

SPECIAL BOARD OF SELECTMEN'S MEETING
August 30, 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.

New Business:

5:31 PM

#1 Joint Meeting with the Budget Committee

Mr. Moynahan said that he had a couple pieces of correspondence from the BC; one was a Budget Year Commencement and invited Ms. Davis to speak to that.

Ms. Davis said that there were no actions items on that but just wanted to start the coming year off with a greeting to the BOS from the BC. She added that they were making some plans for the upcoming year and wanted to run a few of their ideas past the Board, adding that nothing had been developed in detail, yet, but that they wanted to get the BOS's ideas, ultimately, on how the Board wanted to see things go.

Mr. Moynahan suggested going down the list of "topics for future discussion and coordination". Referring to #1 on incorporating some level of zero-based budgeting this year, he said that the Board has had the budget on their agenda a couple of times recently and he didn't think they had made a decision on how they planned to attack and put it out there, whether it was zero-based or not. He added that certainly the BC could recommend against the BOS's budget however they saw fit; that they would both represent budgets to the public they both felt represented the needs of the Town so, the Board may have one budget separate from what the BC recommended. He reiterated that he did not think they had clarified whether they would do a zero-based budget.

Mr. Beckert said that he had not, yet, but it was still open for discussion.

Mr. Moynahan agreed they were still discussing that and asked if the BC had any more information on zero-based budgeting that they would like to share.

Ms. Davis said that Mr. Pelkey did a presentation on zero-based budgeting and asked if he would like to speak to that.

Mr. Pelkey said that zero-based budgeting was probably one of the most misunderstood budgeting tools; that it started back in the '70's and has been evolving as it has moved east in a lot of different ways. He said that some communities have accepted it based on its original zero-based budgeting principles. He added that it was a very involved process, which commanded a lot of direction and a lot of leadership from a larger city or town and

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

that could evolve into something a local community could use but it was a big education process. He explained that their whole buzz was to take some of those principles that guided zero-based budgeting and adapt some of them to this Town's own use here, such as expanding the explanation part of the budget so that everyone could be on a level playing field when they did the budget or looking deeper into each individual item so that someone wasn't bringing bad numbers forward. He said that that was really the biggest part of zero-based budgeting; starting from zero so they didn't assume the number from last year was in any way an effective or accurate number, when one was bringing forward bad numbers and starting from there again. He said that it was their hope to find a way to more closely examine those budget items and certainly the ones that were needed, keep them, and the ones that didn't...it just opened up a better dialogue, for lack of a better term. He added that if they could find some of those common areas that they all thought were important about zero-based budgeting and implement them, great, if not, they could get some of those from their (BC) perspective and the Board could look at some from their perspective. He reiterated that it was a different way to open up a dialogue and come from a different direction in looking at budgeting.

Mr. Moynahan said that he thought further in the agenda there was a budget template and that may go hand-in-hand with what the BC was talking about.

Mr. Strong said that true zero-based budgeting took a lot of work and a lot of man-hours, that he had gone through it, but if they did a modified zero-based budgeting, explaining that they wouldn't take last year's figure and add 3% to it to come up with this year's budget because there was 3% inflation but, in the explanation for the line item, justify it. As an example he said that, if someone was going to buy four sets of tires at \$150 apiece, then put that in there – "Four sets of tires at \$150 apiece. That is the item we are buying this year." He said that the expanded explanation of budgets could do away with zero-based budgeting because they were basing it on going back to saying this year one would buy this and this and this and spend this and this on a certain item. Mr. Strong said that he thought that the BC Chair had emailed the Board a Highway Department budget (Kittery) as an example of a modified zero-based budget and it made the work of the BOS and BC a lot easier with the more information they had.

Mr. Moynahan said that there were some good pieces in this, that he had reviewed it, that it talked a lot more of explanation and they certainly could, as a Board, request more information on specific line items and, perhaps, all line items as they saw fit.

Mr. Strong said that he thought that if the Board had a workshop with the department heads and the Board showed them something like that, adding that he had examples for a fire department and a police department, too. He added that the Highway Department was the most complicated budget in Town and needed the most explanation and something like the Police Department, which was 95% salaries, they didn't need as much.

Mr. Moynahan said that over the last three or four years the Board has been trying to get a consistent budget format for all departments and last year was the first time that all

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

departments at least used the same format. He added that that was beneficial to the Board in reviewing and that they probably would expand on that in this manner, he would think.

Mr. Beckert said that he thought the highway department example was pretty thorough based on the explanations of each line item, adding that some of them didn't have as much explanation as others and probably didn't require it.

Mr. Moynahan said that as they started requesting information from department heads they should pare down a little bit more finite what they were looking for in each of the specific line items similar to what has been presented, he would think.

Mr. Murphy said that it looked like it would require quite a change in the way the departments laid out their budgets. He added that he didn't know if that would affect computer programs or need additional software. He said that one version of this Kittery Highway Department layout was not correct, that there was a duplicated section but he couldn't seem to find it in this version so maybe it was corrected, adding that maybe Kittery should take a look at the section having to do with salaries.

Mr. Strong said that they weren't at all concerned about the salaries, as that was done fairly well now, but what they were concerned about was the explanation in the budget for line items, purchasing especially, like how many tons of tar they expected to buy next year and what was the going rate and that kind of thing.

Mr. Moynahan said that in the last couple of years Mr. Moulton has done a great job in presenting backup documentation for a lot of that but it was separate from the budget, as presented, so maybe the Board could incorporate those because he did do his legwork as far as the expenditures he was looking to be funded for. He suggested they could incorporate that into the budget format they currently used.

