

SPECIAL BOARD OF SELECTMEN'S MEETING
August 2, 2012 5:30PM

Quorum noted

5:30 PM: Meeting called to order by Chairman Moynahan.
Roll Call: Mr. Moynahan, Mr. Murphy, Mr. Beckert and Mr. Hirst.
Absent: Mr. Dunkelberger.

Pledge of Allegiance recited

Moment of Silence observed

New Business (Correspondence List):

#1 TO : Board of Selectmen
FROM : Richard Donhauser, CPA
REF : Proposal to provide consulting services for the Town of Eliot

Mr. Moynahan said that this was to be a discussion about the auditor and what and how to proceed with some of this stuff. He added that they had correspondence from Mr. Donhauser outlining some potential costs as well as roles, responsibilities, duties, areas that may need attention or reworking. He said that the letter outlined several areas under Exhibit A – Description of Consulting Activities: Nature of Services. He added that he thought that the auditor has come up with what his opinions were, what they were lacking and what they needed to do in order to solidify the financial dealings of the Town. Mr. Moynahan said that he did not think tonight would be the time to do any type of hiring but would use this to educate themselves and discussion of what they would need to do to move forward. He added that he thinks Mr. Blanchette has provided an RFP for similar services.

Mr. Blanchette clarified that the RFP was created by Mr. Donhauser. He added that they both came from him and were not dealing with the current proposal but for proposals for auditing.

5:42 PM Mr. Dunkelberger is present.

Mr. Beckert said that he had gone through this proposal from Mr. Donhauser dated July 26, 2012 and it was pretty comprehensive if they were to hire him through this proposal as a consulting CFO. He added that it went to most, if not all, of the points that were lacking in his opinion in the audit – to have somebody filling in this consulting capacity to handle things like the financial statement, making sure the accounts were all in line, and all the recordings were done to the accounts as they needed to be – that was what this July 26 proposal was. He added that the other two they received today were two different forms of a RFP for hiring a new auditor, adding that Mr. Donhauser had indicated that he did not want to be the auditor this next cycle and that he had done it for enough time and he felt the Board should go out. In going through the proposal, Mr. Beckert said that, if they were to hire him or someone to do this type of proposal, then it would alleviate about 99% of the shortcomings that were in his management letter.

Mr. Hirst said that he didn't think it addressed the debit card situation or the personal property tax collection protocol.

Mr. Beckert agreed that was about the 1% that it didn't cover.

Mr. Hirst said that that was something the Board should do anyway.

Mr. Beckert agreed that was something internal that the Board needed to discuss.

Mr. Moynahan said that he thought that what they needed to do was to look at this, as some of this was laundry-keeping to get them up-to-date on what's deficient. He added that, if they extended this to a four-month period, then it was \$100,000 of deficiencies but how much of that would be repetitive costs each year – and this was just one person's proposal. He said that they would certainly want to get multiple proposals for an expenditure of this amount but they had a break-down of August, September, October and November for \$32,000 and some of that was going to correct, as Mr. Beckert just mentioned, where accounts were not in line with where they should be so they would clean up some of the accounting problems but were they going to be

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repetitive problems in the balance of the four months from there; once that was done would those fees be reduced.

Mr. Murphy said that he wanted to have someone here in the office to work along with Mr. Donhauser during this four-month period so that they would not have to hire Mr. Donhauser again but would transfer to this office or to someone in this office the knowledge that he said ought to be here. He added that Mr. Donhauser didn't mention in the proposal that he would be working with someone here in order to pass his information on and to develop and write down the structure of how things worked in Town so that would be available for any other person to come in and become the part-time CFO, shall they say, and Mr. Donhauser didn't have to be hired at this cost every year to do the same thing.

Mr. Moynahan said that he thought Mr. Donhauser offered to submit a proposal of what the Board would be looking at, and doing that as a courtesy, but the Board could tweak any RFP for that type of service or however they decided to move forward with that to define that, to work with Town staff or to clarify urgent needs versus ongoing needs that better defined what they would be looking at from that position – whether it was staff or consulting or what-have-you.

Mr. Murphy said that Mr. Donhauser's proposal didn't solve the Treasurer's problem of needing another person there helping part-time.

Mr. Beckert said that it did address, on page 7 of 7 at #21 to “review the work load of employees within the Tax Collector/Town Clerk's office and make recommendations regarding possible work load redistribution.”, adding that it did address it but didn't say who was going to solve it or who it would be redistributed to, but it did address that and making those recommendations. He said that it also addressed looking at” the accounting and underlying record-keeping methods of the Community Services Department and make recommendations for improvements to enhance the flow of accounting information to the General Ledger.” He said that he thought that this type of proposal, whether it be him or somebody else, then they may want to tweak it, as Mr. Murphy said. Mr. Beckert reiterated that he believed this proposal covered about 99% of the shortfalls he mentioned in his management letter.

Mr. Moynahan said that #15 “Assist in the preparation and/or prepare the individual fund financial statements for all funds.”, so that certainly covered some of what he had been doing.

Mr. Beckert agreed, adding that what he got out of the management letter is that they should have someone independent and that made sense; that they would want someone independent of the auditor providing the financial statements for the auditor to review.

Mr. Moynahan said that assisting would assist Ms. Spinney, perhaps, to do so and that would take some of the workload off if that person were to assist in preparing those statements.

Mr. Murphy said that that would happen next year. He added that he was hoping they could solve this by getting someone there for a one-time fee, such as with Mr. Donhauser, to prepare someone here who would then not need Mr. Donhauser next time and would continue to be available to assist, year-round and part-time, Ms. Spinney to keep up these records.

Mr. Moynahan said that they could certainly prepare, based on the information that Mr. Donhauser provided, a RFP and solicit pricing from independent companies – the immediate needs were x, y, and z and the year-in/year-out needs were the balance so that quotes could be broken out that way. He added that right now the way to fix the way that all the funds were integrated would take this much money but, yearly, to prepare the financials and oversee to make sure everyone was doing what they were supposed to be doing and not one person responsible for all the financials, which was a big concern, and how much did that cost, separately. He clarified that they had a one-time fix, as Mr. Murphy was talking about, and then they had year-in costs, whether it was four hours a week or...

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Mr. Murphy said that he thought the one-time should be Mr. Donhauser because he was the one who knows the system. He added that he didn't think they would want a stranger to come in and have to figure out how the Town worked in order to train someone else. He said that Mr. Donhauser already knew that and it would be most efficient to pass on his knowledge to their new, part-time internal worker. He added that that part-time worker is the person they should be trying to hire.

Mr. Moynahan said, regarding a new hire, whether it be staff or outside consultant or whatever they chose to do and budget for, he thought they needed to identify the costs associated, also. He said that, for four months, this specific proposal took care of the Town's deficiencies and prepared the audit for the upcoming year. He asked if it would be ready at that point; was it ready to solicit other consultants. He said that, moving forward, what they were looking for was to prepare the audit, oversee that all transactions were done properly, and what did that take or cost.

Mr. Murphy said that he still thought that whatever Mr. Donhauser did now should involve this new person so that the new person could see what was being changed so that that person wouldn't just be presented with something and not know how it was gotten to, with constant references now to the way it was before – that person should be involved right from the start with whatever Mr. Donhauser did.

