal year and not the actual revenues already collected. Going forward the report will show separate budget lines for undesignated fund and tax commitments.

In response to a question by Cooper if Fire Department recovery billings are delayed, the Town Treasurer reported that billings are happening, and revenue is coming in, but she still needs to learn how Ogunquit has historically reported this.

The next agenda item was a review of all open CIP items. The Treasurer has been working on a way to format a report that will provide a status of spending on all open CIP items. The Chair commended the Town Treasurer on the report.

The Chair asked if the \$308,000 expended on the bathhouse project was for the new bath house. The Town Manager replied yes. When asked if this figure represents 25% of completion of the bathhouse, the Town Manager said no, because some of the expenses incurred are front-loaded due to purchase of supplies and architectural and engineering services.

Dolliver asked how much was left over from the first phase of the Bathhouse project that was subsequently used for the second phase. The Town Manager will provide this information.

Lynk requested that for each CIP project line on the report, the Fiscal Year of approval by the voters be included, in order to get an indication of how long a project has been pending.

Sellers asked how we are treating reimbursements against projects, such as FEMA. The Treasurer said that if it is a true reimbursement where funds have already been expended it will be shown as a credit against the expense. If it is like FEMA and funds have not been expended, it would be placed in a separate fund against which future expenses will be drawn.

Sellers said that he was concerned that that type of treatment wouldn't give a complete picture of the funding sources for such projects. The Town Manager then replied that Staff will be doing a separate reporting of those large projects with multiple funding sources.

The Committee then started review of the proposed FY 20-21 Budget.

The Chair reviewed highlights and pointed out that the first draft calls for about an 11% increase over last year or about \$1.1 million for the operating budget. Specific departments cited as being up were Land Use, Fire, Public Works, Lifeguards as well as utilities, insurance, debt service and reserve accounts.

CIP requests were also provided along with possible funding source(s) for each request. The Chair pointed out that these sources now show "appropriations" and "reserve accounts." The Treasurer said that the exact source of the funds is up for discussion but that this is an attempt to show possible sources of funding, including appropriations of \$600,000 which really is a "pay as you go" that would be raised through the tax rate.

Taking both Operating and CIP requests into account the first draft of the budget asks for a total of \$1.7 million in increased spending.

The Chair noted that we still need to discuss a policy for use of the unassigned fund. The Town Manager acknowledged the need to meet with the auditors and the Select Board to have that discussion, that it is a high priority, but that it is dependent on the availability of the auditors.

The Town Manager then gave an overview of the development of this year's budget. She believes that it is important at the start of the process to talk about the needs and wants of the town and that a budget is really just a spending plan that flows from that assessment.

The Town Manager said that the reason Land Use is up so much is due to \$200,000 being planned for a Comprehensive Plan Review.

Police Department

Police Chief Arnaudin then provided a recap of activity for FY18-19 and presented the Police Department budget for FY20-21.

The Department provides 24/7 coverage. There were 15,000 calls in the previous fiscal year or an average of 284 calls a week and 41 calls a day. The town is really now three seasons and even during the winter the weekends can get busy. She told about the Department's Facebook page that has 21,000 followers.

The proposed budget requests funding for a new position that would support multiple functions including animal control, evening reception at the station and if a reserve officer is hired, booking of prisoners and transport to the county jail. Regarding animal control, in addition to performing that function, which is currently a contracted service, this new person could be more proactive on the beaches in writing tickets and at the dog park.

New communications capability integrates with cell phones, meaning the need for periodic replacement of radios is lessened. The same communication over cell phones will allow scheduling of overtime and time off, a process that is current done manually. Further the Department's Policies and Procedures are available on-line, allowing each officer to read them and attest to a required annual review.

E-parking ticket functionality is now in place.

The BRC asked questions about the proposed budget. Specifically, Sawyer asked about a 16% match required for the Police Lieutenant's retirement benefits. The Chief responded that the match applies to all Town employees who participate in Maine PERS. Sawyer also asked why the line item for Police salaries was going down and yet the health care premiums were going up. This is due to a former employee who was compensated at a higher rate and reflects the actual health care costs given the mix of coverage. Sawyer asked how many arrests are made each year. The Chief didn't have this information off hand but promised to get it for the Committee. Similarly, Cooper requested information about the number and nature of calls over

the last five years. Again, the Chief will provide this.

Sawyer asked about experience with the School Resource Officer. Feedback is positive.

Cooper asked about the ability to attract officers due to our high housing costs and suggested that perhaps the community might be able to assist in some way.

Sellers asked the Chief what the offset (reduction) in costs would be in the CSO workforce if the new Reserve Officer position is funded.

The Chair reiterated the BRC's goal this year at focusing on contracted services. Cooper asked what a contracted service is. It sounds like we need a definition. Further the Town Treasurer is being very deliberate in how contracted services are booked. For instance, is a leased copier shown as a contracted service or shown as "copier." Cooper asked if there are savings available by contracting on a town-wide basis rather than at the departmental level. The Town Manager responded that that is the objective.

Member Dolliver asked to be excused from the meeting at 10:46 a.m. His departure had been anticipated because he informed the group at the start of the meeting.

The Chair made an observation using postage as an example that Departments need to "zero-base" their budgets rather than carry over a historic figure that was not realistic. To the extent these expenditures are approved the impact goes right to the taxpayer. The issue with postage has to do with use of a postage meter and is another example of how costs need to be correctly allocated to the user department.

Turning to the CIP budget, the Chair commended the Town Treasurer on the format in use for this year which includes a five-year forward look.

The Police Department is looking for two new cars in this year's budget, one replacing a front-line vehicle and one replacing the Chief's vehicle. In response to a question by the Chair the Chief said that if she gets both these vehicles this year, she won't need another vehicle next year.