Referring to #2 regarding the "creation of a sample budget template...that includes more line item detail", Mr. Moynahan said that he thought that those went hand-in-hand very similar to what they had just been talking about.

Mr. Strong said that basically what they did was – as Mr. Moynahan said, everyone started using the same template last year, it worked well, and was the best budget year he had had since he had been on the BC – that they wanted to expand on that a little bit, add some categories to it, and one thing they wanted was an overtime line item separate from salaries. He said that some of them lump the overtime in with the salaries and some separate them, adding that in all budgets it should be separate. He said that the second biggest question they get from the general public had to do with the break-down of benefits, adding that they might see one line item and it might be \$235,000 for a department for benefits. He asked what was the break-down on those benefits. He added that if they went to the sample budget he sent to them it had an employee benefit line item and it covered things like retirement, FICA, worker's comp, major dental/health insurance,

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

disability insurance, which were all the things that made up the benefit line item. He said that some departments had them and some didn't and, if they didn't, then they could put zero there. He clarified that they could still pull those out at the bottom and vote on it as one warrant article but at least they would have the break-down, instead of just having the figure; for example they would know exactly what dental insurance was going to cost for a certain department. Mr. Strong said that the BC felt it made sense to do it that way. He added that the other big change to the template was that he took out the year-to-date expenditure, as that column was only good the day it was printed and wouldn't really be needed. He said that what he felt they did need was the column on the right called 'percent of difference', which was the difference between approved 2012/2013 and the request for 2013/2014 and could be a negative or positive number but, at a glance, they could look at it and see if it was going up or down. He said that the formulas were already in his spreadsheets and he could just forward that to the Town. He said that the other thing was that there was a three-year history of that budget, as well, and what was being requested.

Mr. Moynahan said that that was something the Board was looking to do at the end of last year's budget season, anyway, and have a three-year look back with an additional year or two in there so that they weren't just comparing last year's budget to the request for this year.

Mr. Strong said that other than that he did not want to make any radical changes, adding that he didn't know if there was any other as they went along, they might find in a line item that they might want to put in another. He added that another thing that was done in the Fire Department was to separate the mobile phones from the in-house phone system so that they had a true course of what the mobile phones were in all departments. He said that the other thing this format did was to automatically change that date on the top any time anything changed in the budget, as well as show page numbers. He said that then, at the end of the budget after the tallies were done, some members requested that there be a line item to show the income generated by that department to offset the budget and would be a stand-alone number. Additionally, he said that there was a separate line for requests to be put away for the CIP for that year, which was not in the calculation because that would be a separate warrant article.

Mr. Moynahan clarified that it would be broken down in each specific department; have a lump-sum CIP, still, but show the tally of each department.

Mr. Strong agreed.

Mr. Moynahan asked for input on the presented changes to the format from Board members.

Mr. Hirst said that he thought it was harmless.

Mr. Moynahan asked Mr. Blanchette if he saw anything that could be challenging as far as incorporating some of these.

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

Mr. Blanchette said not from hearing his explanation, no; that he didn't see anything.

5:45 PM

Mr. Moynahan clarified that Mr. Strong already had a draft with formulas that he could forward to the Town.

Mr. Strong said yes.

Mr. Moynahan said that if he would do that it would be great and that, as they moved forward, the Board would certainly like to utilize that as well.

Mr. Beckert clarified that it was in Excel.

Mr. Strong said yes and that he would be glad to give it to Mr. Blanchette.

Mr. Moynahan said that that would be great. He asked if it was the consensus of the Board to incorporate this as a starting point for their budget work for this year.

The Board agreed by consensus.

5:47 PM

Mr. Moynahan said that #3 was a "creation of a budget review calendar" and there were two presented calendars: one from Mr. Reed and one from Mr. Dunkelberger. He added that both outlined some timelines of start and completion of budget and Mr. Dunkelberger indicated in bold those dates determined by policy for annual budget preparation, so those timelines were already dictated on what the Board was required to have done. He clarified that Mr. Reed's timeline was through the BC.

Mr. Reed said yes.

Mr. Moynahan said that, then, the BC had expanded on some of that and he did not know if people had had time to review those. He added that they had talked about timelines, they were waiting until they had this meeting to see how they wanted to progress.

Mr. Hirst clarified that Mr. Reed said that the rules by which they operated could not track with the rules the BOS had under the Selectmen's policies and the BC needed to change something, either on the BC or the BOS.

Mr. Reed said that, off the top of his head, the BC was supposed to have their recommendations to the BOS by January given that the department heads had presented their budgets September 1st, but that would clearly not happen and, so, this year he came up with what seemed to him a workable schedule given where they all were, hoping that they would give department heads guidelines and templates in the next week or so and they could have the month of September, basically, to put together their budgets and they could then go from there. He said that, as far as the BC's requirements, they were supposed to prepare and submit to the BOS all budget recommendations by the end of January. He added that he thought that was something they needed to change; it was great if they could get far enough ahead but he knew that the department heads would like a little more time

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

to get a little better feel for how their fiscal year was melding based on last year. Mr. Reed said that he thought the budget timeline he generated this year was workable and they would see as they went through this if it worked for them and the BOS and for the Town of Eliot by the time they put it all together. He added that, then, if these procedures and guidelines needed to be modified in the details of the timeframe, then they should change what needed to be changed.

