

**SPECIAL BOARD OF SELECTMEN'S MEETING
December 20, 2012 5:30PM**

Quorum noted

5:30 PM: Meeting called to order by Chairman Moynahan.

Roll Call: Mr. Moynahan, Mr. Dunkelberger, Mr. Murphy, Mr. Beckert and Mr. Hirst.

Pledge of Allegiance recited

Moment of Silence observed

Approval of Minutes of Previous Meeting(s)

5:31 PM Motion by Mr. Dunkelberger, seconded by Mr. Murphy, to approve the minutes of October 25, 2012, as amended.

VOTE

4-0

Chair concurs

Public Comment:

5:32 PM Mr. Faulkner said that he had a couple of comments having to do with coal plants, in general, and a plant, in particular, that had to do with an article that was in the Washington Post. He added that it was published in the Portland Press Herald Friday, November 30th, which was the day after the Board's last meeting here. He added that it was about coal plants, in general, and the Salem Harbor Station in Salem, Massachusetts, in particular, and he wondered if he could quote three paragraphs.

Mr. Moynahan said that he could if he could do it quickly.

Mr. Faulkner said that this was in regards to the plant in Salem, Mass.: "For years, this coal plant, known as one of the state's Filthy Five, has flirted with closure and avoided a costly overhaul that would bring its toxic admissions in line with modern pollution standards. In 2003, then Governor Mitt Romney stood in front of the plant and declared, "I will not create jobs that kill people. That plant kills people.'" He said that the article went on to say that, "As of July, utility companies have announced plans to close 30 gigawatts of coal-fired plants, or about 10% of the nation's total coal capacity by 2016, according to the Brattle Group, a consulting firm. These aren't models of efficiency. The Energy Information Administration says the average coal-fired generator to be retired this year is 56 years old." "Another throwback..." - Mr. Faulkner saying that this was in regards to the Salem plant, in particular, and a lot of coal plants. - "The plant was grandfathered under EPA regulations so that it never had to meet the same environmental standards as the new plants. In 2000, Harvard School of Public Health study estimated the plant's emissions could be linked to 53 premature deaths, 16 heart attacks, 14,400 asthma attacks, and 570 emergency room visits." He said that he believed that Harvard study also had data that included this area. Also...

Mr. Moynahan said that he didn't think that they would get any more of that; that they've had a whole lot of time to...

Mr. Faulkner said okay, but he just wanted to say that it has been in the presses; that they have gone along with this; that it seems like either before or after every meeting they've had there's been something in the press.

Mr. Moynahan said that he appreciated Mr. Faulkner sharing more information with the Board.

Department Head/Committee Reports

SPECIAL BOARD OF SELECTMEN'S MEETING
December 20, 2012 5:30PM (continued)

5:35 PM

Ms. Davis said that the BC had a meeting this week and three items of importance came up during the meeting. The first was a request for all budgets to be flat-funded and that budgets and anticipated revenue be managed to avoid an increase in the mil rate. She said that this was a result of discussions between the BC and requests from the public.

Mr. Moynahan said that they had not even had the departments in, yet, for the direction the Board had already given them for the budget guidelines. He added that flat-funding could certainly be a recommendation from the BC, once they started reviewing their budgets. He said that he didn't think that they were at the point to consider any type of statement like that; that the Board had had discussion of what they were looking for from the departments.

Ms. Davis said that the reason this came up was because of preliminary reviews of the budgets that have been submitted, so far, and at least one was very high, so, they felt as though the topic needed to be raised early on.

Mr. Dunkelberger said to Ms. Davis, when she was asking regarding the mil rate being managed to avoid an increase in the mil rate, would that be just in the Town's contribution to that mil rate or would the BC expect the BOS to reduce their budgets, accordingly for the Town, in order to keep the mil rate were it currently was, even as the school budget increased.

Ms. Davis said she thought they were looking for some work to keep the mil rate the same, regardless. She added that she thought that taking the school budget into consideration is a big concern about taxpayer burden. She said that the BOS managed the budget and the BC just wanted to bring this suggestion in; that it was something they would like to look hard at this year and they understood that there was only so much that could be done. She said that it really was a high priority goal this year and the BC was just asking for the BOS to really...

Mr. Moynahan said that he had the school board scheduled to come in to meet with the BOS in January; that there were two dates and he didn't believe they had been confirmed, yet, but they would be in front of the Board to have some discussions and he was sure the budgets would be the number one topic.

Ms. Davis said great. She added that they just saw some things coming down the pike and it looked like it was going to be a hard year. She addressed item #2, which discussed sample budget annotation sheets provided to department heads that showed the kind of detail the BC would like to see in department head budgets this year. She said that an initial review of submitted budgets demonstrated that the level of detail remained unacceptably inadequate.

Mr. Moynahan said that any additional information that was requested from the departments could be generated from the BC and forwarded to the BOS; that that was the whole process before the joint meetings as to any additional information that is requested that the BOS receive it and disseminate it to the departments. He added that it had to be specific, so, to ask a department to create a secondary budget at this point would not be prudent.

Ms. Davis said that they did give out an example and the reason she was bringing it up early was because the BC passed out these samples very early on in the budget planning part of the year and it didn't look like very much information has been provided any differently from last year. She added that, if they didn't get an early start, then they were going to kind of end up where they were at the end of the budget season last year, meaning, not enough time to review things adequately and not enough detail, really, when it came down to the final analysis.

Mr. Moynahan said that when they sent out the budget formats for department heads, based on conversations and Board meetings, the format that was sent to the departments was what the Board felt was adequate. He added that he believed, at that time, they chose not to send the annotation but he did forward it out to each department for their review so, if they needed to utilize that for answering

SPECIAL BOARD OF SELECTMEN'S MEETING
December 20, 2012 5:30PM (continued)

questions or utilize it as part of their budget process, then that was a good tool for them to utilize.

Ms. Davis said that the BC was going to look for some more detail this year and, so, they could either do it early or they could go through the meetings in January and, then, call everybody back to have a greater level of detail. She added that it would be nice if they didn't have to go through the loop very many times to get the detail.

Mr. Moynahan said that he thought they were going to try to limit that loop; that was the whole process the BOS tried to formulate on their own - questions specific to the departments so that they were not bringing them in three and four times to hash that out, so, to try to be specific with the detail that was required from each department. He added that, if the BC has reviewed some, he would start formulating that and provide it to the BOS for them to disseminate to the departments.

Ms. Davis discussed item #3, which talked about the formal request by the BC to have Robert Fisher be a part of the union negotiating team, how residents would be able to maintain some control over the municipal budget, and that the BC was requesting assurances that these issues would be addressed and the BC kept informed as progress was made.

Mr. Moynahan said that any decision the BOS made on the negotiating team would be made in open meeting so the entire Town would know what direction the BOS decided. He added that they did not have that on agendas right now; that it would be coming on how the BOS wanted to move forward with create a negotiating team, and they would take all the input they got from people under advisement when they made those decisions.

