

Budget Committee Meeting Minutes

January 28, 2026

Naples Town Office: 6:00 PM

This meeting was available for remote connection and can be viewed on LRTV:

(For full details please, right click the hyperlink to watch the full video.)

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1. **Call to Order and Pledge of Allegiance:** S. Hayes called the meeting to order at 6:00 pm, followed by the pledge of allegiance.
2. **Roll Call: Present, S. Hayes J. Gratello, M. Clement, S. Merkle. R. Lessard (Town Manager) and P. Krisko (Finance Director). S. Hoyt and T. Johnson were absent.**
3. **Review Meeting Minutes of January 21, 2026: Motion Passed. 4-0-0**
4. **Old Business:**
 - a. Outside Agencies: n/a
5. **New Business:**
 - a. Capital Reserves:

Overall:

The Town Manager recommends allocating **\$664,000** from capital reserves for causeway improvements, a new ambulance, and paving/road repair. Because these allocations come from reserves, **there is no impact on the mill rate.**

An additional **\$64,315** is recommended to be raised from taxes to build reserves for rescue equipment, compensated absences, legal expenses, and town building repairs.

Causeway Improvements:

 - Reserve Balance = \$93,796.
 - Recommended Allocation = \$92,000
 - Purpose: Sidewalk repairs, railing painting, light pole maintenance, and other improvements.
 - Mill Rate Impact = \$0.

Fire EMS Vehicle Reserve:

- **Reserve Balance:** \$249,961
- **Ambulance Status:** One ambulance is now 10 years old; replacement cost is estimated at **\$380,000**.
- **Financing Discussion – See General Obligation Debt:**

Paving / Road Repair Reserve:

- Reserve Balance = \$743,939.
- TM recommends developing a long-term road funding plan after a full road condition survey.
- Until then, TM suggests planning for **\$400,000 per year**, funded either through taxes or municipal bonds.
- **Mill Rate Impact:** None for this budget cycle.

Rescue Equipment:

- Fund balance = \$2,285.
- Recommendation: Raise \$5,000 from taxes.

Compensated Absences:

- Current balance = -\$2,268 (reserve fund is owed money from checking).
- Purpose: Payouts for unused vacation and personal time when employees leave employment.
- Recommendation: Raise \$10,000 from taxes.

Legal Expense Reserve:

- **Purpose:** Establish a new reserve to cover unpredictable legal expenses, especially for Code Enforcement.
- **Notes:**
 - Centralizes all legal budget into one reserve.
 - Once adequately funded, annual tax contributions would only replace what is used.
 - Currently, unused legal funds revert to undesignated fund balance each year.
 - Long-term effect: **reduced mill rate pressure**

SCBA Bottles:

- **Current Balance:** \$48,000 (with outstanding expenses)
- **Purpose:** Purchase self-contained breathing apparatus bottles (~\$1,300 each)
- **Recommendation:** Raise \$5,000 from taxes.

Town Building Repairs:

- **Current Balance:** \$8,268
- **Recommendation:** Raise **\$10,000** from taxes.
- **Notes:** Many projects remain.

Cascade System:

- **Purpose:** System used to fill SCBA bottles; a new unit is in place.
- **Recommendation:** Raise \$2,500 from taxes to ensure adequate future replacement funding.

b. Capital Improvements:

Overall:

- The Town Manager recommends allocating **\$552,000** for capital improvements, all from existing balances. **No impact on the mill rate.**
- An additional **\$5,000** is recommended to be raised from taxes for cemetery improvements.

Cemetery Improvements:

- **Current Balance:** \$8,265
- **Recommendation:** Raise **\$5,000** from taxes.

Singer Center Repairs:

- **Current Balance:** \$27,000
- **Recommendation:** Allocate **\$15,000** from the existing balance.
- **Mill Rate Impact:** None.

Open Space Parks:

- **Current Balance:** \$26,575
- **Recommendation:** Carry balance forward; no new tax funding.

Recreation Center Project:

- **Current Balance:** \$500,000
- **Recommendation:** Carry balance forward; no new tax funding.
- **Notes:** Funds approved by voters at the November special election.

Additional Discussion:

There was general discussion about consolidating all building-related capital improvement funds into a single Capital Reserve account.

c. TIF Projects and Debt Services:

Overall:

The Town Manager recommends allocating **\$471,698** for TIF district projects.
Most of this money will be raised from taxes.

