



## **Ad hoc Finance Committee**

April 27, 2024

### Committee Members:

Courtney Wilson

Bill Mackenzie

Herb Maine

SelectBoard Liaison: Carol White

# **Agenda**

- **The Committee's Charge from the Select Board**
- **Historical Overview of Chebeague's Finances 2008-2022**
- **Capital Inventory and Planning**
- **Our vision for a permanent Finance Committee**
- **Discussion and Questions**

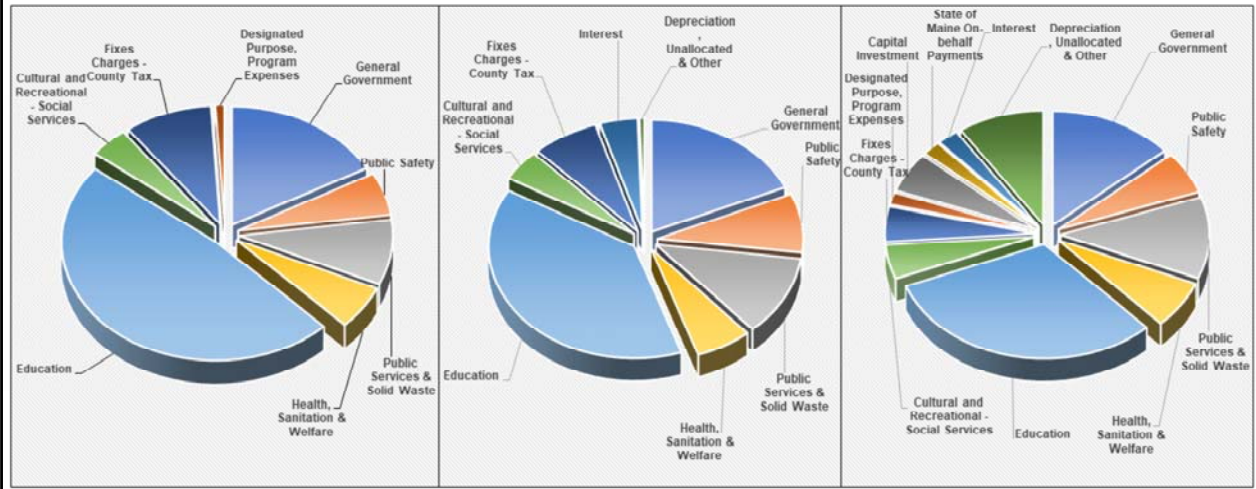
**Historical Overview  
2008-2022**

## Total Governmental Fund Expenses by Years 2008, 2015, 2022

**2008**  
Total Expenses = \$2,402,703

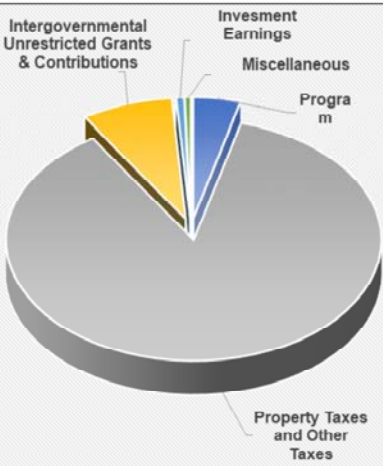
**2015**  
Total Expenses = \$2,388,056

**2022**  
Total Expenses = \$3,251,171

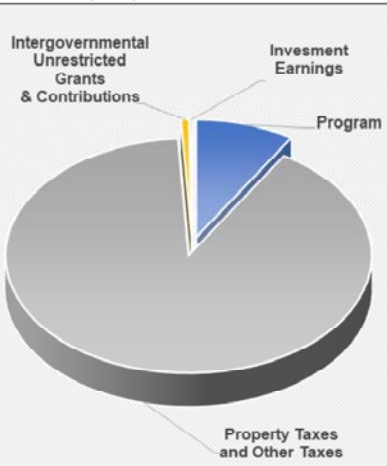


## Total Revenue by Years 2008, 2015, 2022

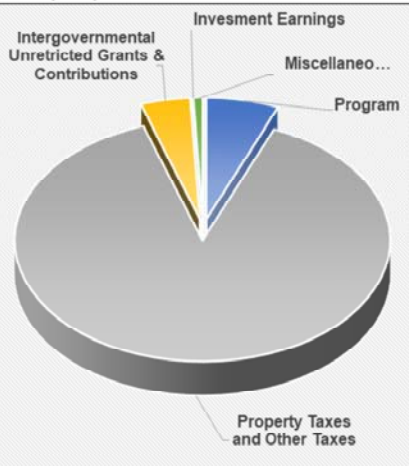