Ms. Davis thanked the Board, saying she appreciated it.

5:40 PM

Mr. Moulton said that he had something he wanted to run by the BOS as it related to composting and potential savings. He added that he had a meeting with the Solid Waste Committee (SWC) the other night and he had a pilot test he would like to run by the Board. He said that this would be for the purpose of removing compostable material from the Town's waste stream – they would partner with Eco-Movement (a local seacoast area company), it would involve 50 volunteer residents at no cost to them, the Town would supply a composting container and bio-degradable bags, and the cost of \$2,176 could be covered in his operating budget. He discussed that the estimated waste removed would be 500 lbs./week, that if successful it could remove 520 tons of waste and could save in waste disposal costs of \$10,000 to \$15,000/year. He added that the Town of Eliot would be the first municipality to perform a PILOT study for composting. Mr. Moulton said that he was looking for the Board's thoughts and comments on this; that he would like to implement it the first of the year, if they so agreed.

Mr. Moynahan said that he would like to be one of the 50 residents. He asked what the thoughts were of the other Board members with moving forward with something like this.

The Board agreed with the project.

Mr. Moynahan said he thought that it was a good thing for the Town of Eliot to be a first in something positive.

Mr. Dunkelberger said that the potential savings, here, more than justified it.

Mr. Moynahan added that it was covered in the current operating budget. He said that he would entertain a motion to allow the DPW Director to expend the funds out of his budget.

Mr. Beckert moved, second by Mr. Hirst, that the Board of Selectmen allow the Public Works Director expend funds from his operating budget to fund the

SPECIAL BOARD OF SELECTMEN'S MEETING
December 20, 2012 5:30PM (continued)

composting PILOT study in partnership with Eco-Movement, for a total cost of \$2,176.

VOTE

4-0

Chair concurs

Mr. Moulton thanked the Board.

Mr. Hirst thanked Mr. Moulton for his forward thinking.

New Business (Correspondence List):

#1 TO : Board of Selectmen
 FROM : Boy Scout Troop 340
 REF : No correspondence

Mr. Moynahan said that they did have members of Boy Scout Troop 340 that were going to attend this evening's meeting and they were going to speak on a merit badge requirement but he didn't see any members of that Boy Scout Troop. (Note: This was taken out of order by mistake.)

Mr. Moynahan said that he was going to backtrack for a minute. He said that two members from Troop 340, in Eliot, had come in to attend the meeting tonight and invited them to introduce themselves and explain a little bit about what they were doing at the meeting.

Chad Gregor introduced himself and said that they needed to finish their merit badge for Citizenship in the Community and one of those was to attend a Town Hall meeting.

Mr. Moynahan asked him what he thought he would gain out of attending the meeting.

Mr. Gregor said that he would learn more about his Town and other stuff.

Harlan McCarthy said, as Mr. Gregor said before, they were here to learn about merit badge stuff and their Town.

Mr. Moynahan asked if members of the Board wished to ask the gentlemen questions before they sat through the Board's meeting.

There were no questions.

Mr. Moynahan welcomed them to the meeting and said that, with any questions after the meeting, feel free to reach out to any member and they would try to assist in any way they could with those merit badges.

5:45 PM

#2 TO : Board of Selectmen
 FROM : Clean Air Petition
 REF : No correspondence

Mr. Moynahan said this was to discuss the next step. He said that they forwarded on to the Town attorney to review all the material that had been supplied by the Sierra Club and he thought that Mr. Blanchette could probably speak to the note they got back from that. He added that he thought it left them with three potential steps of what to do. He said that, at this point, they could put this to the voters in June and show the potential financial implications because he thought there would be some. He asked if they should not do that and get involved in the Public Service licensing process, that he thought that was offered in one of the meetings, also, to have Eliot's voice heard. He said that the third one was to do nothing but he thought that they had to do something. Mr. Moynahan said that the Board has had this information in front of them for quite some time and he thought it was

SPECIAL BOARD OF SELECTMEN'S MEETING
December 20, 2012 5:30PM (continued)

time to have a spirited discussion amongst themselves to see how they wanted to proceed.

Mr. Dunkelberger said, just to clarify, the Town's attorney did not change his perspective with regard to the input from the Sierra Club attorney.

Mr. Moynahan said that that was correct.

Mr. Dunkelberger said that the Town attorney's take on it was that there was the potential for litigation and that the Board should go to the Town for support.

Mr. Moynahan said that the Board couldn't choose to do this on their own; that they would have to get voter approval to support this endeavor, verbally and financially.

Mr. Dunkelberger said that he agreed with Mr. Moynahan that they needed to do something and, although he saw no reason why they shouldn't or couldn't participate in the licensing hearing, he did think that they should proceed forward with sending a letter to the EPA. He added that that was his thought but understand, if they needed to get Town approval on that, then that should be something that, again, they put on their list for the Special Town Meeting.

Mr. Moynahan said Special or June or whatever worked time-wise for them.

Mr. Murphy said that he agreed with what Mr. Dunkelberger just said, both that they probably should follow along with PSNH's request or suggestion that the Board look into their licensing thing and that they should support this Sierra Club, as advised by the Town attorney, and that they should take it to the Town at Town Meeting. He added that it was logical and should be at the early Town Meeting, if they had one in February or March, if they could get all their ducks in order.

Mr. Hirst said that he thought that they had talked before about meeting with Public Service and getting their side of the story and he would like to do that.

Mr. Moynahan said that they had talked about meeting with both sides; that he thought they had attended every meeting the Board has had this on the agenda, and both of them have had the opportunity to weigh in with specific comments as it related to their stances on it. He added that he didn't know what other information the Board would receive that might change the direction in which the Board chose to go.

Mr. Hirst said that he thought there was some sort of dispute between the Sierra Club numbers and the Public Service numbers, the Pierce Island measuring station, and the potential that Public Service was either doing something that they didn't know about or had plans to do so, adding that he didn't know the answers to that and he would like to.

Mr. Moynahan said that he thought that it would be an argument on both sides as far as the recording of that data because they had two separate sides that had two separate thoughts on that; that an outsider had to make that determination and he wasn't that person.

Mr. Hirst said neither was he.

Mr. Moynahan said that he didn't know; that he brought this up because they had to do something with it; they had to pick a direction to go with and, if they weren't ready to do that this evening, that was just fine; that if they wanted to try to pursue and get more information, then they should be specific with the requests for information that the Board would ask the groups that were in front of them in the past.

