

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



Ogunquit Budget Review Committee
1 September 2022
9:00 AM – Meeting
Dunaway Community Center
23 School Street, Ogunquit, Maine

Minutes

9:05 AM **MEETING**

1.0 **WELCOME AND CALL TO ORDER**

- 1.1 Roll Call noted everyone present
- 1.2 Pledge of Allegiance was said

2.0 **APPROVAL OF MINUTES**

- 2.1 Approved 11 August 2022 Minutes as corrected – 5/0 (Tourangeau/Collins)

3.0 **UNFINISHED BUSINESS**

- 3.1 Set Meeting Schedule
Motion to postpone the discussion of the Budget Review Meeting Schedule until October - 5/0 (Griswold/Collins)

4.0 **NEW BUSINESS**

- 4.1 Review the November Financial Ballot Requests
 - a. The Police Chief, John Lezanecz, provided details about the requested reserve and expense for the UHF & VHF radios (\$85k), and why they are needed to communicate with the Fire Department's updated radios and those used by surrounding Towns. These radios are capable of handling digital communications as well. After receiving his input, the Chief was excused from the meeting to return to his daily duties.
 - b. **Article 2 – Petitioned CIP for Pre-construction Costs to Upgrade Police Headquarters - \$150,000**: BRC members decided to postpone a discussion of this Article until after the Select Board makes its own recommendation, a process set forth in Section 503.5 of the new Charter.
 - c. **Article 3 - Building Improvement Reserve - \$25,000**: The Town Treasurer described the bidding process for obtaining a new HVAC system for the Dunaway. Bids ranged from \$32k to \$200k. These bids included a request to provide details about how the HVAC equipment could be re-used in the future if the facility and space needs of the Town change. While remediating the water infiltration into the Dunaway is critical, the Town Manager said this expensive project will be launched during the budget discussion for FY2024, and will result in a proposal in time to be on the ballot next June 2023. A discussion about encumbrances versus CIPs ensued – complicated since the Town does not yet have an accurate HVAC bid amount. Kahn has reservations about the accounting treatment of this Article. The grievances of two unions about the

Dunaway's air quality need to be addressed as soon as possible – hence the top priority of this Article. Tourangeau suggested we should have faith in the Town employees. The bidding and approval process will have a high degree of transparency.

The BRC Members informally voted 5/0 in favor of this \$25k Reserve.

- d. **Article 4 - IT Upgrades - Information Services - \$50,000**: With the assistance of a consulting firm (Thrive), the Town's IT systems were analyzed and sorted into three remediation priorities: High, Medium, and Low. Currently, 5 of the 7 High Priority projects have been completed along with several Medium ones. Details about these projects must be confidential for security concerns. The Town now has an IT roadmap for moving computer systems from local servers to the cloud, eliminating several risks and issues of backing up data. While the future operating cost will increase, the additional security, flexibility and capability are well worth it. Kahn asked how future expenditures will be classified into one of the three pots of money available for IT work: operating expenses, State funding allocated to IT and this reserve. The Treasurer said she has developed a method for allocating IT expenses.

The informal vote of BRC Members was 5/0 in favor of the \$50k CIP.

- e. **Article 5 – Perkins Cove Bridge Reserve Account - \$40,000**: The Town Manager reported that today the Bridge is working properly. However, no one knows what the total maintenance cost will be during FYs2023 and 2024 when the new bridge is expected to be designed and built. While maintaining the current bridge may exceed \$40k, the Town does have a reserve of \$40k approved in 2021, and a FY2023 Harbormaster operating budget of \$10k for a total of \$100k, less current expenses. If necessary, the Town will adopt a "Not to Exceed Limit" for bridge repairs, like an old car analogy (Cost / Benefit).

The informal vote of BRC Members was 5/0 in favor of the \$40k reserve.

- f. **Article 6 – Police Equipment Reserve - \$85,000**: After the discussion with Chief Lezanecz, the process of setting up a reserve was discussed. The issue focused on having a reserve that will be reduced to zero after the radios are purchased versus requesting a CIP to follow the example of the Fire Department when it purchased similar radios. The Town Manager wants the Police Department to have a reserve for future acquisitions of equipment.