**2008**  
Total Revenue = \$2,779,589

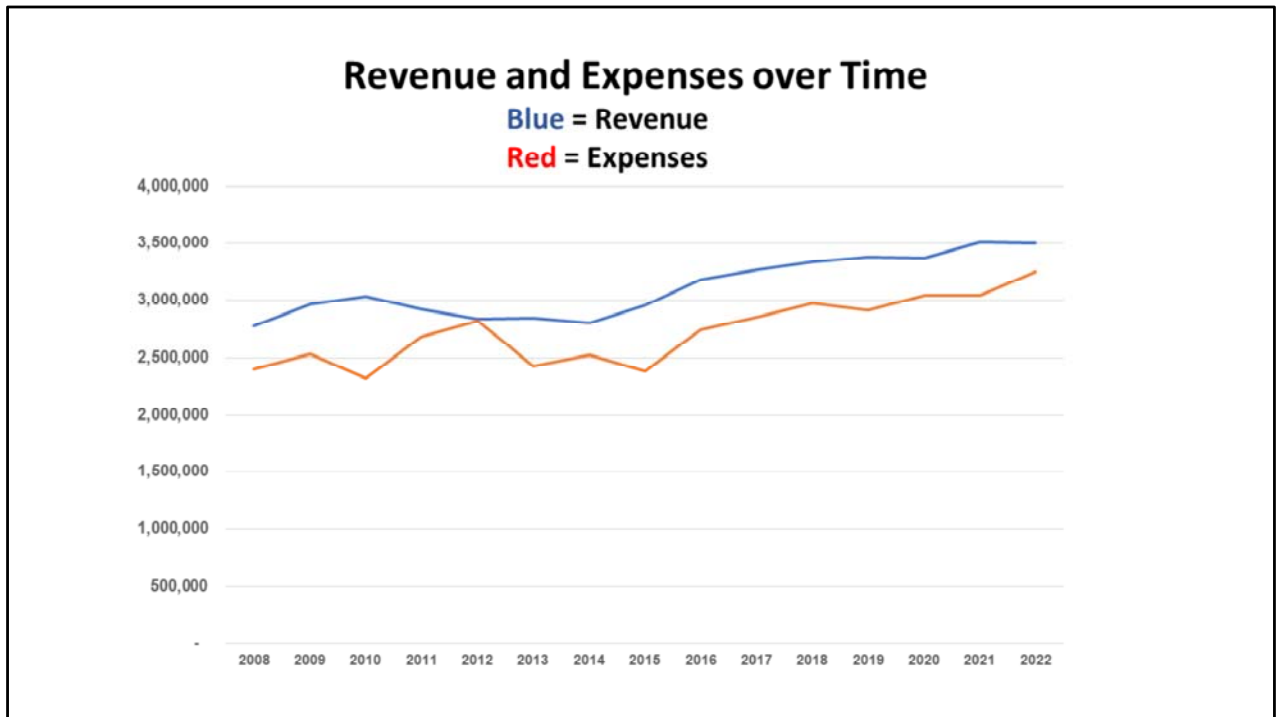


**2015**  
Total Revenue = \$2,960,955



**2022**  
Total Revenue = \$3,505,021



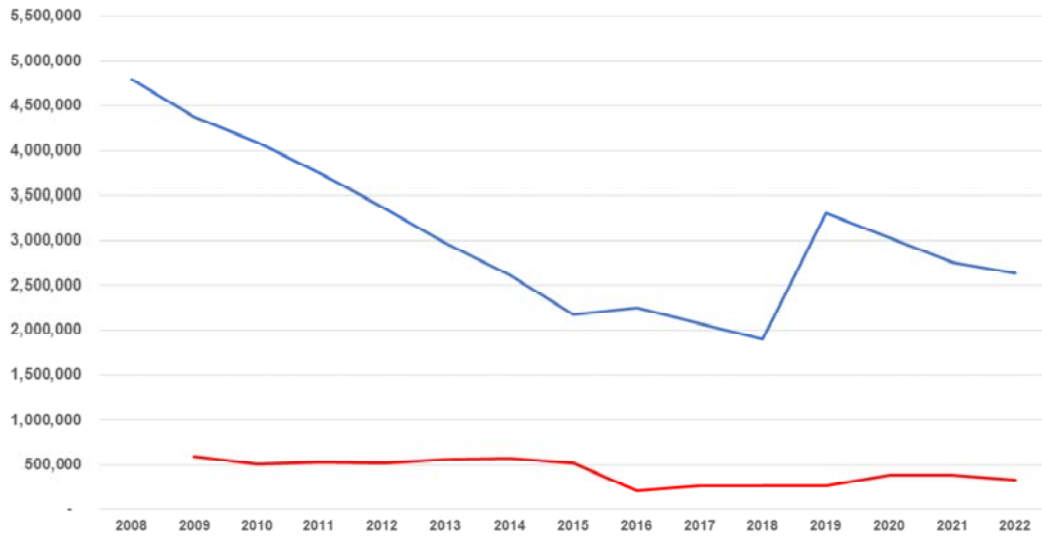


Except for 2012, the expenses and revenue have consistent separation.

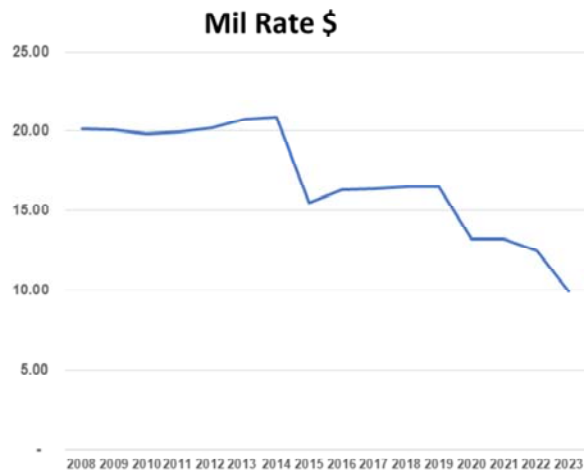
2012 was a transition year for the tuition of students from MSAD51 to the Yarmouth school system.