Mr. Hirst asked who they would hire and with what money would they pay such a new employee.

Mr. Moynahan said that they did increase the line item for auditing services this year in preparation for some of the financial requirements that they were going to face so they certainly had a little bit of ability to fix some of this stuff.

Mr. Hirst said that he thought they appropriated \$25,000 and that would be taken up almost entirely by the new auditor, if they could get it for that.

Mr. Moynahan asked Mr. Blanchette if he remembered how much was budgeted for the auditor.

Mr. Blanchette said that he wasn't sure but thought it was around \$25,000, adding that he didn't think that the new auditor would necessarily be \$25,000 if someone else prepared the statements.

Mr. Moynahan said that that was the expectation; that if they had taken care of their laundry, then the next auditor, although it might be more than they currently pay, would not be exactly what they had budgeted for because the financials would be prepared. Addressing Mr. Hirst, he said that that was the sticking point – how to prepare it and how to give it to that next person – but they needed to do something for that so that would come with a cost - where the new auditor would come in and be at least that price to prepare like what Mr. Donhauser had been doing.

Mr. Hirst said that what he thought he heard was that they wanted to put the proposal to do the consulting out to bid.

Mr. Moynahan said that that was not for him to say; that his opinion with any expenditure like that is that they should have three quotes.

Mr. Hirst agreed.

Mr. Moynahan further said that he thought Mr. Murphy made a very valid point in that Mr. Donhauser has been involved with the financials in the Town for a significant period of time, so, did they segregate or separate some of these responsibilities and ask their former auditor to do a portion of it and then separate what they would be hiring someone else for, with him overseeing and assisting this person.

Mr. Hirst said that his take on it was that they were in a time constraint here; they had budget preparations coming up pretty soon and, when one thought about it, Mr.

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Donhauser was intimately familiar with everything and, if they could make a deal with him, then he thought that he would be willing to not put it out to bid because of the urgency and the critical mass of the whole thing.

Mr. Moynahan reminded the Board that it was their policy, unless they went against that, to solicit more than one.

Mr. Hirst said that he understood.

Mr. Murphy said that he thought that going out for a new auditor, then they would certainly do that, but that he thought this was a special case where Mr. Donhauser has a huge amount of detailed knowledge, whereas, a stranger coming in was going to flounder trying to figure out what was Eliot, that person would spend months learning what the Town was and Mr. Donhauser knew that right now and could start right now making changes and teaching the part-time CFO who the Town would hire.

Mr. Moynahan said that that was two costs.

Mr. Dunkelberger clarified that, since they were talking about the potential for contracting with a new auditing agency for a period of three years or so, at least that was the gist of what he got from Mr. Donhauser the last time they talked with him, subcontracting the audit preparation he thought that Mr. Donhauser offered to do a lot of this, for lack of a better term, pro bono, but was that fair. He added that, in subcontracting the audit preparation (financial statement preparation) for this year would allow whoever they finally decided on for an audit agency to get up to speed that much quicker, then maybe the following year, look at putting out for bid the financial statement preparation or figuring out the position in-house because he knew they had talked about a CFO – something to that extent – he thought that might be one way to go.

Mr. Beckert said that he thought that was what this July 26 proposal from Mr. Donhauser did; it covered the consulting CFO position.

Mr. Dunkelberger agreed and said that they had not really decided that that was the direction they would take.

Mr. Beckert said that he thought that, if they were to do something like that rather than jump out there and hire somebody else as part-time along with them to learn, he thought they needed to look at what staff could do and what staff could pick up because, if they realigned the way the books were kept and do what Mr. Donhauser was saying in this proposal, as far as realigning the method that they were using, then they may find once it was realigned that things would go a lot smoother, quicker, and they could comfortably reassign those duties to internal staff rather than going out to hire someone part-time right off the bat. Mr. Beckert said that that was his take and he would support doing it in that method. He added that, if they got into it and found it wasn't going to work, then he said he would look at it and make recommendations and, then, they could shift it part way through it if it became a problem. He said that he thought they needed to give it a chance, first, to bring someone like him on-board, and do it internally with the people they had on-board now in the current staff without taking on any other expenses other than hiring the consultant.

Mr. Moynahan said that, moving forward from that, the mention of having one person with the oversight of all of that, they would still need determine who that was.

Mr. Murphy said that he thought Mr. Beckert's suggestion was good, that they didn't need to hire someone from outside and they had discussed this before about the possibility of training inside. He suggested that maybe more than one person could be involved because they would be pulling information from another and could be a team that cooperated and that would be even better for the Town because they would have shared knowledge in this need to pull everything together into one picture.

Mr. Beckert said that he thought that, if the cross-training was done properly by the consultant the first time around and they picked it up, then, if they had to hire a consultant each year just to come in to prepare the financial statements, then it should

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be a lot easier because the information would be there – the flow of financials from the accounts to the ledgers should be there if they were trained properly.

Mr. Murphy said that, furthermore, Mr. Donhauser has already been working with these very personnel and they knew what questions he would ask and where to find the information each time he has come in and, so, would very quickly understand what he wanted and be brought in to the process of explaining the joint structure, the final structure. He added that he thought that might work very well. He said that it might require a little extra work during the time period for them to work together to accomplish this but, having got it done, then they won't be doing other things and there might be enough change to the total office work requirement.

Mr. Beckert said that he thought they needed to understand and keep in mind that they were playing catch-up to correct these things and, yes, the up-front cost and time involved would be more than what they were used to, at first, but it should level out and even drop off if they got it into a system where it was correctly flowing.

Mr. Murphy said that this may require some software updating.

Mr. Moynahan clarified that it seemed the way they would move forward was with very similar services as has been provided. He said that he thought the question remained as to whether they should solicit additional proposals or invite this gentleman in to executive session to discuss roles and responsibilities and better define what they were seeking for the dollar figures. He added that this was certainly something they could not do without being in executive session to talk about staff and consultants and that sort of thing.

Mr. Murphy said that he thought that they should do that with Mr. Donhauser and, along with that, they should talk with the front office staff with Mr. Blanchette to ask their opinion to see if they could be used or wanted any part of it – that they might not – but he thought that they would be delighted to improve what they were doing and make it work better and to connect to the whole system but he didn't know.

Mr. Blanchette said that he thought it was a little early to involve the staff. He added that he thought that that was what Mr. Donhauser said in one of his points, that he mentioned that that was going to be one of the things he would look at.

Mr. Moynahan said he mentioned in his proposal meeting with boards, as needed, or whoever the person would be, that he would come and say that he thought a particular staff member could perform these duties and this staff member could perform these duties, early on, so that they could have a chance to work with the staff to say that part of their weekly duties would now include this financial report.

Addressing Mr. Moynahan's original question, Mr. Beckert said that, in this particular instance, he would not have a problem not going out to bid on this. He added that, like others said, he believed Mr. Donhauser had the knowledge of the Town's finances and to go out to bid and hire someone who has had nothing to do with Eliot's finances would just be starting from ground zero, taking a longer period of time to get this rolling and get the fixes in place.

Mr. Moynahan asked if they should invite Mr. Donhauser in to their next meeting to discuss, in executive session, some of this in better detail.

Mr. Murphy moved, second by Mr. Beckert, to invite Mr. Donhauser to the next Board of Selectmen meeting to discuss his proposal.

