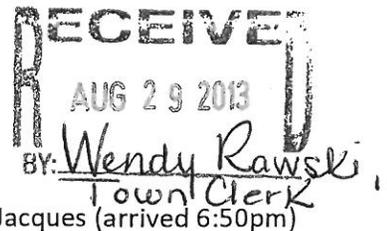


ELIOT BUDGET COMMITTEE MINUTES
MAY 30, 2013



PRESENT: Rebecca Davis, John Reed, Edward (Ed) Strong, Robert (Bob) Fisher, William (Bill) Jacques (arrived 6:50pm)

ABSENT: Jeff Pelkey

Chairperson Davis called the meeting to order at 6:05 pm.

BUSINESS

April 23rd minutes were presented. Motion made by Strong, 2nd by Reed to accept as written. VOTE: 3-0. Chair concurs.

Next Meeting – Tuesday, June 4th at 6PM.

REPORTS

A synopsis of the costs presented by the ECSD for its move to the school was presented by Bob Fisher.

John Reed reported that he is still working on a mailing for the Budget Committee and it will be discussed at the next meeting.

The process of doing a mailing was explained by John Reed.

Rebecca Davis reported on the progress with the comments for the warrant articles that was being worked on. Plan to finalize and vote on at next meeting.

Received email from the Solid Waste Committee inviting BC members to a meeting June 5th. There was CONCENSUS to ask if we could re-schedule till after the town meeting.

Rebecca asked and received APPROVAL by CONCENSUS to place the spending summary sheets on the town's website and also to put on the eliot-on-line list serve and to produce a handout for the town meeting.

REVIEW OF COMMENTS ON WARRANT ARTICLES

Review and discussion for warrant articles 2-32 and changes were made by the committee. It was AGREED that members will send further comments to the Chair for final reading at the next meeting.

Meeting adjourned at 7:00PM on Motion of Strong, 2nd Fisher. VOTE 3-0. Committee then opened the meeting to a Public Hearing on the Budget Committee's recommendations.

7:05 PM BUDGET COMMITTEE PUBLIC HEARING

John Reed welcomed residents on behalf of the Budget Committee and then explained some of the "new" items that appear on the warrant this year – Article for road maintenance and repair, the TIF Sewer Expansion Project, change in Eliot Police Department with Eliot sharing the Chief with Kittery. He noted that spending is again UP; that the committee's effort is to reduce the increase; there is quite a bit of monies that are being taken out of the Undesignated Fund that needs to be considered and that the County Tax article monies come from this fund. He explained that it is a onetime cost necessitated by the change in the county's fiscal year and it is due in December. Reed talked about the school budget which makes up the largest part of the overall town budget. The State is dumping costs back to the towns to resolve state budget issues. Revenue sharing will be down resulting in a predicted mil rate of around 14.0 (from 13.1). This is a 6.50% increase. He talked about how this impacts the taxpayer and that we are paying 42% more tax than 10 years ago, and in this 10 year period the town portion of our taxes has gone up 76%. The budget committee has no say over the school budget but if citizens want to effect a change then they need to attend the school budget workshop

meetings and make their voices heard. John explained that this was his last year on the Budget Committee. He has been on the board for 6 yrs and he hopes that if anyone has an interest they will consider the Budget Committee or any other town committee that interests them.

Rebecca Davis spoke about the Undesignated Fund and its use. She explained that using it to pay for town costs is very deceptive to seeing what the town is truly spending. Taking from this account doesn't affect your tax rate but the budgets keep increasing and so the public isn't aware of what running the town really costs. We need to make good decisions about what we really want to spend. She explained that there is still a problem in the town with transparency and getting good information on what monies are spent on. Rebecca went on to introduce the Budget Committee's "Spending Sheet Summary" and "CIP Plan Sheets". Ed Strong then explained what the CIP is.

PUBLIC QUESTIONS/COMMENT

PQUESTION: Why do the Selectmen believe the TIF project is good and why is the Budget Committee against it? Bob Fisher commented on his view of project stating that he is for the TIF also. He explained the benefits to S. Eliot residents and the increased property taxes because of growth in this area. He also addressed the ESCD move, the Fuel Fund article and the Police Chief split with Eliot which he believes will save the town money. Ed Strong gave his views on the TIF and explained why he was and still is not in agreement with it. John Reed commented and explained some of the benefits of the project related to the costs. Rebecca Davis spoke to some of the studies she and other have done and the figures. Bill Jacques suggested the public send a letter to the newspaper with their questions as a way to get the public to think about the issue. The public also commented on their feelings about the project.