5:50 PM

Mr. Moynahan said that he knew that one of the BOS's goals was to complete work and get information to the BC in a more timely fashion so that the BC had more time to do that. He added that in the incorporation of calendars they would want to set some milestones and live up to those expectations everyone had.

Mr. Reed agreed that that would be good. Discussing the BC calendar, he said that in addition to the BC providing information to the BOS on their recommendations for the budget for the coming year, which happens in early-mid March and was after they had had discussions; that in early to mid-April the BC would go through and basically do straw votes on referendum and Town Meeting articles and, hopefully, the BOS at their April 11 meeting would vote on the warrants. He said that since the BC could only recommend a reduction in the BOS budget for the warrants, they needed to know what those were so that the BC had time for one more run-through so that they could finish up their job and get the final warrants to Ms. Thain and whoever needed them.

Mr. Beckert wanted to ask where the premise came from that the BC could only recommend a reduction.

Mr. Reed said that that has been presented at every Town Meeting.

Mr. Beckert said that he understood that but if the BC saw something way out of whack then don't believe a reduction was the only thing they could recommend.

Mr. Reed said that the BC needed to comply with the rules at Town Meeting. He added that if the BC saw something way out of whack it was the BC's job to encourage the BOS to fix it before it got to Town Meeting.

Mr. Beckert said that that was what he was saying and thought that they had a misconception. He said that at Town Meeting, if the article had the monetary amount within the article, then nothing could be done other than reducing it. He added that it didn't say that the BC ahead of time had to make a recommendation only to reduce that portion of the budget, clarifying that that was the way the articles were written and had nothing to do with formulation of the budget. He said that the BC's recommendations didn't have to be downward if there was something wrong or if they recommended the BOS go on an upward swing on a particular portion of the budget.

Mr. Reed said that was fine but there was a place in this schedule where the BC made their

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

recommendations to the BOS and, if the BOS chose to keep the out-of-whack number and ignore the recommendations of the BC, then that was the BOS's budget.

Mr. Beckert clarified that that was an example, adding that he didn't want the public or the BC to have a misconception that the BC's only job was to make recommended cuts because that was not true. He added that Town Meeting rules only came into play because of the way the articles were worded.

Mr. Reed agreed. He said that the BC recommended a budget of value to the Town and, whether their recommendations went up or down to the BOS, was...

Mr. Beckert said that that was the point he wanted to make because that was not what it came out as originally.

Mr. Strong said that prior to the warrant articles being drafted coming out and prior to the Town Meeting, if he should say to the BOS that maybe they should spend another \$100,000 on road repair and recommended that to the BOS before the final draft of the warrant article, then if the BOS bought it, they did and, if not they didn't, but they couldn't increase it at the Town Meeting.

Mr. Beckert said that was correct, adding that nobody could increase it; that it wasn't just the BC.

5:55 PM

Mr. Murphy said that, perhaps, they should return to the old way of wording these warrant articles. He said that back in the 1910's and 1920's they were worded "To see what sum the Town wishes to appropriate for this purpose." He added that, now, they needed to know more than to decide on the floor and so they came up with proposed amounts but said that they could still do that – they could still word it "to see what sum the Town was going to appropriate" and the BOS recommended this and the BC recommended that.

Mr. Reed said that that was a possibility but he thought there was a good reason that was not the case anymore, saying that he thought the BOS agreed to take responsibility for their own budget; the BOS were the leaders; that the BOS were the ones that had worked with the department heads; the BOS had worked out what they thought was a balanced approach and he thought that was what should be, by-and-large, what they were working with at Town Meeting. He suggested to open the whole thing up...

Mr. Murphy agreed that it just got too complicated to do everything on the floor of the Town Meeting.

Mr. Moynahan said that at this point this Board had to come up with some type of calendar and that they had discussed, as presented, a couple of ideas.

Mr. Beckert said that he wished Mr. Dunkelberger were here tonight to discuss the one he created. He added that actually, for the end date, and he wasn't picking on Mr. Reed's, but

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

he thought the end date on Mr. Dunkelberger's was better as it got everything done in early April. He added that last year the process was too late; that the 26th of April was the last, and he meant the last, day so that was pulling it out too far. He said that he didn't know if they had checked with the Town Clerk to see what date they had to back it up from for this year.

Mr. Reed said it was the 26th.

Mr. Beckert said that to him that was too late, adding that he thought they needed to back it up - that Mr. Dunkelberger's backed it up almost a full month - no later than 4 April.

Mr. Reed said that the BC's calendar had April 11 as the date for that, only one week more. He clarified that the April 28 date was the deadline for publication; that the 11th the BOS would vote on the budget warrants; on April 16th the BC would hold a special meeting to do a final review and their final budget recommendations.

Mr. Strong added that that would give them 10 days before the deadline.

Mr. Hirst said that he would like to recommend that before they agreed on a timeline they run it by Ms. Rawski and Ms. Thain to make sure that was tracking with their plans, as well.

Mr. Moynahan said that they always did; that they gave that information to them and worked backwards. He said that this was certainly great information and that they may utilize one, some, or all, but the most important piece was the no-later-than dates and sticking to them, he thought.

6:00 PM

Mr. Reed said that a very good recommendation by Mr. Dudek was to accelerate the actual interviews with the department heads whereby things would be done more toward the end of October - early November but he didn't know how the BOS felt about using more of their meetings or having more meetings. He added that what that would allow everyone to do was to get the first set of interviews with department heads over with before the holiday season and give a little earlier information. He asked if the BOS were okay with that.

