



Town of South Thomaston, Maine
125 Spruce Head RD
P.O. Box 147
South Thomaston, ME 04858-0147

Budget Committee Meeting

November 5, 2020

(This was a joint Select Board/Budget Committee meeting.)

Present:

Budget Committee (BC): Jeff Northgraves (Acting Chair), Terri Baines, Kate Greene, Linda Maltais, Camille Minikis, Beverly St Clair, Sondra Wallace

Also Present:

Select Board (SB): Walter Reitz (Chair), Jan Gaudio; John Spear

Town Administrator: Owen Casas

Purpose of Meeting: With respect to a draft Special Town Meeting Warrant (revised version dated 11/1/20, copy attached) concerning a proposed fiscal year change and related actions: First, for the SB to review each Article in the Warrant, with such revisions as agreed to; and Second, for the BC to decide whether to support each of Articles 2-5.

SB Chair Walter Reitz called the meeting to order at 7 p.m.

In the absence of BC Chair Moira Paddock, the BC voted to designate Jeff Northgraves as its Chair for this meeting.

The SB and BC welcomed new BC member Linda Maltais.

Each Warrant Article was taken up in turn. After discussion, and amendment where found appropriate, each Article was voted on favorably, first by the SB and then by the B; all votes were unanimous. Noted for the record: BC Chair Moira Paddock, who could not attend, had sent a message in advance, stating her support for each of Articles 2 through 5.

Article 2 (fiscal year change, with 18-month transitional period) was approved with self-explanatory editorial revisions. As revised, the Article reads (changes indicated by ~~strikeouts~~/**boldface**):

Article 2. To see if the Town will vote to endorse the Selectboard's plan to change the Town's fiscal year from a calendar year to a fiscal year beginning July 1 **and ending** June 30, with an 18 month transitional period beginning January 1, 2021 ~~to~~ **and ending** June 30, 2022.

Article 3 (change of Annual Town Meeting to June): Approved without change.

Discussion: It was noted that moving the meeting from March to June, in addition to the advantage of coming before the start of the proposed fiscal year, could allow greater citizen participation, including by residents who winter away from Maine.

SB Member John Spear wanted it to be clear that Art. 3, as well as Art. 2, is merely advisory: the SB has the authority to change the Annual Town Meeting date. (**Note,**



Town of South Thomaston, Maine
125 Spruce Head RD
P.O. Box 147
South Thomaston, ME 04858-0147

Budget Committee Meeting

November 5, 2020

however, that the FAQs accompanying the Warrant specifically state that Articles 2 and 4 are advisory in nature, but are silent on Article 3, leaving the implication that it is not. The FAQ could be revised.)

Article 4 (twice-annual tax due dates: due dates for 18-month transitional period):

Discussion concerning scope of the provision: Article 4 as written uses the term "annual"; it's unclear how that applies to the 18-month transition period, and whether it would apply to succeeding fiscal years. Walter Reitz and Jeff Northgraves felt strongly that the language should not apply to succeeding years, as that would encroach on the prerogative of the Town to set the tax due dates for each year at the Annual Town Meeting, as provided in Maine statute. [NOTE: As instructed, Owen Casas subsequently confirmed this interpretation with our legal counsel at the Maine Municipal Association (MMA); the relevant provision is 36 MRS §505.]

The following revision was agreed to. It makes clear that Article 4 applies only to the 18-month transition period:

Article 4. To see if the Town will vote to endorse the Selectboard's recommendation that if the Town's fiscal year is changed as described in Article 2 above, that ~~annual~~ property tax bills **for the 18-month transitional period** be due in two equal installments, with the first half being due on October 1 and the second half being due on April 1.

Other discussion of Article 4: There was discussion of the need to use multiple avenues to seek to inform Town residents and property owners of these changes (if adopted). There was general agreement, however, that despite the Town's best efforts to do so, we can expect that the larger tax bills for the transitional period will come as a shock to many (particularly non-residents).

Questions were raised concerning potential costs or savings from this change. While we do expect some savings – as noted in a FAQ, this would better align our income and expenses, and should reduce or eliminate our need to borrow from our bank – we don't foresee large savings, such as St George apparently claims to have realized from this change. But we also don't see any significant added costs. For example, we can send a single round of property tax bills per fiscal year (or transition period), with two payment stubs.

It was also asked whether there might be any difficulty notifying the proper parties, where a bank or other financial institution holds the mortgage to a property and escrows funds for taxes. Terri Baines, who is well familiar with this process as Finance Director/Tax Collector for St George, assured us this will not be a problem: the process in place for sending out tax bills ensures that the mortgage holder is notified.



Town of South Thomaston, Maine
125 Spruce Head RD
P.O. Box 147
South Thomaston, ME 04858-0147

Budget Committee Meeting

November 5, 2020

Article 5 (seeking Town authorization for SB expenditures in first 6 months of transitional period – in advance of Annual Town Meeting):

Article 5 was approved without change.

Discussion: Jeff Northgraves thought this Article might be a non-issue, given the advance spending authority for the beginning of 2021 voted in this year's Annual Town Meeting.

Walter Reitz noted that if the preceding Articles are endorsed at the Town Meeting, this will be the last time this provision is needed, because future Annual Town Meetings will precede the start of the fiscal year.

Article 6 (seeking Town approval to hold elections of SB, School Board member, and certain municipal referenda at the polls rather than in the Annual Town Meeting):

NOTE: This Article is political, not within BC purview, and was voted on only by SB.

SB approved Article 6 without amendment.

Discussion: SB members said South Thomaston is one of only 2 remaining Maine jurisdictions (when last checked) that still elect these officials in Town Meeting. Reasons motivating the proposed change include the hope it will invite greater interest in running for office, and that those who take out papers to run will have given more serious thought to the responsibilities they'd be taking on.

In response to concerns about out options where no one comes forward: Write-ins would still be an option, and one vote would suffice to elect a write-in candidate.

Question: What if there's just no candidate for an office? Can the SB appoint? The meeting did not know the answer; Town Administrator Owen Casas is to research it.

The meeting was adjourned at 8:10 p.m.

Respectfully submitted,
Sondra Wallace