

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



Ogunquit Budget Review Committee
23 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 UNFINISHED BUSINESS

- *2.1 The Chair continued the BRC due-diligence discussion of the proposed building recommendation placed on the June Town Warrant as ordered by the Select Board on March 17, 2023.

To get the conversation started, the Chair recognized the Town Manager who described his Updated Municipal Campus Proposal to the Select Board that includes the following changes:

- a) To re-allocate a larger financial commitment for the rehabilitation of the Dunaway Community Center, he reduced the \$1.4 million Site Work by \$1.1 million, bringing the revised budget down to \$300,000, an amount that will cover the necessary preparation for the new building and the removal of the Ogunquit Village School. He and others will initiate fund raising activities to obtain donations and grants to replace this \$1.1 million amount. These activities include naming opportunities for the planned trees, brick pavers and benches.
- b) The Town Manager also re-allocated \$400,000 from the \$9,675,500 budget for the proposed 2 ½ story Police/Town Hall building to increase the financial commitment to the Dunaway Center. The new building's allocation will therefore be \$9,275,500. He is very confident that this reduction will be covered by grants and donations. Creating a municipal mini grid of renewable energy should be very attractive to potential grantors.
- c) As a result, the Dunaway Center's financial allocation will be the following:

i) Site Work re-allocation	\$ 1,100,000
ii) 2 1/2 Story building re-allocation	400,000
iii) Original allocation	800,000
iv) Existing HVAC encumbrance	<u>132,000</u>
New total financial commitment	\$2,432,000
- v) The overall limit for the Municipal Campus bonding and/or request from taxpayers is still \$11,935,500.

The Town Manager agreed to update his Municipal Campus proposal to recognize the public's "desire to see a more significant commitment to the Dunaway Center and a shift in reliance on fundraising." The Town Manager's memorandum to the Select Board and BRC is attached below

as Exhibit I. He feels this compromise is a good one and is very confident that fundraising efforts and potential grants will be sufficient to replace the reallocations. It is important to show that the Dunaway Center is not an afterthought. The Town Manager is committed to make the Dunaway a Community Center.

The Town Manager spoke with the Select Board-Chair, **Whitelaw**, who was very supportive of this compromise. Whitelaw reached out to the other Select Board members, one by one, and they all agreed to support this new proposal.

The Town Manager thanked **Griswold** for making this proposed compromise – “very helpful and engaging.” Griswold decided to propose this initiative based on the number of people who suggested that a compromise be considered during the previous BRC Meeting on March 21st. The Town Manager is intent to listen to the public throughout all the phases of the Campus project.

Tourangeau thanked the Town Manager for taking this huge step and for making the extra effort. She agreed that the people of Ogunquit must participate and express their opinions. She is very proud to be a member of this community. She asked the Town Manager if he is confident about raising enough grants and donations to cover the \$400,000 reduction of the new building’s budget. The Town Manager will not lower the quality of this dual-purpose building. There will be plenty of time to accomplish this goal since Phase II and the initial construction will take at least 18 months. He expressed the same level of confidence about the Site Work, making the area surrounding the new building a special park, children’s playground and a basketball court. This larger budget for the Dunaway Center shows our commitment.

Collins thanked the Town Manager.

Public Comment

Barbara Ferraro thanked Tourangeau for supporting her suggestion to make a compromise, Griswold for presenting a compelling compromise, and the Town Manager for listening and making the suggested changes so quickly. Differences of opinion strengthen a community when there are no personal attacks. She praised the BRC’s efforts to review the Budget and the proposed Campus so thoroughly.

Rick Dolliver remembered the campaign for Warrant 51 in 2017, and said this is one of the best compromises in Ogunquit. He is particularly pleased with the greater commitment to make the Dunaway a Community Center as it was intended by the donor.

Wes Elliott thanked the Town Manager for making Option 4 a reality. Elliott was concerned about the lower allocation for the new building. The Town Manager said that the full renovation of the Dunaway was part of Option 4 and that there will be NO reduction to the new building’s footprint. Since the full renovation of the Dunaway was expected to cost \$5.3 million, a great amount of fundraising and grant applications needs to be done.

Rebecca Fox called from the West Coast and said it was worth getting up at 5:30 to watch this meeting. She asked how the bonding will be organized. The Town Manager said the initial bond for \$1 million will be obtained through the Maine Municipal Bond Bank to cover Phase II and the anticipated Requests for Proposals expenses. Depending upon interest rates one year from now, the Town will either tap the bond market directly with its own credit rating for the entire balance of \$10,935,500, or spread out the borrowings to minimize the interest expense. Going to the

direct market enables the Town to refinance outstanding bonds, something that is not possible with the MMBB.

- 2.2 The Chair asked for the BRC's votes on the specific Warrant language (see Exhibit II).
Motion to approve the Warrant article to approve the Municipal Campus Project – 5 – 0
(Griswold / Tourangeau)

3.0 NEW BUSINESS

- 3,1 The Chair thanked the BRC Members saying that the voters were well served with our due diligence. This meeting is our last one this budget cycle unless the Select Board changes any of the FY2024 budget numbers. He also thanked those who have watched our meetings and asked good questions.

