

SPECIAL BOARD OF SELECTMEN'S MEETING
September 6, 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:

Mr. Moynahan invited Mr. Emery to give an overview of how the video-streaming was going to work.

Mr. Emery said that the other room was finished up this last week and he was down today and labeled the switch - #1 is "On" and all the other three were "Off". He added that the three that were "Off" would allow them to expand in the future by doing things such as buying a small device that could be hooked up so that if they were to hit #2 it would show that the Board was in executive session. He explained that the live "On Air" button had a 30-second delay when clicked off and when they hit #2 through #4 it was instantaneous for audio and video to be shut off, even though the light shows them as on. He said that if the Board wanted to go into executive session then they would push #1 and, as long as it has been set through the internet to record, it would come right back on and pick up where they left off. He added that the light only shows that they were ready to record; that the meeting had to be scheduled by Mr. Blanchette or whoever. Mr. Emery said that the one located in here was the one located out there; that the one in there was an analog camera and the one in here is an IP camera. He added that he has ordered a switch which he will donate because he thought they should have the capability of manually making sure this one didn't work, explaining that right now, if someone was to go on the internet and log in, then they could schedule that to record and there could be something going on that they didn't want recorded, so this would be a back-up and it would be on-off.

Mr. Beckert clarified that right now, if they needed to have an executive session, then they would have to go into the other room, that it would stay on constantly, and there was no way to shut it off from out here right now.

Mr. Emery said yes.

Mr. Hirst asked if the switch Mr. Emery proposed for in here would shut off both audio and video.

Mr. Emery said yes. He said that the audio and video in here were both within that one camera and the Ethernet cable went to that camera and the minute they threw the switch to the "Off" position it killed to the Ethernet so that nothing could get through. He added that that was the same for the switch in the other room and they have tested that for both audio and video. He also added that he was here when the one in here was tested to make sure it worked.

Mr. Moynahan said that now that they have two cameras, when they schedule the meetings as they figured out who was going to do that, they would have to indicate which room.

Mr. Emery said that the way it was listed on the website was "Town Hall" (Board of Selectmen), "Conference Room", and "upload".

Mr. Moynahan said that they wouldn't be recording at the same time.

Mr. Emery said that they could have both a meeting in here and a meeting out there recorded at the same time. He suggested that when Mr. Dunkelberger or someone who was familiar with it if they had a laptop was to have the laptop in there and bring it right up and watch it so that they could see that when they pushed that button the feed would be gone.

Mr. Moynahan said that what the Board has discussed was, with the executive sessions, how did they know they were off-camera and discussions about laptops and, if there was a screen that Ms. Lemire had by her to monitor, then they would be able to tell, if it went blank, that they were truly in executive session or that it wasn't being recorded so that they wouldn't get themselves in trouble.

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Mr. Emery agreed, adding that they could watch it without logging in. He said that it would be good if someone on the Board had the log-in in case Mr. Blanchette wasn't here because they could log right in and end it so that they could go into executive session. He said that the laptop would be a real good safeguard so that they knew what was going on.

Mr. Emery clarified that the Board would be having another meeting next week and they would get into more of the policy-type things.

Mr. Moynahan agreed the policy was put on the agenda for next week.

Mr. Emery said that the committee had sent various correspondence to the Board and he was going to review it and try to put it into one document, if the Board wished. He added that he was glad to hear that Mr. Blanchette didn't mind setting up the meetings at the first of the month but they would still want to give some consideration if they wanted the Chair or other people to know what the user name and password was – he thought that was something they ought to keep to a minimum. He added that they did need backups in case Mr. Blanchette was not around that were able to log in, schedule meetings, etc., reiterating that he felt it was better if not the whole world knew how to log in.

Mr. Moynahan said that there were some additional things that they needed to figure out but that that has been placed on the agenda so any additional information Mr. Emery offered would be very much appreciated. He thanked Mr. Emery for his help in getting this whole thing going.

Mr. Murphy asked if Eric was pleased with the system.

Mr. Emery said that he wasn't a hardware person and was a little frustrated but did get the job done. He added that Mr. Denault was Eric's installer and would be doing any reinstallations and any of that type of work. He said that the way this building, itself, was designed made it difficult to run stuff through the walls but they got it done. He reiterated that, downstream, they could look at expansion, adding that they needed to recognize that what they had was a cheap system but it works and, when the economy turned around and they ever wanted to improve on it, then it would lend itself to that. He discussed that other towns, such as Kittery, had microphones in front of them, there was a podium; he thought that it would be good to have speakers – department heads, for instance – walk up to the front near Mr. Dunkelberger so that they could be seen on the video. Mr. Emery said that, for the money they invested and the transparency they were gaining, it was a great tool.

Mr. Moynahan agreed.

5:40 PM
#1

Budget Process

- a) Directives to Department Heads
- b) Review budget format, approve one, send template to Department Heads to be used
- c) Define budget timeline

Mr. Moynahan said that he tried to define three of the objectives that they were tasked to do. He added that they had a joint meeting with the BC last week and they offered some pretty good suggestions. He said that he thought that, by consensus, they had looked at using Mr. Strong's format, unfortunately, he didn't have anything provided in detail unless what Mr. Strong provided last week was, in fact, complete.

- a) Directives to Department Heads

Mr. Moynahan said that he thought the Board needed to come up with some sort of guidance for them – were they going to go with zero increase on operating expenses, were they going 1.5% COLA's – what was the Board's mindset when it came to this type of thing. He added that he had a couple of suggested increased revenue streams – community service program fees, building permit fees, which were far less than surrounding towns, sewer user rates that the SC was working on that and, hopefully, a recommendation would come that would certainly help in assisting with the budgets. He added that another one he had was to explore revenue streams for the Route 236 police

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patrol, where that seemed to be the most active area for the Eliot Police Department, he asked what they got back for that – when the State stopped patrolling that area and Eliot assumed it, Eliot assumed all costs and all manpower but, with every traffic came a fine, with every OUI came a fine and suggested they should be entitled to something.

Mr. Murphy asked if those fines stayed in Eliot or went to the State.

Mr. Moynahan said that they went to the State. He added that they always talked about decreasing and things like that but there a couple of areas they could modify to potentially increase the revenue stream. He added that these were just some thoughts he was throwing out there for some discussion.

Mr. Beckert said that the PB was already working on, and they were going to public hearing on it in two weeks, the fee structure portion of the ordinance – building, electrical, plumbing, CEO, etc. HE clarified that it probably wouldn't go on the November referendum because they were too close but would be on a special Town Meeting, if they had one, or in June.

Mr. Moynahan said that he was not aware that they had been working on that but said that was fantastic. He asked for thoughts from the Board on what the directives should be to the department heads, what were their goals.

Mr. Hirst said that he had a suggested goal that they forbid any overspending of accounts with the exception of snowplowing and general assistance, which were excluded from that anyway. He added that that would involve the Police Department for overtime, which has been a standing problem, and he believed it also involved the ECSD, which sort of borrowed from the Town and may not pay it back and might constitute an overspending of the account.

Mr. Moynahan asked for clarification as far as overspending of ECSD and not paying back.

Mr. Hirst said that the last three years, he believed, the accounts showed that there had been a borrowing from the General Fund of \$40,000 to \$50,000 to \$60,000 each year, which has not been restored and he thought that was something they needed to put a stop to.

Mr. Moynahan said that he was not aware of any of that.

