

## Pownal Budget Committee

### Mallett Hall

May 2, 2012

7:00P.M.

**Members present:** Carlene Harvey, Mary Ann Hodsdon, Kathy Hogue, Andy Wyatt

**Members excused:** John Green, Jeremy Willis, Kim Best

**Members Absent:** Jan Pieter van Voorst van Beest

**Guests:** Tim Giddinge, Fred Fauver, Scott Seaver, Shawn Bennett, Jesse Peters

Meeting called to order at 7:08 by Chairman Andy Wyatt

There were 4 members present which did not constitute a quorum. The decision was made to hold a workshop. The workshop included only presentations and no votes.

**Minutes:** Tim Giddinge had suggested a number of changes in the April minutes. The minutes with the changes were given to members, but were not reviewed. (There are extra copies.)

**Selectmen's Input:** Tim Giddinge presented the overview of the 2012/2013 budget. There is a \$9966 reduction in General Government expenses. The reason for the reduction is actual insurance costs were less than expected.

There are two sections of the budget which show increases.

The first is in debt service. This is the first year which includes two road repair bonds, the bond on the 2007 fire truck and the lease/purchase on the fire truck passed at town meeting for the 2011/2012 budget. Currently the town's indebtedness is \$4,405,181.

Public Works has asked for increases to resurface wear on some roads.

There also is a question concerning the purchase of a new grader. If the grader is leased or purchased, the expense involved would become part of debt service. The reasons to consider a new grader are:

age the grader is 20 years old

repairs, the current grader costs about \$10,000 per year

savings, the state of Maine has awarded the equipment purchase contract to John Deere –

Pownal could save about \$40,000.

The grader will cost about \$193,000.

A five year lease at 3 ½% would raise the cost to \$206,501 and the interest will be about \$13,501.

A ten year lease at 4% would raise the price to \$228,800 and interest would cost about \$35,800. Lease purchase agreements may be paid off early. A bond cannot be paid early so the bond at whatever the interest rate, would be no savings.

The trade in on the old grader could be between 20 to 30 thousand dollars.

\* Kim Best \* John Green \* Carlene Harvey \* Mary Ann Hodsdon \* Kathy Hogue \*  
\* Jan Pieter van Voorst Van Beest \* Jeremy Willis \* Andy Wyatt \*

Scott Seaver presented an overview of the 2012/2013 budget, including income and debt service. The Tax commitment draft shows a \$2,831,667 increase in commitment. The taxable valuation shows an increase of \$1,550,952 – this is a guestimate only. The increase is about 1 to 1/12%. This year's anticipated tax evaluation will increase to about \$200 per \$100,000 on a house.

The proposed income for 2012/2013 would need to increase \$3,350. Much of the proposed income comes from various taxes, grants and service fees. Service fees would include things like the sale of trash bags. Selectmen are looking at various ways to increase revenues, for example utilizing impact fees.

The last presentation was an abbreviated budget overview comparing 2011/2012 and 2012/2013 budgets and including:

Municipal appropriations  
Revenues

Net municipal budget

RSU5  
County tax

Tax commitment

	11/12	12/13
Municipal %	32%	35%
RSU5 %	64%	61%
County %	4%	4%

**Next meeting May 9, 2012. Be prepared to vote on recommendations for the 2012/2013 town meeting warrants .**

**The meeting will start promptly at 7:00.**

Respectfully submitted,

Mary Ann Hodsdon