

**Town of Kennebunkport
Board of Selectmen's Meeting VIA Zoom
April 21, 2020
6:00 PM**

Minutes of the Selectmen's Meeting of April 21, 2020

Selectmen attending via Zoom: Patrick A. Briggs, Allen A. Daggett, Ed Hutchins, Sheila Mathews-Bull, and D. Michael Weston.

Others attending via Zoom: Barbara Barwise, Dan Beard, David Betses, Michael Claus, Carol Cook, Michael Davis, Jon Dykstra, Allan Evelyn, John Everett, Werner Gilliam, David James, Arlene McMurray, Dimitri Michaud, Tracey O'Roak, Michell Powell, Craig Sanford, Laurie Smith, Arlene McMurray, Dimitri Michaud, Stedman Seavey, Amy Tchao, Steve Turner, and others

1. Call to Order.

Chair Daggett called the meeting to order at 6:00 PM. He took **roll call** of Selectmen present: Patrick A. Briggs, Allen Daggett, Edward Hutchins, Sheila Matthews-Bull, and D. Michael Weston.

2. 6:00 PM - Executive Session pursuant to MRSA 1, §405-6D to discuss labor contracts.

Motion by Selectman Hutchins, seconded by Selectman Matthews-Bull, to go into executive session pursuant to MRSA 1, §405-6D to discuss labor contracts. **Roll Call Vote:** Briggs, Daggett, Matthews-Bull, Hutchins, and Weston. **Voted:** 5-0. **Motion passed**

The Board went into executive session at 6:00 PM and came out at 6:44 P M. No action was taken.

3. Discuss annual town meeting and FY21 budget.

Town Manager Laurie Smith explained that it has been a month since the Governor's actions and things are still unclear. She said she spoke with the town attorney about election options which are listed in her memo (See Exhibit A). For the safety of the public, the legal team thinks it is reasonable to change the town meeting dates. There could be a secret ballot election on July 14 and that meeting would be adjourned and reopened on July 18 to an open town meeting. The statutory requirement is for the town warrant to be signed 60 days before the election, which would fall on May 15.

Ms. Smith also mentioned that they usually vote on each warrant article. She said she bundled highway and mechanic into one article and asked if they would like to bundle more articles. Bundling would shorten the open town meeting, which would be a good for safety reasons.

The Selectmen agreed with the new election dates and the Selectmen along with some of the Budget Board members agreed that she should bundle the warrant articles. Ms. Smith explained that both boards will have to meet again for at least two meetings and possibly four. She commended the fine job Videographers Mike Davis and David Powell are doing hosting the Zoom meetings.

Regarding the budget, Ms. Smith stated if they want to keep the tax rate flat, she estimated that expenditures need to be reduced by \$1 million. She calculates revenues would probably decrease to approximately \$400,000 to \$650,000 which does not include delayed property tax payments.

Budget discussion followed. Some of the comments were:

- Keep tax rate flat otherwise some businesses may have to close. Also, businesses will not be able to get help from people overseas.
- Go back to the departments, tell them how much to reduce their budget and see what they can do.
- Increase taxes, the community can afford it.
- Reduce the reserve to 10% for the next two years and then increase it back to 18% in the third year.
- Have the Town Manager bring back a new budget. She knows best.
- Don't increase taxes which would create undue stress in these already difficult times.
- Try to cut back as much as possible. There are lots of unknowns, and the Town Manager has the best feel for this.
- Ask the Town Manager to calculate either keeping a flat rate or a 5% increase.

Ms. Smith will work the department directors to either keep the tax rate flat or increase by 5%. She said she will talk to the Budget Board Chair about state statutes and what is required of the Budget Board.

Motion by Selectman Hutchins, seconded by Selectman Matthews-Bull, to go back into executive session pursuant to MRSA 1, §405-6D to discuss labor contracts. **Roll Call Vote:** Briggs, Daggett, Matthews-Bull, Hutchins, and Weston. **Voted:** 5-0. **Motion passed.**

The Board went back into executive session at 7:45 PM and came out at 8:00 PM. No action was taken.

4. Other Business.

There was no other business.

5. Adjournment.

Motion by Selectman Matthews-Bull, seconded by Selectman Hutchins, to adjourn. **Roll Call Vote:** Briggs, Daggett, Matthews-Bull, Hutchins, and Weston. **Voted:** 5-0. **Motion passed.**

The meeting adjourned at 8:00 PM

Submitted by Arlene McMurray
Administrative Assistant

Exhibit A 4-21-2020

Memorandum

To: Board of Selectmen

Fr: Laurie Smith, Town Manager

Re: FY 21 Budget and Elections

Dt: April 17, 2020

At the end of February, I presented a budget that that invested in Kennebunkport's future in a thoughtful but assertive manner. Unfortunately, the COVID-19 pandemic has created uncertainty in everyone's future. Whether personal travel plans, employment, or business operations, the pandemic has had a very real impact on everyone's life and has impacted the economy as well. A month ago, the Governor enacted a Civil State of Emergency and non-essential businesses and public spaces were closed. At that point we agreed to postpone the budget process as I was in hopes to have a clearer picture in a few weeks. Well a month later, my crystal ball is not any clearer.

What I do know is that the economy will be impacted by the pandemic longer than hoped a month ago. Being a seasonal community, Kennebunkport will be especially impacted by the late start or potential lack of a summer season. The effect will be felt by the tourism industry, commercial fishing, and citizens.

I anticipate, as do many of my colleagues, that the pandemic will have negative effect on Town revenues. I have done my best to calculate which revenues are going to be affected and it appears that the impact will likely be between \$400,000 and \$650,000. This does not even include the delayed property tax payments that are likely to occur.

In an attempt to have zero tax rate increase on our municipal portion, I estimate we will need to reduce expenditures by approximately \$1,000,000. The budget consists of three components, operations, debt, and capital. I cannot change the bonded debt payments for roads, infrastructure, buildings or property that were bonded in years past, which means I would need to reduce operations and capital. Please keep in mind that budgets are not singular years – unattached to the current year or the following year. Our attempts should be to provide needed services in the following year understanding the challenges that the pandemic will bring that had not been planned in previous budgets.

Another challenge is our June Town Meeting. The Governor has changed the primary to July 14. Although our ordinance states we will hold our annual meeting on the second Tuesday of June and the following Saturday, our attorney agrees that for reasons of public safety and in accordance with the Governor's actions we should move our meeting dates to July 14 and 18. In order to accomplish a secret ballot warrant for July 14 that adjourns to an open town meeting on the 18, we will need to authorize a warrant and all budget articles by May 15. That would require that we begin meeting again with the Budget Committee as soon as possible.

Exhibit A 4-21-2020

Of course, this will also require me to present an amended budget for your consideration. I would like to discuss with you ideas I have for reducing expenditures and get direction in order to move forward with the budget process. These include:

- Capital
- Wages
- Recycling
- Operations
 - Communications (town report and newsletter)
 - Social Services
 - Partner Agencies
 - Libraries
 - KEMS
 - Seacoast Garden Club
 - Memorial Day Parade
 - Kennebunk River
 - 4th of July celebrations
 - Committees
 - Growth Planning
 - Conservation Commission
 - Shade Tree
 - Cemetery
 - Parsons Way

Please know that my department directors and I stand ready to assist the boards with these difficult decisions in an expeditious manner.