



**BUDGET REVIEW COMMITTEE
MEETING MINUTES
MAY 22, 2020**

1. CALL TO ORDER

The meeting in the form of a Zoom Webinar was called to order by Chair Bill Sawyer at 10:00 a.m.

2. ROLL CALL

Present: Members Rick Dolliver, Fred Lynk, Mark MacLeod, Tom Sellers, Bill Sawyer, and Alternates Elaine Cooper and Peter Kahn.

3. OLD BUSINESS

Reviewed the minutes from the May 14, 2020 BRC meeting. On a motion by Sellers 1st and MacLeod 2nd a roll call vote was taken, and all members approved the minutes as corrected. Vote 5-0.

4. NEW BUSINESS

Sellers made a motion that the Budget Review Committee recommend to the Select Board that the current year 2020 budget be used until November when a revised budget would be put before the voters. Second by Lynk for discussion. A discussion ensued including guidance from the Town Treasurer who indicated that the Town could not commit taxes until an approved budget is adopted and that this would create a serious cash flow issue. Sellers subsequently withdrew the motion.

The revenue projection provided by the Town Manager was discussed. A reduction in revenue of \$1.1 million is shown. Sawyer pointed out that the payment of \$50,000 from Spectrum appears to be missing. The Town Treasurer said that this is a clerical error.

MacLeod said that the number for beach passes appears to be low at \$5,000. Discussion concluded this should be higher.

Sawyer proposed that \$70,000 be added to "Other Revenue," comprised of the Spectrum contribution and \$20,000 in beach pass revenue.

There was a discussion about a report that the Town Manager had provided about where the various FEMA projects stand. Lynk said he would like to see a report like this on a regular basis.

Sawyer suggested that CIP project information as it relates to FEMA should be included.

Kahn asked if the Treasurer maintains sub-accounts under the FEMA accounting. The Town Treasurer replied that this does not exist in MUNIS, but that it will in the new software package Trio.

MacLeod asked why the Special Projects Manager has to be shown in the Town's Operating Budget if it is a reimbursement from FEMA. The Town Treasurer replied that the reimbursement rate is rarely 100% from FEMA and sometimes it is more effective to show the admin costs as part of the Town's portion of any particular FEMA project. The Town Treasurer indicated that in the coming year one of her goals is to get a much better sense of how the FEMA costs get managed.

MacLeod said that the Special Projects Manager should continue to be a contracted employee who can be let go once the position is no longer needed. The Town Treasurer indicated that an earlier version of the budget showed this as a Town employee, but that the benefits portion has been removed from the proposed budget as currently constituted. The Town Treasurer indicated that this position should have also been taken out of the salary structure and put in the contract services line but that this was not done.

Kahn asked what the rate for FEMA reimbursement is for the Special Projects Manager. The Town Manager indicated that the reimbursement rate is what the Town pays the contractor and they pay it retroactively.

Sellers asked the Town Treasurer when she recognizes the revenue from FEMA. She replied that when the funds are "obligated" she could use that to charge out the costs but cautioned that there is a final inspection required before final payment is made.

The School budget was reviewed briefly. Cooper asked if there have been cuts made from the budget that was developed earlier. MacLeod pointed out the school district doesn't even know how much revenue sharing will be provided by the State adding to the uncertainty around the budgeting process.

The Town Manager promised to get clarification around the school budget process in use this year to inform the voters in advance of the July 14 Town Meeting when the School Budget will be voted on.

Kahn had performed an analysis which he next shared with the group. The analysis looked at a two-year analysis. He reviewed revenues other than real estate and personal property taxes and the proposed expenses. He then forecast the real-estate taxes keeping the mill rate at \$8 per thousand. He concluded that the impact on the undesignated fund would be \$1,641,929.

The Chair sought input from the public, but none was offered.

There was a lengthy discussion about the "pay-per-bag" program for the Transfer Station and the Budget Review Committee once again encouraged the Town to move forward with this ASAP.

The budget review process was one that has been used in the past, namely that all BRC members and alternates were allowed to offer suggestions and to participate in a straw vote.

The Chair proposed that the first straw vote be taken on revenue. Adding the previously identified \$70,000 resulted in a vote on \$1,242,200 for “other revenue.” Vote 7-0
The number offered for parking lot revenue was \$1,037,000. Vote 7-0.

Next the Chair walked us through a department-by-department review of the latest budget.

The first vote was on General Government of \$859,039 or the number of the Town Manager’s request. Vote 7-0.