Mr. Murphy said that he didn't understand what Mr. Hirst was talking about; that he didn't know of this either and was not something that the Board ever approved.

Mr. Moynahan said that there was one time that the ECSD came in and had to borrow money; that was the year - that the Enterprise Fund was decreased the year before, that they had to borrow money from the Town and he didn't know if it was paid back or not but it was not at that dollar figure.

Mr. Murphy clarified that she borrowed from the other half of her budget, not from the Town, and then, when her own enterprise monies came in, she used that to balance her own books.

Mr. Hirst said that if they looked at the audit for the last several years that department operated at a deficit and he thought that was where he was getting that information. He added that it was in the Proprietary Funds on page 13 of the audit.

Mr. Moynahan asked if it was where the operating funds of that department were separate from the enterprise funds so that the Town paid \$50,000 a year towards her operations or whatever those costs were.

Mr. Hirst said that to be honest he was not clear on that.

Mr. Murphy suggested they look into that.

The Board agreed.

Mr. Hirst said that as far as the overspending on the Police Department overtime he thought there should be a mechanism of going to the Selectmen for permission to

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exceed the budget. He added that he didn't think it should be allowed without special approval.

Mr. Moynahan said that there was language that any request for overtime needed to be approved prior to that overtime, which, in his memory, that has not occurred; that the over-expenditures in one year, at the end of the year, their entire budget was overspent; that that was last year and they had to pay money, agreeing with Mr. Hirst. He added that, regarding the warrant articles, it was explained to him that, as long as they fell within the crux of the warrant article, then they were not actually being overspent, so the budgeting may not be as accurate as this Board wanted. He added that, hopefully, the budget templates they came up with would rectify some of that from an accounting standpoint.

Mr. Hirst said that he thought that, in the past, the Police Chief had indicated that he didn't realize that he was over and he thought the Board had an obligation to provide him with information on a daily or weekly basis towards the end on where he was on that account.

Mr. Moynahan said throughout the year, for all the department heads, they should be receiving information on where they were.

Mr. Hirst agreed.

Mr. Moynahan said that he thought they addressed that when they had the department heads in that their financial reporting was critical and the knowledge of where they were financially, so Mr. Hirst was 100% right on that.

Mr. Beckert said that he thought they discussed the fact that, and Ms. Spinney verified it at one of their meetings, they did get that monthly report that showed the percentage of budget time elapsed and where they were as far as percentage of actual funds expended, so that was something the department heads needed to pay attention to but the Board needed to watch that and be cognizant of that, as well. He added that he thought that if they all were watching it then it shouldn't slip by and Ms. Spinney could certainly red-flag that to this Board if it looked like an account was going into jeopardy on overtime. He added that he didn't think there had been any problems in any of the other ones he has listened to lately but he didn't know what had happened in the past few years. He reiterated that he thought they just needed to pay attention to those monthly reports – the percentage of budget time elapsed versus the actual expenditures.

Mr. Hirst said that towards the end of the year it may be necessary to go to weekly reports.

Mr. Beckert agreed that was a possibility; when one got down to 95% of a budget elapsed, then that was the critical time when something could possibly slip through the cracks if it wasn't being watched, but he thought they were paying more attention now.

Mr. Murphy said that he thought they had planned to have that be one of the major items when the Board talked with department heads during the year – every two to three months.

Mr. Beckert asked Mr. Moulton if he saw any issues, as a department head, as he seemed to keep on top of his expenditures. He added that they had a light snow year this past year but that account could be over-expended by law if needed.

Mr. Moulton said that, like he said at Town Meeting, his intent was to try not to; that it was there as a crutch but that was why he built it the way that he did so that he didn't, that he tried to work within the limits so that they didn't have that. He added that if they looked into each line item, as an example, his paving line he might over-expend but the warrant article stayed balanced so it was bottom-line budgeting and, as long as he didn't over-expend his entire article then he was okay. He explained that he might have some overdrafts on some things – that he has already done his drainage projects for the year but something might wash out and he needed to buy some materials – but that was up to him as a department head and if he saw an issue, then it was up to him to come before the Board to let them know he was going to over-expend and he needed to pull it somewhere else in his budget; the whole thing needed to be balanced.

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Mr. Beckert said that in those emerging situations he would go without something that he had planned on over here to do this.

Mr. Moulton said he would have to unless given permission from the Board to pull from something else. He added that he kept a ledger and knew where he was at before he got anything from Ms. Spinney; that he knew his balances because, as he did his bills he subtracted it from whatever budget line it was and each one was broken up into a page per article so he knew where he was at per page.

Mr. Moynahan asked about other suggested directives to the department heads as far as what they were looking to do. He discussed the big costs of salaries and benefits and that they had talked last year that they were doing a 5% employee share last year and 10% was planned for this year, asking if they were going to stay consistent with that model because he thought they should share that with departments so they could budget accordingly. He asked if they were going to offer COLA's and, if so, what was that percentage. Again, he said that they should communicate that if it was a directive from the Board so they weren't seeing what it looked like with a 0%, a 3%, a 5%. He said that each year it seemed they got six different budgets. He said that operating expenses were what they were – no more than a certain percent increase of flat-funded on that line item; vehicle purchases and capital improvement plans – were they planning to fully fund those, adding that he believed those were two very critical things they should always fund, but that was his personal opinion because, if they didn't fund those, then they ran into larger costs down the road.

Mr. Murphy said that it was his feeling that they shouldn't go to something as drastic as a full restructuring of everything they did and go back to a completely zero-based budget because they knew they were going to have employees; they wouldn't start at zero and say they were going to hire employees or first fire them and then hire them back in again; no, that they didn't do it that way in Eliot. He added that they had their staff and they tried to accommodate their needs; that their fears about their financial safety were just as real as the Board's fears or the citizen's fears and they didn't know exactly what the group of employees would be doing as a result of their treatment in the last couple of years and their actions may, in fact, wipe out entirely the plans that the Board tries to set up at the time – if they want to form a union and that would require negotiation and all of their careful plans and hopes would depend on how that came out.

Mr. Moynahan said that that was not something they had control over right now while they set up directives, but they needed to give some sort of guidance and, if that day came, then they would have to address it accordingly and adjust accordingly.

Mr. Murphy said that he would like to stay with what he considered the traditional Eliot point of view – what does the department head need to do this coming year that he or she could see coming without being a spendthrift; try to tighten their belts more the way each department was done and give the Board their figures. He added to try to have them go to a new system would be confusing at this time and they would make mistakes. He added that he would rather have them use their standard way of thinking so that they would be including everything that was in their departments in a normal way. He said that, if the Board tried to have them restructure in some way and start a new way they may leave something out or they may put something in that was irrelevant. Mr. Murphy said to not confuse them but that the Board should take a close look.

