



MINUTES FINANCE COMMITTEE NOVEMBER 30, 2020

Heather Ward
Curtis Lunt
Dan Leeman
Jesse Zack
Noly Lopez
Kayla Tierney
Haley McCrater
Diane Barnes
Richard Green
Norm Albert
Tracy Austin

1. **CALL TO ORDER:** The Finance Director, Kayla Tierney called the meeting to order at 5:00 PM.
2. **ROLL CALL:** Regular members present were Dan Leeman, Heather Ward, Jesse Zack, Noly Lopez, and Curt Lunt. Finance Director, Kayla Tierney, and School Business Manager, Haley McCrater were also present. In addition, the School liaison, Tracy Austin, and the Town Manager, Diane Barnes were also present.

3. WRITTEN COMMUNICATIONS:

Minutes of the October 27, 2020: the meeting minutes of October 27, 2020 were distributed to all of the members. The Chair asked if there were corrections or additions; hearing none, a vote was made.

VOTE (2020-5) Curt Lunt made the motion to approve the October 27, 2020 Minutes as presented; Dan Leeman seconded the motion.

Vote 5-0 Carried.

4. NEW BUSINESS:

a. CIP RECOMMENDATION – EMERGENCY ITEM

INTRODUCTION: Chief McGee presented information related to the generator on the Police Department side of the Town Office. It had been determined that this generator is over 20 years old and has been failing. The Generator is essential to power the Communication Center in bad weather conditions that leave the Town Office without power. If the generator is not operational, all of our Public Safety employees are unable to communicate with one another.

Chief McGee had researched the useful life of generators of this size to be 15-20 years. The current generator is over 20 years old. Chief also presented his discussions with ESM and their (3) recommendations for a replacement generator. ESM recommended (3) different generators ranging from approximately \$57,000-\$67,000. The best recommended generator was the second generator which is roughly \$62,000 and 100kw.

COMMITTEE COMMENTS:

Chair Ward opened up the floor for discussions. Chair Ward inquired about who would be responsible for maintenance on the generator and who in the past has been held responsible for maintenance. Chief McGee explained that in the past, the previous Public Works Director oversaw the maintenance on the generator. Since the previous Public Works Director's departure, these building type responsibilities will be shared between Chief McGee, Chief LeClair and current PW Director Randy Cyr.

As far as the actual maintenance on the generator, Chief McGee spoke highly of ESM and how they would not only be the vendor we would look to purchase the generator from, but would also perform maintenance on it.

VOTE: (2020-6) Curt Lunt made the motion to recommend the purchase of the emergency CIP item, the generator, for the second option presented by Chief McGee (ESM ~\$62,000 generator); seconded by Dan Leeman.

VOTE 5-0 Carried.

b. USDA RD LOAN – PAYOFF RECOMMENDATION – Lisbon Finance Director

INTRODUCTION: Finance Director, Kayla Tierney, presented the background on the USDA RD IRP business loan program to the Committee. This loan was taken out in the 1990s in the amount of

\$500,000 for a term of 27 years with a 1% interest rate. The maturity date on this loan held between the Town of Lisbon and USDA RD is 07/11/2026. USDA RD reached out to the Town inquiring about the Town's plans for this program as USDA RD likes to see a certain number of loans disbursed each fiscal year. USDA RD also receives reports semi-annually from the Town of Lisbon on the status of the program. The Finance Director highlighted the success of this program over the years; the program has provided capital to small businesses and promoted job creation and overall growth within the community. The receipt of payment from the business loans that the Town holds with small businesses in Town is held at a separate financial institution (Portland Trust). The Finance Director is presenting the information to ask for a recommendation to pay off the USDA RD loan before the maturity date of 7/11/2026 from the Portland Trust account; the balance remaining after payoff would be held within the Town to internally manage all future business loans. The account held with Portland Trust is an interest bearing account, which also experiences realized (unrealized) gains (losses). The early payoff recommendation would also eliminate reporting requirements and audit reporting requirements. The Finance Director is asking for the Finance Committee's recommendation to then be presented at the next Council meeting in December 2020.

