



TOWN OF KITTERY

200 Rogers Road, Kittery, ME 03904
Telephone: (207) 475-1329 Fax: (207) 439-6806

KITTERY TOWN COUNCIL

Special Meeting Requested by Chair Thomson

TOWN COUNCIL CHAMBERS

August 23, 2021

5:00PM

The public may attend the meeting in person or remotely via Zoom.

Safety precautions are in place in Town Hall for all meeting attendees including wearing masks at all times while in the building.

Attendees via Zoom will be recognized during the public hearings and public comment portion of the meeting. Please note, the Town is testing its hybrid meeting technology. Every effort will be made to make this run smoothly, however some technical difficulties may occur as the Town implements this new approach. **To register via Zoom:**

https://us02web.zoom.us/webinar/register/WN_CTDK8AMyReWPPr8UmLsW2Q

1. Call to Order
2. Introductory
3. Pledge of Allegiance
4. Roll Call
5. DISCUSSION – Discussion is limited to the matter on the agenda for this meeting only.
 - a. Discussion by members of the public (three minutes per person)
 - b. Chairperson may read written comments into the public record.
 - c. Chairperson’s response to public comments.

6. PUBLIC HEARINGS

7. a. (080221-1) The Kittery Town Council moves to hold a public hearing on the Year End Transfers (continued).

8. ADJOURNMENT

Posted: August 19, 2021



TOWN OF KITTERY
200 Rogers Road, Kittery, ME 03904
Telephone: 207-475-1329 Fax: 207-439-6806

REPORT TO TOWN COUNCIL

Meeting Date: August 9, 2021
UPDATE: August 23, 2021
From: Kendra Amaral, Town Manager
Subject: Transfer Requests for Fiscal Year 2021
Councilor Sponsor: Chairperson Jeff Thomson

EXECUTIVE SUMMARY

In accordance with Town Charter 6.09(4) Transfer Appropriation, the following is a request to transfer unencumbered appropriation balances from Fiscal Year 2021 to various accounts and carryforwards as specified below.

I am seeking to utilize approximately \$497,112 of the operating budget surplus for directed needs, rather than pass it through to the undesignated reserve fund. The projected remainder, approximately \$890,093, may be left to cover audit adjustments and pass through to the undesignated reserve fund to bring the Town into compliance with its financial policy. Approximately \$667,000 is needed for the Town to meet its undesignated reserve policy for the coming year.

STATEMENT OF NEED

As the close of the Fiscal Year 2021 is being prepared, a few departmental deficits have emerged. Due to significant success with grant applications, the Town was able to fund a number of operating costs including PPE, safety supplies and equipment, elections, and some staff time from outside fund sources. Transfer requests are minimal this year and address minor deficits in two departments.

The Other Funds transfers are primarily focused on the compensated absences account, and accounts where a request to transfer from the undesignated reserve would otherwise be necessary. Details for each transfer request are below.

Carryforward requests are for targeted efforts that were not completed, or budgeted for FY22 but deemed worthwhile activities to advance in the coming fiscal year.

OPERATING BUDGET

The transfer requests are rounded up from the actual anticipated deficit to allow for any residual bills from FY21 yet to be received, and for audit adjustments that may occur. Any remaining surpluses will pass directly to the undesignated reserve fund when the audit is completed.

- **From Elections and Fire to Police: \$35,000**

The Police department is expected to end the year approximately \$30,154 over budget. The overage is primarily the result of overtime. Due to Kittery's lean staffing model at the Police Department, a vacancy or long-term absence results in significant overtime costs needed to fill shifts and vacancies.

- **From DPW to Harbormaster: \$1,000**

The department is expected to finish the year approximately \$839 over budget. The transfer will support any final year-end expenditures and audit adjustments that occur in the closing of the FY21 books.

- **From DPW to County Taxes: \$484**

The County Tax budget is based on the estimate provided by York County in the spring. The actual assessment is not finalized and billed until July each year. The FY21 assessment was slightly higher than the budget estimate.

CARRYFORWARDS

- **From KCC to FY22 DPW: \$20,000**

This carryforward will provide the funding for the signage replacement project at Fort Foster and Seapoint Beach. The project includes consolidating information about rules and hours of each site onto well designed, visually appealing welcome signage.

- **From KCC to FY22 DPW: \$40,000**

This carryforward will provide the funding to redesign and implement landscaping at the approaches to the Traffic Circle. Though the beach grass has not caused safety issues, it is a perennial complaint of residents. MDOT turned the site over to the Town during the past year, effectively releasing the Town to alter the landscaping to meet our objectives.