VOTE

4-0

Chair concurs

Mr. Moynahan said that the second piece of this was that Mr. Blanchette provided a RFP for auditing services for the next auditor.

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Mr. Blanchette said that his recommendation to the Board at this time was to take it home to read and review it and, if the Board did decide to hire Mr. Donhauser, then he could work with the Board to prepare the RFP and put it out and so forth. He added that they needed to know, when they put it out, that they had someone who would prepare the financial statements and, obviously, if they hired him then they would know.

Mr. Moynahan said that he thought that was a smart move so, if they saw anything that was glaring, then they could make some comments and, other than that they could hold on to these until they met at their next meeting with Mr. Donhauser.

The Board agreed by consensus.

#2

TO : Board of Selectmen
FROM : Budget Preparation, no correspondence
REF :

Mr. Moynahan said that Mr. Hirst had put a model copy, with timelines, from MSAD #35 in everyone's box and invited Mr. Hirst to discuss what he had provided.

Mr. Hirst said that this was an example of what MSAD #35 used as their set of priorities for getting stuff done. He added that they also needed to be aware that the Selectmen's policies and the policies governing the activities of the BC have specific timeline dates already in place, so they needed to keep that in mind as they looked at this document. He said that he thought this could be a model for them to use in setting dates certain for the accomplishment of different components of the budget process.

Mr. Moynahan agreed, adding that he thought the timeline was a little bit lengthier than what they would be after but thought this was exactly what they were after. He added that they should have specific meetings with department heads and move on but that timeline was going to be smaller. He said that it seemed they were repetitive in their printing of paper and meeting with department heads with the same questions asked and answered. He added that he thought they should be tasked to spend more time with the department heads to understand their financial requests and the Board come up with their own opinions and recommendations to that, finish it, and provide it to the BC to review to make their recommendations from there, with timelines.

Mr. Murphy asked if they wanted to have an initial meeting with the BC.

Mr. Moynahan said that they already had one scheduled, adding that there was a date but he did not have that in front of him.

Mr. Blanchette said that they wanted to do it in August and there was talk about the last meeting in August, or workshop, and that would be two different dates – one would be August 23 and the other August 30.

Mr. Moynahan said that when they prepared the agenda tomorrow they would determine which one and set that up, where they were in the month now, and give advanced notice to the BC to meet with them to see if that would work for them.

Mr. Hirst asked if they wanted to develop a potential agenda for that meeting.

Mr. Murphy agreed there should be an agenda.

Mr. Dunkelberger asked if they wanted to use this as a model for developing a timeline for the BOS. He suggested a subcommittee or someone to meet with Mr. Reed to come up with a model before they had a meeting so that they had a starting place rather than start from square one while they were all sitting around the table. He said that he thought that things would go more effectively if they had some kind of framework already set.

Mr. Moynahan said that his opinion has always been of the set that it was the Selectmen's budget so, it was their timeline, but the key component to this would be to

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offer the BC ample time to review the BOS's findings and recommendations so that they could act upon those – certainly included along the way, but this was going to be the Board's timeline. He added that the department heads would be directed that their financial reporting, complete, and all boards and committees requesting funds, would have to be in by certain dates so that they no longer went to a budget meeting missing three leaflets from a committee, etc.

Mr. Dunkelberger said that he would be happy to at least give them a starting point, that he could set up a notional timeline and he could send it to Mr. Blanchette to distribute.

After some discussion, it was decided that the key starting date was when everything had to go to print.

Mr. Blanchette said that the key deadline for the printer was April 30th.

Mr. Moynahan said that they could work back from that to give ample time for the BC to do their work and, then, backwards from that for the BOS to meet with department heads and committees. He discussed when they should have department heads in around the department head request to give them six months from the start of their fiscal budgets for the purpose of creating dates in the timeline, suggesting sometime from December or January on might work for the department heads.

Mr. Murphy said that he thought that they should start earlier than that knowing that they would quickly adjust the figures. He added that they should start getting practice in keeping up-to-date with their costs.

Mr. Moynahan said that he was just making the comment that he remembered there was some requests from the department heads to allow them a certain timeframe which he thought was six months.

Mr. Dunkelberger agreed, saying that didn't mean they couldn't meet beforehand to provide guidance.

Mr. Moynahan agreed, saying that he was just addressing the date requirement for department heads to have their information in.

Mr. Hirst said that their policy very clearly stated that the letter to department heads will go out by September 15th and budgets will be in by November 1st, at the latest. He added that, if they were going to follow policy, then they needed to stick with those dates unless they wanted to change them. Mr. Hirst said that the problem was that two of the department heads came to the BOS last year and said that they needed to have six months of budget under their belt before they could do this, so the BOS violated policy and allowed them to go to January 1st and, then, some of them still didn't make it by then. He said that he thought the dates certain were critical to this process.

Mr. Murphy said that it seemed to him that these departments didn't have to wait until December before they started getting their budget together. He added that they should be practicing it right along and they might know some things immediately and let them fill it in as they came to know and improve their figures and have a final cut-off in January, or something, when they knew so much that there was no question. He reiterated that they should have tentative ones and get in the practice of thinking about that very soon, he thought.

Mr. Hirst suggested that they could do six months, they could do five months.

Mr. Moynahan reiterated that he was just pointing out that there was a request from department heads to have a substantial amount of their current fiscal year's expenditures and costs so they could better prepare a budget.

Mr. Murphy agreed it would be better and better; the closer they were to the end of the year, the better their estimates were going to be but he thought they should start earlier. He added that the first figures they gave the BOS could be tentative.

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Mr. Moynahan said that what happened last year was that some department heads came in three times and they reported on the same things. He added that the BOS's job was to give directives of what the Board was looking for from the department heads for a budget, so, they shouldn't be coming in multiple times, that if they were starting in September and their budgets were not complete, he thought that wasn't productive. He added that they should have a complete budget based on what the BOS's directive was for what the Board was seeking from the department heads.

Mr. Murphy said that he wanted to goose them earlier rather than assume that they would be ready December 31st. He added that they would be having monthly meetings with them and they could ask them how they were doing with their budgets.

Mr. Beckert said that he didn't think it was unreasonable to send the letter out from – he thought it went jointly – the Selectmen and the BC to the department heads requesting the information in September. He added that, whether it was five or six months they had under their belts, with the exception of a few accounts, they should be able to do straight-line projections of what they would need. He agreed that they would have things that would go out of the cue on certain issues but he thought that with five months under their belts, if they went from July 1st to November 30th and the BOS requested all their packets be to them with their proposed budgets by December 15th or January 1st and then go from there. He said that a lot of their accounts didn't change that much from year to year, with a history.

Mr. Dunkelberger said that one of the things they had talked about, though, was not using last year's budget but to start with a zero-based budget.

Mr. Beckert said that that was what this Board needed to determine but the department heads should still have the wherewithal to use their past history for what they were going to project that their needs were going to be for the year.

Mr. Dunkelberger agreed.

Mr. Beckert said that budgeting was not rocket science - that it was a simple process one could drag out forever if one wanted to.

The Board discussed the need for some meetings about what the Board expected department heads to give them and the form, etc.