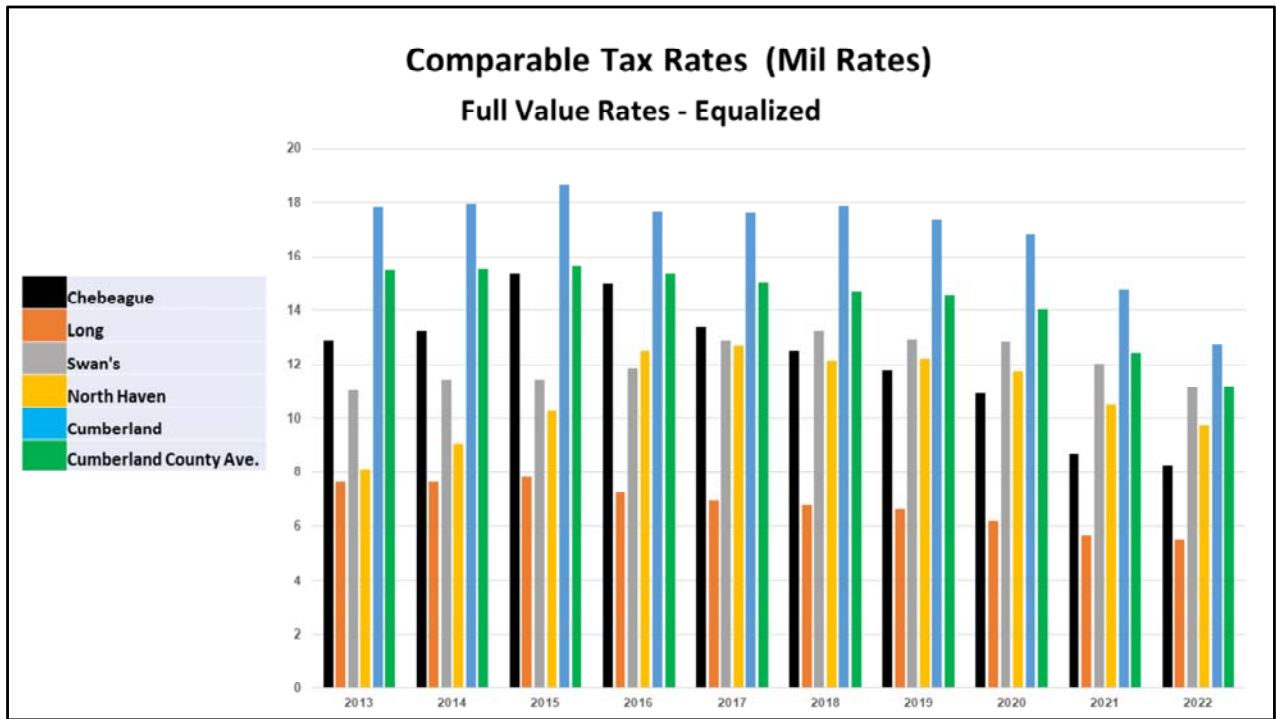
# Outstanding Debt and Debt Service

Blue = Debt    Red = Debt Service

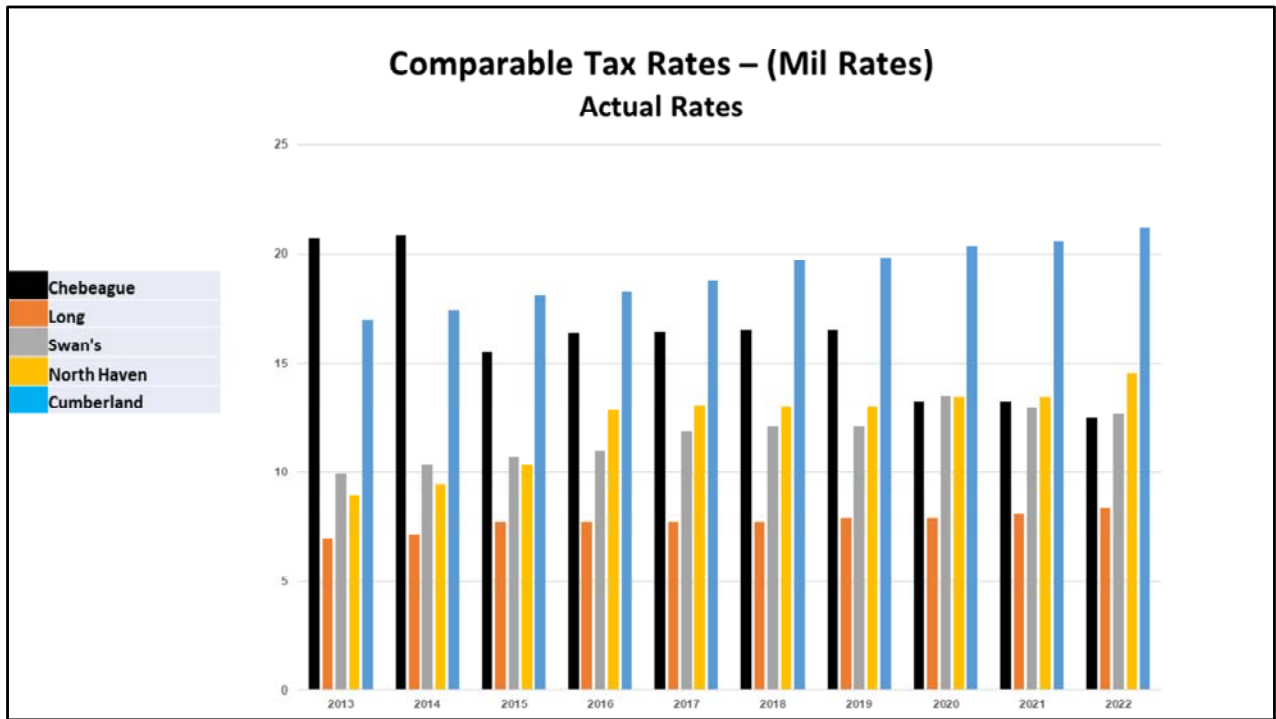


## Real Estate Values and Tax Rates (Mil Rates)





Comparison of towns when the State Equalized Valuation is applied.



Comparison of towns when the Local Valuation is applied.

