

Present: Robert Fisher, Rebecca Davis (Chair), Edward Strong (via SKYPE), Donna Murphy, Rosanne Adams, Phil Lytle, Bill Jacques

Also present: Peter Dennett, Denny Lentz, Robert Pomerleau

Meeting opened at 6:34 PM.

BUSINESS

1. Minutes of March 18, 2014: MOTION by Jacques, 2nd Fisher to approve as read. VOTE 5-0. Chair and Strong concur.
2. Meet with Peter Dennett, trustee of the Wm. Fogg Library to discuss their budget. Mr. Dennett went over a brief history of the library, the bequest of Fogg, etc., budget items and their background information and then answered questions. He spoke to the following points:
 - Maintenance includes painting the inside of the old part of the library and doing structural repairs over the windows in the Sarah Farmer room and entry where it is sagging.
 - Utilities – There has been a 63% reduction in the consumption of oil with the installation of a new boiler and 3 heat pumps.
 - Technology – They have replaced 2 computers and will have to replace a 3rd. This account also covers hardware updates and maintenance. The internet access is funded by the State and he believes the computer services they provide benefit the town.
 - Revenue coming in – the average is \$13,000
 - Grants – They receive a number of grants (although not on a yearly basis). They include: *Stephen and Tabitha King(2); Libra Foundation; Davis Foundation*. They don't designate what they are to be used for. The Library submits what they will use it for. The Libra Foundation provides support for Librarians.
 - Fundraising – The *Friends of the Library* provide the passes for the Museum of Science and Strawberry Banke and provide misc. materials needed by the librarian such as bookcases. They bring in \$4000-\$5000 each year. The library holds two large fundraisers – the Valentine Chocolate Sale and an event at the Regatta. They also have a sale in the fall. These raise about \$4000.
 - The Trust Funds – Mr. Dennett explained that Dr. Fogg gave \$10,000 to build the library and the rest of the monies were designated by Dr. Fogg to be held in trust with the income from it to maintain the library operations. They were able to use just the income up until around 1975 when they came to the town to ask for help. He noted that the addition to the building was raised entirely by the library and no town monies were used. Up until the addition was built the library was open 13 hrs. a week. The hours were then able to be increased with the building of the addition. There is approx. \$1,169,000 in the Trust. In the last 20 years the trust has contributed well over 1 million dollars to the support of the library. Juliet Worster, in her will, left \$140,000 to be used for a building to have her name on it. Following the restoration of the ell in the Fogg House it was named for Ms. Worster and the balance was placed in the trust as was the \$65,000 received a few years ago from Alberta Remick so that the equity could be built to generate income.

- They are looking at \$77,937 coming from the trust fund for this year. Taking out more than 5% is not deemed advisable. Monies held in trust, of which only the earnings can be used, amount to about 40% of the holdings which are in 4 managed accounts with Edward Jones. 45-46% are in bonds and the rest are equities. Bonds did not do well this year and they are looking at changes to this allocation. Many of the equities pay under 2% and Bonds go around 5-5 ½ % averaging out to about 3 ½ % a year which translates to around \$35-38,000 pure income. He didn't have the previous year's growth amount. :
 - \$477,804 – Bond Fund
 - \$285,000 – Growth Fund (stocks)
 - \$195,000 – Foreign Stock Fund
 - \$180,276 – High Yield Notes
 - Personnel – The library offers no fringe benefits. There is one salaried staff and the others are hourly. The Friday hours have been reduced and possibly, if the town meets the request, without the cuts, the hours could be put back. Last year the request was \$130,500 and it was cut to \$112,000. The trustees changed hours, cut back on purchase of books and periodicals and some building maintenance. He said he really hadn't heard any complaints about the hour cuts.
 - Salaries are up \$10,000 from last year. Mr. Dennett explained that this was due to the hiring of a bookkeeper. He had been doing this for them for 5-6 years but with the possible accusation of financial impropriety he stepped down. The cost went from \$2000 to \$12,000.
 - Asked about the possibility and any plans for being self-funding Mr. Dennett replied that past experience is not indicative of the future. They have not projected any figures. The funds (equity) grew by about \$160,000 in the last year which represents a 15-16% increase. Although he would like to think that being self-sufficient is a possibility it would take a balance of around 5 million to generate the monies for that to happen.
 - He said that town funding at \$145,000 would be the ideal situation to minimize what would be needed to be taken from the trust for operations.
 - Membership – There are 2500 adults and 600 children who utilize the library. They do try to update the list. It was noted that there is high attendance in both children and book club programs.
 - Asked what will happen if the cuts remain in place Mr. Dennett replied that they would try and reduce expense as much as possible and if they have to they would take the money from the Trust. At that point they would have to trade in stocks/bonds to make up the difference.
3. Develop Statement of Intent – Budget Committee rationale for this year's recommendations. AGREED to table while Chair works on a draft form for our review.
 4. Warrant Article review – setting priorities – The Chair asked if we want to qualify the cuts or let the Town Manager work with the budgets as presented. She felt there were several departments and things that needed review and she had more questions. Work on those that we think we have the most questions on, not necessarily starting from the top and working our way down. Robert F. suggested starting with those that we know we are going to have problem with at town meeting such as the Library. There was discussion