Mr. Moynahan said that they had from now to September 15th to come up with those directives. He added that, if their policy stated that their letter went out to the department heads by September 15th, then they should prepare that and, if the Board was asking them to prepare a budget, then the Board should have a goal in mind of what they were looking to achieve.

Mr. Beckert said that he thought a meeting with the BC in August before that letter went out was appropriate so that they could discuss strategy.

Mr. Hirst said that the school used budget parameters; they have three or four items that were the basis for their instructions to department heads. He suggested one might say "flat budget" or "not more than 3% from last year" or something like that to give them some guidance. He said that they would have to define expectations if they expected them to meet expectations.

Mr. Moynahan asked if the Board would be working with the BC to come up with something that would be agreeable to both to provide to department heads or was the Board creating a budget and having the BC review it and make recommendations to that. He added that he was somewhat confused because he was always under the impression that it was the Selectmen's budget and the BC was to review and make recommendations to that budget.

Mr. Murphy agreed that was what it was, basically. He added that the State statutes mention the BC in only three places in one paragraph in one statute and the only thing the State statute has the BC do was, when the Selectmen or town officials submit a

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referendum ballot with a cost article the BC's recommendation shall be printed and published. He said that that was all it said, that that was the only thing that the BC, in State law, was supposed to do or was allowed to do or could do or was recognized as doing. He added that, on the other hand, they were all citizens and the First Amendment applied. Mr. Murphy said that, in the Town, he had not been able to find any description of any rule that had been adopted at a Selectmen's meeting but he hadn't read all of the minutes of the Selectmen meetings, saying that he couldn't find the basis for the BC or their task. He added that he thought they had written their own mission statement from time to time but that was not a public ordinance. He said that this meeting with the BC they could work out how they were going to work together this year and get any input and advice from them, obviously, as they would want to hear what the BC suggested but, in law, it was the Selectmen's budget and they bore the responsibility as municipal officers to get the financial picture in place and present it at Town Meeting.

Mr. Moynahan said that he had always been concerned that there were five members that created something and then seven other members critiquing the materials provided or the opinions or the process in which the BOS created something, and then they (BC) made recommendations. He added that, now, if they had twelve members that all came to the same conclusion, then the voters were getting one recommendation – not multiple, perhaps, if they came up with one joint recommendation or objective they gave to department heads.

Mr. Beckert agreed with Mr. Murphy, it was the Selectmen's budget by law. He said that having sat on both sides of the table over the years, BC and the BOS, he thought it was advantageous for both to meet, discuss what the format of the budget would be as presented by the department heads, what they were expecting department heads to present, the format it would be presented in so that everybody had the information that they needed. He said that they did not always agree but when they work together and sit and go through the meetings with department heads, the collective group, everyone was hearing the same information at one time – then it didn't become a "he said, she said". He added that, then they could go off in their own direction, which is what they used to do, and the Selectmen could formulate the final budget, make sure the BC had it; the BC could make their recommendations for or against each article and the amounts. He added that many times they agreed. Mr. Beckert said that that process used to work and he thought to move forward with that type of process was advantageous. He said that he didn't know how the BC mission statement had changed over the years but back in the 1994 – 1996 time frame the BC was a group that made recommendations to the voters on whether the Selectmen's budget and each line item was the best bang for the buck.

Mr. Dunkelberger commented that it would scare him if they agreed on everything. Mr. Beckert agreed.

Mr. Moynahan reiterated his confusion if they were meeting with the BC to create what their requests to the department heads were, whether it was zero-based budgets, etc.; was that something that the two groups would combine and compromise on or was that something the BOS was seeking to do separately. He added that he guessed that was where he was confused; were they working with that group to come up with the objectives and goals of each department.

Mr. Murphy said that the BOS, in the sense of an atmosphere of compromise and cooperation between citizen groups, invite them because it has become a practice for them to work together and they, in order to make an opinion, should know as much about these articles as the BOS and that would be the whole purpose. He said that they would be there but the BOS was in charge, adding that the BOS wanted them to contribute and, if they thought the BOS was going in the wrong direction, then they could say so and the BOS could take that and use it or be entirely on their own and say no, this is the way they were going to do it.

Mr. Moynahan agreed but said that they were meeting with the BC and they haven't come up with a directive of what they were choosing to do or ask from the department heads but they were waiting until they met with the BC to come up with that or were they doing that before they met with the BC. He asked if the BOS was meeting with the

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BC to come up with their goals and objectives for the budget season before then or doing it with them.

Mr. Hirst said that he thought they should do that on their own and seek their advice and input.

Mr. Moynahan suggested that the BOS share with them the BC this was how the BOS was going to do their work and the budgets would be prepared in this way; that they would share all their information but he thought they were still tasked, as the group of five, to create what direction the BOS was seeking to go separate from that group.

Mr. Hirst agreed it should be BOS parameters.

Mr. Dunkelberger agreed with the overall direction but where the BC could really help them was in information they were looking for and how it was presented. In other words, he said he would like to see the three previous years of expenditures and the BC may want to see something else. He said that, if they could unify that, make one submission from the department heads that this was all the information both the BOS and the BC wanted to see, then that worked. He added that doing it that way they would not have to keep going back to the department heads for more information because they would all be seeing what they wanted to see.

Mr. Moynahan said that the budget formats and information provided would be consistent and collectively agreed upon.

The Board agreed.

Mr. Dunkelberger said even to the extent of how those costs were broken out, they could talk about that.

Mr. Moynahan added that it would be as the best they were able to provide that information, currently, with the staffing and computers, etc.

Mr. Moynahan asked about requesting information from department heads and committees and all that. He clarified that the Board asked Mr. Blanchette to request something from a department head, etc., but what about the BC; did they go through Mr. Blanchette, also.

Mr. Blanchette said no, that they went directly to the department head.

Mr. Beckert said that if they worked out the format ahead of time - and that was the key - work out how they got the information they wanted and then they would all have it up front. He reiterated that that was what the goal should be so that everyone had the same information at once so that they didn't need to keep going back to the department heads to ask for additional information.

Mr. Dunkelberger said that it behooved the BOS to hold the department heads accountable not only for the timeliness but, also, for the accuracy of what they were asking of them.

Mr. Moynahan said that, if there was additional information, then the department heads should be dealing with one member - the Chair of the BC - to avoid seven members asking seven different things at seven different times. He added that, getting back to roles and responsibilities of boards and commissions, the BOS should make sure to remind them of that because he knew department heads had mentioned several concerns about repetitive requests for information from several members from both groups.

Mr. Dunkelberger agreed, adding that they also needed to respond to the Chair of the BC. He said that that was an issue last year.

Mr. Moynahan said that by the August meeting the BOS needed to come up with a direction of what this Board was looking to seek for the financial situation in the Town,

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August 2, 2012 5:30PM (continued)

the budgets from the departments. He suggested that on the date of their meeting with the BC the BOS could, perhaps, meet a half hour beforehand with all of the BOS spending some time thinking about that, and try to come up with a directive and, then, be on that whole budget mindset, perhaps. Mr. Moynahan said that he was looking for ideas, that they had all short windows for information.

Mr. Beckert suggested coming up with theirs by August 23rd, which was their regular meeting and then, if the BC was available, then the BOS could meet with the BC on August 30th.

Mr. Moynahan said that that was fine; that he was looking for some suggestions on some timelines of when to task the BOS and then sit down and do it.

