

Growth Planning Committee
Minutes
4/20/2021

Attendees: Dan Saunders, Chair, Jim Fitzgerald, Paul Hogan, Werner Gilliam, Director of Planning and Development. Janet Powell
Absent: Jim McCann, Mike Corsie
Guests: Liz Durfee, Tom Morgan

Dan called the meeting to order at 6:01 PM.

Tom Morgan presented the outline of **Chapter 14 Fiscal Capacity and Capital Investment Strategies**

The introduction of Chapter 14 outlined the intention of this chapter; to assist the Town in planning for the capital needed to adapt to future growth and development while adapting to climate change and sea level rise. More specifically the strategy is designed to:

- Assess the ability of the Town's facilities to accommodate the anticipated growth and prepare it for climate change,
- Identify its capital expenditure needs to service such,
- Evaluate the priority of these needs, and
- Continue to support investments that impact residents' quality of life and maintain Town facilities.

Population Growth

Census Bureau Data available from 2018 sets the permanent year-round population of the Town at 3,582. In season, that number swells to over 12,000. However, Paul stated that the 2020 Census results will likely update this data. Anecdotal evidence shows increased year-round residents at GRB. After discussion, it was decided to eliminate the paragraph referencing Short Term Rentals' impact on population growth. Despite a relatively small year-round population, the Town operates a full services municipality, with a full time administrative team, police, recreation, and public health departments, expanded seasonally to accommodate summer visitors.

Preparing for Population Growth and Climate Change

The 2012 CP recommended the following capital improvements that have been successfully completed:

- Establishment of an emergency management center in the police station
- Construction of a new recreation center
- The rehabilitation of Government Wharf
- The reconstruction of the Ocean Avenue sea wall near Chick's Creek (see 2021 CP Chapter 13)

Chapter 14 also recommends several additional capital improvements.

1. **Expansion of the Village Fire Station**, including conversion of the meeting room into offices for department staff and EMS, and adding bunks for full time employees. Renovation and expansion is proposed for 2025 at an estimated cost of \$840,000.
2. **Seawalls**, two stretches of Ocean Avenue, one 80 ft. long, the other 163 ft. to be rebuilt at a cost of \$2 million.
3. **Municipal Communications Upgrade**, replacement of analog equipment with digital and construction of two communication towers at a cost of \$1.8 million.
4. **Sewer System** current system more than adequate to handle population growth. Historically, the Town has emphasized its gradual expansion but due to its age, sea level rise poses a real threat to the integrity of its 16 pump stations. The Town will focus on protecting infrastructure beginning with replacement of worn-out components in the wastewater plant and the reconstruction of three pumps at a cost of \$6 million. Maine's Revolving Loan Fund will likely offer advantageous terms to assist this infrastructure investment.
5. **Cape Porpoise Pier**, in anticipation of sea level rise, the pier and bait shed reconstruction will take place over a three-year, three-phase period (2022-2-24). The Town will seek financial assistance from the Maine's Small Harbor Improvement Program and the federal Economic Development Administration.
6. **Pier Road**, reconstruct low-lying roadway, mostly that which runs along the causeway will be raised from 7 to 11 feet and widened from 25 to 30 feet for improved and safer pedestrian and bicycle access. Estimated cost is \$1 million.
7. **New Town Offices Building**, a new facility off North Street that would accommodate community needs through 2040 is estimated at \$3.2 million.
8. **Public Restrooms** Town officials have discussed a need for restrooms at Goose Rocks Beach. Additional locations have been eliminated due to zoning or available public access at other nearby locations.

9. **Land Conservation** The Town has met this requirement fortunately through the efforts of the Kennebunkport Conservation Trust, founded in 1973. The Town is grateful for the Trust's efforts to save 2,800 acres from development in Kennebunkport and for providing the public access to many of these conservation areas for exploration and recreation.
10. **Bicycle Paths** the Public Works Department has consistently received funding to widen and improve roads for the safety of pedestrians and bicyclists. After discussion, the consensus was that the Town has and continues to fund and meet this requirement through the Public Works Department.

Expenditures by Category

Actual and proposed expenditures by category are outlined in both table 14-1 and Figure 14-5.

Revenues by Category

Actual and estimated municipal revenues over the past five years are depicted in Figure 14-6 and 14-7. While the Town earns revenue from excise taxes, charges for services, and intergovernmental funds, 86% of estimated revenue in 2022 will come from property taxes which exceed \$20,000,000.

Tax Rate

The FY2020 tax rate is \$9.45 The portion of the rate driven by County and Town spending is holding steady while that of RSU 21 has been steadily climbing.

Tax Rate and Valuation

Figure 14-11 shows a healthy town-wide valuation increase during 2016-2020. In 2019, the valuation was 76% of market value, which at 100% would be \$2.61 billion. This section of the chapter elicited several questions as to the purpose of this data. Tom stated that in order to receive the State's approval of a CP, a town must prove its ability to take on debt. Liz suggested adding data to the tax rate changes in relation to increased cost. Jim added that extending the graphs to show change over a longer period would be beneficial. Werner suggested we project the data into the future to get a peek at where we are headed and help residents understand the impact of big ticket items. Paul suggested the graphs show the data from 5 years ago leading up to 2022. It was decided that Tom and Liz would modify the Revenue and Tax Rate charts for increased contrast and clarity.

Capital Improvements

Kennebunkport maintains a 5-year capital improvement program, updated annually. It extends well beyond the requisite 5-year cycle. That of the Fire Department extends to 2055, Public Works is looking out to 2035.

Funding is achieved through a variety of means including capital reserve accounts, federal and state grants, bond issues and general revenues. The town is currently hoping to secure additional funds for the Village Parcel through federal economic recovery aid. By mixing funding through various sources, the Town has been able to maintain a relatively stable and level tax rate from one year to the next.

Collaborating with nearby communities (Chapter 17) has also advanced the quality of life for residents while remaining fiscally prudent.

Municipal Debt

The State limit on municipal debt is 15% of its valuation. As of March 2021, the Town's debt valuation ratio was 0.5%. At this level, Kennebunkport's municipal debt leaves ample borrowing capacity for additional funds should they be required for other capital improvements.

Public Outreach Event Planning

1. After discussing Jayne Knott's schedule for her upcoming presentation, the Committee agreed on a virtual presentation on June 1, at 6PM, GPC's regularly scheduled meeting time.
2. Liz presented two detailed models that would facilitate the planned summer Public Outreach.(SWOT EVENT) The group preferred a live event over Zoom. Specific topics for community input could be elicited from the public as part of the next community survey.

A live "Public Outreach" event would require a large tent (100 participant limit as per CDC guidelines outdoors) Members agreed to pursue finding one (KCT, Hurricane) The location would require power, parking, restrooms. Liz said a month of advance time would be sufficient. Discussion to be continued at the next meeting.

Approval of the minutes of April 6 was tabled until our next meeting on May 4.

With no new business to discuss, the meeting was adjourned at 7:48 PM.