5:50 PM

Mr. Beckert said that it wasn't something to be taken lightly but it wasn't something that...he was torn between this zero-based budgeting and letting everything go carte blanche. He added that, having sat here before on either side of the table – Budget or BOS – he really wanted to see what the department heads, and he wanted to see it early on, felt that Eliot needed to do this coming year so that, as was said, they weren't playing catch-up down the road because that was what happened when a town started to lose its infrastructure. He said that they couldn't wait until the 11th hour to determine whether they were going to cut back or do this or that or the other. He said that there were certain things in the maintenance plans and everything that, if they were going to move forward, then they should move forward at a level that they weren't spiking the tax rate every year; that they had to be consistent and had do things consistently from year to year so that they didn't put a big spike in any given budget year. He added that,

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unfortunately with many municipalities, one of the big things they usually did was to cut maintenance and stuff like that to save in a budget year. He said that with personnel issues, as far as salary increases and whatnot – again, he hated to spend money to hire firms but it was advantageous. He said that they used to have Dix Consultants and they were a consulting firm on personnel-type issues, COLA's and that type of thing, adding that they had this firm come in at one point to restructure the entire wage grade system of the Town because it was so far out-of-whack, as nothing had been done to it in quite a few years. He explained that they looked at every position on Town, they talked with employees, they looked at the wage scale that was there, they made recommendations on what may have been needed to be adjusted up and what may have been needed adjusted down, and the BOS did that in one fiscal year and made those necessary changes. Mr. Beckert said that they bit the bullet, recognizing that this was, for lack of a better term, inequitable or not kept up-to-date compared with other municipalities like Eliot and that was what the firm did – that was their business. He added that they had Dix come back for several years after that to do an overview and let the Town know if there was anything that needed to be adjusted that particular year. He added that they also made a recommendation, giving the BOS a range for possible cost-of-living; that it was based on the CPI and CPU of Eliot's local area at the time based on the financial situation or economy; and they found that helpful because it didn't become a judgment call on the five members sitting here. He said that it was information that they were getting from a consulting firm that did that for a business. He said that he would almost recommend they go back to that type of way of looking at it.

Mr. Murphy asked if Mr. Beckert remembered what year that was done.

Mr. Beckert said that he couldn't quite remember but he didn't think it had been done since 2005. He added that he didn't know if it was out-of-whack now but he did know that the economy was certainly a lot different than it was back then. He reiterated that he thought they needed to take a look at it and do it with a professional set of eyes, other than just the Board looking at it.

Mr. Moynahan clarified to include the current pay scales as well as the cost-of-living stuff.

Mr. Beckert said that he thought they should do a review of everything again. He said that to go 8 – 10 years without reviewing any of that stuff, it wasn't something an outside business let lapse that long and they had to pick up and start running like a business again.

Mr. Murphy asked if he had a rough figure for that - \$15,000 - \$20,000.

Mr. Beckert said that he did not but he did not think it was anywhere near that much but he may be wrong. He added that Ms. Lewin was on the personnel board back then.

6:03 PM

Ms. Lewin said that that was a long time ago. She said that she remembered a time when they heard about dysfunctional Town Hall when the BOS asked a group of three to interview every Town employee on the Town payroll; that they did that by department, and they turned in a written report to the BOS. She explained that their job was to do the research and give it to them and part of that was to hire somebody to take a look at this locality, not the Boston area to Portland, but this locality to see what were fair and equitable and reasonable salaries. She said that one of the things they would need to consider was that a whole lot more work has come by virtue of State mandates, so more work has been brought in to this Town Hall and most people didn't understand that, they didn't get it, and that was because they haven't heard about that. She said that it was a fact that a lot has been pushed off onto the towns to do and Eliot still has a stable amount of employees here – that has not spiked in all these years. She added that they only had one extra person, if her memory served; that she thought Ms. Harvey was the only new person. She said that the eight years she sat in the legislature she saw a whole lot of stuff shoved right back down on the towns to do and it was still going on, adding that it was to a lesser degree and hopefully there would be less of it. Ms. Lewin said that she thought that process was a fair and equitable one and wise one to consider. She added that, personally, she did not want to see this Town all unionized – she just did not want to see that happen and she thought their employees would get a huge boost if they knew their Board of Selectmen was concerned enough about their situation to take a long look at it again. She added that they certainly see that in private business and

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seldom see it in government, which was a big mistake. She said that she would not want to see the Town lose people; that they were good, solid people and have been here a long time. She said that she remembered all the years they voluntarily told the BOS not to plan to give them a raise; three years in a row they did that and, in the fourth year, there was a big fight on Town Hall floor about giving them 2% - 3%; it was absurd and she really didn't want to see repeats of those kinds of things. She added that she thought it would be a very good thing to do to find out if they were really doing the right thing or if they just thought they were doing the right thing. As far as the budget went, she said to get started early enough, if it were up to her – she spent 18 years doing that stuff and Mr. Beckert was there several years with her – she would ask them to bring in a budget that reflected what they had to have to meet the job and to do it in a timely way; and she would ask them, as an adjunct to that, to bring in a prioritized wish list so that if the BOS felt that there were other steps to be taken in those departments, at least the BOS heard them out and the BOS saw something that they set as what the priority should be to keep the departments moving the way they ought to be moving. She reiterated that they ought to get a baseline that let them know what it took to keep the doors open and do the job. Ms. Lewin, discussing other wishes, said that Ms. Rawski needed space, they knew that, and she would bet that would be at the top of Ms. Rawski's list. She added that, if it were up to her, she wouldn't have a whole lot of preconceived notions until she talked to a professional organization about personnel and she would start with what they say the employees had to have to do the job.

Mr. Fisher said that he thought nothing was wrong with organized labor; that they had a good thing, one would only be dealing with one person, good companies were not afraid of unions because they had a set of by-laws that they followed, they had a set-up just exactly what the BOS was looking for on how to evaluate jobs, it was all spelled out and everyone could look at it and anybody could say he needed here or needed there. He added that because the State gave them more jobs to do, their employees were doing it and that meant they had some time on their hands and they just picked it up. He said that just because someone got more work didn't necessarily mean someone got more pay, saying that if someone swept a floor and got another one and could sweep it, then that person didn't go to negotiations because he now had two floors to sweep, as he was doing it in eight hours now and didn't need more money for that, he was just a sweeper. He said that organized labor was not something to be ashamed of and was a part of life. Mr. Fisher said that he disagreed with the percentages they talked about because a loaf of bread cost him as much as it did the supervisor and the supervisor might get 15¢ an hour and he was on the lower totem pole and might only get 10¢ an hour. He added that percentages kept ballooning, it kept adding on to itself, explaining that adding one penny to the 10¢ an hour over a period of 20 years based on percentages could end up \$1 an hour. He said that if they looked at a wage increase as a dime for him and a dime for everybody, then they weren't getting out-of-whack anytime, that it was always going the same way but, when percentages were given, the higher the guy the more the money; it didn't mean the job changed any – the sweeper was still sweeping.

Mr. Beckert said that his whole point about bringing up the consulting firm as far as wages and whatnot for personnel issues was that the figures seemed to have more credence when they come from a professional than they did from the five of them or the seven members of the BC sitting around the table. He added that it was based on factual information and not emotion. He said that these companies had nothing to gain by telling them any of that on the employees; that they were coming in strictly doing it on a professional basis and, to him, it gave more credence to that information, their recommendations. He added that he didn't know, with the way the economy has gone, what they would recommend today versus what they recommended years ago, but it was a basis. Mr. Beckert said that, if they kept up with that on a year-to-year thing and they went along using those recommendations, or not, then he thought it was a good basis to make decisions on.

6:10 PM

Mr. Moynahan asked if that was the consensus of the Board. He could reach out to try to locate this company and at least get costs associated with that before they started discussing employee increases or decreases.

It was the consensus of the Board for Mr. Moynahan to do the research on this.

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Mr. Moynahan said that that took care of the employee costs but, as far as the operating costs, his goal was hopefully that they had talked about this enough that they would come up with some type of directive to start at least hinting to the department heads so that they could start preparing their budgets, whatever that was. He added that it didn't have to be percentages or dollars or whatever, but they should give them some type of guidance as they started to put together their budgets.