- **From KCC to FY22 Police \$20,000**

This carryforward will provide the seed funding to support a new regional partnership between local law enforcement and social worker specialists to provide follow-up support and assistance for those in need of social and mental health services. Initial planning is underway, and grant funding is being sought. However, the need for social service support for law enforcement and those they encounter is critical. This will allow the Town to participate in the partnership this coming year.

- **Other Carryforward Option: FY22 Revenue**

The significant budget surplus from FY21 was directly due to the uncertainty of the pandemic as reported in the Year End Financial Report. Our goal is to have between 2% and 3% surplus, not the 9% we experienced this year. That makes FY21 a true anomaly.

The Council could choose to carryforward some of the budget surplus as "other revenue" in FY22, and effectively further lower the property tax levy for FY22, though doing so has the potential to result in significantly higher than usual tax increases in subsequent years. When the surplus does not

materialize in subsequent years, this “other revenue” will have to be raised through other means including property taxes.

We will be reviewing the revenue projections for FY22 and updating them based on the year end data from FY21. I expect we will be increasing our projections approximately \$200,000 to \$300,000, prior to the Council committing the taxes in September. Through revenue projection increases we could land at a zero % increase in the tax levy for FY22. Therefore, any proposed carryforward of revenue would lower the levy over the prior year.

OTHER FUNDS/CAPITAL

• From Overlay to a new Overlay Reserve: \$214,712

Typically, the Town is able to cover its abatement exposure in its annual budget and overlay. The Town increased the Overlay in FY21 as a safety measure for the recently completed revaluation. The revaluation effort did not lead to significant abatements. However, COVID has led to large abatement applications from commercial properties from entities such as Simon Malls. The Town Attorney has advised that one particular case has the potential to cost the Town up to \$330,000 if the State finds for the applicant. We do not believe this is likely, however, if it occurs, the impact on the annual operating budget could be significant. The reserve provides a fund to offset the impact of losing the case.

• From Administration to Compensated Absences Reserve: \$200,000

Consistent with the prior four years’ transfer requests, this transfer will rebuild a reserve balance that will be needed to offset future paid-time-off liabilities. Since FY18, we have paid \$516,283 in paid-time-off liabilities, of that \$89,739 was in FY21. The account has been able to handle these expenditures without having to utilize undesignated funds, because the Town Council has agreed to transfers from operating surpluses for the past four years.

The current paid-time-off liability, based on pre-contract renewal rates is \$1.43M. Though only a fraction of the current employees has the possibility of large cash outs each year, the cost of the liability grows each year. If approved, the transfer will bring the account balance to \$289,799.

The town is required to pay paid-time-off balances in accordance with Employee Retirement Income Security Act (ERISA), town ordinance, and collective bargaining agreements with the various Teamster units. The annual operating budget does not have sufficient funds to absorb larger payouts from employee departures.

• From KCC to Ogden Grant Fund: \$2,400

In FY18 the Town received a grant from the Ogden foundation to work on communications and programming for the Star Theater. The scope of work has been completed. The remaining costs need to be matched by the Town. This transfer will close out the fund and the project.

UPDATE

The Council requested two additional items be added to the consideration for carryforwards and transfers for the Fiscal Year End.

- **Transfer from KCC to New Reserve Climate Action Plan: \$65,000**

A Climate Action Plan will establish the priorities, actions, and timeline for the Town to implement specific measures to address the impacts of climate change on the built and natural environment, public health, and community resources. The planning process will involve multiple stakeholders throughout town including the residents, businesses, and various Boards, Commissions, and Committees. The Climate Action Plan will be a written document that will be used by the Council and staff in the development of annual goals and budget, the Capital Improvement Plan, and town policies.

The funds are being proposed to be placed in a reserve fund, as the work is expected to take more than one year to complete. Funds will be used to hire a consultant to coordinate the process and produce the plan.

- **Transfer from DPW to Cemetery Reserve Fund: \$14,680**

I received communication from the Orchard Grove (OG) Cemetery Sexton on Thursday, August 12 regarding a desire to settle up a generally known discrepancy between Town collected perpetual care funds for gravesites in Orchard Grove. It is understood that the Town collected funds for perpetual care of certain gravesites, but has not provided for that case; at least for the past decade (as best we can tell from documentation). I was made aware this was an outstanding issue when I arrived in the fall of 2016 by the interim-Town Manager and the Council Chair. I am also aware the OG Association has raised this as an issue for a number of years. Therefore, I don't doubt that a reconciliation is in order.