Mr. Moynahan said that the Board was waiting for this meeting; that they had been tasked in a couple of meetings, now, for what their goals and objectives were going to be to the department heads; that they had not expressed those yet. He added that it was the consensus of the Board to wait until they had a joint meeting with the BC before they would determine what they were going to dictate to department heads. He said that they were now tasked to do that; that they were going to give direction on specific things they wished to see from each department, formats they were looking to utilize, and that sort of thing. He added that they would probably bring that up at their workshop - what they were looking to have from them this year.

Mr. Reed asked if the BOS was going to vote on their actual content recommendations,

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

adding that they were talking about format, timeline, general look and feel of the thing – was the Board actually going to say they wanted department heads to meet this goal or that goal relative to last year or...

Mr. Moynahan said that he thought that the basic format that mirrored what they had last year, with recommendations, it was certainly the consensus that the Board would start with that, adding that he thought they would be looking for additional information on some line items. He clarified that the goal of what the Board is going to direct the department heads with has not been voted on yet, whether or not it would be zero-based or whatever it would be.

Mr. Reed clarified that they were not going to do that tonight.

Mr. Moynahan said that they may; that they were waiting for some information from the BC on the zero-based budgeting; that none of the Board members were all that familiar with, in essence, the pared-down version and, as it was explained, seemed to make sense for him personally. He added that he did not know what the pleasure of the Board was and asked them if wanted to determine what they were going to direct the department heads, maybe, at that workshop. He said that he just wasn't sure.

Mr. Reed said that he thought that, on a lot of this, what they were talking about as far as timelines and formats and things like that, that that could happen earlier rather than later on their actual concrete directives to the department heads; that that did not necessarily have to be tonight but he was just curious what the Board's plan was.

Mr. Moynahan said that they had had this on their agenda twice and those discussions about what the direction would be for the department heads; that it would continue until the Board had those directions.

Mr. Strong asked if they would be able to attend that meeting.

Mr. Moynahan said that they could attend every meeting. He added formats, some great information here, timelines for them to review and live by, one or the other or a combination of the two.

6:03 PM

Mr. Moynahan said that #4 proposed a liaison from the BC for each department in order to enhance knowledge of the department's needs. He said that this Board had talked about having a liaison to each department and they didn't feel it was right for one member of a board to be receiving information or soliciting information on their own; that it should be looked at by an entire board. He added that the ordinance governing boards and committees did define that pretty well that it should be that way unless it was a subcommittee, which was more than one person; that an individual liaison was not the appropriate way to solicit information and that sort of thing. He said that that was what

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

their Board decided when they had those discussions, and, if his memory served, the same would hold true for any elected officials in Town for liaisons.

Ms. Davis said that, largely, what she had in mind – and they hadn't had lengthy discussions about this – was that maybe one member from the committee would kind of specialize in each department and become more familiar with the information so that they could present it clearly to the other members. She added that she thought that, in the past, there just has not been enough discussion and there have been misunderstandings so, if one person really understood what was going on with each department it would help enhance the discussion.

Mr. Moynahan said that, then, he thought they all would be tasked to ask the right questions with department heads when they are in and solicit the right information as groups so they were all communicating and able to explain those to voters and that sort of thing. He explained that one person getting information and him expressing it back to the group would now be more his information that could happen. He added that he thought there was safety in numbers and things should be done by boards and that was why those rules were in place, to do that.

Mr. Murphy said that it was the responsibility of the Selectmen to oversee the departments and to make sure they have their work schedules and their employee relationships under the BOS's direction and to have another source go in there and talk with employees, interrupting schedules, and maybe even go so far as to make suggestions for improvement or something like that – that would mean two directions to a department apparently coming from the Town Hall and they could not have that. He reiterated that this Board was responsible so information had to be kind of permitted or approved by this Board, how it was done, so that they all got the same information and, whether it was good enough, then that could be corrected but it shouldn't because of someone else out there interfering with department's procedures and schedules and so forth.

Mr. Pelkey said that he didn't think the offer of a liaison was in any way intended to provide another layer of supervision; that he thought it was solely focused on budget preparations, more of a resource rather than supervising so that they would know the BC was thinking about a line item, and he thought that the expanded information back would help the BC better qualify the questions they asked. He added that he thought that tool would help them formulate, ahead of time, some good questions. He reiterated that it would not be in any way another layer of supervision.

Mr. Moynahan said that he didn't take it that way at all.

Mr. Strong expanded on Mr. Pelkey's comments by saying that, instead of calling in a department head continuously for follow-up questions, one person would go and ask how they came up with a particular figure, etc. and bring that information back. He added that

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

that was all it was going to be – just information gathering. He said that in no way did they want to step on the BOS's realm.

Mr. Moynahan agreed, adding that even the BC, as a whole, had to request that information in a proper way; that it couldn't be individuals. He added that the ordinance governing boards, committees, etc. certainly determined that. He said that requests for information in emails going out to several people is not prohibited but it should all go through a chairman; the whole group, by consensus, agreed to information that would be requested, going through that chair to a department head and then shared back to a group. He said that individual-by-individual requesting information repetitively was not the right process to occur. He added that they wanted to make sure the right process was adhered to when requesting information.