Mr. Dunkelberger said that he agreed with Mr. Moynahan with regard to the information, that they ended up with a 'he said, he said', or whose information was right, or whose numbers were right. He added that he didn't think having them sit down at the table was going to resolve any of those issues. He said that

SPECIAL BOARD OF SELECTMEN'S MEETING
December 20, 2012 5:30PM (continued)

he found Schiller Station's stance that they just didn't want another inspection as really lame as far as why not allow the EPA to take a look at exactly what they were doing. Mr. Dunkelberger said that he would encourage the Board to move forward on this.

5:50 PM Mr. Beckert said that he thought that the thing that everyone needed to understand was that the attorney was very straightforward and explicit in the fact that they, as a Board, could not move forward with this on their own, that they had to take it to Town Meeting – that was the number one factor. He added that, as far as when they took it to Town Meeting, he thought that, in all fairness to everybody involved, that the biggest voter turn-out was June, that it would not be at Special Town Meeting during the winter months, so he would be inclined to support putting it on the June Town Meeting Warrant. He said that he agreed on the 'he said, she said' thing and he still didn't know if they could get an answer from the EPA, saying that he was curious as to what EPA based their placement of the tracking station on Pierce Island on. He asked Mr. Blanchette if they had gotten any information on that.

Mr. Blanchette said yes; that the EPA was not involved in where it was located; that the states were the ones to decide where.

Mr. Beckert asked if that one was made by New Hampshire and Maine collaborating or just New Hampshire.

Mr. Blanchette said New Hampshire.

Mr. Beckert said that that decision would have been New Hampshire's DEP.

Mr. Blanchette agreed.

Mr. Hirst said that, if they went forward, he would strongly suggest that they do this in June and not in the middle of winter.

Mr. Murphy said that he wondered if it would be advisable for the Board to see if there was a granting agency who would provide funds that would allow them to set up one or two or three monitoring stations of their own, very quickly, so that they could be collecting real data that affected Maine so that by the time June came they would have supporting data for a decision to be made at that time. He added that he didn't know if such grants existed or, even, whether the Sierra Club could point them in the direction of an agency that would help the Town take these measurements.

Mr. Moynahan said that he thought they would be careful of getting that information from either of those parties, where they have been...

Mr. Murphy said exactly, but they might reference someone else to do it.

Mr. Moynahan said that that, he thought, might be convoluted as far as one side thinking it was favoritism on another, or what have you. He added that he thought that June was the smartest time, anyway, budgetary-wise, and they should come up with a dollar figure that needed to be put in front of the voters – what was their best guess of what this could potentially cost.

5:53 PM Mr. Dunkelberger said that, knowing how slowly the wheels of the federal government turned, he was a little frustrated in the Town enabling them by putting this off by six months. He added that, if they were going to consider budget, he thought that their legal budget was still rather strong in anticipation of further legal actions that they no longer had to be concerned about. He asked Mr. Blanchette if that was correct.

Mr. Blanchette said that he couldn't say without looking at the numbers, himself.

Mr. Dunkelberger said that he thought he had them and would get them out. He found them and said that the legal reserve balance was \$62,700 as of November.

SPECIAL BOARD OF SELECTMEN'S MEETING
December 20, 2012 5:30PM (continued)

Mr. Moynahan said that those funds were appropriated specific for this cause – if they were going to have a Special Town Meeting to allow that petition to occur, then it would come to expend funds for that specific purpose, too, so would they even be able to expend those funds if it was not specific to that cause. He asked if legal could be generalized in this if the Board was asking to sponsor this type of battle.

Mr. Blanchette said yes. He added that legal was for any legal issue authorized by the BOS.

Mr. Moynahan said that he just wanted to make sure, where this was kind of a separate beast of its own.

Mr. Dunkelberger said that, even if they brought it up at an earlier Town Meeting, if they needed to ask for additional funds...

Mr. Moynahan asked what they anticipated those funds would be.

Mr. Beckert said, not having a crystal ball, he thought they were too premature to talk about what the costs may be. He added that he thought that the best thing they could do with the information they had before them and what their attorney has advised the Board was that there was potential there to have to participate in litigation. He said, what the cost of that would be, who knows, at this point. He said that he thought that there were too many unknowns there and what they needed to do, as a Board, was to make the Town understand that, if they voted to move forward with this, at whatever juncture, then they also had to understand that they were voting to support any legal litigation that may come out of it, and the costs of that were unknown.

Mr. Hirst said that he just wanted to remind the Board that the attorney for the Sierra Club has indicated that they would not give them indemnification for anything else and they would not help them with their attorney fees, despite the fact that they said that there should be no litigation at all. He added that he thought that it was an unknown quantity and he was nervous about it.

Mr. Moynahan said that that was his take on it, also, and Mr. Beckert was right, no one had a crystal ball; that if they found themselves \$400,000 deep in the budget season with the budgets as tight as they were, it would be hard to go to the voters and ask them to appropriate additional funds at that point. He added that that was the only reason he brought up the financial piece of this.

5:55 PM

Mr. Dunkelberger said that he thought that when they put it in front of the Town, as Mr. Beckert suggested, was that the ramifications needed to be fully explained and let the Town, then, say yes, go forward, or not.

Mr. Moynahan agreed that that was the Board's job.

Mr. Dunkelberger said that he was right as far as do they put a number on it, did they say they were only going to go so far, he didn't know.

Mr. Hirst said that they couldn't do that.

Mr. Dunkelberger said yes, that was exactly right, that was his feeling.

Mr. Grant said that one couldn't put a ceiling on legal costs; that it was just an unknown quantity and it could go on for years, just like it has down in New Jersey. He added that he was pretty apprehensive about what it could cost the Town in the future.

Mr. Dunkelberger said that, if they were going to let the dollar drive the health of their community, then they were in the wrong business.

SPECIAL BOARD OF SELECTMEN'S MEETING
December 20, 2012 5:30PM (continued)

Mr. Hirst said that he would say that was not the only driving force but it was sure a major one.

Mr. Moynahan said that it would be so much easier if it was all factual and not two-sided because then it would be easy to have a conversation about how to proceed. He added that they had heard two different sides with two different approaches and they could, as a Town, spend a lot of money and find there were no issues and they could not spend money and there were issues – they just didn't know.

Mr. Dunkelberger asked if that wasn't the whole purpose of having the EPA come in and take that qualified look.

Mr. Moynahan said that that's why he had the three steps; if getting involved in the licensing, was that something that they could require a monitoring station on their (Maine) side and to assure that was put into their (Schiller) regulations and all that. He added that that was just a thought that was brought up at another meeting in the past, which was why he brought up three potential steps. He said that this Board needed to define a direction they were going to go so that they could set themselves up accordingly. Mr. Moynahan said that he had heard several members say the June Town Meeting to put this in front of voters and, if that was the direction, then a motion should be made in that manner.

Mr. Murphy asked if they knew the timeframe of the PSNH licensing hearing.

Mr. Moynahan said that they had mentioned it in the past but he didn't recall.