Since at least FY11, the Town has paid for landscaping services for other gravesites in Town, through the Cemetery Reserve Fund (5021). That fund was exhausted by FY17. The Council approved a transfer in FY18 to resolve the remaining deficit in the reserve fund. We now pay for gravesite landscaping through the DPW operating budget annually.

The Sexton proposed "renting" a meeting room in Town Hall for the monthly OG Association meetings. Though I appreciate the creative problem solving, the Town does not charge organizations for use of Town Hall meeting rooms, so long as the use is scheduled in advance and does not disrupt municipal operations or violate town policy. It would be inconsistent to charge the OG Association when others are not charged; additionally, it would take over two decades to settle-up in this manner based on that arrangement.

I am seeking the transfer into the Cemetery Reserve Fund; making funds available to resolve the matter this fiscal year. With approval, I will work with the Sexton to address any questions and document the resolution.

- **Carryforward from KCC to Various to Hire an Additional Police Officer: \$110,000**

The Town has discussed over the past few years the impacts of lean staffing on the Police Department. Lean staffing leads to higher overtime and Officer burnout from covering shifts due to vacancies, injuries, paid-time-off, etc.

The carryforward request includes funding for the wages, benefits, and setup (uniform and equipment) for a new Officer. The new Officer is not expected to dramatically lower overtime in the first year, as the Officer hired will likely have to attend the Criminal Justice Academy in the first year. Funding for the wages and benefits will need to be included in each subsequent fiscal year operating budget, approximately \$95,000 for wages and benefits (depending on health insurance, etc.).

The total transfers and carryforward requests, inclusive of the two additional proposals will be \$684,792, leaving \$739,413 unspent to pass through to the undesignated reserve fund.

PROPOSED SOLUTION/RECOMMENDATION

Approve transfers and carryforwards as requested.

ATTACHMENTS

- FY2021 Budget Roll-Up
- FY2021 Year End Transfers - Updated
- Orchard Grove Communication

Report to Council
 Fiscal Year 2021
 Year End Transfers & Carry Forwards
 All Funds

GENERAL FUND TRANSFERS

FROM			TO		
101130	Elections	\$ 22,000	101310	Police	\$ 22,000
101320	Fire	\$ 13,000	101310	Police	\$ 13,000
101735	DPW	\$ 1,000	101840	Harbormaster	\$ 1,000
	DPW	\$ 484	101150	County Tax	\$ 484
Total General Funds Transfers		\$ 36,484			\$ 36,484

OTHER FUNDS TRANSFERS

FROM			TO		
101110	Administration	\$ 100,000	2022	Compensated Absences	\$ 100,000
101830	KCC	\$ 100,000	2022	Compensated Absences	\$ 100,000
101160	Overlay	\$ 214,712	NEW	Reserve for Abatement Exposure	\$ 214,712
101830	KCC	\$ 2,400	2210	Ogden Grant	\$ 2,400
101830	KCC	\$ 65,000	NEW	Climate Action Plan	\$ 65,000
	DPW	\$ 14,680	5021	Cemetery Reserve Fund	\$ 14,680
Total Other Funds Transfers		\$ 496,792			\$ 496,792

CARRYFORWARD

Account			Purpose	
KCC	\$ 20,000		Fort Foster/Beach Signage	\$ 20,000
KCC	\$ 40,000		Traffic Circle Landscaping	\$ 40,000
KCC	\$ 20,000		Police - Social Services Partnership	\$ 20,000
KCC	\$ 110,000		Police Officer	\$ 108,000