Mr. Murphy said that he felt a little bit inadequate in directing, say, Mr. Moulton to run the Department of Public Works and he would listen to Mr. Moulton's years of experience as to what he needed to do at the very minimum in order to keep Eliot from sliding backwards. He added that that was kind of the zero place – at least stay level where they were, not lose anything – they didn't have to plunge very fast or far forward but, at least, not lose ground in maintaining the Town and its infrastructure, if they could, and the status of their employees and the citizens, the best way they could. He said that the Fire Chief and the Police Chief knew what their responsibilities were, adding that the Police Chief had an idea of what additional laws were going to come down from the State or even from Washington to local police departments. He commented that local police departments were doing a lot more on a national level than he ever thought they would do 20 years ago, as he understood it, and somebody had to pay for that, that it took time. He said that he didn't currently know how the Police Chief was planning his personnel for next year, that there were a couple of issues, like the healing detective, and they didn't know what was going to happen with that.

Mr. Moynahan asked if the Board should direct department heads to provide a budget that they felt they could live within to satisfy the needs of the community, that this would be a baseline to start.

Mr. Murphy said that it should contain a list of big areas, were they going to do the same thing next year that they did this year or whether they expected to cut out some things or whether they might add some things, and lay that out and see the cost effect of each of those.

Mr. Moynahan said that, when they got into the budget formats, this could be expanded if they needed additional information on some of their expenditures.
Mr. Murphy agreed.

6:12 PM

Mr. Beckert said that he was going to go back to part of what Ms. Lewin said; again, he thought to give them a direction to present the BOS with a budget of the things they had to have to provide the services that they were providing now, no less. He added that, if they got into a situation where they needed to look at something once everything was in and, if they were willing to tell the Town that if they wanted to cut, then these were the services the people would have to do without. He reiterated to come in with a budget right now, at a minimum of what it would take to provide the services that they were currently.

Mr. Murphy said that he would like to see that as what must be provided and the ones that they did supply that may be able to come out.

Mr. Beckert agreed, saying that that boiled it down to must-haves and the nice-to-haves. He used Public Works as an example: if Mr. Moulton didn't have 'this' then he couldn't replace the culvert at Cedar Road and it was in jeopardy of failure if it was not replaced within a 2-year period, or something like that. He added that that was part of the justification that they would have to come forward with, with those must-haves. He said the nice-to-have would be: Mr. Moulton would like to do this much hot-topping this year but this was what he had to do in order to maintain the level of maintenance that would keep Eliot from falling behind and Mr. Moulton knew how to explain that type of thing. He said that that was what he would like to see to start with but he didn't want to wait until the last minute to tell them no, that the BOS was backing up and changing plans again. Mr. Beckert said that he thought that if they came in with that type of budget request then the Board could really see where they felt they could tell the voters that the Board felt the voters could afford this or not.

Mr. Murphy said that that always came later, it was the next thing.

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Mr. Beckert agreed. He said to build a zero-based budget – that term, even though he knew what it was – bothered him because they needed to use the past history of what they have been expending on the necessities. He added that it would all boil down to what the Town would be willing to pay for the services they were used to having. Using the Transfer Station as an example, he said if people wanted it open three days a week, as it was now, then this is what they would have to pay and, if they didn't want it open three days a week, then they could close it one day a week and 'this' is what the people would save. He said that they were in the people service business, as a municipality, and there was no two ways about it.

Mr. Moynahan said that he didn't think any of the Board members had talked about a zero-based, that that was discussed with the BC. He added that he was looking more for what this Board wanted to do for direction to the department heads. He added that they needed to start and when they got into the budget timelines they would see why they needed that – the sooner the better to at least start getting some of this information returned to the Board.

6:15 PM

Mr. Murphy said that he thought they were honing in on it; whatever department heads thought they must have to accomplish what must be done and then add, as Ms. Lewin said, a wish list. He said that it would be good to have 'this' and something else could wait even longer, depending on the need, and nature and cosmic events would enter into that. He said that contingency had to be built into every plan. He added, though, that there should be kind of a central contingency, not a contingency within each department, as departments didn't exist by themselves but existed as part of a group of departments. He added that the Town could have the special fund in case funds needed to be a little more in that department or this department but they didn't know what was going to happen or which department might have trouble.

Mr. Moynahan asked if that was consensus to request that type of format for starters to the department heads, adding that they weren't requesting their budgets yet, as that would come with the timeline but, at least they could prepare in that manner. He added that he thought they would better aid them to at least give them some sense of direction to get started.

It was the consensus of the Board.

Mr. Murphy said that he would be amazed if they were not already doing this, that it was what they did all the time, anyway.

Mr. Moynahan agreed that that very well may be but he also had two copies of letters that this Board needed to send out for direction and that sort of thing and that was why they needed to come up with something. He added that the Board needed to get the ball rolling.

Mr. Dudek said that he agreed with everything the Board said within the base they just established. He added that he would like to point out that getting the tax bill yesterday and if his math was correct then he was giving 26% of every dollar he put in for this municipality. He added that he thought that the Board needed to start an activity on the side to take a look at why 70% was going up on Route 236 (MSAD #35) because, if they could reduce that 70% to, say, 55% and he could put that 15% back into this municipality, then he thought they could go through the analysis on whether they had the right people and were they at the right salary level and, with that extra change would help them, keep them happy and maybe they didn't have to talk about organizing into anything because happy campers were happy campers. He said that Eliot had to do something about that 70%; there had to be an action, activity in there that there was an awareness that they were concerned, reiterating that the money they could get out of that 70% could go into the municipality. He added that, then, they could have people at the right pay scale and the Director of Public Works wouldn't have to worry about the next plow or using duct tape to hold the fender on. Mr. Dudek said that he thought this was important and that the only people who could do it was obviously the people, themselves, but there had to be something from the BOS. He added that they needed to make the people up on Route 236 that they didn't want 70% anymore, that it has been 60%, 65%, and now it was 70%.

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Mr. Moynahan said that he invited the school in to talk with the Board about a month ago to start those discussions.

Mr. Dudek agreed, as he was at that meeting, but, to him, it had to be a very active thing because, like he said, 70□ was going into their cup and, if his math was correct, 26□ into this municipality. He added that they had a lot of people in here that were providing services to all the people who were putting 26□ in there and he would like to see a little more going in.

Mr. Beckert said that he was absolutely right but because of the way they were set up with the school district it took an active role from the public to go to those school board meetings. He added that the Chairman was absolutely right about why they asked the school board to come in with the Superintendent so that the Board could try to get a feel of where they were going in the next 5 or 10 years and obviously it was going up. He added that he was a little encouraged by this superintendent to hear that she was taking an active role in trying to take some control on that budget. He said that with Eliot's form of government and with the school district the way it was it took a more active role from everybody in this room to go to those meetings.

Mr. Murphy said that he had wanted to go to more of the school board meetings but, for many years, he has gone to the Eliot Conservation Commission (ECC) on the first Wednesday. He added that he forgot to ask them last night at their meeting if the ECC would be willing to move to another date here in Eliot just so that Wednesday night wouldn't be doubled up for people who wanted to go to the school board meeting.

6:19 PM

Mr. Dudek said that he thought the BOS inviting the school board in was very important and he thought that should be almost scheduled for them to come in regularly. He added that he thought there needed to be a reinforcement of the concern of the expense that was going out to that, that it hurt the municipality and its budget. He said that he was hearing people ask how to pinch a penny here and pinch a penny there and that was no way to run the government, that the Board knew that because they had been there before.