6:10 PM

Mr. Beckert said that he thought Mr. Pelkey hit the nail on the head pretty good – if they adopted a format and gave direction; they all met together and all heard the same information at the same time; all asked their questions at those meetings and, if they had follow-up questions, then the follow-up questions in his opinion should be in writing and should come from the BC if they were from the BC, in writing, through Mr. Blanchette as the Administrator at a minimum, then distributed to the department heads that they needed to go to. He added that that way they had a paper trail for everything, it all went through one process, and they all heard the same information and got copies of the same information so that it didn't become a "he said-she said" with various interpretations, they would be all together and he thought that was one of the biggest things they could resolve; moving forward in that direction he thought would bring a big improvement.

Mr. Moynahan said that that was exactly right – they follow the process; the board or committee created a question, the chair requested the information through a single source, and the information was provided. He added that, if it was not provided, then he thought the Board needed to know so they could assist in ensuring the BC got it.

6:11 PM

Mr. Moynahan said that #5 proposed "interviews with personnel to provide a greater understanding of key aspects of the budget." He added that he didn't know what the Board's thoughts were, whether they should invite specific employees in.

Mr. Beckert said that he would like to hear more on what their mindset was on this.

Mr. Moynahan asked if someone from the BC would like to speak on this.

Ms. Davis said that they were just trying to get a better understanding of how things worked and they did not have mandatory calls in to the BC. She said that what they had done was last Tuesday they had Mr. Donhauser in and he just talked with them and explained a lot of how the system worked. She added that she thought that the more the BC understood and could disseminate that information to the Town, then the better decisions they could make. She said that it did kind of let them know about the various pressures that

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

the employees were under to produce certain types of information; the fact that they didn't want to be interrupting them all the time with a question here and a question there. She added that she thought that this year a good policy of gathering their questions together and then disseminating, maybe once, after a particular meeting and follow up on it later so that they were not constantly going after someone for answers to things. She clarified that they were just going to try to approach everything in a more controlled manner and they would invite people to come in and explain their jobs, if they wanted to.

Mr. Moynahan said that if employees wanted to show up at a BC meeting, then they were more than entitled, he would think.

Mr. Beckert said that, again, he thought the request for the information needed to come in the same way, whether it was an employee being asked; that it still needed to go through the same process and be funneled the same way – in writing, through Mr. Blanchette as Administrator, and then distributed to the department and any employees who could answer those questions – then everyone had the information. He added that if the BC gave questions out to employees or department heads he, as a member of the Board of Selectmen, wanted a copy of those questions and he also wanted a copy of those answers. He added that he thought they were all entitled to that information and would make it all go a lot smoother.

Mr. Murphy said that he thought that the process must go through department heads – any question going down to the employee must go through the department head.

Ms. Davis said that these were not questions regarding budgets and things like that; they were educational questions.

Mr. Murphy said exactly; that they were delving into a lot of other information that had nothing to do directly with costs; that that was a big interruption and may even be an invasion of privacy as he didn't know the questions they would ask. He reiterated that they should go to the department head and let that head handle those questions.

Mr. Moynahan said that, if the department head couldn't get to the questions, then they could bring in an employee that they may need to discuss them with to get more information.

Ms. Davis said it was a bit more of an informal "tell us about your job" kind of thing.

Mr. Moynahan said that, sadly, as elected officials there were no informal things anymore; that they were all under a microscope and it all had to be done by process.

6:15 PM

Mr. Moynahan, discussing a prior BC correspondence, said that the BC had, perhaps, some information regarding companies that could perform feasibility studies as it related to the potential sewer improvements. He said that he included the person who did the financial

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

projections to begin with a couple of years ago when the TIF was approved, as it related to financial aspects. He added that they had provided two financial services; that the SC meeting he attended last night touched on this possibility, again, and that they had at one of their Board meetings if they wanted to explore having a financial person better review some projections for the Town. He added that they had some good discussions last night; that Mr. Donhauser was there and had some great thoughts as far as it was today and it stayed that way for 30 years what did that relate into and he didn't know if Mr. Donhauser wanted to speak to that again, saying that Mr. Donhauser had a 0%, 1%, 2%, 3% growth on what those financials would project in to.

Mr. Donhauser said that he thought that the discussion centered around if there was no change; in other words, if it was status quo and was the first projection that somebody would make and, then, they had to assume some potential growth, even minor. He added that it was mentioned that there was a Comprehensive Plan that was done a couple of years ago that actually projected the growth of the Town and, so, perhaps they could use that as a guideline for the increase. He added that, in any event, starting with zero what would happen if nothing else changed and what would the projection be for the next, 5, 10, 20 years or the term of the bond and, then, what would happen if there were a 1%, 2%, or 3% increase of whatever changes in formulas. He clarified that they couldn't project accurately or precisely into the future; that more than five years out it was anybody's guess and even projecting in this economy five years out was probably pretty subject to question.

Mr. Moynahan said that Mr. Blanchette would speak to a discussion he had, as well.

6:18 PM

Mr. Blanchette said that he did get a chance today to call Mr. John Melrose of Eaton Peabody just to see if it was possible to get this done – an economic development study – with the Town's timeframe of a possible vote in November. He added that Mr. Melrose did get back to him and said that they were very interested in looking at this for the Town, adding that he would have more particulars next week – Tuesday or Wednesday. He said that Mr. Melrose thought they could do it within the timeframe; that he could not start until September 14 because the BOS's meeting was the 13th. Mr. Blanchette said that the question of cost was the big one and, hopefully by Tuesday or Wednesday, he would come back with something on that. He added that while they had 1.1 million in the TIF and, even though that is in the TIF, it hasn't been appropriated and they had to deal with appropriated funds. He said that he thought they had had two appropriations of those funds and he and Ms. Spinney would sit down early next week and calculate where they were to the penny, one might say. He said that the last appropriation they had, if the Board recalled, was that the Board approved an additional contract with Underwood for what he had estimated was basically the balance of that appropriation so they needed to go back to the first appropriation to see where it stood. He said that, hopefully, by the BOS meeting on the 13th they would have all that information and the Board could even call for a presentation from Eaton Peabody at that Board meeting, if they wished. He reiterated that they were very interested to do this for the Town; it was a short timeframe for them but they recognized the timeframe and they still thought that they could do it.