Report to Council
Fiscal Year 2021
Budget Roll-Up

	BUDGET	TRANSFERS	REVISED BUDGET	YTD ACTUAL	PROJECTION	AVAILABLE	YTD % COLLECTED/SPENT
REVENUE	\$14,920,544		\$15,210,256	\$16,028,940	(\$250,000)	\$568,684	105.4%
OPERATING FUNDS	BUDGET	TRANSFERS	REVISED BUDGET	YTD ACTUAL	PROJECTION	AVAILABLE	% COLLECTED/SPENT
Administration	\$1,137,633	\$75,000	\$1,212,633	\$959,176	\$0	\$253,457	79%
Overlay	\$214,712	\$0	\$214,712	\$0	\$0	\$214,712	0%
Police	\$2,341,806	\$0	\$2,341,806	\$2,371,960	\$0	(\$30,154)	101%
Fire	\$373,312	\$0	\$373,312	\$353,701	\$0	\$19,611	95%
DPW	\$2,020,492	\$0	\$2,020,492	\$1,927,304	\$0	\$93,188	95%
Planning	\$550,928	\$0	\$550,928	\$531,701	\$0	\$19,227	97%
Misc	\$678,970	\$0	\$678,970	\$581,473	\$0	\$97,497	86%
KCC	\$1,053,545	\$0	\$1,053,545	\$594,212	\$0	\$459,333	56%
Harbormaster	\$107,577	\$0	\$107,577	\$108,416	\$0	(\$839)	101%
Health & Dental	\$1,246,760	\$0	\$1,246,760	\$1,193,750	\$0	\$53,010	96%
Other Insurances	\$1,035,255	\$0	\$1,035,255	\$961,210	\$0	\$74,045	93%
Retirement	\$603,611	\$0	\$603,611	\$535,959	\$0	\$67,652	89%
Debt Service	\$914,532	\$0	\$914,532	\$814,532	\$0	\$100,000	89%
Library	\$438,623	\$0	\$438,623	\$434,671	\$0	\$3,952	99%
Capital Improvement	\$1,455,500	\$0	\$1,455,500	\$1,455,500	\$0	\$0	100%
TOTAL	\$14,173,256	\$75,000	\$14,248,256	\$12,823,567	\$0	\$1,424,689	90%
County Tax	\$935,000	\$0	\$935,000	\$935,484	-	(\$484)	100%
TIF	\$27,000	\$0	\$27,000	\$27,000	\$0	\$0	100%
TOTAL	\$15,135,256	\$75,000	\$15,210,256	\$13,786,051	\$0	\$ 1,424,205	91%



ORCHARD GROVE CEMETERY ASSOCIATION
PO Box 935 Kittery, ME 03904

August 12, 2021

Ms. Kendra Amaral
Kittery Town Manager
200 Rogers Road
Kittery, ME 03904

Re: Orchard Grove Perpetual Care Funds held by the Town

Dear Ms. Amaral,

As you are undoubtedly aware, and as reflected in the attached information from Town of Kittery records, \$14,680.00 was paid by a number of persons to the Town for Perpetual Care of grave plots in Orchard Grove Cemetery.

No such care has ever been provided and no reimbursements received since prior to 1995. In review of Town accounting information, it is noticeable that the sum of all such funds deposited with the Town in Trust have been erroneously expended.

In respect of the understanding of those donors for said care; in the interest of donors who paid directly to Orchard Grove Cemetery; in light of the care provided by the Association; we desire to reconcile the matter to mutual advantage.

We propose in-kind rental of Town Hall Conference Room "A" for Association Board of Directors Meetings, from 4:00PM on the second Tuesday of each month, for a time period not to exceed two hours, with credit to the Town at \$50.00 per meeting, until the balance is absolved.

Respectfully request your agreement at your earliest convenience.

If you have any questions or require further detail, please contact me at the below listed number or e-mail.