Mr. Murphy said that he thought that they needed to know that and what things were up for grabs in the licensing; what was being re-licensed and on what basis was the license going to be granted; did cooperation with Maine's problems have anything to do with it and, with all this publicity, maybe Maine actually had a chance to be heard at a New Hampshire review of this license. He said that he didn't know but it might be worth investigating.

6:02 PM Mr. Dunkelberger moved, second by Mr. Murphy, that the Board of Selectmen pursue two avenues. One is input to the licensing hearing, if possible. The second avenue would be to put a proposal in front of the voters at the next Town Meeting, explaining the situation, and asking for their support in pursuing a letter to the EPA for examining the sulfur dioxide emissions from Schiller Station.

DISCUSSION:

6:03 PM Mr. Beckert said that he would rather, again, see the June Town Meeting because they were going to get scrutinized and shot at regardless of what they made for a decision on when to put it before the voters; they've heard the winter was not the time to do it because they didn't get the turnout. He added that the time they were going to get the biggest turnout was June, historically. He said that he would support June but he would not support a winter Town Meeting, not for that anyway.

Mr. Hirst said that, if Mr. Dunkelberger wanted to change his motion to the June Town Meeting from the next Town Meeting, then he would support it.

The motion was not changed.

VOTE

2-2

Chair opposes passage of this motion and the motion fails.

Mr. Murphy said that does, in a way, give them more time to learn more, if there was something to be learned.

Mr. Hirst asked if he might request from Public Service when that licensing hearing was.

SPECIAL BOARD OF SELECTMEN'S MEETING
December 20, 2012 5:30PM (continued)

Mr. Despina said that they were in the midst of their renewal and, just for terminology's sake, it was referred to as their Title 5 Permit; that it was basically their permit that identified air-related emissions, so it would involve SO₂ emissions, specifically, along with any other airborne-related emissions. He added that his understanding of the process of where they were was that the New Hampshire Department of Environmental Services (NHDES) would be issuing a draft permit sometime in and around May of 2013, at which time, there was then a public comment period along with, typically, it could be requested, a public hearing. He added that his anticipation was that there would likely be a public hearing but that could be requested in cases like this and, more likely than not, there would be a public hearing. He explained that that process allowed anyone to submit written comments that pertained to the draft permit issued along with attending the public hearing, which was chaired and administered by the regulatory agency directly.

Mr. Dunkelberger said that, just to clarify, that was the State of New Hampshire regulatory agency, correct.

Mr. Despina said yes.

Mr. Dunkelberger said that the federal government was not involved in the particular license.

Mr. Despina said that this was a federal permit, though, so the EPA was definitely involved but he believed that the hearing was, basically, with the state regulators.

Mr. Hirst asked Mr. Despina if they had made any changes in their emission controls since this all started, or, did they have intentions of doing so in the near future – those controls that would impact SO₂.

Mr. Despina asked for clarification about when what started.

Mr. Hirst clarified since this originally came to the Board, probably about six months ago.

Mr. Despina said, as he mentioned, when it came to SO₂ emissions, specifically, they chose to burn low-sulfur coal and, by doing so, their actual emissions typically ran less than half of their permit levels. He added that they were well-within their permit limits, like they've heard him say repeatedly, they operated in accordance with all laws and permits, so, they have not changed that operation or they have not added new technologies in the last six months. He said that, going forward, they would do whatever was necessary in the event that it was determined that the air quality, be it in the State of Maine or in New Hampshire, did not meet – in this case they were talking about the SO₂ – then they would participate in the solution so that, whether it be in the State of Maine or New Hampshire, attainment would be realized.

Mr. Murphy said that Mr. Despina said that the public comment may be requested; by whom.

Mr. Despina clarified it was a public hearing that could be requested; that public comment was a given part of the process, and that was typically in the form of writing, so, anyone could issue the agency comments, in writing, and was his understanding to be the standard. He added that what could go along with that was a public hearing, that he didn't know the specific process but he would fully anticipate that, when it came to a Title 5 Permit, that a public hearing was more than likely going to be granted at anyone's request – anyone within the confines of the procedures.

Mr. Murphy said that Mr. Despina didn't know if the Town of Eliot could request a public hearing.

SPECIAL BOARD OF SELECTMEN'S MEETING
December 20, 2012 5:30PM (continued)

6:07 PM

Mr. Despins said that he has had limited experience and what he would say was, not being an attorney, that he would find it extremely unlikely that they would not grant a public hearing at the Town's request.

Mr. Murphy asked Mr. Despins if he had any idea of the cost of the testing site on Pierce Island; who paid for that and how much did it cost and who put it in.

Mr. Despins said that he really didn't know what the cost was. He added that he believed that that particular monitoring station was installed in 2003. He said that it had always been his understanding that it was funding through the EPA but, as it has been said, apparently the states have an involvement in terms of the citing of it. He added that he just didn't have a feel for what the cost of something like that was.

Mr. Murphy asked who actually monitored that; was it Schiller or the DEP, was it a PSNH station or DEP station.

Mr. Despins said that it was not a PSNH station; that it was handled by the regulatory agency.

Mr. Murphy asked if it was the NHDES.

Mr. Despins said yes, in concert with the EPA, or whatever. He added that it may have been installed, in part, due to Schiller as a source along with other sources along the river, but they had no ties to it beyond that.

Mr. Hirst asked the Board if it would be wise for them to consult with the Maine DES to see if they could be of any assistance or counsel to the Board.

Mr. Moynahan asked Mr. Blanchette if they had contacted them or was it just the EPA.

Mr. Blanchette said no; that it was just the EPA.

Mr. Moynahan said that they certainly could. He asked the Board if there was a direction they would like to go with this, at this point, or were they tabling this until there was further information. Hearing nothing, Mr. Moynahan moved to the next agenda item.

6:12 PM
#3

TO : Board of Selectmen
FROM : Financial Consultant
REF : Final Report

Mr. Moynahan said that Mr. Donhauser provided this report to the BOS and invited Mr. Donhauser to speak to this report.