COMMITTEE COMMENTS:

Curt Lunt noted that he was pleased to see the success of this program as he recalled the conversations back when the program had started.

VOTE (2020-7) Curt Lunt made the motion to recommend the early pay-off of the USDA RD Loan to Council at their next meeting; seconded by Jesse Zack.

VOTE 5-0 Carried.

c. **Transfer Station – Pay as you Throw Presentation:** Public Works Director and Assistant

INTRODUCTION: Public Works Director, Randy Cyr, and Public Works Assistant, Ray Soucy, presented a Pay as You Throw powerpoint presentation that was done in conjunction with WasteZero. The presentation highlighted reducing waste and increasing recycling in Lisbon. The data that was provided to WasteZero for the sake of the presentation was based on 3,500 households in Town; the average household was based off of 3.63 individuals. The idea behind it would be the Town and local grocers would sell approved or 'official' trash bags that would be the only trash bags accepted to dump at the Transfer Station. This would lead to an average reduction of MSW and disposal costs of 44%. The powerpoint presentation had a table of PAYT (pay as you throw) results on a Municipal Financial Impact Cumulatively over 1 Year, 3 Years, 5 Years and 10 Years. The net benefit over 10 Years is estimated to amount to \$2,821,301, provided that tipping fees and the number of bags sold are variable data.

The Finance Director presented Revenue and Expense information for the Solid Waste (Transfer Station) Department over the past three fiscal years. The Revenue and Expense information also included current disposal fees for various items disposed of at the Transfer Station. It further highlighted current contract amounts and the new contract going into effect for the next 3 fiscal years with Casella. Data also included total tonnage from the past three fiscal years as well as information related to permit sales.

COMMITTEE COMMENTS:

Dan Leeman inquired further about the bags and what the potential price of these bags could mean for families versus seniors. Dan Leeman had brought the idea of a reduced senior rate up for discussion.

Dan had also brought up sale of transfer station permits themselves; inquiring about why we can't sell them at the transfer station. The Finance Director highlighted internal controls and cash management;

there is no real safeguarding of cash at the Transfer Station and it would go against our internal controls. We have proper internal controls, cash management, and safeguarding at the Town Office where the permits are currently being sold.

Heather Ward asked about if there would be an impact to the MIL rate with whichever avenue we recommend to go down with the Transfer Station. The Town Manager, Diane Barnes, spoke to how there are so many other factors that go into the MIL rate, that it cannot be guaranteed.

Jesse Zack had asked the committee to consider the consequences of a Pay as you Throw (per Bag) program – how it would impact families, seniors and others in Town. For example, a family of 6 could have up to 6 bags of trash a week but an elderly couple may only have 2 bags per week.

Many Committee members inquired about other options for the Transfer Station and if anyone has looked at Curbside rates.

Tracy Austin spoke to how Curbside is definitely an added service that would be provided to the residents of the Town of Lisbon but how would we handle OBW? Would we keep the Transfer Station open 1 day per week for the OBW needs?

Curt Lunt had asked to see current Expenses at the Transfer Station on an operational level at the next Finance Committee meeting.

Committee members also asked to see Curbside as an option at the next Committee Meeting and what the pros and cons would be for Curbside.

Randy Cyr and Ray Soucy said that they could inquire about Curbside.

Finance Director, Kayla Tierney highlighted that this is only the first discussion regarding the Transfer Station and that there will be many more discussions to come; these discussions will highlight all options for the Transfer Station in order for the committee to make a well informed recommendation.

5. ADJOURN:

VOTE (2020-8) Curt Lunt, seconded by Dan Leeman, moved to adjourn at 6:00PM.

Vote 5-0 Carried.


Kayla Tierney, Finance Director

Date Approved: 12/28/20