Sincerely,

garybeers

GARY BEERS
Secretary/Sexton

1 Attachment
OGC Town PC Funds

	A	B	C	D	E	F	G
1	Map #	DPW #	Site	Date	Deposit	Plot Name(s)	Other Details
2	107	N/A	OG	27-May-68	\$100.00	Harriett L. Adams	
3	107	N/A	OG	27-May-68	\$100.00	Fred Lutts	
4	107	N/A	OG	27-May-68	\$100.00	Julius Martin	
5	107	N/A	OG	27-May-68	\$150.00	Isaac H. Lambert	
6	107	N/A	OG	27-May-68	\$150.00	Harold K. Leyden	
7	107	N/A	OG	27-May-68	\$150.00	Frank C. Pinkham	
8	107	N/A	OG	27-May-68	\$200.00	Bertha A. Abrams	
9	107	N/A	OG	27-May-68	\$200.00	Martha J. Adams	
10	107	N/A	OG	27-May-68	\$200.00	Charles Kiel	
11	107	N/A	OG	27-May-68	\$200.00	Charles H. Miller	
12	107	N/A	OG	27-May-68	\$300.00	Mabel I. Jenkins	Pd Selden F. Jenkins
13	107	N/A	OG	27-May-68	\$300.00	Claude B. Saddler	
14	107	N/A	OG	27-May-68	\$500.00	Hilda Fife & Walter Stearns	Lot # 12
15	107	N/A	OG	27-May-68	\$200.00	Bessie C. Haley	
16	107	N/A	OG	28-May-68	\$100.00	Hannah A. Briard	
17	107	N/A	OG	28-May-68	\$100.00	Benjamin E. & Annie E. Fernald	
18	107	N/A	OG	28-May-68	\$100.00	Sarah E. Keen	
19	107	N/A	OG	28-May-68	\$100.00	Ruby R. Littlefield	
20	107	N/A	OG	28-May-68	\$100.00	Adam Lutts	
21	107	N/A	OG	28-May-68	\$100.00	Warren Yerks	
22	107	N/A	OG	28-May-68	\$250.00	George A. Williams	
23	107	N/A	OG	28-May-68	\$300.00	Levi L. Goodrich & Grace Dearborn	
24	107	N/A	OG	28-May-68	\$400.00	Franklin L. Trefethen & George H. Seaward	Lot #1
25	107	N/A	OG	29-May-68	\$100.00	George R. Adams	
26	107	N/A	OG	29-May-68	\$100.00	Benjamin E. Fernald	
27	107	N/A	OG	29-May-68	\$150.00	Jethro H. Swett	
28	107	N/A	OG	29-May-68	\$200.00	Jotham H. & Charlee A. Gerry	
29	107	N/A	OG	29-May-68	\$200.00	William F. Pinkham	
30	107	N/A	OG	29-May-68	\$500.00	Calvin D. Dunbar	
31	107	N/A	OG	2-Oct-68	\$100.00	Maurice L. Duncan	
32	107	N/A	OG	2-Oct-68	\$100.00	Ellen M. Leach	
33	107	N/A	OG	2-Oct-68	\$100.00	Danel W. Marden	
34	107	N/A	OG	2-Oct-68	\$100.00	Samuel Taylor	
35	107	N/A	OG	2-Oct-68	\$150.00	Ann Louise & Simon Fernald	
36	107	N/A	OG	2-Oct-68	\$180.00	Marjuerite Philbrick	
37	107	N/A	OG	2-Oct-68	\$200.00	Ethan A. Locke	
38	107	N/A	OG	2-Oct-68	\$200.00	Justin H. Shaw	
39	107	N/A	OG	2-Oct-68	\$200.00	Marshall E. & Ralph R. Stimson	

	A	B	C	D	E	F	G
1	Map #	DPW #	Site	Date	Deposit	Plot Name(s)	Other Details
40	107	N/A	OG	2-Oct-68	\$300.00	S. Frances Smart & Ethel Smart & Hazel Lear	
41	107	N/A	OG	2-Oct-68	\$400.00	Neal & Badger	Lot #77 (old #300)
42	107	N/A	OG	2-Oct-68	\$500.00	Allison N. Locke	Orchard Grove & family burial Lot on Otis Avenue / See Neal & Bragdon
43	107	N/A	OG	2-Oct-68	\$3,000.00	For Care of Veterans & Unknown Graves	Edward N. & Viena S. Bowker
44	107	N/A	OG	2-Oct-68	\$300.00	Maud A. (Moore) Clark & Avis A. Ilchak	
45	107	N/A	OG	31-Dec-68	\$300.00	Raymond E. Gerry	Last lot on right top of hill
46	107	N/A	OG	3-Apr-75	\$300.00	Chapman & Gibson & Peterson Family Lot	Pd Leon French, Jr.
47	107	N/A	OG	3-Apr-75	\$300.00	French Family Lot	Pd Leon French, Jr.
48	107	N/A	OG	25-May-84	\$500.00	Leary Family	Pd Kathleen Leary Gilmore/Marion Leary Bridges/Betty L. Robbins/Barbara L. Wyman
49	107	N/A	OG	1-Apr-85	\$300.00	Harry F. Lowe	Ronald H. Lowe, Benson W. Brown
50	107	N/A	OG	13-May-85	\$500.00	Thomas E. Withee	Pd Edna R. Withee
51	107	N/A	OG	7-Apr-86	\$500.00	Harry N. & Barbara M. Wyman	
52	107	N/A	OG	26-Apr-96	\$500.00	Ruth E. Dauphine	
53	TOTAL				\$14,680.00		