### The Impact on three Homeowners

<u>Year</u>	<u>Taxable Value</u>	<u>Tax</u>	<u>Mil Rate</u>
2010/2011	132,220	2,618	\$19.80
	449,720	8,904	\$19.80
	926,400	18,343	\$19.80
2015/2016	184,600	2,861	\$15.50
	525,500	8,145	\$15.50
	1,143,400	17,722	\$15.50
2021/2022	227,800	3,018	\$13.30
	687,500	9,109	\$13.30
	1,647,300	21,827	\$13.30

Taxes from three example houses using Chebeague tax records.

# **Capital Inventory and Planning**

## Town of Pownal, Maine - Capital Planning Tool



The Town of Pownal was contacted and generously offered to share the tool they use.

It is an Excel spreadsheet having eighteen interconnected tabs for maintaining data, analyzing data and planning and other functions.

The committee spend significant time working with this spreadsheet, including entering some Chebeague-specific records.

## Town of Pownal, Maine - Capital Planning Tool – Expenditure Plan

Version: 20240229-11 11.32 LOCAL										
Create Gold Copy		Save to Local File		Fiscal Year ->						
Bond Threshold = \$300,000				PV Expenditures + Current Replacement Cost		2025	2026	2027	2028	
				Expenditures		\$ 482,971	\$ 89,994	\$ 269,664	\$ -	\$ 3
						\$4,617,110				
Item	Select Dept.	Service Life	Current Replacement Cost	Year in Service	1	2	3	4		
Elevator Software and Sensors	Mallett Hall	25	\$ 65,500	2023	0	0	0	0		
Mallett Hall Automatic Generator	Mallett Hall	20	\$ 8,000	2016	0	0	0	0		
Mallett Hall Parking Lot	Mallett Hall	50	\$ 68,138	2022	0	0	0	0		
Roof - old building east side of addition	Mallett Hall	25	\$ 24,000	2020	0	0	0	0		
Air Bottles	Public Safety	15	\$ 36,600	2019	0	0	0	0		
Air compressor system	Public Safety	22	\$ 84,900	2004	0	89,994	0	0		
Air Packs	Public Safety	21	\$ 109,540	2004	109,540	0	0	0		
Communications (grant + \$26,312 in 2025)	Public Safety	11	\$ 88,031	2014	88,031	0	0	0		

The Expenditure plan uses data from the Assesst Schedule (and other tabs) to project out in time up to 20 years taking into account inflation estimates.

## 2023 Capital Plan Detail

2/20/24, 10:54 AM

Capital Plan: Assets by Class and Department Report

**Town of Chebeague Island**  
**Capital Plan Detail: Assets by Class and Department**  
 Fiscal Year End: 06/30/2023

[Back to asset list](#)

Asset Class/Dept	Acq. Year	Total Original Cost	Annual Dep.	Accumulated Dep.	Net Total
<b>Building Improvements</b>					
<b>TOWN WIDE</b>					
<a href="#">20'X30' HEAVY TIMBER FLOAT</a>	2015	\$18,449.00	\$922.00	\$8,225.00	\$10,224.00
<a href="#">10'X30' SMALLER FLOAT</a>	2015	\$27,000.00	\$675.00	\$6,019.00	\$20,981.00
<a href="#">ACV - RAMP STONE PIER</a>	2008	\$3,511.00	\$176.00	\$2,809.00	\$702.00
<a href="#">ACV - STONE WHARF/PIER</a>	2008	\$32,950.00	\$1,648.00	\$26,360.00	\$6,590.00
<a href="#">ACV-FLOATS (2)</a>	2008	\$5,599.00	\$280.00	\$4,479.00	\$1,120.00
<a href="#">AS-CHEBEAGUE STONE WHAR</a>	2008	\$107,784.00	\$3,593.00	\$57,485.00	\$50,299.00
<a href="#">Blow Truck</a>	2022	\$123,814.00	\$12,381.00	\$12,381.00	\$111,433.00
<a href="#">PW - BLADE BLOW TRUCK #4</a>	2008	\$3,234.00	\$0.00	\$3,234.00	\$0.00
<b>SubTotal</b>		<b>\$1,033,769.00</b>	<b>\$63,286.00</b>	<b>\$477,222.00</b>	<b>\$556,547.00</b>
		<b>\$1,033,769.00</b>	<b>\$63,286.00</b>	<b>\$477,222.00</b>	<b>\$556,547.00</b>
<b>Total</b>		<b>\$8,823,072.00</b>	<b>\$309,417.00</b>	<b>\$2,864,938.00</b>	<b>\$5,958,134.00</b>