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

Mr. Moynahan said that, if they were able to, he would schedule them for the Board's meeting on the 13th, perhaps, to come in and discuss a little bit further in detail what they could produce for information. He added that, again, it could be just projections, a best guess, best-case scenarios, they didn't know until they talked with Eaton Peabody.

Mr. Dupuis clarified that the report that Mr. Donhauser gave them at the SC meeting last night for an accurate reading on the TIF account was \$1,084, 807.63.

Mr. Moynahan said that the question did remain that they were authorized by the voters to expend a certain amount and when the Board re-upped the contract with Underwood that left them with very little in that account. He added that they would have to get that information to see what they were able, as a Board, to spend on additional information.

In response to the BC correspondence on this, Mr. Moynahan said that they were discussing that, still, and thanked the BC for the names; that they certainly did utilize one and would discuss it more. He said that he thought those were the three things he had included in correspondence with the BC and asked if there was any other item they would like to discuss with the Board.

Ms. Davis said that she thought that covered it and asked if anyone else on the BC had anything more.

Mr. Reed said that he was curious how the negotiations for the Police union contract were coming along, were they still ongoing.

6:20 PM

Mr. Moynahan said that they have shared with the groups what the goals of the Town were as it related to benefits and that sort of thing and that has been communicated throughout the process. He added that other than that he really couldn't speak to any of the union discussions.

Mr. Reed commented that that could materially affect the shape of the budget for the coming year and going forward.

Mr. Moynahan said that if there was no new contract then the contract would stay at status quo and he thought that was how they would have to approach it – if there was nothing signed then the contract would be exactly what it was yesterday. He asked Mr. Blanchette to verify that that was correct.

Mr. Blanchette agreed.

Mr. Pomerlau said that he understood that that was a privacy thing and an executive session kind of thing and not open to the public but, if he remembered correctly, it could be open to the public if both parties agreed. He asked if they thought there was any likelihood that both parties would agree to make the negotiations public.

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

Mr. Moynahan said no; that one of the first letters from the union was the rules to negotiate and it didn't touch on public involvement and that sort of thing, so that was very clearly defined that they would not.

Mr. Strong said that he thought it was going to be important for the Board and for the BC to get their (BOS) recommendations to the department heads and start working on what they were looking for in the future this year, such as no mill rate increase but budgets could go up if revenue was up, and that type of thing. He said that he thought some guidance, up front, was real important.

Mr. Moynahan said that that was the #1 priority on the Board's AIL and has been but reiterated that the Board wanted to wait until they had had this discussion with the BC before they finalized their direction.

Mr. Beckert agreed and said he thought next week.

6:25 PM
#2

IMA Update

Mr. Moynahan said that he was going to have Mr. Murphy take the lead on this.

Mr. Murphy said that the IMA Committee met a couple of days ago and went over the proposed intermunicipal agreement, as modified and corrected by this Town, so that they have generated a final version of the agreement that they would now present to Kittery. He clarified that this was a contract and was still in negotiations so this was not a public document that would appear on the front page of the Portsmouth Herald tomorrow morning before Kittery had even had a chance to read it. He added that the IMA Committee has seen it and he was requesting that the BOS agree with this and let Kittery know that it was now up to Kittery to accept the proposed changes to this that were scattered all through it – many changes were made, mostly to make this a document that consistently referred to the sewer system in Kittery and the sewer system in Eliot, that it was kind of thrown together before and it was now all cleaned up in that way. He added that the ability to make amendments to this was clarified more thoroughly and consistently, that when they had a dispute and it resulted in arbitration, he expanded this to make sure that the result of the arbitration must, itself, be considered an amendment. He explained that Kittery, over the years, has kind of not wanted to admit that; that the arbitration they went through in 1993 about the 1983 contract took Kittery some years to recognize that they should be enforcing that or implementing that. Mr. Murphy said that he spelled things like that out much more clearly and much more definitely and made sure they were cross-referenced from section to section, explaining that one section may say something as being the final word when, in fact, another section it was not the final word because it could be changed this way. He added that he wanted to get rid of all those places where people could disagree on possible interpretation, saying that he ran the 1983 certification wording by Ms. Rawski and she said that she could not sign that, that all she could attest to was that the Selectmen from Eliot who signed this were, in fact, Selectmen at that time. He added

