

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



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

Minutes

9:07 AM **MEETING**

1.0 **WELCOME AND CALL TO ORDER**

- 1.1 Roll Call noted everyone present along with the Town Manager, Matt Buttrick and Treasurer, Mandy Cummins.
- 1.2 Pledge of Allegiance was said

2.0 **APPROVAL OF MINUTES**

- 2.1 Approved 1 September 2022 Minutes – 5/0 (Collins / Tourangeau)

3.0 **UNFINISHED BUSINESS**

- 3.2 Motion to start with 3.2 - Discussion of Petitioned Article 3 – Approved 5/0 (Griswold/Tourangeau)
 - a. Lynk asked if any BRC Members have a conflict of interest by being a sponsor of Article 3 (Appropriation of \$150,000 to provide pre-construction costs to expand and upgrade the Police Headquarters)? No Member asked to be recused. He also said that the Town Clerk provided another Petition that will be Article 2. Since it does not have any financial impact on the Town, the BRC will not discuss it.
 - b. Tourangeau, a Member of the Facilities & Space Needs Committee, spoke as an individual suggesting that the Petition sponsors should have discussed their concerns with the F&S Needs Committee before launching the petition for \$150,000.
 - c. During the public comment session, Barbara Ferraro said she had suggested that the F&S Needs Committee consider undertaking this proposal, to no avail. She was told: “Nothing could be done in November 2022.” She also stressed the difference between Needs and Wants. Finally, she predicted that the cost of a new Police building will far exceed the cost of re-purposing the Dunaway’s First Level. Ferraro suggested we should focus on “how we can make this work.”
 - d. Tourangeau said we all want to support the Police. However, repurposing the First Level of the Dunaway would displace several existing offices. She asked where would those functions be set up elsewhere? Of course, this question was also pertinent for the Municipal Campus plan. She also said the 2008-2009 plan approved by the votes was no longer compliant with current building codes.
 - e. Collins asked: “Do we want to renovate or build a new building?”
 - f. Griswold reminded everyone that the 2002 Comprehensive Plan’s top priority was to create a new Police Headquarters. This topic has been kicked down the road for over

- 20 years. He wanted to know why the F&S Needs Committee's list of six alternatives included four plans with the Police Department located in the Dunaway's First Level.
- g. The Town Manager said that the Police Department's needs analysis would NOT be met if located in the First Level. The F&S Needs Committee never got to Phase II where they would have explored the six alternatives and decided, with public input, what should the Town do (build versus rehabilitate) to meet the space needs of the Police Headquarters. He had distributed at 8:04am this morning a letter from Shawn Fahy, Union Steward Local 340, who said: *"The bottom line is the basement was never meant to be a Police Department, never designed to be a proper Police Department and probably never should have been used as a Police Department."* Given the late arrival of this letter, Tourangeau and Griswold were the only BRC Members who had read it. Tourangeau said she does not want to have the Town spend \$150k if the Police do not want to be in the First Level. Later, she read the letter to everyone present. The Town Manager said the real pre-construction cost would be closer to \$300k, not including the need to remediate the water infiltration into the building. Since the Article #53 failed, we never got to the Second Phase that would determine where the Police Headquarters should be located.
 - h. The Town Treasurer said that Article #53 (\$875k) would have provided sufficient funds to prepare build-out designs for the Police Headquarters and all the other Town offices. Without those funds, the F&S Needs report is just the first of two Phases, nothing more. The Article for \$150k is a step in the right direction; however, it is inadequate for addressing the real Police needs.
 - i. Tourangeau said the Committee put forth six options that could possibly work, not what the Members wanted to formally propose based on further analysis.
 - j. The Police Chief, John Lizanecz, agreed with Fahy's assessment, saying the current Police Station is deplorable. He would **not** support re-purposing the First Level as a Police Station. The Department currently has 12 full time Officers and 15 Community Service Officers. Based on the Chief's 18 years of service in York where the Town first wanted a new Police building and then switched to purchasing the American Legion, he said that staying in the basement is neither a good idea nor safe. This plan is not going to work in the long run. The Lieutenant, Neal Pawlick, agreed. When one subtracts the space needed for HVAC, telephone equipment and other required equipment, the Police would only have about half of the 7,500 square feet. Having new space in the First Level would be a temporary fix at best.
 - k. Griswold was surprised that given this unanimous rejection from the Police representatives, the F&S Needs Committee's six proposed plans included four with the Police Department located in the First Level.
 - l. The Town Manager said the F&S Need Committee plans to obtain additional public feedback during the next six months, and then develop a proposal for a new Police building.
 - m. Kahn reminded everyone that the First Level has 7,500 square feet of space, not counting an additional amount of space to be attached to the Dunaway for a Sally Port. This space is three times their current Headquarters. The Police are requesting over 10,000 square feet of space. Kahn suggested that since the voters turned down Article #53 (\$875,000) last June, let the voters express their opinion concerning this Petition – what is the harm? The voters will decide what will be done. Also, Kahn asked about the remaining balance of the F&S Needs' budget. Treasurer said about \$30,000 was left over for gathering additional information, after the F&SN expended \$80,000 in the past year.