Mr. Donhauser said that he has listed 13 items on a summary report and he would like to quickly go through them and make some comments on things he thought the Board should be aware of. Discussing #1, he said that, between September and now, he has been working side-by-side with the Town Treasurer and, on the general ledger and the trial balance, all checking accounts and all financial transactions were now being recorded on the general ledger. He added that there was one exception, and that was the ECSD, and they were actually doing that today; they were putting on the checking account. He said that they were accounted for in a separate accounting system and he would talk to that in a moment. He said that he has reviewed and confirmed that all the real estate taxes (#2), making sure that the real property and personal property taxes were reconciled to the general ledger; that the Tax Collector's office runs its own system to receipt of taxes and that was fed automatically to the general ledger but it had to be reconciled all the time and was monthly, in fact, it was reconciled almost daily. He said that the sewer billing (#3) was similar; that it was a separate module in the accounting system, it fed into the general ledger, and that was being reconciled almost daily, definitely monthly. Mr. Donhauser said that he also

SPECIAL BOARD OF SELECTMEN'S MEETING
December 20, 2012 5:30PM (continued)

looked at non-tax revenue (#4), such as State revenue sharing, making sure that those were being properly recorded and in the right accounts. Regarding #5, he said that the problem he saw that the Town was facing in the near term was that they had a number of key employees that were now on the radar of retirement, that the horizon to retirement has been approached on the horizon. He added that any one of those individuals retiring would make a significant impact, particularly on the accounting and function of the Town. He said that he thought it was important that the Board know who those people were and they should be questioned about what their time horizon was because they had different time horizons. He said that he knew them to be; the Tax Collector was contemplating in the near-term (1-2 years), the Treasurer, one of the clerks in the Town Clerk's office and, also, the Administrative Assistant. He added that these were four individuals that played key roles in the accounting and record-keeping of the Town. He added that the one particular clerk in the Town Clerk's office actually ran the sewer billing system and, that being said, he thought it was important that, in looking into the future, that the Board realized that there had to be some cross-training or some familiarization with other duties by other people and, also, that played into the oversight. He said that when he originally started he said that there was a lack of oversight, meaning someone looking down from 20,000 feet to look at the whole system and how it was inter-playing, so, whoever they achieved in hiring, he thought they needed to have somebody who had oversight capabilities. Mr. Donhauser said that he was afforded an office in the Town Clerk's office and was able to observe the daily operations for the past few months. He said that what he observed was, particularly in the clerk's office, that there were four people who were particularly busy at particular times and then they had idle time – not to say they weren't doing something – and he thought that the Town could utilize one of those clerks in that idle time to make them more effective in utilizing them in the accounting function. As an example, he said that they could take one of those clerks and that clerk could do all the bank reconciliations. He said that right now there were something like 18 bank accounts, that every one of those accounts had to be reconciled, which didn't have a lot of time pressure in the sense that it didn't have to be done on a specific day but it did have to be done within a reasonable period of time. He said that what was happening was that they had one person, essentially, doing all the accounting in the Town and that was the Town Treasurer and it was incredible that she got everything done. He added that the problem was that there was no one standing back and asking if everything was getting pulled together properly. He said that he has had the opportunity to stand back and look at that and they did a really good job. He said that they were going through an audit procedure now where there was an external auditor that took up time and there was a whole bunch of interplay that happened. He said that one thing that was really interesting to his observation in the Town Clerk/Tax Collector's office was the lack of security (#12) in there. He said that the Town office was too open to the public; that one could look down this hall or that hall and anyone could walk in, unimpeded, and walk into anybody's office. He added that the other thing that happened was that, the way the Town Clerk's office was designed, they were all facing each other, which was very conducive to talking, and that was not to say that they didn't need to talk to each other but it was almost too conducive. He added that his recommendation was that some type of a partition wall, not to the ceiling, but between the clerks so that when somebody came in from the public and sat down with a clerk, they didn't see the whole office. He said that, when someone sat down, they had access to the person next to them, and the next clerk, and the next clerk, and there were all these conversations going on; that there was just too much information available to anyone who walked into the clerk's office. He said that, somehow, they needed to compartmentalize each clerk so that, when the person sat down to pay their taxes, to register their vehicle, to pay for a permit, that they were really talking to that clerk and whatever they were discussing, the information that was relevant to them personally, stayed with that clerk and themselves. Mr. Donhauser said that one interesting thing that he happened to just sort of come upon was that he had to go over to the IRS for a client and get some documents and, when one went to the IRS office one went in and actually took a number – he talked about this electronic numbering system in the summary. He said that one took a number and waited in a waiting room outside and when a clerk was ready for that number they pressed the number, the number appeared, and the person went in and sat down

SPECIAL BOARD OF SELECTMEN'S MEETING
December 20, 2012 5:30PM (continued)

with the clerk. He said that what he has observed was that, in the Town Hall, there would be 15 people lined up and they were all chit-chatting among themselves, plus, the clerks were talking to individuals and so there was all kinds of mass confusion and difficult to work. He reiterated that, somehow, they needed to compartmentalize that, and one way would be to remove the public from the clerk's office until they needed to be dealt with. He said that he didn't think his recommendation would be a very expensive system; that it would just be an electronic numbering system that sat out and they closed the door so that people were outside the door and, when their number was up, then they could go in, adding that his recommendation was just to look at that system. Mr. Donhauser said that he was aware that there was a security alarm in the Town Hall but it was not very well set up and, again, there was just unimpeded access and one could approach the Clerk's office of the Tax Collector's office from all different directions; that he has been in the Treasurer's office and the public walked in. Mr. Donhauser said that what needed to be done, in his view, was that there needed to be a restriction on 'this' access hall and 'this' access hall, limiting the public to the general public area and, then, if someone wanted to talk to the Tax Collector or Registrar or any individual within the Town Hall, then they should go through the Secretary and be announced and, then, allowed to be buzzed in or something. He added that to allow someone random access, unimpeded, seemed somewhat unacceptable. He said that he sort of jumped ahead but it was a really important issue, especially given what has happened recently in the public; that there were a lot of unusual people who could walk in here and one never knew what they wanted to talk about.

6:20 PM

Mr. Donhauser discussed the ECSD (#6), saying that he has had a conversation with the Director and she was on board with the fact that they were moving the accounting transactions into the office, which was only putting more effort on Ms. Spinney. He said that when they ran a program, for example, when they did Kid's Play or had a summer camp, they had a really nice receipting system, that they collect the money, but they needed the money to be deposited by the Treasurer; for the money to be brought daily, or at least weekly, to the Treasurer's office. He said that they were the only department that seemed to deposit their own money. He said that he would like to have the money brought into the Treasurer's office and have the Treasurer make deposits, which would also facilitate the recording of the revenue. He added that, by the same token, the ECSD prepared their own checks and brought them to the Town Hall, and they made up their own separate warrant. He said that he believed that they should be part of the general fund warrant, in other words, they should be just like every other check being distributed. He said that they wanted to take the disbursement and the ultimate deposit money away from ECSD, which would relieve them of some duties; that the bank reconciliation was currently done at the Town Hall, which also wanted to control the receipt of the cash, the actual deposit of the cash; that this facilitated recording of disbursement of money, if they issued the check through the general ledger system instead of through their system. He said that, currently, the ECSD was issuing checks on an accounting system that they maintained themselves but they were authorized by the BOS, which the Board looked at and signed for. Mr. Donhauser said that the very next step was to put that checking account – and they have two debit cards, which were actually bank accounts – to actually have those on the general ledger and, again, he and Ms. Spinney were loading on the accounts today so that they could actually do that, and ECSD was on board with that. Mr. Donhauser said that #7 was about debit cards. He said that, currently, the debit cards were a checking account that allowed them to use a credit card, called a debit card, and right now...they would like to move to what was called an 'imprest' balance, which merely meant that it was a fixed balance and it could be any amount. As an example, one could put \$1,000 into the account and it always equaled \$1,000 in some way – if he charged \$300 and had a \$300 receipt and \$300 just came out of the cash account, so, if he looked at the bank statement he saw \$700 in the bank account and he knew that somebody had to give him a \$300 receipt to bring it back to the \$1,000, one always came back to the \$1,000. He said that what was currently happening was that the balance was going up and down all the time; that they would charge \$400 and maybe bring in \$300 in receipts and that was reimbursed so they could never reconcile the balance. He added that they could reconcile assuming they had all the receipts but they never knew what receipts were out there, but they did know what was left in the bank.