4th of July Parade: \$25,000.

- Includes the cost of fireworks, Cumberland County Sheriff coverage, etc.
- Raised from taxes.

Causeway Maintenance / Improvements: \$38,000.

- Electrical/irrigation services, banners, decorations, sign repairs.
- Raised from taxes.

Information Center Attendant: \$7,994.

- Raised from taxes.

Causeway Cleaning and Mowing Contract: \$29,450.

- Raised from taxes.

Summer Law Enforcement: \$49,254.

- 40 hours/week from mid-June to Labor Day
- Includes 7% increase from Cumberland County
- Discussion about restoring Warden's Service patrols
- Raised from taxes.

Bands and Concerts at the Village Green: \$9,000.

- Concerts, porta potties, cleaning services
- Raised from taxes.

Events Committee: \$8,000.

- Nine events including July concerts, Christmas in July, July 4th, Christmas on the Causeway, Rocktoberfest, and a new Mother's Event
- Raised from taxes.

Boat Launch Dredging: \$100,000.

- Concerns raised about long-term effectiveness
- Alternatives discussed: removing the launch or redirecting boats.
- **Taken from reserves. No impact on taxes.**
- Little to no support for this request.

Playground Maintenance: \$5,000.

- Raised from taxes.

Rt. 302 and Rt. 11 Intersection: \$200,000.

- Existing contract with State of Maine.
- Scope covers work not covered by the State of Maine.
- Unclear if the project is on track for completion in the next budget cycle.
- **This money would be taken from the TIF reserve. No impact on taxes.**

TIF Fund:

- **Current Balance:** \$911,000
- **Projected Year-End Balance:** \$659,000
- **Trend:** Expenditures have exceeded contributions in recent years.
- **Discussion:** TM reviewed pros and cons of properly setting the annual tax contribution to the TIF fund.

d. General Obligation Debt:

Kent's Landing:

- \$49,208 for principal and interest payment.

Naples Recreational Center:

- Several borrowing options for the \$3 million project were reviewed.
- Maine Bond Bank is the likely lender.
- TM will run additional calculations for a future meeting.

Ambulance:

- Ambulance is 10-years old.
- Standard practice has been to replace them at 10-years. Done to maximize reliability of service. Don't need vehicles breaking down in emergency situations.

Lowest Total Cost to Own (Principal + Fund Take + Interest)

Option	Principal	Take from Fund	Interest Rate	Period	Interest	Principal	Take from Fund	Total	Annual Payment
A	\$ 200,000	\$ 180,000	2.97%	5	\$ 15,464	\$ 200,000	\$ 180,000	\$395,464	\$ 43,093
B	\$ 200,000	\$ 180,000	5.40%	5	\$ 28,660	\$ 200,000	\$ 180,000	\$408,660	\$ 45,732
C	\$ 200,000	\$ 180,000	2.97%	10	\$ 31,414	\$ 200,000	\$ 180,000	\$411,414	\$ 23,141
D	\$ 200,000	\$ 180,000	5.40%	10	\$ 59,275	\$ 200,000	\$ 180,000	\$439,275	\$ 25,928
E	\$ 380,000	\$ -	2.97%	10	\$ 59,686	\$ 380,000	\$ -	\$439,686	\$ 43,969

Lowest Payment

Option	Principal	Take from Fund	Interest Rate	Period	Interest	Principal	Take from Fund	Total	Annual Payment
A	\$ 200,000	\$ 180,000	2.97%	10	\$ 31,414	\$ 200,000	\$ 180,000	\$411,414	\$ 23,141
B	\$ 200,000	\$ 180,000	5.40%	10	\$ 59,275	\$ 200,000	\$ 180,000	\$439,275	\$ 25,928
C	\$ 200,000	\$ 180,000	2.97%	5	\$ 15,464	\$ 200,000	\$ 180,000	\$395,464	\$ 43,093
D	\$ 380,000	\$ -	2.97%	10	\$ 59,686	\$ 380,000	\$ -	\$439,686	\$ 43,969
E	\$ 200,000	\$ 180,000	5.40%	5	\$ 28,660	\$ 200,000	\$ 180,000	\$408,660	\$ 45,732