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

that there were hundreds of changes like that in 17 pages. Mr. Murphy said that this had been passed before Keith Pratt of Underwood Engineering and in talking with Gary Beers of the Kittery Town Council. He reiterated that he thought this was ready to go to Kittery and say that Eliot was ready to have this adopted by Kittery and, if Kittery agreed, then the Board would be ready to bring it to Town Meeting here in Eliot – this had nothing to do with the TIF or sewer extension – this had to do with Eliot accepting the fact that Kittery wanted to change the way accounting was done on the operation of the sewer treatment plant and Eliot's current system that they already had, with an allocation of 200,000 gallons per day; that that was all they talked about in this IMA agreement. He clarified that the ability to amend this and satisfy disputes would allow it to be modified for any addition for the TIF or for any addition to upgrade the amount Eliot might need for their present Town system, which has reached the top level and wouldn't allow them to take on too many more customers without increasing the allocation to the Town – with or without the TIF. He said that the mechanism for doing that was built into this in a very clear way. Mr. Murphy reiterated that this was ready to be adopted and Kittery wanted very much for this to be adopted, so he thought that they would sign on it immediately, which meant that this Town should have a Special Town Meeting very soon, within 2, 3, 4 weeks, to help adopt this so Kittery could change their accounting to begin the final quarter of this year in their sewer bills. He added that at that Town Meeting, by the way, and depending on the consultation with the company that Mr. Blanchette spoke about, it would be possible at that Town Meeting to authorize the appropriation of sufficient funds for that study to be done quickly if it turned out that they didn't have enough monies to do that.

Mr. Moynahan said that they did have this document at one of their workshops; that all the questions that they had were reviewed by either an attorney or an engineer and those changes were appropriated as needed. He added that he urged them to review it because there had been some additional changes made and, if they could do that in a short period of time and, by consensus, agree or disagree with the document and move forward.

Mr. Murphy did want to say that he did go back to the minutes of the work session they did out back where people made comments and suggestions and Ellen Lemire's minutes to that – he went back and reviewed that whole thing to make sure that he incorporated the intent of the specifications from that meeting, so those were included.

6:31 PM

Mr. Dupuis said that, as a member of the IMA Committee, it was their recommendation to adopt this and he would like to wholeheartedly thank Mr. Murphy for all the work he has done on this; that his proper nickname of Mr. Daniel Webster held true in his ability to understand language and contract stuff; that it really helped quite a bit. He reiterated that the IMA Committee's recommendation was that this was definitely a win-win for the Town of Eliot. He explained that they would go to, essentially, a volume billing rather than whatever volume they sent.

Mr. Murphy said that once Kittery agreed that, yes, go for it, then this would be adopted at Town Meeting, which meant that, to enlighten all the citizens that would be voting there,

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

copies would be available, adding that it was premature to go public now but, once accepted by Kittery, there would be copies made available to be examined by the public for information, of course, not for alteration. He said that he had been working on this for four years; that the first version of this Eliot got in May 2008 and there have been 3 or 4 versions, with and without the TIF, and it has been a long, long road to come up with a finished IMA with Kittery, even if it was only for the system that was in the Town and the TIF would come later.

Mr. Moynahan said that the IMA Committee, as Mr. Dupuis stated, did endorse this and recommended it to this Board so, review as the members may and, any changes or concerns, please get them back as soon as they could.

Mr. Murphy asked if they wanted to vote tonight to accept this or wait.

Mr. Moynahan said that he thought they had had enough changes produced in this to warrant review, unless the Board was comfortable with the work they have done based on the documents in the past that the IMA Committee has provided.

Mr. Beckert said that he would like a chance to review it.

After some discussion, Mr. Moynahan suggested that they would have that on an agenda for approval at the next meeting.

The Board agreed.

6:35 PM
#3

Route 236 Sewer Extension Committee – Discussion of Mission Statement based on task list from the Board of Selectmen.

Mr. Moynahan said that they had tasked Mr. Dunkelberger to start with some preliminary language as it related to a mission statement. He said that before he got into this, Ms. Davis had also requested to be on the Route 236 Sewer Extension Committee so did the Board choose to take that up tonight and approve her or not approve her application for that; that he would certainly take motions for that.

Mr. Murphy said that he would hope that they would try to get more citizens involved; adding that Ms. Davis was already so closely involved in everything that was going on and asked her if she wouldn't be willing to have a citizen sit on the committee. He said that she would be providing input but it would be good to persuade more people to get involved rather than the same ones; not that he objected to her being on there. He wondered how big the committee was going to be.

Mr. Moynahan said that they did not put a cap on it.

Mr. Beckert asked Mr. Blanchette how many they had appointed so far.

Mr. Blanchette said that they had appointed five so far.

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

Mr. Beckert moved, second by Mr. Hirst, to appoint Rebecca Davis to the Route 236 Sewer Extension Committee and that they also cap the committee at seven members.

VOTE

3-0

Chair concurs

6:37 PM

Mr. Moynahan said that Mr. Dunkelberger had provided a starting point to discuss mission with this group and asked if the Board wanted to take a minute to review this; adding that he was sure it was just a starting point and there may or may not be some alterations or changes.

Mr. Blanchette asked if they could just make sure the members of the committee were present; that he thought they were, but, if the Chair could identify them to make sure.

Mr. Moynahan asked if all the members of the Route 236 Sewer Extension Committee were present: Russ McMullen, Robert Pomerlau, Donna Murphy, Richard Donhauser, John Chagnon, and Rebecca Davis.

All members were present.

Mr. Moynahan read the proposed mission statement for this ad-hoc committee: *“To present an objective view of the proposed Route 236 Sewer Extension, explaining potential gains as well as potential pitfalls to the project. The findings of this Ad-hoc Committee will aid town voters in making informed choices regarding sewer expansion in Eliot.”* He said that actually, for this Board, this first statement was all they really needed for a mission statement for a group and the others were suggested items that the committee would be deciding by themselves.

Mr. Murphy clarified the “potential tasks list.”

Mr. Moynahan agreed and said that that could be a starting point for that committee.

Mr. Hirst said that it sounded like a concise statement of mission and he certainly agreed with it.