Then the Ogunquit Heritage Museum budget was taken up. The number voted on was \$25,572, the Town Manager’s recommendation and a 10.2% reduction from last year’s budget. Vote 7-0.

The Parks and Recreation proposed budget of \$18,200 was voted on 7-0. This is also a reduction of 3.19% from last year’s budget.

The Land Use and Assessing proposed budget of \$379,236 was voted on 6-1. Sawyer was opposed. This represents an increase of 1.56% over last year.

Cooper indicated that she believes the 1.5% raises for department heads were not uniformly applied and offered to confer with the Town Treasurer about her findings.

Next up was Visitor Services. Lynk made a motion to vote on \$313,094. Second by Dolliver. This is a flat budget from last year. Vote was 7-0.

Lynk proposed capturing \$2,750 in fuel savings due to reduced gasoline prices from last year for the Police Department. A vote was taken on \$1,836,505. Vote 7-0.

Similarly, fuel savings for the Fire Department of \$2,000 were captured. Vote on \$1,532,175 was 7-0.

Lynk proposed that the Lifeguard budget be kept flat at \$245,940. Sellers seconded. Vote 6-1 with Dolliver opposed. His rationale is concern for public safety.

Next was a vote on Utilities of \$213,432. Lynk said he had misspoken at an earlier meeting about removing fire hydrants from service as a way of saving money. This is not allowed by the K, K & W WD. The rationale is that it is really a form of insurance. Vote 7-0.

Sellers proposed that \$27,372 be cut from the Public Works budget. The rationale is that when viewed against the Facilities budget this would be level from the current year across both Departments. Lynk seconded. \$1,115,474 was agreed to 7-0.

MacLeod made a motion to keep the budget flat as a means of moving the Transfer Station to

adopt “Pay-Per-Bag.” There was no second. The budget as proposed by the Town Manager of \$375,004 was voted on. Result was 7-0 in favor.

The Harbormaster’s proposed budget of \$145,012 was approved at 7-0.

Lynk proposed taking another \$700 out of the Facilities budget for fuel savings. Dolliver seconded. The vote on \$591,864 was 7-0.

A vote was taken on the Town Manager’s recommendation for Information Services of \$105,205. Approved on a vote 7-0.

When the “Committees” budget was presented by the Town Manager at \$77,433, MacLeod made a motion to remove funding for the Sustainability Committee with a potential savings of \$10,000. The Town Manager said that Ogunquit is part of a regional initiative through the Southern Maine Planning and Development Commission and that this money has already been committed to hire a Sustainability Coordinator to be shared with five other towns. There was no second. Vote taken on \$77,433 with 6-1 approving. Dissenting vote was MacLeod.

Next considered was “Other” which includes a \$3,000 contribution to the Ogunquit Memorial Library which is new. Sellers made a motion to take out \$8,000 which is an increase in funding for the Wells-Ogunquit Historical Society. Second by MacLeod. Sawyer suggested that the funding which is for insulation of their building be reviewed again in November. The amount voted on was \$212,635. Vote was 7-0 in favor.

The “Debt” budget was proposed at \$989,391 which is the number proposed by the Town Manager. Approved 7-0.

Capital Reserves Transfers proposed at \$88,000 by the Town Manager represents a reduction already captured of \$35,000. Approved 7-0.

The Revised total is \$9,123,211 or another \$62,087 in savings identified and voted on by the Budget Review Committee.

Kahn agreed to send a spreadsheet reflecting the changes to the BRC membership and to the Town Manager.

Kahn asked about the process for reopening the operating budget in November. The Town Manager believes that the focus should be on only Capital Improvement for November, and that the Operating Budget approved by the voters in July will stand for the year with a focus on achieving cost savings against the approved budget.

MacLeod asked that if we are faced with an extraordinary expense (example given was much higher Transfer Station expenses), are we able to ask for more money from the voters in November? The Town Manager said that was possible.

The Chair thanked the Committee, the Town Manager and the Treasurer for their commitment to

the budget process during these COVID-19 trying times.

Lynk thanked the Chair for his leadership over the last three years.

5. FUTURE MEETINGS

The next meeting is a joint meeting with the Select Board on Tuesday, May 26 at 3:30 p.m. when the budgets voted today will be presented for binding vote and consideration by the Select Board.

6. ADJOURNMENT

Motion to adjourn at 11:52 a.m. MacLeod 1st; Sellers2nd Vote 5-0

Respectfully Submitted By:

Fred Lynk, Secretary