concerning qualifying the reductions that we set and the need for fairness such as when dealing with outside agencies vs. town committees. Donna raised the question of justifying cuts to the Budget Committee and Conservation Committee which are town committees and just handing \$3000 to the Eliot Historical Society that is not even a town committee. Robert F. said they (social services) are not just getting money from us but from someone else also. They are all getting a pool, just a little bit less. Denny Lentz spoke to the Historical Society and explained that this belongs to the town, the things they keep. The collection belongs to the town – the antiquities of the town. They care for the schoolhouse and collections that belong to the town and pay \$100/month to store the things. It's at least \$2000. Yes it could be cut a little. The majority of what is being asked for supports the town. Donna asked about the account balances. The building fund is a little over \$20,000 and believes a little over \$2800 in the checking. The exact figures weren't available.

Ed spoke to keeping things under the LD1 figure and looking at the causes of the increases. It was followed by discussion on the derivation of the LD1 figure by the Town Manager and what others have come up with. Ed said we would have to use the official LD1 number in the Warrant Articles even though he disagrees with it. Not all members agreed with that. Rosanne said that trying to explain what we may think the LD1 number is verses what the number is in the Warrant Article would be too confusing for the public and is really not necessary. All they need to know is where we are over/under the cap set this year.

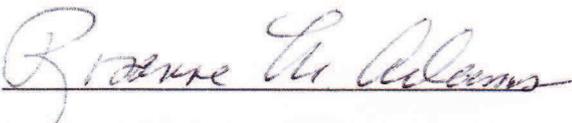
Discussion continued concerning what the philosophy of the committee will be – to use the LD1 figure or just flat fund the budgets and attempt to keep under last year's cap? LD1 is important and is a safe guard but what is important is what we spent last year. Robert Pomerleau said LD1 is important to look at as a ceiling. Phil shared an email from the town manager (4-13/14) seeking more explanation on the reason for the cuts we have proposed.

5. AGREED to decide on the articles to be covered at next meetings, noting cuts and any questions. April 15: Rosanne will work on ADMIN and Bill, Rebecca and Donna will work on ECSD. April 22nd: Ed will work on the Police Department for future meeting. FIRE DEPT seems done. Rebecca will send out the 3% amounts for each department so it can be figured in.
6. Informational session has been changed to 27th May (Tuesday).
7. Budget Meetings: Room will be tentatively reserved for Tuesdays for the month of May.
8. Town Meeting: It was noted that Graduation is the evening before the town meeting.

Meeting adjourned at 8:40PM

Next Meeting: April 15, 2014

Respectfully Submitted by



Rosanne Adams, Recording Sec.

Date Approved: 3-18-2014