

SPECIAL CITY COUNCIL MEETING

TUESDAY, JUNE 13th, 2023

CITY HALL - 22 WASHINGTON STREET – 5:30 P.M.

Those in Attendance: Councilor Floyd “Bub” Andrews, Councilor Colleen Dana-Cummings, Councilor Dave Morang, Councilor Jeanne Peacock, and Council President Boone.. Also in attendance were Interim City Manager, George “Bud” Finch, IT Support, Paige Atkinson; Deputy Clerk, Donnie Peters; and City Clerk, Ella Kowal.

Public Attendance: Victoria Ganz, Jenie Smith, Dean Pike, Don Bailey, Walter Cummings, Birdy Velveteen, Clifford, and recorded zoom participants.

I. CALL to ORDER

Meeting was called to order at 5:31 p.m. by Council President Boone.

II. ADJUSTMENT(S) to AGENDA - THERE WERE NONE

III. WORKSHOP w/BUDGET COMMITTEE

[Re: “FY2024” Budget]

The workshop commenced at 5:32 p.m.

Chair, Dean Pike, of the Budget Committee addressed the Council and refers to the Budget Worksheet with today’s date and notes that there are #'s to the right.

The only change he explains is that Tabetha Young came in and said that no money is needed to be raised out of taxes for her new mower as it all can come from the interest in Perpetual Care. They wouldn’t be touching the principal at all. There is \$19,000.00 and change where this would come from and the mower is \$8,000.00 and change. Thus, the budget was able to decrease by \$5,300.00.

Other than that it is who and how is financing what. They have allowed in this budget \$257,000.00 of capital money be borrowed to pay for Public Works equipment. Meaning a ¾ ton truck which for the few years they had been trying to change the fact that Howie is riding his personal vehicle to and from Calais and sometimes Bangor to get parts. He notes that included in this is a new skidsteer for \$66,000.00 which would replace the current one in use as it is not consistent in operation which could be a compression or hydraulic issue. He notes that this could be put out to bid and possibly a couple of plow trucks as well. He then speaks to “reserve” monies from FY2022 and any monies carried over from this year, which they believe to be substantial. With all that the principal of that loan would be around \$139,000.00 or \$140,000.00 and the budget allowed for that to be financed for ten years. This was stretched out to bring the yearly payment down but with the understanding with monies as they are available it will drop that down. He continues to say that the only thing that could be deducted from that \$257,000.00 (if Council so chooses) is about \$8,000.00 for a mower as Howie feels that they could refurbish whatever one that the Groundskeeping Department will give up. He notes that Public Works Department also does a substantial amount of mowing.

He then directs Council to the list of recommendations that was provided to them and offers up to explain them or if they would prefer for him to go line by line. Bottom line from property tax is about a \$70,000.00 difference which equates to about a 2% increase in spending. That being said, he recognizes that the sewer expenses increased about \$20,000.00 and that the sewer revenue has come within meeting that amount. Sewer revenue went up which is generated by the fees. He reminds Council that fees are not collected in that fiscal year perse’ and this is something out of the City’s control.

He then speaks to say that he was unable to meet with the Superintendent of Schools, Ken Johnson, makes reference to the educational expenses in the budget. The committee wanted to be somewhere around the \$200,000.00 ask for education. The committee recommended the removal of some things from the education budget which Mr. Johnson was good about with the exception of the need for a mini bus which equates to about \$60,000.00 and the committee recommended instead of cash to spread it out over three years which reduced the budget by \$40,000.00 which brought the education budget between \$209,000.00-\$212,000.00. In speaking with the principal, Paul Theriault, and the Cha of the School Committee, Walter Cummings, it looks like they had underestimated the number of kids coming into the school.

He makes a quick review of the recommendations and makes reference to the committee not having knowledge of the agreement made with the officer from Baileyville who takes the cruiser home and recognizes the expense there with the gas. He then speaks to \$36,175.00 for the Fire Department that they propose not to come from taxes but would rather it come from the COVID money. He notes he had already addressed the need for a school bus.