SPECIAL BOARD OF SELECTMEN'S MEETING
December 20, 2012 5:30PM (continued)

He said that they wanted to move to an 'imprest' balance and there were a couple of ways to do that. He said that one way was to collect all the receipts that people had, have them stop using the debit card for a period of time so that all the transactions would clear on the debit card and then actually deposit money to bring it up to that 'imprest' balance. He added that the other way was just to close the account, open up another debit card account, and drop the 'imprest' balance in there and start anew. He said that that may be the more efficient way; that Ms. Spinney seemed to like that idea as opposed to trying to reconcile the account and hope nobody used their debit card. Mr. Donhauser said that he has been reviewing all the bank reconciliations (#8) and they were all being done very well. He added that, ultimately, he was not going to be here so someone needed to review the bank reconciliation, so, his take on that was that they would take the bank reconciliations away from Ms. Spinney, put them with one of the clerks in the Town Clerk's office to utilize that clerk's time. He explained that they didn't have all this free time but they had some free time but let that clerk do the bank reconciliation and let Ms. Spinney review it – let her be the reviewer – and, then, they wouldn't have to hire another person to do that. He said that he thought that they had the ability to expand the workload of an individual within the Clerk's office. He said that he talked to Ms. Rawski but he hasn't talked to either of the two clerks that would actually be involved but he thought that they could easily be trained, that he was sure that they could do a bank reconciliation.

6:26 PM Mr. Dunkelberger said that Mr. Donhauser brought it up before, with regard to 18 separate accounts, and he knew that one of the points he brought up was to consolidate those accounts. He added that he didn't know why they had 18 different accounts but he thought that that would certainly, if they were to consolidate them, then that would simplify a lot of things, both for the person who would reconcile the accounts, as well as the reviewer.

Mr. Donhauser said that he would come back to that in a second but that he wanted to talk, just briefly, about the Town Clerk's office. He said that they were very, very busy at certain times and one was during an election cycle, that they had no spare time, in fact, they probably didn't have enough time to do the election cycle, which wasn't just that day or, even, for a Town Meeting. He said that that was all set up by the Town Clerk's office and they did everything; they did everything that the State Election Board required and it took an enormous amount of time, so, during the election cycle they had very little time and need every person in there. He added that the other time was in May and November when taxes were due because there was a flood of people who came in to pay their taxes. He said that what he wanted to back up and say was that they were geared up for those peak periods and, so, the other periods that had slack time in between, they caught up. He said that he thought that they could pull one of those people away and still let people catch up and utilize that person in the accounting function. Coming back to the consolidation of banking accounts, Mr. Donhauser gave an example of one of the banking accounts. He said that the Town had a bank account for fuel assistance; that it was a separate bank account, and people actually contributed and made donations for that account. He said that that money could actually go in the general fund and be accounted for in an account; that it did not need to be into a separate checking account. He added that they could move those cash accounts together, eliminating bank reconciliations. He said that it didn't necessarily eliminate the actual transaction entry but it eliminated one big step with the bank reconciliation and keeping track. He said that there were a number of bank accounts that they needed to consolidate; to bring them together and account for them. He added that, now that they had all the accounts on the trial balance, they could start merging them together. He said that the other thing with the problem with multiple accounts was that they had multiple banking institutions; that Ms. Spinney was sometimes going to 2, 3, or 4 banks to make her deposits and it also used up a police officer who took her, rightfully so, to protect her and the money and the assets of the Town, but going to 3 or 4 banks was crazy. He said that consolidation would also eliminate that somewhat.

Discussing #10, he kept coming back to this oversight, saying that somebody had to provide oversight for all the departments, making sure that this all came together. He said that he thought they would address that problem in the hiring of a town manager, if that came to fruition, or they would have to provide a budget line item to hire an individual that would be almost like a controller - they needed

SPECIAL BOARD OF SELECTMEN'S MEETING
December 20, 2012 5:30PM (continued)

another accounting person. He said that the Town had grown to such a level; that there were a huge number of transactions and they were being done but it was like chopping wood and not looking at the forest to see how much more of the forest they had to 'record'. Mr. Donhauser said that Ms. Spinney, who was the Town Treasurer, was amazing to him; that he could ask her about anything and she pulled out this book for this account – she was surrounded by binders and that was how she kept track of stuff. He added that the problem was that, if she got sick or she was out, and that happened, then those binders didn't get filled up and, now, she was catching up and going forward; that it became a nightmare. He added that it also backed up all kinds of record reporting. He reiterated that that was something that they needed to be aware of; that he thought that they were going to address that; that they knew that they needed to have someone with some financial oversight. Addressing #11, he said that there was a fixed asset/depreciation issue that the Town needed to address, which was keeping track of fixed assets. He added that how he saw that that could be done was that they could hire an individual to spend all of their time to keep track of the fixed assets, which didn't make any sense at all, so, what he thought they needed to do was push the effort back on the department heads. He said that the depreciation schedule was broken down by each department and they listed all the assets. He said that, right now, how they captured new additions to the asset record – a police cruiser was pretty obvious – was when, for example, a department purchased a computer or set of desks; that Ms. Spinney had to recognize, when the check was being written and she was preparing the warrant, that that was a fixed asset; that she had to get up, photo copy the invoice, and stick it in one of the binders. Mr. Donhauser suggested that the Board lay that function back on the department head and, as an example, said that DPW bought a road saw and, unless Ms. Spinney was looking in-depth at this transaction, she didn't know what a road saw was, necessarily; that it should alert her to ask if that was a repair or a fixed asset, but, what should happen was that Mr. Moulton should let her know he purchased it and, then, it should be put in his binder. He added that now the depreciation had to be done, adding that the current accountant had a module on their website and they downloaded all the depreciation schedules from the prior year and, now, they were adding on the new fixed assets. He added that the next thing for the asset lists was to give back the report to the department head and ask if all the listed assets existed. He said that some have been listed for years and were fully depreciated, for example, they might have a snowplow that has been replaced and it has been fully depreciated so they ought to take it off the depreciation schedule, so, department heads should be accountable for items on that list and make it more and more accurate as they moved forward. He said that, again, there needed to be somebody to provide the oversight for this to pull all those records together. Mr. Donhauser said that the fixed assets were sort of a separate module and not on the trial balance; that the way the Town recorded its fixed asset purchases was called a capital expense; that municipalities always expensed capital (fixed assets) but for financial statement purposes they always had to capture them and put them on a depreciation schedule. Mr. Donhauser discussed #13. He said that he has looked at all the payroll reports, saying, again, that Ms. Spinney was incredible. He added that, in his personal opinion, they payroll should be put out to a payroll service. He said that Ms. Spinney did it well, that she liked doing it, but that was another thing that could be taken away from Ms. Spinney and utilize another sort of a clerical-type person, adding that it was very repetitive but very technical and very tedious because if they made a mistake, they didn't make their deposit on time, the IRS was not kind. He added that the penalty could be as much as a month's fee to a payroll processing. He said that, regarding the payroll system, Ms. Spinney made an attempt to do direct deposit for the employees and it turned out to be quite an arduous task and that was pulled back and was not done. He added that there should be direct depositing and that was one thing that a payroll service did sort of seamlessly. He said that it could be done in-house but it wasn't as easy, in-house, as it was with a payroll service. Mr. Donhauser said that this was his own personal opinion; that there were other people who wanted to control their own payroll; that payroll was sort of like its own little problem. He said that he only brought it up for the purposes of the Board knowing that it was currently done in-house; that it took a lot of time; that Ms. Spinney did it very efficiently but it still took a big chunk of time as opposed to doing just the data entry and, then all of a sudden, it was