This 4-page report is provided to the Town by the Auditor, RHR Smith & Company. The categories include:

- Building Improvements
- Buildings
- Construction in Progress
- Infrastructure (Roads and other paved areas)
- Land
- Land Improvements
- Machinery & Equipment
- Right of Use Lease Asset (leased items)
- Vehicles

## Capital Planning Tool – Asset Schedule with Chebeague Data

Town of Chebeague Island										
Capital Improvement Plan Committee										
FY End Date: 6/30/24 Inflation Rate/Interest Rate: 6.0% 2.43% Investment Rate Short Term/Mid Term: 0.0% 1.6% Investment Rate Long Term/Bond Fee: 3.0% \$ 5,250										Save to Local File Create Gold Copy
Bonding threshold (choose one) <input type="radio"/> Service Life 15 years or more <input checked="" type="radio"/> Replacement Cost \$ 300,000 or more										20240229-11.11.32 LOCAL
\$ 2,229,441 Cap. Reserve = \$ 400,000 \$ 4,380,057										
Index	Refresh Capital Plan	Designated Account	Department	Current Replacement Cost	Year in Service	Service Life - Yrs.	Projected Replacement Cost	Projected Refresh Year	Index	Bond (Y/N)
34	1985 International Tank		Public Works	\$90,000	2008	25	143,446	2033	34	N
35	1986 GMC Boom Truck		Public Works	\$45,000	2008	20	53,596	2028	35	N
36	2003 Chev 3500 Dumo PU		Public Works	\$56,500	2008	20	67,292	2028	36	N
37	2003 Ford Ambulance		Public Safety	\$300,000	2008	20	357,305	2028	37	Y
38	2006 Ferrari Intruder Engine		Public Safety	\$950,000	2022	20	2,558,134	2042	38	Y
39	2008Ford F250		Public Works	\$48,500	2016	20	92,067	2036	39	N
40	2015 Ford F550		Public Works	\$91,500	2016	20	173,694	2036	40	N
41	2015 Freightliner Wheelba		Public Safety		2014	20	-	2034	41	N
42	FD - Engine #8		Public Safety	\$350,000	2011	25	664,404	2036	42	Y
43	FD - Engine #9		Public Safety	\$350,000	2016	25	889,123	2041	43	Y
44	Ford Ambulance		Public Safety	\$300,000	2021	20	762,106	2041	44	Y
45	Greenwood Commercial		Public Works		2012	20	-	2032	45	N
46	Plow Truck		Public Works	\$157,000	2022	20	422,765	2042	46	N
47	PW-Blade Plow Truck		Public Works	\$95,000	2008	20	113,147	2028	47	N

The committee entered the assets in the report from the auditor.

Some of the features noted are:

Two options for highlighting items to be considered for bonding (orange shading), include the service life or cost.

Projected replacement cost based on the current replacement cost, the projected date and inflation estimates.

**Permanent Finance  
Committee**

Researching a permanent finance committee for Chebeague Island

We looked at other towns and looked at our current process

Other Towns

Municipal governments are variable across Maine

Formation	All committees viewed had bylaws, ordinance or a charter
Authority	All committees viewed were explicitly or implicitly advisory
Size	5 – 9+ members in size (mostly 5) usually appointed, or elected
Officials	Participation of town officials is common
Members	If membership criteria is listed, it is usually “Registered Voter”
Duties	Review of Budgets, Town Meeting Warrant and Capital items

Town	Pop 2020	Committee	Size	Criteria	Selection
=====					
Long Island	234	Finance (bylaws)	9	None	appointed SB
North Haven	417	Budget (ordinance)	5	Registered Voter	elected
Penobscot	1,136	Finance (charter)	9	“Domiciled”	6 el, 3 app.
Vinalhaven	1,279	Budget (ordinance)	5	Registered Voter	appointed SB
Pownal town	1,566	Budget (?)	5	?	
Franklin	1,567	Budget (bylaws)	9+	None	all officials/ 6 app.
Brooksville	935	-none-			
Islesboro	583	-none-			
Swans Island	355	-none-			