It was the consensus of the Board to hold the August 23rd and August 30th meetings, as discussed.

Mr. Dunkelberger reiterated that he would work on an initial timeline.

Mr. Murphy said that he thought they would want to avoid assuming that every department was the same and operate in the same way because they were somewhat different and the devil is in the details, so to speak, and they should be on the lookout for ways in which departments were justifiably different.

#3

TO : Board of Selectmen
FROM : TIFF, no correspondence
REF :

Mr. Moynahan said that Mr. Moulton had provided some correspondence at their last meeting and they had allowed him to move forward with trying to seek some financial information from the State regarding what development could look like. He said that this was going to be a free peak and a lot of the financial information would be easy to compile, so he thought that would be a good step for some of the questions that people had had regarding what the TIF could offer.

Mr. Dunkelberger said that he thought they needed to take that kind of seriously and this was probably where the BC could really be of help because they had some of the most difficult questions for them to answer. He added that, if it was their intention to readdress this in November, then they needed to get someone to help them answer those questions.

Mr. Moynahan discussed Mr. Moulton's correspondence. He said that the Greater Portland Chamber of Government (GPCOG) was going "to do some sustainability planning for most of York and Cumberland Counties. The project is called Sustain Southern Maine and is and was funded by HUD and is being administered by GPCOG... a free opportunity to have an independent look at the development possibilities within the Town and TIF District." He reiterated that they allowed Mr. Moulton to move forward with seeking that information, which he thought was a great piece because some of those were hard to communicate or even answer, early on, with the TIF discussions. He said that he would like to see the TIF committees – the Comp Plan group, SC, members of their Board – sit down and try to answer some of the questions that remained unanswered. He added that some of them have been involved for five years and they had a pretty good handle on some of it. He said that he thought they needed to outline how they would get to November.

Mr. Beckert said that the SC's next meeting was to solely discuss how they would move forward to disseminate the information and market this for the November referendum.

Mr. Murphy said that they might have an output that the BOS could take up at their meeting.

SPECIAL BOARD OF SELECTMEN'S MEETING
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Mr. Moynahan asked for clarification of something he had heard. He heard that, if sewer were installed in the commercial zone, that the zoning in that area would be reduced from three-acre to one-acre zoning.

Mr. Murphy said not automatically.

Mr. Moynahan said it was a recommendation in the Comprehensive Plan.

Mr. Beckert said that he would have to go back and look at that as he didn't like going from memory on that. He added that he recalled the discussion on sewer, if sewer was run up through the Village District, then there was discussion of proposing to the Town – understanding that all of this stuff would have to be voted on by the Town – to change the lot size in the Village District. Mr. Beckert asked Mr. McMullen if he remembered the discussion on the C/I Zone.

Mr. McMullen said that the area between Beech Road and Bolt Hill Road would be a General Purpose Zone and that would be a one-acre zone. He added that the area from Beech Road on the east side of Eliot would remain a three-acre zone all the way to the middle school. He said that the area between Beech Road and the pumping station (southerly side, Bradstreet Lane) would become one-acre zoning.

Mr. Beckert said that it wasn't reducing three-acre to one-acre wasn't overall but only in sections of it. He added that reducing the lot size in the General Purpose Zone was in hopes of drawing things in like shopping areas that would have flats above them – second-story units - office space, etc.

Mr. McMullen said that there were three very major changes for economic development that took place – one was the section between Beech Road and Bolt Hill Road, which would become a one-acre general purpose zone allowing for apartments to go on second stories with a lot of good watchdog areas and create areas out there that would be significant for moderate-income people; another major change was the section between Beech Road and Depot Road on the Bradstreet Lane side and that was slated to become a very serious economic development area, which is being paid not much attention and it should be because the Comprehensive Plan spent a great deal of time analyzing that as to why they did it and how it could benefit the Town with its' tax base. He added that the third issue was what was proposed as the new light commercial downtown area, which was the area between Beech Road and the library on both sides of the road to capture some very large acreage. He said that all of this was in the Comprehensive Plan; that the Town didn't have to vote this in because they already have – it just had to be implemented. He added that what the third item did was change the zone of the entire area to allow for light commercial usage, such as a little Rexall Drug, a little theater, a café, to create a downtown area. He said that it severely changed once sewer was attached at the Beech Road intersection along with water, adding that he wouldn't go into all the details but, once sewer and water were dropped into this area, the Town would have another economic engine here that was unbelievable that the Townspeople have apparently forgotten about and that was a shame.

Mr. Dunkelberger said that the problem was that they could say that all they wanted but, until they had somebody or something that could back that up with facts rather than notional ideas, they would not get the TIF passed. He added that that was the problem this past June – they didn't have enough, whether it be marketing or enough detail to say, "Yes, if we build it, they will come." He suggested they form an ad-hoc committee and they get some of the folks from the Business Development Committee (BDC), the SC, and folks like Mr. Reed and Mr. Pomerlau who have open minds but were asking the tough questions that needed to be answered. He added that, if they could convince people like Mr. Reed and Mr. Pomerlau that it's a good thing, then he thought that the TIF would pass; that he thought they had open enough minds that, if they were provided enough information and the answers to the questions they were asking, then he thought the TIF would pass.

Mr. Beckert clarified that the TIF passed in 2009; this was the TIF sewer expansion. He said that that was a misnomer out there during this whole thing. He added that the

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Comp Plan did map this out as a goal but any zoning changes still had to go to the Town.

Mr. Hirst discussed that he has said it again and again that, if they could capture the people in both the TIF and non-TIF parcels within the TIF District and get them together and realize they had a common purpose and, maybe, together with the ad-hoc committee have something that could be called an industrial development authority who might be able to hire someone who could recruit people to come into the district – new business. He added that he thought these people were stakeholders and should be involved.

Mr. Moynahan said that he wasn't sure if any of the people that have properties in the TIF knew about the potential to have their properties diced into smaller lots, either, which certainly could benefit a lot of those property owners out there.

Mr. Murphy clarified that, with the lot size, all that was being changed was that the minimum lot size would be changed and there wasn't a requirement for every lot to suddenly be divided up into little lots; that it was an opportunity and, in some case, it would be desirable to have smaller lots, both here and down in the Village. He added that there were some lots down in the Village that no one would want to break up, as they were perfect as they were, but others could easily handle two more, for example, and it wouldn't upset the current houses and so forth.

Mr. McMullen said that the Comp Plan has already been passed by the Town, the State has already approved the Comp Plan and that the TIF has passed in the Town, adding that there was no question about going back to the people or whatever – this was the law of the Town. He suggested that someone read the Comp Plan and understand the intention of the TIF for economic development and then, at that point, he thought some decisions could be made to present to the Town to make good sense out of the three serious areas that the TIF could help. He said that that was not being done. He added that he had mentioned several things and realized that some people just did not want to listen to some of the things he was saying but he invited them to read the Comprehensive Plan; they created and passed it for a reason.

Mr. Beckert said that he would not disagree with Mr. McMullen because he was on the Comprehensive Plan committee but he did tell him that the zoning had to be passed by the Town. He added that the Comprehensive Plan was a goal, a document, and it did not automatically change the zoning to ¼ acre lots in the Village.