The Chief was asked to elaborate on the request for a police station design. The Town Manager said that with the passage of time and the pressing needs of the police department, a funding source is required independent of what has been allocated for the purposing of the Old Village School. The Chief pointed out that the department will never receive accreditation because of the deficiencies inherent in the current physical plant.

Lynk offered that this is a pressing critical infrastructure need that must be addressed. There seemed to be agreement among the BRC members present with this sentiment, although no vote was taken on the requested appropriation.

There are additional CIP requests that did not make it into Version 1 of the overall budget. These include in-car cameras for about \$10,490, which are replacement units and five

replacement computers and monitors for about \$10,000.

Fire Department

Fire Chief Ed Smith reviewed the Fire Department Budget. There was no back-up provided before the meeting. The Town Manager promised to provide the back-up after the meeting.

The Chief was assisted by Nat Pierce, Paramedic who provided some statistics regarding departmental operations and supported the Chief by answering questions.

The Chief first reported in response to Cooper's earlier question that the equipment budget has largely been spent. He reported buying AED's for infants for each of the rigs subsequent to a state mandate in July. This was an unanticipated expense.

In summarizing the year, the Chief said it was "busy" with 830 calls with many of which were "critical." About 75% to 80% of the calls are medical calls. The previous budget authorized \$30,000 to establish a "third man account" and allowed a third man on the third shift. This coverage started on July 1 on Friday, Saturday and Sunday from 8 p.m. to 8 a.m. This paid off since there were many calls during those hours.

Th Chief noted that the Extractor (washing machine) was not funded by voters on last year's warrant, and that he reached out to one business in town that agreed to fund the purchase and the unit will be placed in service this week.

An increase in Medical Supplies of \$3,000 is requested. With more calls and more critical calls more supplies are being used.

To save money a contracted "Fire House Reporting System" was replaced by MEFERS a free service.

Added \$10,000 for gear and uniforms to support another firefighter that has been requested and because of increased activity.

The ultimate goal down the road is to add a man to each shift (4 shifts). The Chief provided some anecdotal evidence from a recent incident on the Turnpike when resources were stretched and he himself had to retrieve a pumper and drive it back to the station.

The Town Manager reminded the Budget Review Committee that in authorizing the \$30,000, it had also asked for statistics to justify the expense. That data is now available. Paramedic Nat Pierce reviewed a report that he has prepared. Over the course of the Summer 509 calls were documented. A sixteen-page report was compiled. This only includes emergency calls. Calls that the squad couldn't respond to are also not included. Daytime incidents were 352 and nighttime incidents were 157. That means 31% of call volume happened overnight. Again about 70% of the calls are medical-related. The proposed budget would allow third-person coverage on seven days a week for a five-or six-month period. This arrangement would allow the second ambulance to be used and not rely on mutual aid with improved response times and

attendant increased revenue.

Sawyer pointed out the Department has only spent \$70,000 for the third shift against the budget of \$90,000. Paramedic Pierce said that since they started in July and went through October, they expect to start up again in May and will use up the remaining budget.

Lynk asked if the number of call people is up or down. The Chief answered that it was about the same. Roster is 22 people. Of the 22 about 6 are fully qualified to respond. Others fall into a category of “driver-only” that are not able to be fully deployed.

The Town Manager reported that the Department is being staffed for the third shift by the eight full time firefighters and that makes for a long summer.

The Chair commended Paramedic Pierce on the thoroughness of his report and his explanation of the need for a third man on the third shift.

There was some discussion about what the ideal staffing would look like. This would involve increasing staffing by adding one person per shift. This budget requests only one more position.

There was a robust discussion on mutual aid. All surrounding towns are experiencing increasing activity as we have.

Sawyer asked about the Medical Services Director position that was approved last year. There doesn't seem to be any spending for this. The Town Manager said that this person is a contract person who has been working, but that he hasn't yet invoiced the town.

Sawyer asked if we need to continue to budget for stipends. This was for a deputy chief who is no longer active. Sawyer said that it was worth looking at whether this should continue to be a line item since it is \$4,000.

When asked about the nature of contracted services the Chief said these include hose testing, testing of the automatic loaders on the gurneys for the ambulances, as well as physio control for the cardiac monitors, jaws of life hydraulics, air pack, ladders all of which have to be periodically tested. In addition, pumpers have to be tested for flow rate and a routine maintenance performed on the station generator.

When asked by Sellers why only \$1100 has been expended against a budget of \$18,000 the Chief indicated that the costs have been allocated to other lines in the budget. Sellers asked that these costs be reviewed to make sure that the budget request reflects the true anticipated cost.

The CIP requests were reviewed. The long-term plan for replacing trucks has changed. For this year the Chief is requesting replacement of the brush truck, which is 18 years old with a budget request of \$150,000 (the budget sheet needs to be revised from \$100,000) and deferring replacement of the oldest pumper to next year but upsizing the size to 2000 gallons from 750 gallons.

The Chair suggested that the CIP requests focus on this year and next year.

The Chief made a pitch to set up a Reserve Account for the replacement of Fire Department equipment given the cost of the of each piece.

Cooper suggested that perhaps impact fees be considered for building that occurs in areas of the town where there are no hydrants.

The Chief offered a site visit of the station at some point during the budget cycle.

5. FUTURE MEETINGS

The next regularly scheduled meeting of the Budget Review Committee will be on Wednesday, February 19 at 10:00 a.m. Topics for that meeting will include a review of Public Works, Transfer Station and Lifeguard Service.

Questions from BRC members in the way of follow-up should be channeled through the Chair.

6. ADJOURNMENT

Motion to adjourn at 11:58 a.m.: Lynk 1st, Sellers 2nd. Vote 4-0.

Respectfully Submitted By:

Fred Lynk, Secretary