## Possible Budget Process Modifications

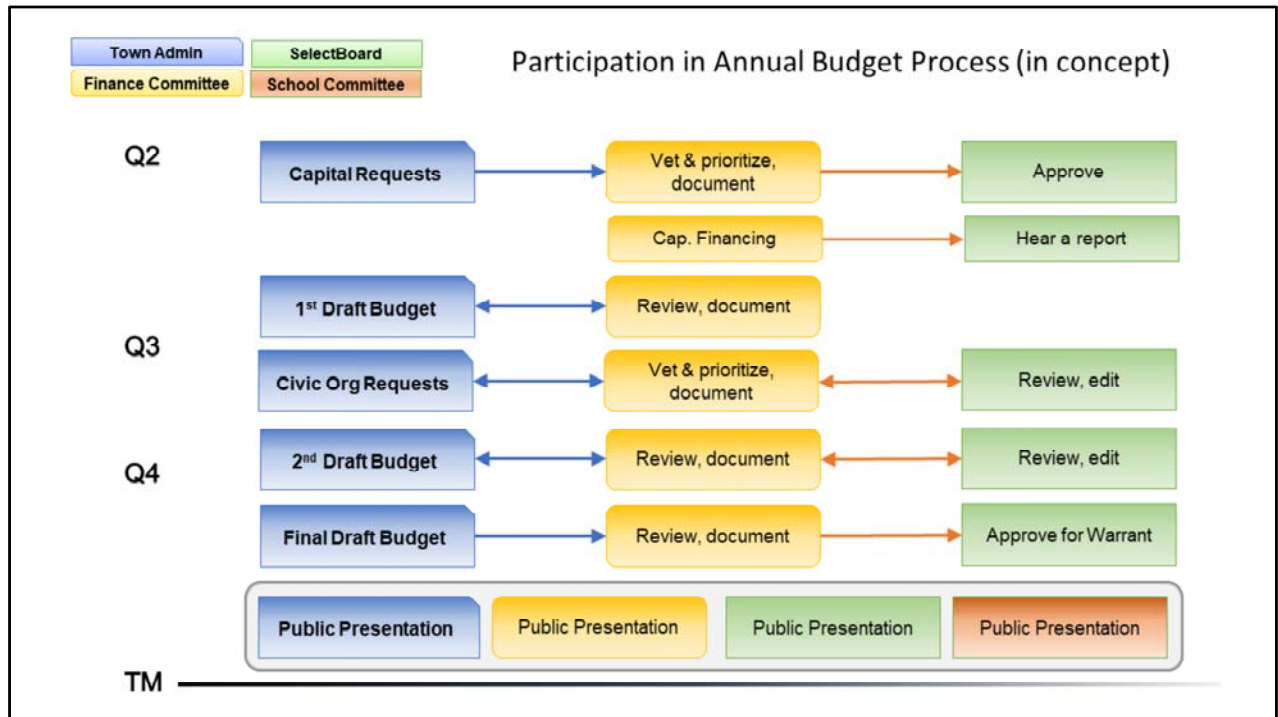
- More structured budget and capital requests (request form?)
- Develop criteria or method to vet requests and assign initial priority.
- Maintain a capital inventory including projects and property
- Align capital planning with reserve accounts and other funding sources
- Align capital planning with Comprehensive Plan
- Unified public presentation of the Town's budget prior to Town Meeting

### 2024-25 Process

Total Number Meetings  
through April

9 Selectboard meetings from January

- DRAFTS 3 meetings to review draft budgets.
- FINALIZE 1 meeting to finalize and approve for warrant prep.
- GOALS 1 set goals and priorities
- CAPITAL 2 Review planned capital fund maintenance (1 of these split with Civic Orgs)
- DEPARTMENT 1 Present the requests from departments
- SCHOOL 1 Meet jointly with the school to review



A possible scenario to implement some of the modifications

Note the “Cap. Financing” box could involve research of grants and other funding sources.

## Do we need a Finance Committee?

<b>Benefits</b>	<b>Challenges</b>
More eyes on the numbers	Finding Volunteers to serve
Fulfill new or supplemental functions: capital planning, financing options	More people to coordinate during budgeting
Increase efficiency of budget process, public engagement, depth of detail	Might increase burden on staff
If a change is desired, there are few other options besides a committee.	

**End of Presentation**

**Public Discussion**

Moderated Public Discussion