Mr. Beckert said that it did boil down to the fact that they could sit here and that 26□ they could cut six ways to Sunday but they would not make up the increase every year that the school threw on the Town.

Mr. Moynahan said that it was disheartening to hear the approach with the full benefit package and that there was going to be a pay increase for the employees every year, etc. He added that that was their goal and he wasn't saying to take away from any employees but one of the biggest costs were employee costs and, at least this Board was trying to take an active role to look at those and see how they could manage them and they (MSAD #35) hadn't even started that yet. He said that he wasn't saying that cutting was a good thing or a bad thing but at least they were having open discussions on how it affects the Town and how they may better manage it.

Ms. Lewin said that some anecdotal information was that the school populations were sinking like a brick all over the State of Maine.

Mr. Moynahan agreed and said that it has been in active decline for the past 10 years.

Ms. Lewin said that it was very predictable; that Helen Keller could have seen what was happening so why have we done absolutely nothing to curb some of those expenses, and she wasn't saying take away the education from the kids because they were the future and she thought they should have a good education, but she thought something had to happen in the school budgets that recognized the drop in enrollment and determine what could be done to offset that drop. She added that they had some empty spots in the school buildings and just letting it go along was not a good thing. She said that she did believe, however, that until the people were really angry and showed up at those meetings it would not change.

Mr. Moynahan said that it was funny, too, to hear the school talk about that, around six years ago, they received a big injection of cash to the school and yet the budget increased that year, as well as additional years. He said that there was one year that

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really increased spending and he wasn't sure where that stemmed from, adding that it could have been a huge capital improvement but that wasn't shared and he wasn't involved in the schools, so he didn't know. He added that it was depressing to see that large of a sum given to the schools yet Town taxes still increased.

Mr. Beckert said that he thought they put on a new roof about that timeframe.

Mr. Lentz said that he thought what was disappointing to him was – he was very glad to hear her go through the steps that she took and has been taking to cut costs – to turn around and pledge that she was only going to increase it 1% to 2% every year. He added that it was like, “Okay, which hat do you have on?”

Mr. Hirst said that he would like to again suggest they ask their elected school board members from Eliot to come and talk to this Board so that they could get a sense of where they were from and what their thinking was.

Ms. Lewin said that it would nice to send them an invitation through the newspapers so that the public knew that they had been asked to show up.

Mr. Pomerlau said that as they sat there and tried to formulate what direction to give department heads one of the things he would wish that they would seriously consider is, if they could go out to every taxpaying household in Eliot tomorrow and ask them that question, what did they think they'd get. He added that, across this country and across this State and the municipalities, they were cutting services and citizens were accepting it. He said that Damariscotta was voting this November to eliminate their police department and it may not happen, but it was on the table. He said that, ultimately, taxpayers were looking at these rising tax bills and may well have to accept the fact that to keep them from rising there was going to be a loss of services. Mr. Pomerlau said that, somehow, the Board needed to get some feedback from what the public wants the Board to give them for direction and not wait until the Town Meeting where they had to argue it out; that everyone should be on the same page with the same goal as they gear up for the budget season. As far as the school, he said that he just had that argument going on in EliotOnline this weekend on the big picture, the big expense and he put out the cartoon where they were standing in the swamp with alligators all around them and it was hard to remember their goal was to drain the swamp when they were up to their neck in alligators. He said that, yes, that was the big expense but, meanwhile, they had to control the little ones that they could control, as well, adding that they couldn't just shift all the focus onto the school, they needed to take care of what they could take care of at this level.

Mr. Moynahan said that directives to the departments, at least in the starting of their preparation their mind-set should be to provide a minimum-level budget to provide the same level of services currently offered to the residents and asked if the Board agreed.

Mr. Beckert said that that was what he would say and then go from there and, if the residents wanted to reduce explain to them the reductions they would have to accept in order to reduce.

Mr. Moynahan agreed, adding that maybe in one of their workshops they could define that a savings amount of 'this' would result in 'this' type of service impact.

Mr. Beckert agreed.

- b) Review budget format, approve one, send template to Department Heads to be used.

6:30 PM

Mr. Moynahan said, discussing the budget format, said that last year was the first year every department used the same form but, if this was what Mr. Strong was referring to, it really broke down just a couple of additional employee costs in there and, while he hadn't reviewed it to other budgets they had had, it looked very similar and did not look as expanded as other documents Mr. Strong had put in their packages. He added that, if this was, in fact, the format then, at that point, did the Board still have the departments use this format and it was the Board's job to request additional information per each line item, separate from this...because the other portion they had provided was quite detailed – 18 or 19 pages.

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Mr. Murphy said that that was from Kittery, a budget from one of their departments.
Mr. Hirst said that he would be inclined to go along with draft that Mr. Strong provided.

Mr. Moynahan said that he assumed that was what it was; that it was tweaked from what they had started last year but, again, he didn't have a copy of that; that Mr. Strong was going to send it electronically. He added that if this was that, in fact, he thought it worked fairly well last year, at least to have consistent budgeting from each department. He asked, from there, was it their job to define what they wanted from each department, to break down, when they come in to answer the questions to validate their budgets.

Mr. Murphy said that the line items should be meaningful to them and to the Board.

Mr. Moynahan said but separate from the budget format, clarifying that their back-up documentation could be separate from this template that they were using for the budget.

Mr. Hirst said that it should be footnoted.

Mr. Murphy said that it would be good to have it on one document but that may not be possible; there may be a description, as this didn't describe it just had a label, one might say, off to the left, so it didn't say how many men were involved or how long it would take.

Mr. Beckert said, using Mr. Moulton as an example, that if Mr. Moulton had a line item he needed to explain and shows he has been doing that with a written scenario - they spent this much last year but they have asked for \$5,000 more on this line item this year because they need to do this, this, and this beyond that. He added that Mr. Moulton's budget, as he understood, was pretty-well versed and if they got that type of information and feedback from all the departments heads, and he meant all of them, then they should be off to a good start.

Mr. Moynahan clarified that, as part of the Board's directive, it was to provide complete back-up documentation for budget requests.

Mr. Murphy said yes.

Mr. Beckert said that it didn't have to be 18 pages because he could look at a budget and look at a bullet item...

Mr. Moynahan agreed; that Mr. Moulton's back-up - he had twelve different drainage material items and three quotes for each vendor, which has been provided to the Board; that was different than two computers or something in the Town Hall so, as long as when they meet with departments the Board could explain to them what they were looking for, then it wouldn't have to be 18 pages because each department was going to be different with what they provided.

Mr. Beckert agreed, adding that the format should be the same - the spreadsheet should be the same that they used, for everything.

Mr. Murphy said that he did like the idea of having at least two, and it was requested to be three, years of past history - the three most recent years, of course - to see more clearly the trend. He added that that could always be argued against, he guessed, but he always like more information, himself. He said that the percent off the right-hand side was kind of interesting except that percent could be deceiving, saying that 100% change in a \$5.00 item would be pointless because \$5 to \$10 was nothing in a small item but a 10% change in a \$50,000 item would amount to a lot of money and so percents could be misleading. He added that he would almost want to see the dollar figure but that was not important.