PCOMMENT - need to decide if we really want this sewer project AND need to be clear that we are not talking about the TIF but the project.

JOEL/PUBLIC WORKS – He assured the public that the problems with the management of the S. Eliot sewer will not happen again. It will definitely be handled differently. There is a rate review going on and the plans call to review the rates every two years and adjust the rates every 5 years.

PCOMMENT – need to vote their consciences [on the Sewer Expansion article] however know that if it gets defeated it will be on the ballot again. It is not going away.

PQUESTION – What is the source of the monies in the Undesignated Fund? John and Rebecca explained that they come from budgeted monies left over at the end of the year from department budgets and from excise taxes, permit fees, etc. collected by the town.

PQUESTION – What happens if the School Budget is voted down? Ed explained that the school has to make do with the same amount that was raised last year.

Ed then explained some of the increases in the budget – Article for Road Repair and Maintenance; monies for Bridge Repair. He also spoke about other departments and whether there was an increase, decrease, or neither (Police) in each. Joel spoke to the issue of the Road's article and that to rebuilt all the roads is going to cost 7-7.5 million to bring the roads up to the standards. The idea to float a bond for this was weighed against establishing this Reserve Account and the Selectmen decided to go the way of the Reserve account, putting in \$500,000 each year.

PQUESTION – When you say the Police Budget was flat funded – was overtime considered in this calculation? Answer was NO.

PQUESTION – There is an increase of \$200,000 in the request for the \$500,000 for the Road Maintenance and Repair Reserve Fund? Joel replied – YES, it is \$200,000 more than what he asks for each year.

PQUESTION – In the ECSD budget the benefits account for 65% of the employee costs. Are there employees in the department that aren't reflected in the budget? Ed responded that YES. The reason they look out of wack because some salaries are paid out of program fees (Enterprise Account) but not the benefits.

PCOMMENT – the supervision that the Selectmen have over ECSD is abysmal. We are now being told that we are asked to spend \$60,000 (to move the department) but it won't cost that much? Ed explained that it was a quick draft bid to get the item on the warrant.

PQUESTION – the sense from meetings is that the Budget Committee has not been able to get the information they need. You are our voice and the only way you can provide good information to the public is for you (the BC) to get good information. Rebecca encouraged the public to speak up and Ed commented that it has gotten better and that department heads are more receptive than ever although some are still a problem. He praised the public works director for his cooperation with the Budget Committee.

PCOMMENT – Voters in town have to get involved and make their voices heard. Ed spoke to the idea of having the warrant articles voted on by secret ballot as a suggestion for the future. Bob spoke to Article 51 which overrides whatever has been voted and caps the spending at an amount which the states sets. This would effectively reduce the budget as the amount this year is lower than the selectmen's proposed budget.

PQUESTION – is there any way to put Article 51 first on the agenda? Answer was YES, it can be done by making a motion to take it out of order. It was explained then that the moderator will ask for a vote from the floor and if it passes then it can be. The questioner asked if someone would 2nd it and then said he will make the motion.

PUBLIC QUESTION – the Town Manager article doesn't have a price on it. Is there one and why isn't it on the warrant? Answer – YES, it is estimated at around \$110,000/year. It would not go into effect till next year and should be on next year's warrant.

Bob spoke to the issue of the Town Manager and the need for a Town Charter saying that in the Charter it would spell out just what we expect from the TM and not just what the State mandates say about it. He announced there would be a citizen's petition for people to sign at the Town election on June 11th that would set up a Charter Commission to draft a town charter. John also spoke to this and said that we have known that the Administrative Assistant was going to retire and we would need someone. The town should have had a plan. A Charter could better define the Budget Committee's role and responsibilities.

The meeting closed by budget committee members encouraging people to get more involved, weigh the information and show up at town meeting and VOTE.

Public Hearing closed at 8:50PM.

Respectfully submitted,



Rosanne Adams, Secretary

Approved by,

 06-12-13

Rebecca Davis, Chairman Date