The Budget Committee recommends that any expended funds for the Parks and Recreation. He then speaks to PWD which is beyond the scope of the Budget Committee. He makes reference to a conversation with the Tribal Governor last year and legislature seemed like at that time was going to say that we as a City wasn't going to tax as an ground the infrastructure of the tribe and that this is up to the City and the City Manager. He is not sure about this is makes mention to send them a bill and see what happens. He then speaks to the Groundskeeping recommendation and reminds that the \$5,300.00 has been taken off the Budget and they recommend that the proceeds come from the Perpetual Care "interest" account.

He reminds Council that they have addressed the Public Works machinery and that we haven't really invested in this department but it is a big step in getting them into the first century for at least the next few years. He continues to speak to the electric charging station and reminds that this was on last year's recommendation. He does not think there's any of us that like to see anyone tied up using our electricity for charging their cars as there is a cost to this for the City and they recommend to keep that for the day that there are hybrids or when the time comes that a police vehicle is electric.

He continues further to say that they have no real means with the City Treasurer to determine the balance of COVID funds that are available to the City and that it is beyond their scope. That being said, there was \$36,175.00 available for turn out gear for the Fire Department and it needs to be investigated. In order to not raise taxes, those funds need to be used as judiciously as possible.

He comments to say that there was some confusion with #10 and they just say that whomever is on the Budget Committee that when it comes times to do the departments that there is only one set of figures per department. He then moves on to #11 to say that there was discussion about going to solar street lights and in talking with former Councilors we do pay for them but that there are some that are private pay and recognizes that this needs to be investigated and is a big task. He acknowledges and recognizes that we try to save money as well as to increase efficiency and wraps up by saying that these are their recommendations and the push for them this evening was to have something ready to put into circulation and advertise for the public hearing if possible. He offers up to answer any questions that the Council may have.

Councilor Dana-Cummings speaks to say that the \$22,000.00 grant that they received for the airport does not show up in the revenue and she believes that it should be added in there. Victoria Ganz responds to say that none of the COVID monies is anywhere in their budget numbers. Interim City Manager, Bud Finch, responds to say that it gets audited in two different ways but that the bottom line has to equal all those combined but feels it is doable. Jenie Smith comments to say that the question was is there a place

that COVID money is accounted for as their budgetary process was that a lot of this came at them at the end. She also notes that Councilor Andrews also asked last week for this accountability as to how they have been used. Mr. Finch responds that there are guidelines to how and where it goes and another factor is that last year's and this year's audit is not yet complete but that they will work through this with an auditor. Ms. Smith responds to say that there is a time sensitive factor to these COVID monies, and the concern is that we do not want to lose this resource of funds. Victoria Ganz asks if anyone knows how much money is in the COVID account. She knows what is to be for the airport but she does not know if it is accounted for anywhere and does not know where it is held or how much was spent as it was not a part of their budget worksheets. The Councilor Dana-Cummings and the Interim City Manager responds that it is not in TRIO where they can see it but that this is something that needs to be worked on. Mr. Finch responds to say the urgency is that if we push passing the budget out to July then we are holding up the tax commitment and billing. Ms. Smith responds that COVID monies has been here since March of 2020 and that it must be in the system somewhere. Mr. Finch responds that he is bringing in someone who knows the software. Ms. Smith comments to say that she hears his urgency for the passing of the budget but their numbers are dependent on clarity. Victoria Ganz speaks to say that with ARPA or COVID monies that some of the departments have asked for increases for special things and that she believes that they only have until FY2024 to use these funds which she understood to be 9/1/2023 otherwise it would be lost. Thus, we cannot wait on an audit as that is COVID money which is separate but could help with some of increases if they can be applied to the different departments as a part of their budgetary increases. Mr. Finch responds to say that all these questions are viable and they should have been answered a long time ago but that he just got here and is working towards getting clarity as well as working on the audit and that this will come. He speaks to say that there are not enough audit firms who will do small towns but that there is the ability and he is here to help but needs to prioritize and is working through this. He suggests earmarking those monies and letting the government know of the City's intention.