Mr. Moynahan said that he did like the three-year look-back, also, and that has been discussed the last several years on how to incorporate that so, again, last year was the model year #1 for having a uniform budget template so he thought it would be built on each year of what the people were requesting for information.

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Mr. Murphy said that, to him, there was extra room in this, that there was wasted space in these columns and they could get more information on this page – of course it could get crowded and hard to read – but they could get more on an 8 X 11 page, rather than going to a longer page, although they could go to long pages.

Mr. Moynahan said that it could be 10/11 approved, 10/11 expended; 11/12 approved, 11/12 expended, etc.

Mr. Murphy agreed, adding that it was good to see what was approved and what they did each time...

Mr. Moynahan said that approved versus expended could be...

6:35 PM

Mr. Murphy said that it could be a measure of the ability to stay within a budget.

Mr. Hirst said that he thought it was critical that the letter make it very clear that the dates were 'date certain', if they were going to meet their ultimate goals – just like management by objectives – in order to meet the final goal they needed to meet the intermediate goals.

Mr. Moynahan clarified that he meant the timeline piece.

Mr. Hirst said exactly.

Mr. Moynahan said that he had some thoughts on that based on the combined timelines that were presented, too. He asked if the Board wanted to add anything else to this currently.

Mr. Murphy said just the past ones.

Mr. Beckert clarified the past three years.

Mr. Murphy agreed.

Mr. Moynahan said and 11/12, 12/13 approved and then requested, so there were three years in here, with one year showing expended and one of request – two additional columns that showed expended for the other approved years.

Mr. Murphy said yes, expended-approved, expended-approved and, of course, they would have a year-to-date in this current one and the next fiscal year request.

Mr. Moynahan said that he thought those would be fairly easy to do but he would check with the people dealing with that.

Mr. Murphy said that they really had the year-to-date stuff in the monthly reports from Ms. Spinney, so that could be omitted, but they would have a whole stack of monthly reports.

Mr. Moynahan said that that could be hard to do because some departments spent early in a season and some spent late and it might look like there was \$50,000 left in an item but that may not be the case.

Mr. Murphy agreed, adding that no one would expect that; that he watched all year long to see "When are you going to spend all this money?" and suddenly in the last three months, they were spending, as an example – that they see that pattern quite a bit.

Mr. Moynahan said that this was actually for past years for expended, he thought, because they were in 12/13 approved and then the requests so they didn't actually have that amount spent this year in these.

Mr. Beckert agreed, adding that he thought they should add it, he thought.

Mr. Murphy agreed.

Mr. Beckert said that it was all part of that history, of reviewing that history to see what trends have appeared.

Mr. Murphy said that it was hard to get that in one document.

Mr. Moynahan suggested adding 'amount spent-to-date for this fiscal year'.

Mr. Murphy said that he thought there was room for that and it saved looking at another document.

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The Board agreed.

Mr. Beckert said that he thought Mr. Strong said that this was in Excel so that was easy to do, adding those columns, wrap the text, and narrow them up a bit.

Mr. Moynahan said that he would have those changes made and put something in everyone's box for a quick glance.

The Board agreed.

Ms. Lewin asked if they had a column in their monthly reports where department heads could enter commitments or contracts that were coming in the future so that, if they were looking at year-to-date, then they could take into consideration a column that said 'other commitments or contracts' they had so the Board would have a better idea of how they would really wind up at the end of the year.

Mr. Moynahan said that, currently, they did not.

The Board agreed that that would be very helpful.

Mr. Moynahan confirmed that the budget template was good, with the changes made to it; that the initial directive would be what they had discussed with the minimum budget to provide the current service that they currently do...

Mr. Murphy added a wish list because they didn't want to stifle their thinking and stifle a projection of what would happen because a wish list would become a necessity list in a few years.

Mr. Moynahan said yes, adding that another thing was a professional wage survey company would be contacted.

The Board agreed.

6:40 PM

c) Define budget timeline.

Mr. Moynahan said that they had a couple of formats for timelines; some were 'date certain' or, at least, ordinance-related. He said that the one from the BC included a lot of their meeting times, which was great, but he thought the BOS should be keeping theirs with what theirs was, showing when the Board would meet with the BC as opposed to a lot of their dates. He said that he thought that September 15, November 8, and December 1 were all determined from Policy for Annual Budgets in what Mr. Dunkelberger provided. He added that he had a directive to department heads, a date certain; then the Board to meet with department heads to explain the timeline and the format that they would be asked to utilize this year; department heads to distribute additional requested budgetary data and anything the Board saw leading into it, they would ask for basic for their budget but they may request additional back-up by a certain date; department heads submit their budget requests and then, in a series of successive weeks, say, January 2nd would be the Administrative budget only and January 7th would be Highway only, etc.. He said that then they could have a 4-hour meeting to discuss these as opposed to bringing department heads in for 30-minute visits six times. He added that those would be joint meetings with the BC to get as much explanation as possible; then another date for department heads to submit additional requested budgetary data that came out of those meetings; the Board to finalize the budget and distribute it to the BC – he thought that was March 14th and April 1st was when warrant articles would be completed, which would give the BC three weeks to review their findings and make recommendations for the warrant articles, and would still be completed by the April 28th deadline.

Mr. Murphy said that he has had a long talk with Ms. Thain about that (April 28) and she thought that was the absolute deadline and he thought that was going to be a weak spot in the schedule and it has been in the past. He added that they were all assuming that the printer was going to be fine and just be sitting there waiting for them and think that they would be able to get the warrant printed for Eliot in that absolute scrunch time, when they had other work to do at the same time. He suggested that they back off a week or two weeks and have that available earlier.

Mr. Moynahan said that he has the warrant articles completed on April 1st, based on the BC's date of April? Or March? 26 and that gave them a window but, if Mr. Murphy was

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suggesting something earlier, then that should be the timeline they utilized and work it backwards from there.

Mr. Murphy said that, if the warrant articles were available then, he didn't think the BC needed three weeks to give their comparison, as they should have been working along with the Board on this and attending the same meetings they had jointly so he would think that two weeks were enough.

Mr. Moynahan clarified that they would go from March 14th to March 28th, or something, and their end date would be March 28th at that point.

Mr. Murphy said that he believed their last regular meeting in April was the 18th.

Mr. Moynahan clarified that they wanted to be done before that.

Mr. Murphy said yes, that that should be the final cut-off date and everything should be ready.

Mr. Moynahan said that he thought that they were not going to use that as a final date; he thought that they wanted to put something in much earlier knowing that they might have additional time, but this Board wanted to be held to a timeline, also, and if it was March 28th, then everyone should be done with their work and that would give four weeks if something happened with the printer or something of that nature.

Mr. Murphy said that he liked March 28th as the date.

Mr. Moynahan said that he was throwing out dates for discussion but they needed to come up with some kind of timeline so that, when they requested information, then they had it in to them in time, that meetings would be schedule in advance so that everyone knew when they would be – BC, BOS, public – that they could advertise that the meetings were going to be with department heads to review the budget for this specific thing.

Mr. Murphy suggested they go with that and think about it to see, if they looked at it, if it made sense.

Mr. Moynahan said that he was really trying to look at that end date for the Board so that, when their warrant articles were complete, they pick that date and make it easier – March 28th, if that was a March date during the week, as he was not sure, but in and around that timeframe instead of the middle of April.

It was said that March 28th was a Thursday.

Mr. Hirst asked if that should be the drop-dead date, then.

Mr. Moynahan said that for the warrant articles to be voted on, which was the end-all and, once that was done, they went off to the printers and would give Ms. Thain three weeks or a month.