4.0 ADJOURN

At 9:12 a motion was made: 5 - 0 (Griswold / Tourangeau)

EXHIBIT I

Office of the Town Manager

To: Select Board and BRC
From: Matt Buttrick, Town Manager
Date: March 22, 2023

RE: Updated Municipal Campus PROPOSAL

I recently presented a proposal regarding the Dunaway Community Center to the Select Board, which was then forwarded to the Budget Review Committee (BRC) for review. During the BRC meeting, we had a fruitful public comment session where the idea of making a more substantial commitment to the Dunaway Community Center was proposed.

Initially, the proposal was to allocate \$800,000 of the total \$11,935,000 request for the Dunaway Center to cover roof, HVAC, and waterproofing costs, while the remainder would be directed toward construction and interior improvements. We pledged to fundraise to obtain the additional funds needed to complete all recommended work for the center. This approach aimed to make the space safer and more practical immediately, show the Town's commitment to the center, and keep the overall project cost as low as possible for taxpayers.

Public feedback shows that some of you support the budget like fundraising and grants to cover the remaining project costs. However, there is a desire to see a more significant commitment to the Dunaway Center and a shift in reliance on fundraising. Consequently, I propose the following amendments to my initial proposal.

I recommend that we allocate \$1,100,000 of the site work to the Dunaway Community Center, leaving \$300,000 for the relocation and leveling of the basketball court and the relocation and addition of playground equipment, including new accessible equipment. This will create an inclusive playground space for all children to enjoy. We will initially focus our fundraising efforts on beautifying the site with plantings, trees, sod, and the courtyard. This approach will enable us to start the work while allowing time for fundraising as the project progresses.

We will explore various fundraising opportunities, such as sponsoring a tree with a commemorative plaque at its base or selling bricks or pavers inscribed with names to be used in the courtyard. Many community members will contribute to this lasting legacy in the heart of Ogunquit.

I also recommend reducing the total allocation for the Police Department / Town Hall by \$400,000 and redirecting these funds to the Dunaway Center. I am confident that we will qualify for grants which will assist in making up that difference, specifically for solar, HVAC, and other sustainability initiatives. Here is the updated proposed summary:

\$9,275,500: New 2 ½ story Police Station / Town Hall

\$60,000: Demolition of Old Village School

\$2,300,000: Renovation of Dunaway Community Center

\$132,000 existing encumbrance towards new Dunaway HVAC

Total Dunaway Budget: \$2,432,000 (of which \$2,300,000 is from bonding)

\$300,000: Relocation and leveling of Basketball Court and Playground, including new equipment.

Excluding the abovementioned encumbrance, the Town does not intend to utilize funds already raised from taxation, including the unassigned fund. We may contemplate using unassigned funds to lower the amount bonded below \$11,935,500, which would require the approval of the Select Board, BRC, and the voters.

I am recommending raising \$11,935,500 through bonding. The proposal is for a 30-year bond; the estimated impact on a home valued at \$500,000 is \$245 per year.

Please note that this budget is based on the concept plan from Context Architecture and that the project's specifics may change as the process evolves. However, under no circumstances will the amount requested from taxpayers exceed \$11,935,500. This shift in recommended funding demonstrates the importance of public input and our commitment to listening to your voices. We want to provide you with the desired facilities while spending your money responsibly. We encourage you to continue participating in the process and sharing your thoughts and wishes.

EXHIBIT II

To: Matthew Buttrick; Cc: Frederick Lynk

Shall the Town (1) vote to approve the MUNICIPAL CAMPUS PROJECT (the "Project"); (2) appropriate a sum not to exceed \$11,935,500 to provide for the costs of the Project; and (3) to fund said appropriation, authorize the Treasurer and Chairman of the Select Board to issue general obligation securities of the Town of Ogunquit, Maine (including temporary notes in anticipation of the sale thereof) in an aggregate principal amount not to exceed \$11,935,500 and (4) delegate to the Treasurer and the Chairman of the Select Board the authority to fix the date(s), maturity(ies), interest rate(s), call(s) for redemption, refunding of said securities, place(s) of payment, form, and other details of said securities, including execution and delivery of said securities on behalf of the Town of Ogunquit, and to provide for the sale thereof?

FINANCIAL STATEMENT

- 1. Total Indebtedness as of 06/30/2022
 - a. Bonds outstanding and unpaid: \$ 8,260,202
 - b. Bonds authorized and unissued: \$ 884,287
 - c. Bonds to be issued if this Article is approved \$11,935,500

- 2. Costs
 - a. At an estimated interest rate of 4.00% for a thirty (30) year maturity, the estimated costs of this bond issue will be:

Principal:	\$11,935,500
Interest	<u>\$8,666,103</u>
Total Debt Service:	<u>\$20,601,603</u>

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