- n. Kahn asked what Police programs or activities will not be available if the Headquarters were in the First Level? Pawlick said that the Police are currently providing all their programs, even in their current, limited space.
- o. Lynk reminded everyone that the \$3.5 million Unassigned Fund provides a cushion for reduced Town revenues and tax stabilization. If the November financial requests are all approved, the Fund's remaining balance will be \$3,005,000 – still an ample amount compared to the required amount of \$2.6 million. However, the Town should replenish this Unassigned Fund while the current parking revenues are ahead of projections.
- p. Becky Fox asked why the Police Department should want to create an equipment reserve since the proposed \$85,000 purchase of 12 radios will reduce the proposed Article 7 to zero. Lynk and the Treasurer said that Town Management prefers to have equipment reserves to reduce budget fluctuations, and to have available funds to cover needed equipment when they arise, as opposed to going to the voters for permission. This is a strategic capital planning project for the Departments. It provides greater flexibility when needs arise. Fox suggested that the BRC discuss reserve accounts more thoroughly in the future. She also asked what happens when a department has a large amount of funds left over at the end of a Fiscal Year? The Treasurer said that, for instance, when the DPW absorbed the Facilities Department, this merger saved a large amount of expenses. Fox suggested that the BRC analyze the Town's budget, keeping in mind structural changes in the operations. Lynk agreed and said the BRC is committed to doing just that. Fox also asked if the Police want a new building. They all answered in the Affirmative.
- m. Wes Elliot suggested that the voters should listen to the experts and the Police employees. The Police Department needs more space. It is time to move the Police out of the basement. Let's not waste more money with a band aid.
- n. Lynk read the petitioned article on the November **Article 3 (Expand and Upgrade the Police Headquarters): 2 Yes (Kahn & Griswold)/ 3 No (Collins, Lynk & Tourangeau)**. Lynk said his decision was a difficult one since providing the Police with adequate facilities needs to be tackled and resolved. By June 2023, the Town needs to have a path forward for the Police Department while replenishing the Undesignated Fund – a significant use of tax revenues.

3.1 Formal Vote on November Warrant Articles #3 - #10

- a. **Article 4 (Building Improvement Reserve Account - CIP): 4 Yes (Collins, Griswold, Lynk & Tourangeau) / 1 No (Kahn)**
- b. **Article 5 (IT Upgrades – CIP): 5 Yes / 0 No**
- c. **Article 6 (Perkins Cove Bridge Reserve – CIP): 5 Yes / 0 No**
- d. **Article 7 (2022 Police Equipment Reserve - Radios): 4 Yes / 1 No (Kahn)**
- e. **Article 8 (Public Works Equipment Reserve): 5 Yes / 0 No**
- f. **Article 9 (2022 PFAS Testing Project – CIP): 5 Yes / 0 No**
- g. **Article 10 (Perkins Cove Bridge Design Project – CIP): 5 Yes / 0 No**

3.3 Discuss financial priorities for FY 2024 Budget

- a. The Town Treasurer discussed this topic since the Town Manager had to leave the meeting. She is looking for items of importance during the budgeting process that the BRC is interested in. Examples include providing greater details concerning Reserve Accounts, how these accounts should be used, COLA increases for non-union staff, and the difference between Operating versus Capital expenditures. The BRC Members will discuss these topics further during future meetings.

- b. Lynk said that the BRC reviews the budget and does not drive the financial priorities. Given the Charter’s description of the BRC’s role, he suggested that we should **NOT** create a list of budgetary priorities. The focus should also be on the Town Administration’s FY2024 budget and the execution of the CIP plans for the next five years, including a pavement management program year after year. He also suggested that the Town Administration team finalize their budget in early 2023 – as late as possible, giving them time to review the first six months of FY2023 and consider the actual impact of inflation. He also wants to know how CIP spending is monitored.
- c. Griswold said that last year’s joint meetings between the Select Board and the BRC were a travesty. The BRC, an elected, independent Committee did not have a voice. For this reason, the BRC Chair “should drive the bus” whenever Select Board Members are invited to BRC meetings. Lynk agreed to protect the BRC’s independence.
- d. Collins suggested that the BRC should understand in greater detail the Reserve Accounts. Specifically, he said the Town does NOT fund depreciation “expenses.” Therefore, unfunded depreciation expenses are not cash, and do NOT flow into the Unallocated Reserve Fund. He felt that the Conservation Committee’s testing of water quality is very important and supports a separate Police Department building. He asked the Treasurer to provide details about the total non-union salary expense. She will provide this information.
- e. Tourangeau places the creation of a municipal campus at the top of her list. After saying she would not identify another top priority several times, she reluctantly suggested that the Town explore creating a transportation system with trollies. The lingering question becomes – why should the taxpayers be expected to cover the transportation system’s cash flow shortfalls?
- f. The Treasurer encouraged this constructive discussion but reminded everyone that the Town Management and Select Board have the responsibility for formulating policies.
- g. Kahn asked the Treasurer what budgetary information will be provided to the BRC? Lynk said that he already has this list based on his BRC experience.
- h. The Treasurer said that the Town Management will complete their budget process by early November. The Select Board built in sufficient time after mid-November for the BRC to review the Town budget and ask questions. Town Management will provide answers before the end of 2022. During January 2023, the BRC will have plenty of time to complete their analysis of the FY2024 Budget before hosting weekly meetings with Town Management and Select Board Members.

4.0 New Business

- 4.1 Lynk said that the next BRC meeting will take place on Tuesday 18 October 2022 at 9:00am. He asked the BRC Members to submit agenda items to him and the Secretary by Friday 7 October 2022. The Treasurer said that the Town Manager has scheduled a Visionary Meeting on October 3rd, like the Comprehensive Plan’s meeting. Therefore, BRC Members may want to observe the results of that meeting before creating their next agenda.

5.0 OTHER BUSINESS

None

6.0 PUBLIC COMMENTS

Additional Public comments were solicited. No one requested to speak.

7.0 ADJOURN – (at 10:59am)

Motion 5/0 (Tourangeau/Collins)