Mr. Murphy said that he thought it looked okay.

Mr. Reed asked if, perhaps, this committee or the existing SC, as a standing committee, were going to be recommending price structures for fees for existing and TIF-related sewer.

Mr. Moynahan said that that would not be this committee; that the SC has been tasked with the technical advisory portion as it related to rates, flows, and all of that and they were working on rate structures and that sort of thing right now.

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

Mr. Beckert said that he thought the mission statement looked fine but he was looking at the potential task list.

Mr. Moynahan clarified that he thought that the mission statement was really the only thing the Board needed to review and then, as a group better define tasks.

Mr. Beckert said that the task list looked to him like, if they end up hiring a financial consultant, that the financial consultant would do #1 through #7.

Mr. Moynahan clarified that there were seven on the list.

Mr. Beckert agreed and suggested that maybe they could decide what to do under the mission statement.

Mr. Moynahan agreed and said that he thought it was important to get the committee going and getting as much information gathered that seems to benefit the Town and the financial was not in the purview, as Mr. Beckert indicated, that Peabody was going to assist the Town with that portion and it would not be necessarily tasked to this ad-hoc committee.

Mr. Moynahan said that he would entertain a motion as far as it related to a mission statement for the ad-hoc Route 236 Sewer Extension Committee.

Mr. Hirst moved, second by Mr. Murphy, to accept the three lines at the top of this page: *"To present an objective view of the proposed Route 236 Sewer Extension, explaining potential gains as well as potential pitfalls to the project. The findings of this Ad-hoc Committee will aid town voters in making informed choices regarding sewer expansion in Eliot"*, as written.

VOTE
3-0
Chair concurs

Mr. Moynahan said that he would contact all the members of this group to set up a preliminary meeting with them and get the committee on their way, if that was okay with the Board.

The Board agreed.

Selectmen's Report:

Mr. Blanchette suggested that, if the Board was about to adjourn, then, maybe in the next 5-10 minutes that committee could meet and decide on future meetings.

Mr. Moynahan agreed.

6:43 PM

Mr. Murphy said that they had before at these meetings had a review of the ordinance

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

governing boards and so forth; that he has gone through that and he has developed a draft of changes which he would like to disseminate to consider whether his proposed changes make sense to the Selectmen.

The Board members said that they already had the draft.

Several people asked if they could get copies.

Mr. Murphy clarified that this was something the Board was working on and that, once it was agreed upon by the Board, then it could be presented to the public for approval and that would not be at a Town Meeting.

Mr. Moynahan said that this was added to their work (AIL) and that there were some big changes Mr. Murphy had made and asked the Board to review this, as well, to see if they had any questions.

Mr. Moynahan said that Mr. Sinden was here and left some information as it related to the County Commissioner's Budget Committee and was to elected officials as well as members of the general public. He added that the information would be here if anyone were interested in being involved with the York County Budget Committee.

6:45 PM

Mr. Murphy asked Mr. Moynahan if he would allow him to read paragraph #7 – Standard of Conduct

Mr. Moynahan said yes.

Mr. Murphy said that he made no changes to this paragraph and that this was the way the paragraph stood in the ordinance that applies in the Town. He read: "*All officials of the Town of Eliot (official means any member of a board or committee and included all employees of the Town) shall practice standards of conduct, which prohibit engaging in any criminal or other conduct prejudicial to the government or affairs of the Town of Eliot or adverse to the health, benefit, and welfare of its residents. This includes any action which might result in or create the appearance of using an official position for private gain, giving preferential treatment to any person, impeding town government efficiency or economy, losing complete independence or impartiality, making decisions outside official channels, or adversely affecting the confidence of the public in the integrity of the town government.*" He said that that was in the ordinance now, which was in force, and he saw no reason to change it.

Mr. Moynahan said that he was not planning to offer a meeting next week but, in lieu of the workload, he thought it would be wise for the Board to have a small meeting next week at 5:30 PM on Thursday. He added that they would probably have primarily budget unless others had suggested agenda items they would like to see.

The Board agreed.

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

Mr. Beckert asked Mr. Blanchette if they were all set with this video-streaming in both rooms.

6:46 PM Mr. Blanchette said no.

Mr. Beckert said that he had asked at some point before to have Mr. Emery in and talk to them about the system.

Mr. Blanchette said yes; clarifying that this (large meeting room) one was all set now as they had refocused it, the "on air" sign worked, and the audio supposedly worked. He added that, regarding the one in the other room, the camera was physically there but he didn't think it could be programmed yet to be on – but they were getting there.

Mr. Beckert said that maybe once they were all set and everything was working they could give the Board a Reader's Digest condensed version of how it worked.

Mr. Blanchette said that the button they had in front of them, the top button was "on", then 2, 3, or 4 would shut off the audio and the video.

Mr. Moynahan said that in order to hit #1 they had to have a computer that's...

Mr. Blanchette clarified in order to be "on air" and not out video-streaming; they still had to program the internet for there to be a connection to the outside world.

Mr. Moynahan said that maybe if he had a minute to share that with him on how to do that in the event that Mr. Blanchette wasn't around and that sort of thing.

Mr. Blanchette agreed. He said that his intent was that whatever committees would be video-streamed that they told him at the beginning of the month their schedule and he would do it at the beginning of the month for the whole month.

Other Business as Needed

There was no other business tonight.

Adjourn

There was a motion and second to adjourn the meeting at 6:49 PM.

VOTE
3-0
Chair concurs

DATE

Mr. John J. Murphy, Secretary