Mr. Murphy clarified that, once the BOS voted, then the BC reviewed.

Mr. Moynahan clarified that, once the warrant articles were completed then they would vote on their budget, then the BC reviewed it and they made their recommendations; that everything needed to be done on March 28th – BC recommendations, BOS recommendations, all that. Mr. Moynahan said that he was looking for input.

6:45 PM

Mr. Beckert said that this one here, like Mr. Moynahan said, has BC meetings on it and that was fine, but the joint meetings, so that everyone got the information all at the same time, was what concerned him. He added that everyone needed to be on board and be at those meetings and hear everything all at the same time from the department heads. He added that, if this format worked out and everybody got all of that, then he didn't see a big issue with getting additional information, that it should all be there, up front. Mr. Beckert said that Mr. Dunkelberger's end date for the BC to present their budget report to the BOS was April 4th and, if the Board wanted to move everything back to March 28th, then that was fine with him, as he would just as soon get it done.

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Mr. Murphy said that April 4th meant that the selectmen had already finished theirs.

Mr. Beckert said that this one had February 21st: "Selectmen finalizes and presents budget proposals to the Budget Committee for their review."

Mr. Murphy asked when the BC finished – did they finish April 4th.

Mr. Beckert agreed that they were supposed to present their report back to the BOS April 4th but if the Board wanted to back that up into March.

Mr. Murphy said that that was much longer than they would need, he would say.

Mr. Hirst said that he thought Mr. Dunkelberger worked that out with Mr. Reed.

Mr. Moynahan said that the only thing he added from his were specific schedules for each department. He added that they had January 17th: "Board of Selectmen and Budget Committee begin meetings with department heads." and that gave from January 17th to February 21st; that he identified that January 2nd would be Administrative, January 7th would be something else and asked if he should put this on a calendar-type format for everyone to review.

Mr. Murphy said yes.

Mr. Beckert said that he thought it should be on the calendar and that he was all in favor of shortening it up so that they were not at the last gun fired. He added that last year he remembered being on another committee that had to present something to the Board for possible inclusion on a warrant and they came to the Board the last day because that was how close everything was coming and he didn't like working that close.

Mr. Murphy said that, for the past five years, it has been a horror for Ms. Thain to do all that typing and work with the printer and work with all the committees.

Mr. Beckert agreed, adding that he didn't want this to sound crass or bad in any way but permission granted to meet as many nights during the week for any committee to get their work done – they were here to do the Town's business.

Mr. Moulton said that, for him sitting here as a department head, his concern was for the first submittal. He added that the back-up documentation and everything that he provided the Board was now looking to add for everyone else, and sometimes that took – and he could only speak for himself - minor projects, minor planning. He said that a lot of his budget was materials and less labor and projects, so his, in his opinion, were a little more complex than others where some were heavier in labor and things like that. He said that his concern would be when that first deadline was.

Mr. Moynahan said that he thought it was December.

Mr. Beckert said that that was the historical data, that "department heads present fiscal year 2012/2013 budget proposals to the Board of Selectmen no later than 10 January".

Mr. Moynahan agreed that he had gone back a month or so on some things but it was not September.

Mr. Moulton said okay. He added that he thought they talked last year about trying to do it in December because it gave them almost a half year picture, saying that his was fuel-based and to even start now to look at nine months away what he would pay for asphalt – the only realistic thing he could do was give an estimate and put a buffer in there that may not be realistic. He said that he would rather be more accurate.

Mr. Moynahan said that he thought that everything was leading toward a December/January timeframe for department heads to have back-ups at the meetings.

Mr. Moulton said that that was his only concern with the end thing was that, once it was produced, then it was just a matter of discussing.

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Mr. Moynahan agreed, adding that some things, as department heads, they could start preparing already.

Mr. Moulton agreed, adding that he already was looking at different projects and costs.

6:50 PM
#2

IMA

- a) Vote to accept the document
- b) Discuss possible Special Town Meeting dates for voter approval

a) Vote to accept document

Mr. Moynahan said that there were some changes made that were passed out at the last meeting. He said that he was hoping that they could vote one way or the other for this document so that they could either be done with this or start all over again. He said that he was hoping that everyone had had a chance to review it and, hopefully, there were no other changes that needed to be made.

Mr. Beckert moved, second by Mr. Hirst, that this document, as amended, be forwarded to the Town of Kittery for review.

VOTE

3-0

Chair concurs

Mr. Moynahan said that this would be off the Board's AIL for a period of time.

b) Discuss possible Special Town Meeting dates for voter approval

Mr. Moynahan said that he had for discussion some possible Special Town Meeting dates; that this has lagged on quite a while and he didn't think they were there yet. He added that he thought that once Kittery provides it back, then at that point, they could look at calendars and how much time it would take to make that happen, as he thought that they were at the very end of what they could get on to a November ballot.

Mr. Murphy clarified that they could call a Town Meeting in seven days.

Mr. Moynahan said to keep that in mind; that they might consider a Special Meeting to adopt that or maybe not.

Mr. Murphy said that he would hope they could do it so that the last quarter – October, November, December – of the sewer bill would be affected by this, adding that he thought Kittery was prepared to do that and that Kittery would latch onto this quickly as soon as they thought that Eliot had finished with it and gotten it to them.

Other Business as Needed

Mr. Moynahan said that they had two other requests for the Route 236 Sewer Expansion Committee, an application from Sally Lewin and an application from Gary Sinden. He added that they capped that group to seven members and he believed there were currently six. He added that they had two people who wanted to serve on that and, if anyone would want to endorse one or the other, Ms. Lewin's application came in before Mr. Sinden's did so, if the Board wanted to fill up that committee, then they had two willing participants.

6:55 PM

Mr. Beckert, for the sake of discussion and he asked Mr. Blanchette because of the dilemma with the two and they had one to fill and he did confirm Ms. Lewin's came in first, so for the lack of anything better to break a tie – first come, first served – moved, second by Mr. Hirst, to appoint Sally Lewin to the Route 236 Sewer Expansion Committee.

VOTE

3-0

Chair concurs

Mr. Moynahan thanked Ms. Lewin for volunteering to do that; that he didn't know when the next meeting was.

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Mr. Murphy said that Ms. Lewin has already attended a meeting.

6:58 PM

Mr. Moynahan said that he had an invitation from Green Acre Baha'i for a member of the Board to attend a reception at the Green Acres School in Eliot on Saturday, September 15th. He added that he didn't know if anyone would be interested in attending this.

Mr. Hirst said that he would be happy to but that he would be out of Town.

Mr. Murphy asked what the purpose of this was.

Mr. Moynahan said that it was a spiritual assembly of the Baha'i's of the United States and they were hoping to have one of the members of the Board to be there to welcome people to the Town.

Mr. Brandon said that there had been a number of buildings built there and they were going to be dedicated and they wanted to include the Town administrators in that.

Mr. Moynahan said that tours of the new buildings would be offered from 2 PM to 3 PM; that a reception would be held in the Kelsey Center at 3 PM, followed by a formal dedication program at 4 PM. He added that he thought that anyone could attend but that he would be in Florida from Friday to Monday, so he would not be able to attend.

Mr. Beckert said that he would check his schedule and might be able to attend with Mr. Murphy, as well.