Council President Boone recognizes Councilor Andrews on zoom and takes his question. Councilor Andrews speaks to say that the COVID money can certainly be used for the Fire Department and any PPI equipment and if we want to use it for anything else we need to call to get their approval. Ms. Smith responds that this is what they had designated in their recommendations, for it to be used for the Fire Department. She believes that the question was that there may be other COVID monies that may be available and that they did not have knowledge of this. Councilor Andrews does not have knowledge of this either. Councilor Peacock reminds that the COVID money is in the bank. Chair of the Budget Committee, Dean Pike, responds to say that none of this column has anything to do with COVID money but that the point is well taken that it could help you out and reminds Council that they are talking about a 2% increase in expenditures and the difference last year was \$57,000.00 between what the Sewer took in and what was expended and this year

it was only \$20,000.00. He reiterates that the urgency is to get the budget to a public hearing and to get it circulated and publicized in the paper. Discussion took place to the public's knowledge of the accountability of COVID monies. Victoria Ganz speaks to say that she believes that there are other potential areas to COVID money to help with the budgetary increases. Councilor Andrews comments that some of this can be used to help the elderly out also, but that we need to pay attention to the deadline date as he understands that this changes.

Councilor Morang addresses the Interim City Manager and speaks to him having someone come in and that within 3-5 five days they could give clarity to where this money should be in the budget.. Mr. Finch responds that this should have been put in a separate account and on day one the City should have been meeting to look at where to allocate it. As of July 1st we need to be ready. Ms. Smith reiterates that COVID money is time sensitive. She comments further to say that decisions affect this budget. City Council, Interim City Manager, and the Budget Committee recognize the importance of the need to identify the COVID money and to allocate it. Councilor Andrews reminds that we have had this COVID money for two years now and they have talked around about how to utilize it and does not understand what the hold up is and recognizes that the Fire Department has a need as well as the elderly and does not understand why this has to be so complicated. Councilor Peacock speaks to say we have six months, and Councilor Andrews reiterates that we have had it for two years and believes very little has been spent. Councilor Peacock responds to say that she believes it was spent on broadband.

Council President Boone speaks to say that he believed the COVID money total was \$134,000.00 and that \$7,500.00 was utilized for broadband with a matching grant and provides clarity to the \$22,000.00 for the airport which is ARPA money that falls under FAA. Victoria Ganz asks if that is in a separate account. Council President Boone responds that these are questions for the Treasurer. Councilor Andrews comments to say that the COVID money is not included in the budget.

Council President Boone responds to say that he is not happy with the Police Department budget but does have hope to have a City Manager to work with and get it turned around. Dean Pike responds to say that people want to see coverage. Council President Boone comments that they deserve it and if we cannot provide it, then the numbers should be reduced not increased. Dean Pike recognizes that there are managerial issues that need to be addressed between the Police Chief and the City Manager. Council notes that it is a \$114,000.00 in the police budget and it is excessive. Smith encourages to re-frame the thinking of how it was and how it should be with the monies that we have. Council President Boone that these are viable budget concerns, but that we need to have the City Manager work through issues with those departments. Victoria Ganz asks what is the need of officers in numbers to get coverage. Mr. Finch speaks to say that he will get to working on this with the Police Chief.

Councilor Dana-Cummings comments that she is comfortable making a motion and asks if they are at this point now.

Council President Boone addresses the Chair of the Budget Committee, Dean Pike, and asks if he has anything to add before they close the workshop. He responds that this is a worst case scenario budget without any COVID money and that we are only looking at 2%. Council thanks the Budget Committee for a job well done.

This concludes the discussion and review which took place with the Budget Committee and the City Council and the workshop was declared closed at 5:49 p.m.

The City Clerk reminds them that they are not making a motion in the workshop as it is not permissible and clarifying the only matter of business this evening, which is the next agenda item, is for the “*scheduling*” of a public hearing on the FY2024 budget. For clarity and no misunderstanding; she notes that they are **not** approving the budget this evening.

IV. SCHEDULING of PUBLIC HEARING for “FY2024” BUDGET

MOTION DANA-CUMMINGS **SECOND** MORANG **(PASSED 5-0)**

To approve the scheduling of a public hearing for June 28th, 2023 at 5:00 p.m. in the Library at Shead High School on the “FY2024” Budget.

Council President asks for affirmation that the proposed budget will be publicized in both papers and the City Clerk confirms that it will.

Jenie Smith asks Council President if one could, on their own accord, post on social media and the response was certain as it is a public hearing.

V. ADJOURN

MOTION PEACOCK **SECOND** MORANG **(PASSED 5-0) TIME: 6:37 p.m.**

To Adjourn.