SPECIAL BOARD OF SELECTMEN'S MEETING
December 20, 2012 5:30PM (continued)

processed and the checks went automatically to direct deposit and they got a journal and a check register. Mr. Donhauser said that, essentially, that was what he had been doing in the past 2 to 3 months. He said that he had to say that the people who were working for them in the Town Clerk's office; that they were very diligent and they were working very hard and they haven't had pay raises, understanding that that was a function of the Town and there was a lot of pressure not to compensate them. He added that that was all well and good but the problem in the long term was that it was very expensive to retrain people and, ultimately, what would happen was that people would look elsewhere, he believed, or, if nothing else, they would retire sooner. Mr. Donhauser said that, that being said, he didn't know what the result was, he didn't have a recommendation on whether they gave them a raise and that was none of his business; that he just knew that for the past 3 years, he thought, they hadn't had a raise. He said that he understood that there was a lot of budget pressure and to keep the tax rate the same; that their (individual employee costs) costs were going up just like the Town's costs. He said that he believed that they were actually paying more for their health insurance so, in a sense, that was less in their net take-home pay. Mr. Donhauser said that he didn't say whether that was good or bad but just a fact of life and they had to bear up against the budget and what the Townspeople wanted to pay for municipal services. He added that the Town was getting bigger and bigger and the record-keeping was getting more and more arduous, there were more requirements, there was more demand on the accounting system and they hadn't expanded their accounting system or Town Clerk's office in a number of years; that the Town has been growing but the personnel hasn't really been growing.

Mr. Moynahan said that he said the Town has been growing and asked what the increase was in the last census report.

Mr. Donhauser said that he was talking about monetarily.

Mr. Moynahan said that there was always a comment about that and one started looking at that information and...

Mr. Donhauser said that he couldn't answer that question.

Mr. Moynahan said that that was a different conversation, which wouldn't relate to what Mr. Donhauser was tasked to do.

Mr. Donhauser said that his point was that the Town employees they had were very diligent and they were working very hard and everyone wanted to do a good job and, if they were put in a situation where they couldn't get the work done because they too much work to do; that it was partly management's fault as well as the employee. He said that, if he brought anything to the table, he thought they needed to look at expanding, at least by one person, the accounting function and, right away, he believed they could pull some time away from one of the clerks to help. He reiterated that he thought it would help to put partitions between the clerks; not all the way to the ceiling but, for example, if he were sitting across from Mr. Murphy all day long, they were going to talk during the day; that that was just human nature and, then, when somebody else was sitting with Mr. Murphy talking with him and he was listening to that conversation, he would become engaged in that conversation; that they needed to somehow mitigate that. He added that the partitions could be like cubicles and they could still get up and chat; that that was a healthy environment for employees.

Mr. Dunkelberger asked Mr. Blanchette why they were in multiple banks and with so many accounts.

Mr. Blanchette said that was for different reasons over the years. He added that he couldn't give him all the reasons, specifically.

Mr. Donhauser said that one reason, historically, has been that there was FDIC insurance; that it used to be \$100,000 and it went to \$200,000 and they didn't want all the money in one bank and, so, they spread the money out. He added that that has been changed quite a bit and they were actually using collateralization;

SPECIAL BOARD OF SELECTMEN'S MEETING
December 20, 2012 5:30PM (continued)

that there was like over a million dollars put into 'this' trust account but it was collateralized by the bank so they didn't need the FDIC insurance.

6:43 PM Mr. Hirst said that Mr. Donhauser's comments on security tracked entirely with the security assessment that Chief Short did two years ago in this respect to division of personnel – public versus employees.

Mr. Donhauser said that it wasn't that they didn't want to see the public but that they wanted to protect the environment that the employees worked in; that they didn't want to be in a situation where something happened and the horse was out of the barn, then they shut the door; that they wanted to set up a safe environment for the employees as well as the public who may be there when something happened. He added that the numbering system was very clever and he encouraged the Board to go over to the IRS in the post office in Portsmouth.

Mr. Murphy said that Mr. Donhauser had been working and cooperating and assisting the auditor whom they had and asked if that work was done or was he sort of on-call.

Mr. Donhauser said that they were here with three people for a week. He added that it was not unusual for them to go away, absorb the information and, then, come back for another couple of days. He said that they were waiting for them to come back.

Mr. Murphy asked if he was still on-call to them.

Mr. Donhauser said yes, that he had no problem answering questions for them and, in fact, enjoyed the camaraderie that was here; that they were very nice people.

6:45 PM Mr. Dunkelberger recommended putting this on their AIL.

The Board agreed.

The Board thanked Mr. Donhauser for his very thorough report.

6:46 PM
#4

TO : Board of Selectmen
FROM : Route 236 Sewer Extension Committee
REF : No correspondence

Mr. Moynahan said that the Route 236 Sewer Extension Committee was scheduled this evening to update the Board with where they were.

Ms. Davis read a statement from their last meeting with regard to the final report: "The committee agreed that we were going to work on a list of pros and cons and will present you with a list of important questions as we progress." She said that, as Chairman of that committee, she had to express her disappointment and frustration with the fact that the committee has been unable to produce a draft report, which would have had the effect of reducing and prioritizing those questions that really did need an answer as opposed to the multitudinous questions that were originally submitted. She said that she didn't want to comment on it too much but, she guessed, in the final analysis she might suggest that they take half an hour, at some point, and have a work session between the BOS and this committee so that, maybe, they could fine-tune this and get something out. She added that she didn't see a lot of progress and she wasn't sure what the solution was to make it go forward.