6:59 PM

Mr. Murphy said that he did want to draw the Board's attention to a folder, which provided a copy to each Board member of all the material he had gathered together, with the help of Ms. Painchaud, on the subject of personal property tax collection, with a couple of newspaper articles, and Ms. Painchaud's list of businesses in Eliot for businesses and people who have personal property that were taxable. He added that the list contained 147 names and the total assessed value of all 147 came to \$7,527,600. He said that if they applied a tax rate of \$12.55 per thousand of assessed value then that whole amount of personal property tax generated actual taxes of \$94,471.38. Discussing the bar graph, he said that the value ranged a great deal from \$100 or \$200 to well over \$1,000,000.

Mr. Hirst asked how they were doing on the collection of the taxes represented here.

Mr. Murphy clarified that these were collected, not in need of collecting.

Mr. Hirst asked how many businesses they had in Eliot other than the 147.

Mr. Murphy said that he thought the total number of businesses, and he thought the BDC would know, was on the order of 320. He added that many of them were very small and it was hard to keep track of them; that they came and went and if one stopped at the door the person might say she stopped making pies five years ago, as an example, so it was hard to keep track of the real, live businesses but this was Ms. Painchaud's live list.

Mr. Hirst asked if it was felt that they should make an effort to contact the other businesses in Town and see if they had personal property subject to taxation.

Mr. Murphy said that Ms. Painchaud did that; that she had a format and, if they said no, then there was nothing she could do about it. He added that they weren't allowed to knock on a door and demand to look over to see if that business had computers or pianos or guitars or lawn mowers or anything like that – they were not allowed to follow up on them.

Mr. Moynahan said that State law required that they send a form to them and it was kind of a self-reporting thing.

Mr. Hirst asked Mr. Murphy if it was his feeling that they have done legitimately all that they could do to collect the tax that was represented.

SPECIAL BOARD OF SELECTMEN'S MEETING
September 6, 2012 5:30PM (continued)

Mr. Murphy said that he thought Ms. Painchaud had done a good job assessing; that it was a hair-raising job; that Ms. Painchaud was the assessor and Ms. Levesque was the collector and had to sign on to collect taxes. He added that it was a problem that all the towns had. He read from a newspaper article from the Journal Tribune entitled "Biddeford Mulls Business Tax Collection" the week of September 1st, 2012 that discussed Biddeford's various problems collecting personal property taxes and the writing off personal property taxes every year because they were deemed uncollectable and that the accounting books needed to be closed. He said that it was big process collecting taxes and the tax collector took personal responsibility to collect that amount of known taxes. Mr. Murphy discussed the official guidance tax assessors were given and the forms used to send to businesses for businesses to send back with their information and/or any changes. He said that there was a lot that went into it and keeping track of all the details, asking if Ms. Painchaud had time to go out to a business to verify a part number on an adding machine, as an example, and that she didn't have time to do that.

7:10 PM

Mr. Pomerlau said that he was on the EBDC when this subject came up and he thought it was in the context of what Eliot could do to bring in more revenue. He added that they said that, in past years, they had submitted a suggestion to the BOS something in the order of requiring new businesses coming into Town to register so that they could identify personal property tax and Ms. Painchaud wouldn't have to find out six months later that there was a new business in Town. He added that it was rejected by the BOS, which the EBDC thought was a huge mistake; that it would have enhanced the capacity for Eliot to obtain these revenues.

Mr. Murphy said that he vaguely remembered that, saying that he didn't want to point any fingers, but he thought the EBDC felt that that showed a kind of intense unfriendliness.

Mr. Pomerlau said that they said it was their recommendation.

Mr. Hirst said that he recalled the way Mr. Murphy did.

Mr. Moynahan said that he thought that they had looked at that in lieu of this type of thing there was going to be a business registration tax so that they didn't have to go through all those hoops and loops. He added that he thought Mr. Murphy and Mr. Hirst were right that the EBDC thought that would be too intrusive on businesses. He added that it was discussed, for sure, and it could be discussed again

7:12 PM

Mr. Beckert said that he thought the biggest thing was in the underlying tone in that article from Biddeford in that this was an issue the legislature needed to tackle. He added that they were coming up on a November election and they would have a new legislature sitting come January, or whenever they were sworn in. He said that he thought this Board had an active role, where it was a problem in Town, to petition their legislators to enter a bill, to look at the taxes and come up with a bill; that this seemed to be a bone of contention for all municipalities.

Mr. Hirst said that it sounded unworkable.

Mr. Murphy agreed that it always had been, historically; that from the very start taxes were tried to be collected on this and he gave a few examples from Colonial times about this

Mr. Moynahan asked what they did about businesses registered in New Hampshire that were housed in Eliot in the business parks. He added that there was a multitude of those and how did they get a fair and equitable return on those.

Mr. Beckert said that he thought that the PB had had one or two of those business park owners in before wanting to modify their uses out there and part of the requirement that the PB set forward in the Notice of Decision was that they had to provide the Town, periodically, with an updated list of the businesses that were out there to the assessor. He added that that was one way that helped Ms. Painchaud because she could see what the change-over was out there.

SPECIAL BOARD OF SELECTMEN'S MEETING
September 6, 2012 5:30PM (continued)

7:15 PM Mr. Lentz said that it was also from a safety standpoint because they didn't know what chemicals, gas, oil, or anything in those buildings.

Mr. Moynahan suggested following up with that, as well.
Mr. Beckert agreed, adding that the collection seemed to be the problem and he didn't know how they, as a municipality, could eliminate it.

Mr. Murphy said that every municipality had that problem.

Mr. Hirst told Mr. Murphy that he did a good job on this, adding that he had always wondered about that.

Mr. Murphy said that Ms. Painchaud did the work and that he had had it awhile but was finally free enough to put it together in a format.

Ms. Lewin discussed Mr. Beckert's comment about changing some stuff in the legislature, suggested they ought to go back and take a look at changing the education system in the districts for any district in the State that would like to bail on it. She said that they tried very hard to get out of that; that they went through the whole process, here, and it was lengthy and arduous – difficult at the very best – and they were forced to an arbitrator and South Berwick wouldn't move. She added that it may be time to put in a bill to have a different government take a look at it and see if it would be financially rewarding for the Town of Eliot to get out of the district.

Mr. Moynahan agreed.

Ms. Lemire clarified that this would go on the AIL.

Mr. Moynahan said probably.

Ms. Lewin asked Mr. Beckert if he could remember how long ago that was.

Mr. Beckert discussed the appointment of the arbitrator by the State to come and sit down with the two towns and the school board at the time. He explained that that was when Eliot first started an attempt to get the school district to look at restructuring in how the formula between Eliot and South Berwick was done. He added that they were trying to tell the school board back then to try to take a proactive role in it rather than a reactive role and they kind of ignored them, at first, but then it got into the arbitration issues; then Arthur Colson and Doug Spinney were somewhat successful in getting the formula modified from what it had originally been but it in no way really alleviated the entire situation. He said that right now the way the statutes were written there were only a few ways that the formulas could be figured; that they limit the actual formula construction of how they shared the equity between the two towns in the school district. He added that it was probably worth looking at again.

Mr. Murphy asked if they were going to have this as an action item.

Mr. Moynahan said that it was the pleasure of the Board.

Mr. Murphy said that Mr. Dunkelberger may want to say something about this and suggested they wait for him.

The Board agreed.

Adjourn

There was a motion and second to adjourn the meeting at 7:19 PM.

VOTE

3-0

Chair concurs

DATE

Mr. John J. Murphy, Secretary