Mr. McMullen said that it was his understanding that the PB was supposed to implement the plan and then present it to the Town.

Mr. Beckert said that was right, adding that the Comprehensive Plan said that the ¼ acre zoning in the Village was recommended to change when sewer was available, not before.

Mr. McMullen agreed not in the Village area between Beech and the library but there was another zoning change to take place in the actual Village.

Mr. Beckert said that he didn't want people to have the misunderstanding that just because the Comprehensive Plan changed that that meant they could go out now and the lots on the south side of Beech Road heading towards Bolt Hill were one-acre lots.

Mr. McMullen said that this was one of the reasons he requested some thought be given many months ago to creating a Planning Board A and a Planning Board B, with Planning Board B to work exclusively on implementing the Comprehensive Plan zoning changes so they could be brought before the voters and passed and implemented. He added that, along with that, it would give a great deal of education to the Townspeople as to what they potentially could or would not be voting for.

Mr. Moynahan said that they might want to share with the engineers, though, the potential ability, based on the Comprehensive Plan, to increase the lot coverage or

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shrink the zoning. He added that it may impact some of their design thoughts or some of their financial calculations. He said one scenario was that the TIF supported six million dollars if they did this but, now, if they all of a sudden had 27 parcels instead of 18, then they had the ability to actually satisfy more of that bond debt. He said that the engineers may not be aware of that potential, either.

Mr. Dunkelberger said that he thought there was another piece to this, too, because there were some questions with regard to how the TIF monies, as they related to the sewer project, would be managed and they needed to answer those questions, also.

Mr. Hirst said that he thought that was something that Mr. Moulton was working on – a plan, adding that he thought the people were looking for a plan.

Mr. Moynahan said that the currently had a TIF Administrator, which had two, and Mr. Blanchette was part of that to oversee the expenditures of the TIF funds.

Mr. Blanchette clarified that they were not looking for administration of the TIF but the administration of the sewer expansion brought about by the TIF.

Mr. Dunkelberger said that they had some notional projections out there but they needed to put a lot more meat to them to support what they were saying because they didn't have a whole lot of support. He added that, at least in the presentations, there wasn't a whole lot of certainty about the figures.

Mr. Moynahan said that they were all projections and they would be, even with what Mr. Moulton got back. He added that there was no guarantee of funds.

Mr. Dunkelberger agreed there was no guarantee but there was some science that they could put behind projections.

Mr. Moynahan agreed, that they had hired several engineers and attorneys who were educated in TIF's to create that; that was what they used for the crystal ball to see what was the potential and what was doable. He added that one could not say "if you build it they will come"; that it was all based on projections. He said that there was no other way to do it unless they had a Wal-Mart standing in their back pocket waiting for the sewer to come in.

Mr. Dunkelberger said that he understood but the BC gave them a whole list of questions to answer so that was a good starting point.

Mr. Moynahan said that a lot of those have been answered along the way.

Mr. Murphy added that some of them could not be answered; that they were the same conjecture and there would be someone saying "Well, if you think this way, if you think positively, yes, it's good. If you think negatively, no, you better not do it, just sit back and do nothing." He reiterated that some of those questions couldn't be reasonably answered.

Mr. Dunkelberger said that he thought they could if they took a look at similar situations elsewhere.

Mr. Moynahan said that was what the attorneys did for them.

Mr. Dunkelberger said that that was never conveyed; adding that he never saw any of that.

Mr. Moynahan said that if they all sat down, groups of them, to communicate some of the experience and knowledge that they have about this and start digging up maybe better information than what was shared. He said that one big factor that should be considered was what the TIF supported as it sat today, with no additional development, what did that support financially because that was worst case. He said that everyone looked at worst case if this failed that they would be on the hook for an 8 million dollar bond but that wasn't true because there were TIF revenues that would be paying for a

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chunk of this already. He added that it was additional revenue that would satisfy the balance of that fund.

Mr. Dunkelberger said that they needed to clarify, put some reasoning behind the numbers, and then they needed to market it because that word was not getting out.

Mr. Moynahan asked if, before they just created an ad-hoc committee, should they get members of the original TIF group, the SC, the BOS, the DPW, Comp Plan committee and collectively sit around a table and create a potential group of people that may be interested in moving this forward and request to be on that ad-hoc or something of that nature. He said that he thought that the knowledge that was out there was key but it started with the BOS, adding that they could consult this to death but they were not going to have the same information to share as the BOS have had.

Mr. Dunkelberger said that he thought they needed to go out and pull in a couple of nay-sayers, too.

Mr. Moynahan said absolutely and was not saying they would eliminate or exclude people.

Mr. Dunkelberger clarified that he meant actively recruit some nay-sayers.

Mr. Moynahan agreed they should have members of the public but they should get some key members from the list he described to be involved.

Mr. Pomerlau said that when this all started he was 100% behind this proposal because in theory, if one looked at it, it all sounded very promising. He added that he then actually looked at the dollars and numbers on the TIF, itself. He said that he was under the impression when he first started understanding the TIF that the gas plant and the other property – the 34-36 million base they had was essentially going to pay for the bond and that's not the case. He said that through the 30-year projection period it went from 34-36 million down to about 17 million in assessment through depreciation. Mr. Pomerlau said that added revenues to pay for the bond must come from additional development within the TIF community to pay for the bond. He said that he absolutely agreed that never mind what they were doing it was a best-guess scenario, adding that there were more scientific methods to project economic projections that have not been done in this Town.

Mr. Dunkelberger said that there were also some smarter things and he pointed out one thing was that his depreciation schedule assumed no improvements and he thought that was a bad assumption.

Mr. Pomerlau said whatever, that they were the Town's projections but, the point being in terms of there must be development to even pay for the bond and one couldn't, with any certainty, ever project what would develop and what would not. He added that they could all agree that projections made in 2009 certainly may not hold up to the scrutiny of today's economics. He said that, having said that, there has been no professional financial firm that ever looked at the dollars and cents of this and one worked backwards from what could be projected of the real costs they would face over this 20-30 year period. He said that they knew there was going to be a bond that would cost 9-10 million dollars; they knew there would be upgrades to the sewer and improvements just like the one they have now – throw out a number, if they wanted, was it a one-to-one ratio like the existing sewer, was it half of that because technology was better but 4 or 5 million more dollars to upgrade and keep the sewer maintained. Mr. Pomerlau said that then there were the lost revenues to the Town, if they had no TIF, that were sacrificed by pouring that into districts. He added that there could be revenues into the general fund and into the school districts now; they could be getting tax relief now from that gas plant, so, they could add those all up and present a dollar figure the Town must see from this TIF in order to break even, not to provide tax relief, but to break even and, then, they could start working forward from there. He reiterated that no one has ever given them numbers like that and, when he looked at the current numbers, what he was seeing was a very strong possibility that, if the projections for none (some?) of them

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were in error or were not accurate, then there absolutely could be an increase in property taxes to the tax payers of this Town in a relatively short time. He said that what he was saying was that he wanted some security that, at a minimum, would at least not cost them money and there were no such figures available here in this Town and they needed a professional financial consulting firm to give them that information. He added that he could give them two that were proficient in this anytime they wanted it.