The BRC Members supported this Reserve request for \$85k with an informal vote of 5/0. However, Kahn did not support creating a new reserve for a one-off purchase.

- g. **Article 7 – Public Works Equipment Reserve - \$10,000**: The Town Manager explained how the DPW needs to have backup equipment in case of emergencies. An example is a sidewalk plow/snow blower. The DPW successfully sold equipment no longer used for \$50,000 to augment their equipment reserve.

The informal vote of the BRC Members was 5/0 in favor of this \$10k Reserve.

- h. **Article 8 – 2022 PFAS Testing Project - \$50,000**: Fire Chief Russell Osgood has been very concerned about the risk of cancer affecting Fire Departments around the nation. The fire retardant used at Ogunquit's fire training facility has not been officially restricted yet by governmental authorities. However, none of the Town's fire engines use foam containing PFAS. Upon arriving in Ogunquit, Chief Osgood strongly recommended undertaking tests of the DPW's well that is near the training facility along with test samples of the ground and the holding pond's water. The Town is proposing to hire environmental experts to test the wells of 14 neighboring homes along with obtaining more ground and water samples. This CIP will cover the cost of these tests. Letters have already been sent to the 14 neighboring homeowners. Working closely with the DEP, the Fire Department has also contacted other fire departments that use Ogunquit's testing facility. Furthermore, the Town is exploring the possibility of obtaining additional funding from the State and potential legal actions against the manufacturers of equipment/supplies containing PFAS.

BRC Members informally voted 5/0 in favor of this \$50k CIP.

- i. **Article 9 – Perkins Cove Bridge Design Project - \$85,000**: The Town Manager provided a summary of activities resulting in a congressional earmark of \$2.85 million to cover part of the replacement cost of building a new footbridge. Prior reserve contributions included \$150k in 2017, and an additional \$50k in 2021 for a total of \$200k. The initial design analysis cost \$36k; however, this study did not meet federal standards. The Town signed a new contract with The Hope Group (a SunSource Company), VHB, TCS and GZA for \$249k, leaving a funding shortfall of \$85k. Last July HUD finalized the congressional award, but HUD will not reimburse the Town for the design contract since it was signed before HUD made its commitment. As a result, the actual cost for the two design contracts is \$285k. Once the environmental study and design project is complete, the next step will entail detailed engineering and architectural plans, an expense that HUD will reimburse. This entire project is focused on replacing the Cove's footbridge, replicating the current bridge's design while building in numerous safety features.

All BRC Members voted informally in favor of this \$85k CIP which will then fully fund the \$249k contract.

- j. **Article 10 – Reclassify the 2021 Fire Truck Reserve Account to 2021 Fire Truck and Equipment Reserve**: Since this reclassification does not involve any use of additional funds, BRC Members are only being asked to provide an opinion about including the purchases of equipment with this reserve. Chief Osgood is concerned that the lifecycle of expensive fire trucks is very long. The Fire Department may purchase another truck in 2026 at an expected cost of \$800k. Since the current reserve has a balance of \$50k, it would take years to accumulate sufficient funds to cover any truck purchase. For this reason, the annual fire truck reserve contribution should exceed \$150k. Therefore, the Fire Department wants the ability to utilize this reserve for emergency purchases. Examples may include hoses, air packs and ladders. If any emergency purchase in excess of \$25k is proposed, it must be approved by the Select Board during a public meeting.

The BRC Members informally supported this reclassification.

- 4.2 Discuss budget priorities for FY 2024 Budget
A motion was made to address this topic during the next BRC meeting on 8 September 2022 – 5/0 (Tourangeau/Kahn)

5.0 **OTHER BUSINESS**

None

6.0 **PUBLIC COMMENTS**

Public comments were solicited. No one requested to speak.

7.0 **ADJOURN** – (at 11:04)

Motion 5/0 (Griswold/Tourangeau)