

Frederick A. Lynk, Chair  
Peter J. Kahn, Vice Chair  
Peter L. Griswold, Secretary  
Michael F. Collins  
Michele A. Tourangeau



**Ogunquit Budget Review Committee**  
**21 March 2023**  
**8:30 AM – Meeting**  
**Dunaway Community Center**  
**23 School Street, Ogunquit, Maine**

## Minutes

### **8:30 AM MEETING**

#### **1.0 WELCOME AND CALL TO ORDER**

- 1.1 Roll Call – all five BRC Members were present along with the Town Manager and the Assistant Town Manager/Treasurer.
- 1.2 Pledge of Allegiance was said.

#### **2.0 APPROVAL OF MINUTES**

- 2.1 Approved the 14 March 2023 Minutes – 5/0 (Tourangeau/Collins)

#### **3.0 UNFINISHED BUSINESS**

#### **4.0 NEW BUSINESS**

- 4.1 Presentation by the Town Manager and Assistant Town Manager/Treasurer concerning their recommendation on municipal buildings that was approved by the Select Board on March 17 for inclusion on the June Warrant. Unfortunately, this 16-page PowerPoint presentation was neither distributed in advance of the meeting, nor handed out as a hard copy. Instead, the BRC Members and public had to view it on the Zoom screen. It was subsequently made available in the Meeting Packet for the BRC meeting of March 23.

The Assistant Town Manager/Treasurer reviewed the history of the Town Campus project and votes during the past three years. The current focus is on “Option 4” that includes a new municipal building for the Police Department and Town Staff, the restoration of the Dunaway Center, the removal of the Ogunquit Village School and a new park and courtyard with a children’s playground and basketball court. The original cost estimate of Option 4 was **\$14,772,000** consisting of the Dunaway’s renovation (\$5,428,000), the OVS demo (\$60,000) and the new Police/Town Hall (\$9,284,000). The new proposal for **\$11,935,500** includes the Dunaway (\$800,000), the OVS and site work (\$1,460,000) and the new building (\$9,675,500).

Additional information in this presentation included the history of the Unassigned Fund balance, the current balance of the various Reserves, the Town’s Debt Limit (\$151,893,750) compared to the projected debt of \$20,710,702 (only 13.5% of the ceiling), the Campus’ Mill Rate increase of 0.49 (rounded), the projected total Debt Service (FY2025 – 2045 with the highest being FY2026 @ \$2,188,008), and the impact of Tax Estimates on houses valued at \$500,000 (\$246) and \$1 million (\$492).

A Bond Counsel is being consulted. The advantages of borrowing directly from the Bond Market, once the Town has a credit rating, are more competitive interest rates and the ability to refinance outstanding bonds. The first year's obligation is still interest only.

4.2 The Chair asked BRC Members if they had any questions:

**Collins** asked if the Bond Counsel's fee would be in the FY2025 Budget – Yes; anticipated interest rate –  $4^{1/4}$  to 5%; and is the rate fixed – Yes.

**Kahn** reminded everyone that the total expense of the proposed 30-year bond amounts to approximately \$17.4 million, 45% more than the project's cost of \$11,935,500.

**Tourangeau** said that the cost of debt service in FY2025 is \$612K and \$387K in FY2026. However, the debt service cost will drop every year thereafter.

**Lynk** said that he had expected to receive the presentation prior to the meeting. He acknowledged that the Town staff would have had to work on it over the weekend since that Select Board voted to put plan on the June Warrant at its meeting on Friday, March 17 at about 1:00 p.m. He thinks the Maine Municipal Bond Bank (MMBB) has a good website. He requested the specific Warrant language so that the BRC can vote on it, probably at its meeting on March 23. He expects that proforma financial statements will be available – Yes. Will there be any escalation above the committed amount of \$11,935,500? No. Will the Bonds be callable – Yes for those sold directly to the public bond market – No for the MMBB bonds. Why was a 30-year bond recommended? Both the Town Manager and Assistant Town Manager/Treasurer chose 30 years to lessen the annual cost of debt service. Finally, the Chair asked about next steps. The Election will take place on June 13<sup>th</sup>. RFPs to obtain an architect will happen next. The Town will issue a \$1 million bond through the MMBB to fund the Phase II costs during 8 to 10 months in FY2024. The Town will obtain CAD building plans and put out detailed RFPs for the construction and site work so that the project will start during FY2025. Finally, the Town will tap the public bond market as needed depending upon interest rates. Town staff will meet property owners who may have questions about the impact of the project on their individual taxes.

**Griswold** asked if the \$9,675,000 for the Town Hall/Police Station is a turn-key commitment to the voters – Yes. Is there a contingency reserve built into the total \$11,935,500 project – Yes. What is the cost of rehabilitating the Dunaway Center - \$5.3 million. This means that the remaining cost of about \$4.5 million will have to be raised with grants and donations (\$5.3 million less \$800K).

**Tourangeau** described the informational strategy of the Facilities & Space Needs Committee, including the creation of a detailed fact sheet, videos, newsletters and sessions with the public.

4.3 The BRC Members discussed the next steps.

**Kahn** suggested that the BRC Members should vote now since the Select Board already decided to put \$11,935,500 on the ballot without any input from the BRC. He knows little more than he did a year ago. \$500 per square foot was determined about 18 months ago. The proposed Police Department at 11,100 sq ft equals about 1,000 sq ft per officer. The proposed new Town Hall with 8,908 sq ft is three times larger than their current space. We are a 4 square mile town with about 1,500 full time residents. This proposal is grandiose and fiscally irresponsible, even without the interest aspect which doubles the cost.

**Griswold** said that if he must vote today, he will abstain since he needs to analyze the financial presentation presented during this meeting.

**The Chair** agreed and said we will vote on this proposal during the next BRC meeting on March 23<sup>rd</sup>.

**5.0**      **OTHER BUSINESS**

**6.0**      **PUBLIC COMMENT**

**Boriana Dolliver** – we have been working on this for many years. What do you want? What is the rationale for voting no?

**Barbara Ferraro** suggested that the Town consider a compromise – something she has said during several meetings. Why not allocate more funds to refurbish the Dunaway Center?

**Weston Elliott** thanked Mandy Cummings for showing where the money is going. He reminded seniors that the tax stabilization program will freeze their taxes. He is confident that donations and grants will provide sufficient funds as anticipated. It is wrong to bring up the Dunaway rehab cost of \$5.3 million. This campus project will add to the community.

**Carole Aaron** said that the overall budget of \$11,935,500 is set in stone but the actual costs of each aspect of the entire project are not.

**The Town Manager** re-emphasized that the total cost to the taxpayers is \$11,935,500. He and many others will work hard to raise donations and obtain grants. Having a micro-grid for a town campus is an excellent example of a realistic grant opportunity. He really wants to hear from homeowners, voters and the people of Ogunquit. If a majority want a one-story police station, then the Town leaders may have to pivot. There will be a heavy reliance on public opinion.

**Tourangeau** suggests we trust the process. While changes will be made if necessary, the budget cap will not be exceeded. She also agrees that a compromise, if necessary, should be considered.

**Aaron** said we do not get enough input from the public. The public must participate and show up.

**Ferraro** said that the Dunaway's total rehab cost was included in Option 4.

**Whitelaw** promised that the financial limit of this this project is \$11,035,500 and it will not be exceeded.

**7.0**      **Adjourn**

The Chair reminded everyone that the next BRC meeting will take place on March 23<sup>rd</sup> at 8:30AM.

At 10:22 a motion was made: 5 - 0 (Tourangeau / Kahn)