Mr. Moynahan said that they did have two attorneys from Bernstein Shur work with Ms. Painchaud to create the projections for the assessed values and that sort of thing but he believed that the TIF projections (revenues?) were actually more than what they had projected, that currently they have seen more in the past two years with no development, so the projections were low to begin with. He added that he did not have in front of him how they got there but they certainly tasked them to provide some financials. He said that they would have to dig up what that math was and how they provided it from day one. He said that he thought that it was a big piece to sit everyone in a room and defining roles and how did they gather this information and how to provide it and, maybe even if the information was there, how did they communicate it. He reiterated that they needed to be better communicators – he believed the information was there but that they just had not communicated it well.

Mr. Dunkelberger said that, again, it was kind of a narrow timeline, that they had talked about the budget being a narrow timeline but this was really narrow.

Mr. Beckert said that, if Mr. Pomerlau had the names of two financial consultants, then he would love to have them for the Board, if he would provide them.

Mr. Pomerlau said that, if the Board would like them, then he would get them to the Mr. Beckert; websites, contact names.

Mr. Beckert said that, if he could provide that to the Board, that would be fine.

Mr. Moynahan asked the Board if they should invite some members to a round-table on an off night to see if anyone had any interest or just send out a memo. He added that he knew it was another committee but he thought a combination of effort would be much more successful.

Mr. Dunkelberger said that he would target some people, rather than waiting for people to come forward, and say that they needed their help.

Mr. Moynahan asked if the Board should send out a memo to some of the committees that were mentioned and a couple of residents had been mentioned and the Board could reach out to them, specifically, or the Board could put out something for all of the general public.

Mr. Murphy agreed that it should be done and under the aegis of the BOS because this Board was the one who could make decisions fastest and with legal authority. He said that to set up another quasi-board who could fumble or go off in the wrong direction would become a time-waster, that they should be working directly with the BOS.

Mr. Moynahan said absolutely, adding that he thought there would be two members of the BOS that would be involved with that at a minimum, anyways. He asked if they should try to create an ad-hoc committee and then try to fill it.

Mr. Beckert said that he thought that whatever they did they did it in conjunction with the SC because the SC had already agreed that their next meeting was going to be solely about this and how to move forward with it. He added that one of their newest members, Ms. Hastings, had as one of her job functions dissemination of information and marketing, so her wheels were already turning on how to get people involved.

Mr. Hirst added that she was a sewer user. He asked if the Board would also like to include some of the folks that own property in the TIF District on Route 236.

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Mr. Moynahan said that they could solicit individuals and all that but he didn't think that was an appropriate way to do that, that he thought it should be open to all residents.

Mr. Hirst said that they were going to target people.

Mr. Moynahan clarified that he was thinking about people who had specifically been involved with the creation of it – members of the TIF, the Comprehensive Plan, the SC, etc. He said that their ultimate goal was to educate all citizens, including the people who were in the C/I Zone. He added that, perhaps, Business Development could reach out to them and this Board could involve Business Development with this and, maybe, they could separately engage in some conversations with business owners and all that. He said he didn't know, that he was just giving out thoughts.

Mr. Hirst said that the Eliot Business Development Committee was just Mr. McMullen and Mr. Chagnon at this point.

Mr. Moynahan said that they could still be tasked to engage in conversations with business owners on how it may affect them.

Mr. Dunkelberger said that he could see where Mr. Moynahan was going but what he was suggesting was to put the all-call out but also approached some individuals, whether it be someone like Mr. Pomerlau or Mr. Reed or Mr. Fisher and say to them that they needed some people who were critical of the process to help the BOS out – how could the BOS convince them that this was the right way to go for the Town.

Mr. Moynahan said that he thought they needed to submit letters of interest or the BOS might be accused of hand-selecting certain members of the community to do that.

Mr. Dunkelberger said that the BOS would be asking them to help as they might ask any individual within the Town of Eliot to help with the project.

Mr. Beckert said that, if they put the general call to arms out within the next week or so to everybody, put it on the website, put it wherever they needed to put it out, then let those people come forward. He added that if Mr. Pomerlau was interested, or whoever, let them come forward and that way the BOS wouldn't be accused of picking. He added that no matter what they did they would be accused of doing something or not doing something they should have done.

Mr. Moynahan said that his only concern was that the process was done properly.

Mr. Dunkelberger said that he understood that but added that his concern was that they would get everyone who was interested in supporting the TIF.

Mr. Murphy clarified that Mr. Dunkelberger wanted some who were not.

Mr. Dunkelberger said exactly.

Mr. Murphy said that he thought that the ones who were not would identify themselves as they have in the past and the BOS could certainly invite them.

Mr. Moynahan said that he was not trying to market this but was just trying to present information. He added that he did not think it was his place to market this; that the TIF was voted in and it was the BOS' task to get it to a design stage and all that. He said that the BOS has been tasked to create numbers and create financials, they make the opinions – he was not looking to market this but wanting to share any information he had and hoping people in those groups were, too. He said that he wasn't trying to sell anything.

Mr. Dunkelberger said that he certainly was. He said that, as a tax payer here, if this lowered his taxes, which he felt that it would in the long-term, then he wanted it.

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August 2, 2012 5:30PM (continued)

Mr. Moynahan said that he didn't disagree with that; that he thought it was a smart financial move for the Town, in his opinion. He added that he thought he was asked only to provide any financial information he could. Mr. Moynahan clarified that the Board should reach out on the website, to the community, to any members of the boards and committees for volunteers. He asked what they were going to call the ad-hoc committee.

Mr. Dudek said that the term sewer and water had been mentioned several times and asked if the Town of Eliot had an adequate water supply.

Mr. Moynahan said that water was at both ends of Beech Road.
Mr. Dudek asked where the water came from.
Mr. Beckert said that it was from Kittery Water.

Mr. Dudek asked if Kittery had adequate supply for what they were doing for development in Eliot.
Mr. Murphy said yes.

The Board agreed by consensus to call the new ad-hoc committee the Route 236 Sewer Expansion Committee.

Mr. Pomerlau said that, whether the ad-hoc committee contained members that were opposed, he thought it was important but, as long as people on the committee allowed people like him who have serious objections to what he didn't know about this TIF succeeding, a voice where they could have some input. He added that it wasn't easy to have a voice at BOS meetings because of the type of agendas they had, they come to a workshop and sometimes the BOS allowed input and sometimes they didn't, they go to a SC meeting but they were a technical group whose sole responsibility was not necessarily the empowerment to make decisions as to whether financial results would be heard. He added that there was no format; there was no avenue for people like him to come forth and be listened to.

Mr. Dunkelberger said that this was the committee and invited him to join it.

Mr. Pomerlau said gladly but, whether he was on it or not, as long as they were willing to entertain opposition because he believed that probably 90% of the people in Town, in theory, thinks this was a good idea. He added that he had no doubt about that but there wasn't any place for opposition right now.

Mr. Moynahan said that they would advertise this, that he and Mr. Blanchette could get together and write up a little blurb and get it on the website, in the newspaper and send emails to some committees for any members who would like to be involved.

Mr. Dunkelberger asked who from the BOS was going to lead the charge and organize the first meeting.

Mr. Murphy said that he thought they all should be involved whether they all could attend each time or not because they all had to be involved and that was all there was to it.

Mr. Beckert asked who was going to lead the charge.

