

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



Ogunquit Budget Review Committee
18 October 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 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 8 September 2022 Minutes including Collins' edits concerning Unfunded Depreciation – 5/0 (Collins / Tourangeau)

3.0 UNFINISHED BUSINESS

- 3.1 Schedule of Meetings:
The BRC Chair, Select Board and Town Manager proposed a meeting schedule for November through March 2023. The BRC and Select Board will meet weekly during January to discuss the budgets of each Town Department and all Committees. The BRC will then meet during February to thoroughly examine all the budgets before presenting recommendations to the Select Board. Zoom will be available if a BRC member cannot personally participate in any of these meetings.
- 3.2 Budget Priorities:
Griswold suggested that the BRC re-examine the Cost/Benefit analysis of tourism undertaken a few years ago. While this analysis may be challenging given the impact of tourists on the Town, Members decided to discuss this topic during the BRC meeting in November. Meanwhile, the Chair will update the model he and others used in the past.

Griswold also suggested that the BRC Members become more familiar with Vision Appraisal's algorithm used to determine assessment valuations for businesses given the number of sales during the last three years. The Town Manager will arrange to have the Town Assessor meet with the BRC.

4.0 New Business

- 4.1 Review of YTD financials:
The Town Treasurer will focus on the Town's cash flow during the Select Board Meeting this evening. Pertinent details were made available in the Select Board's packet (see pages

8 through 11 of 228). Overall, the Departments are within their normal YTD percentages (approximately 25% or one quarter of the fiscal year). Parking revenue is slightly more than projections given the higher fees along with the hot/dry summer we experienced. The Treasurer will suggest that the first of two Fiscal Year tax payments be moved from November to October to balance revenues with expenses. She has updated the YTD analysis of budget versus actual results through September – the first quarter of FY2023.

Since the Town Manager and Treasurer must leave this meeting at 10am, the Chair requested a motion to move Agenda items 4.3 and 4.4 ahead of 4.2. The motion was approved 5/0 (Tourangeau / Kahn).

4.3 Discussion of budget issues and COLA.

The Town Manager utilizes the CPI-U (Consumer Price Index for all Urban Consumers) and makes additional adjustments for Social Security changes and the impact of local inflationary trends. He also obtains salary information from the MMA (Maine Municipal Association). Normally, non-union Town employees receive salary adjustments of 3%. However, given current economic trends, that percentage will have to change. For example, the new Police Union's three-year contract includes annual adjustments of 4% – 5% – 5%. Negotiations are ongoing with the three other union contracts (Fire, Public Works, and Town Staff). The Town Manager will make sure non-union Town employees, including Department Heads, receive "equitable" increases, especially for those who received major increases during the past 18 months. One Department Head deserves a real adjustment – the Harbormaster. With few comparables, this decision is particularly difficult given the reality of full employment and low un-employment statistics.

The Chair asked all BRC Members to provide comparables. For example, Lynk said the KKWWD's Board decided to increase compensation by 6% on average at the beginning of 2022. The Town Manager said that picking the appropriate benchmarks is critical. Relying upon the CPI-U data that includes Boston, Brockton and Nashua may not be a suitable match for OGT.

This topic will be included on November's Agenda. The Chair asked Members to recommend comparables.

4.4 During previous meetings, BRC Members discussed the advisability of establishing a definition and policy for Reserve Accounts. While this topic falls within the Select Board's responsibilities, our previous discussion of the November Warrants highlighted the need for a clear definition and policy for Reserve Accounts.

The Chair asked if two BRC Members would be willing to research best practices for reserve policies of other, similar towns along with the advice from the MMA. Both Collins and Kahn volunteered. Collins noted how the Select Board Members had different opinions about establishing reserves.

The Treasurer encourages us to think about capital planning in general. What are the goals and objectives of debt and reserves within the planning process? How can we best utilize these two sources of funds while not over burdening the operating budget? Another interesting topic includes the difference between reserving for major repairs versus CIPs.

While the Town’s voters make the final decision, budget planning should evaluate the alternatives.

The Town Manager and Treasurer left the meeting at 9:56.

4.2 The Chair described his discussions with Robin Millward, Chair of the Comprehensive Plan Committee. While this Committee is seeking feed-back from the BRC concerning “Fiscal Capacity and a Capital Investment Plan,” the BRC Members were curious about why these two topics are not addressed to the Town Manager and Treasurer. The Chair decided to meet with Robin, together with the Secretary, to find out exactly what the Comp Plan Committee expects. This topic will be discussed further during the November BRC meeting.

4.5 Should the Town establish an Audit Committee?
Kahn led a discussion after describing the responsibilities of an Audit Committee along with its benefits. While corporations and NGOs have needs for an Audit Committee, municipalities may not. The Select Board hires an independent auditor each year using the Town’s RFP process, and the auditing firm provides a Management Letter. The Ogunquit Charter does not require an Audit Committee. Given BRC’s primary focus on Budgets, a Motion was made to table this discussion until the FY2024 Budget is finalized – 5/0 (Kahn / Tourangeau).

Kahn mentioned a series of questions he wanted to discuss pertaining to additional budgetary information. The Chair had previously shared Kahn’s questions with the Town Manager prior to this BRC meeting. While Buttrick appreciated the BRC’s need for data and commentary, he suggested the questions be asked commensurate with each department interview. The BRC, Town Management and Select Board will receive the Town’s Budget in late November. Everyone will be encouraged to submit their questions in writing by the end of December, in time for Town Management to organize the required data and commentary before the January joint meetings with the BRC and Select Board. The Town Manager suggests that everyone respect this Budgeting process by including informational requests as part of joint meeting Agendas and addressing issues during public meetings.

5.0 **OTHER BUSINESS**
None

6.0 **PUBLIC COMMENTS**
Peter Kaufman, resident, asked a few questions about inflation comparables with Ogunquit. He suggested that Sanford might be a better comp than Boston, Brockton, and Nashua. He supported obtaining more information about the cost/benefit of tourism in Ogunquit. “It should not be that hard.” He also suggested that we clearly state Fiscal Year versus Annual Financials. Kaufman also wanted to know how to get a topic on BRC’s Agenda. The Chair answered this question.

7.0 **ADJOURN**
A motion was made at 10:42 – 5/0 (Tourangeau / Collins)