Mr. Blanchette said that it was something they could think about because, if they were going to appoint this, then they wouldn't do it for another couple of weeks.

Mr. Fisher said that years ago they were told that they should petition the State to have the Kittery Water District become Kittery-Eliot Water District and that would force Kittery to put water in Eliot.

No one was able to clearly recall that.

Mr. Murphy said that it was his understanding that the Kittery Water District kind of kept its' prerogatives carefully to itself and was happy to be a small group.

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August 2, 2012 5:30PM (continued)

Mr. Fisher said that he would find the information.

Mr. Moynahan said that, if he found some information and forwarded it to the BOS, then that would be great.

#4

TO : Board of Selectmen
FROM : IMA, no correspondence
REF :

Mr. Moynahan said that the Board had reviewed and forwarded on some changes to the engineer but the question that they were tasked to was did they want to put this on a separate Town Meeting or piggyback it with the November meeting.

Mr. Murphy said that he thought Kittery would want Eliot to do it earlier because they were eager for Eliot to sign on to the set-up. He asked how soon they could finish this.

Mr. Blanchette said that they could probably finish it Monday or Tuesday.

Mr. Murphy added that they could then get it back to the IMA Committee and then bring it to the BOS for final approval and, then, if Kittery were ready to go and accepted their final corrections.

Mr. Dunkelberger suggested they wait to see when that happened.

Mr. Moynahan said that he was just trying to keep in the front so that they had enough time, if they did it separate from November, to advertise, etc.

VOTE

4-0

Chair concurs

Selectmen's Report:

There were no Selectmen's reports tonight.

Other Business as Needed

Mr. Blanchette said that Dr. Nash dropped off a presentation of their budget. He added that she could not get school board members to come to the meeting in August because there were too many vacations, etc., going on, however, she would be available and would be glad to come in to explain the budget and review it with the BOS.

Mr. Moynahan said that it would be nice to have her come in to see what their goals and objectives were and, similar to what this Board was doing, what they planned to do to keep budgets in check and all that sort of thing.

Mr. Hirst said that he thought it would be well for at least Eliot school board members to meet with the BOS at some point, when they could meet with them, so the BOS could get some sense of where they were coming from.

Mr. Moynahan clarified just Eliot or the whole board.

Mr. Hirst said that he didn't know, certainly the Eliot members, anyway, because they represent Eliot, presumably.

Mr. Moynahan said that they could start with Dr. Nash and follow up after August with school board members and, twice a year maybe, connect and have an informal meeting with folks.

Mr. Murphy said that this was the budget adopted this year and just to explain what they were already committed to spend for this coming year; not to develop next year's budget or maybe leading into next year's budget.

Mr. Moynahan said that he was looking to see the goals and objectives.

SPECIAL BOARD OF SELECTMEN'S MEETING
August 2, 2012 5:30PM (continued)

Mr. Murphy said that Dr. Nash wanted to help the BOS understand what they voted in, which may be useful.

Mr. Blanchette asked if the Board wanted to schedule her for a meeting or workshop.

The Board agreed to have her in a special meeting to be on August 16 at 5:30 PM.

Mr. Beckert said that he would still like to meet with school board members and, if it was Eliot members, that would be fine because they were supposed to represent Eliot. He added that he thought the BOS needed to hear from them what their goals were with their budget and where they saw the school district going in the next 5-10 years, adding, for lack of a better term, what they were going to do to the Town financially in the next 5-10 years.

Mr. Moynahan said exactly – how they were going to combat the rising costs of everything.

Mr. Beckert agreed and said that they were hearing all the time that there was decreased enrollment and, yet, the budget didn't seem to decrease proportionally to the enrollments.

Mr. Hirst said that it didn't seem to decrease at all, in fact, the opposite was true.

Mr. Blanchette said that the Board had asked, if they did hire Mr. Donhauser for that particular task, where they would get the money. He explained that one of the things the Board could do was to hold over any monies in the 2012 budget under Admin & General Expenses. He said that there was approximately \$34,000 left in that article. He added that they didn't need to do it tonight but he was just bringing information to the Board.

Mr. Moynahan said that once they met with Mr. Donhauser and chose to or not to move forward they could decide.

Mr. Murphy said that he thought that was a good suggestion.

Mr. Dudek asked if anyone had seen the South Berwick article in the paper and was the second time this had caught his eye. He said that, in there, was just a little article about their town website. He added that he didn't know how many the Town Clerk had sign up for Eliot's website email but he thought it would be a good idea, some PR, if they were going to have this thing on the TIF. He suggested they look at what South Berwick put in and put in something similar and maybe run it one week then a couple of weeks later just to see if they could collect more and would help more to get people to focus in.

Mr. Murphy asked if Mr. Blanchette knew if the numbers were increasing.

Mr. Blanchette said yes, that it was increasing, but wasn't sure of the exact number.

Mr. Moynahan asked if they were able to find out how many were utilizing the video-streaming, as someone had asked at one of the meetings.

Mr. Blanchette said that he thought there was a counter on it but he wasn't 100% sure.

Mr. Moynahan said that someone had mentioned the Clean Air Act with the Schiller Station and the air quality that was coming from that. He added that Maine had a Clean Air Act with grant money available or something that towns could apply for independently and could help to mitigate some of the air issues coming from there.

Mr. Blanchette said that they had been contacted by the Sierra Club to help them in cooperation to possibly attain funds. He added that he thought that was probably what he was talking about and she said that they had already talked with South Berwick and South Berwick was very much interested in it, also.

SPECIAL BOARD OF SELECTMEN'S MEETING
August 2, 2012 5:30PM (continued)

Mr. Beckert said that he knew it was not on the agenda tonight but could he ask the subcommittee for the investigation of the move of ECSD to the EES if they had an update.

Mr. Blanchette said that they had sent out questions to Ms. Muzeroll-Roy and Mr. Muzeroll and they were hoping next week to, at least, start putting things together to finalize it.

Mr. Dunkelberger said that they had talked to MSAD #35 and gotten the initial proposal from them. He added that they have had trouble getting Ms. Muzeroll-Roy and Mr. Muzeroll together because of vacations and everyone's calendars so he asked Mr. Blanchette to send them an email with a list of questions for them to answer that may preclude the subcommittee having to meet with them.

Mr. Blanchette said that, if it doesn't, they have a tentative meeting scheduled for next Thursday at 5:30 PM.

Mr. Murphy clarified that Mr. Muzeroll sent a letter to the BOS and had that been responded to.

Mr. Blanchette said yes.

Mr. Moynahan said that they gave it to the subcommittee to incorporate in their review.

Mr. Murphy said that there were questions the Mr. Muzeroll thought the PB should be concerned about and to review this as a kind of change in use and all that sort of stuff and he wondered...

Mr. Blanchette said that that had already been determined and they have already somewhat started the process. He said that he got permission from the school to make any applications to the PB on behalf of the school for that change.

Mr. Fisher discussed his inspections of the school space and the Fire Department space currently being used.

Mr. Moynahan said for Mr. Fisher to be sure to report his findings to the subcommittee and they would report back to the Board on that.

Executive Session

There was no executive session

Adjourn

There was a motion and second to adjourn the meeting at 7:17 PM.

VOTE

4-0

Chair concurs

DATE

Mr. John J. Murphy, Secretary