Mr. Moynahan said that he attended those meetings and he agreed that they have not been as productive as what he thought, early on; that they were certainly struggling on how to produce the information because, certainly, there was a divide in the group, which has hampered the ability to move in one direction or another. He said that he thought that last week, they mentioned at the meeting on Monday, that the Board had indicated that a one-page overview with pros and

SPECIAL BOARD OF SELECTMEN'S MEETING
December 20, 2012 5:30PM (continued)

cons would be nice. He added that he thought that she had mentioned that to her group on Monday, prior to her leaving, and that was the response she had received, he believed, from the group.

Ms. Davis said that she did have a list, that she did hone down the questions from the 17 pages down to one page that came down to about 32 questions. She added that she could not get the committee to agree on this but she did feel as though it summarized the points that the BOS made at the last meeting when they discussed this. She said that it was not necessarily pro and con in its format; that it asked what she thought were the most important questions, so far, and then summarized it for the Townspeople so that they could add pages afterward to explain the answers they had on the front. Ms. Davis said that, because she couldn't get the group to agree on this, she didn't know if the Board wanted to accept a copy of it and have a look at it to see if it approached where the Board wanted to go with this, or, if the Board preferred that they somehow schedule a work session so that maybe the Board could clarify; they could bounce some ideas around and the Board could clarify the parts they liked and, maybe, that would give the committee a better direction to go in. She added that she thought that it was an important committee and she thought that, ultimately, the Townspeople would benefit from it, if they could just get it on the right track.

Mr. Dunkelberger said that he would be happy to look at that and present some...

Mr. Moynahan said that, if it didn't come from the entire committee, he didn't think they should be taking that.

Mr. Dunkelberger said that he meant maybe present an example of at least something of what the Board was looking at.

Mr. Murphy said that he thought that this committee was set up by the Board at, sort of, public request; that the Board had a responsibility to help them work, whenever possible, so, he would be in favor of having a work session like this and see if they could clarify things.

Mr. Dunkelberger agreed with Mr. Murphy as far as having a work session but let's go in with something they could point to as a starting place rather than trying to build it from scratch. He added that his sense was, having just sat through one meeting and watching how the group operated, that, if the Board went in with a concept with nothing to illustrate or no starting position, then they could be in there all night and not get anything done.

Mr. Murphy asked Mr. Dunkelberger was familiar with Ms. Davis' list.

Mr. Dunkelberger said that he had not seen it.

Mr. Moynahan said that the group was formed for potential pitfalls and gains in the mission statement, and there was additional language in the mission statement, but the only part of the mission statement was that the group was formed to explain potential pitfalls and gains. He added that, somehow, he thought because a lot of people were not as informed on the proposed project, a list of questions were generated and many have been asked and answered time and time again. He added that that was not a fault of the committee; that they were trying to do their homework to educate themselves to present a good, factual page but he thought that it really needed to be potential pitfalls and gains. He said that pros and cons, which he thought Ms. Davis first suggested several meetings ago, would ultimately do that, it was a pitfall and gain approach. Mr. Moynahan said, in how that was summarized, if the Board told them how to do that, then they were not letting the committee do their job. He added that they didn't want to give the committee the page the Board wanted to see; that that defeated the purpose of having the ad-hoc committee and he was just concerned that the Board didn't do it the wrong way.

Mr. Beckert said that he was concerned, he thought, for the same reason that Mr. Moynahan was on the draft document that Ms. Davis had; that if it did not come

SPECIAL BOARD OF SELECTMEN'S MEETING
December 20, 2012 5:30PM (continued)

from the entire committee, then the document, in essence, did not exist as a report from the committee.

Ms. Davis asked to state that there was no objection to it; in fact, they never took it to the point or arriving at a consensus, however, there was no objection and, in fact, two or three of the members did say it could be presented to the Board.

Mr. Beckert said that they either had to get consensus, which meant that the entire committee had to agree, or, they had to have a motion to forward it in that draft form.

Mr. Moynahan said that, in her defense, she was unable to even stir up a bounce in the conversation.

Mr. Beckert said that that went back to what he was saying; that that draft document, as far as this Board was concerned, did not exist for them to review because it has not come out of the committee legally.

Mr. Moynahan said right and that he agreed with that wholeheartedly; that he was just trying to explain the process – she was not able to stir enough conversation to make that happen, although, it was well-received by members of the committee. He said that that was part of, he thought, some of the struggles she has been having, as well, with the committee. He added that any other members who have not been attending who would like to give advice, he would certainly welcome that and he was sure Ms. Davis would, as well.

Mr. Murphy asked if the committee meetings were well-attended by the committee members.

Ms. Davis said yes. She said that she thought that they fell back on the idea that they didn't know what the Board wanted and, so, she couldn't seem to channel this into any kind of concrete outcome and she didn't know whether, if the Board was there answering questions...in fact, she wanted to hand this out so that the Board would have some notion of where she thought it should head so that the Board would be prepared to discuss it when they got there; that she was not doing something underhanded here. She added that the Board could come to the work session that they might be able to schedule and receive it at that time to discuss it then. She added that it was a matter of public record, in a sense, because she did cover it at the last meeting. Ms. Davis said that, she guessed, the Board needed to give them some more concrete directions so that they would feel more comfortable in moving ahead.

Ms. Murphy said that she just wanted to clarify something. She said that both she and Mr. Pomerlau had suggested, early on, that they do the pro/con approach and there were other members of the committee that were not in agreement with that, and that was coined, early on, when they were looking at the mission statement.

Mr. Moynahan said that it was a whole committee, so, they shouldn't be singling out people by names and that sort of thing; that certainly there have been some divides in the group and that's healthy; that that was how it was supposed to get pitfalls and gains and that was kind of the whole premise of the make-up of the committee. He asked what additional direction the Board could give to produce pitfalls and gains of the proposed Route 236 Improvement Project.

Mr. Beckert said that he would simply go back to the committee and say that this was their mission statement; that they were to come up with the actual pros and cons to present to the public on the Route 236 Sewer Expansion and, if they couldn't function to do that, then they would be disbanded, and hand the whole thing back to the SC.

Mr. Dunkelberger said that he thought that Mr. Beckert was absolutely right; stick to the facts as they knew them and one of them was that 'this' was how much the project could potentially cost, 'this' is the pros – if they ran the numbers right now then the TIF would pay for the sewer bond; if the economy went in the dumper

SPECIAL BOARD OF SELECTMEN'S MEETING
December 20, 2012 5:30PM (continued)

and there was a whatever percentage decrease in property value or tax revenue from the TIF, then the entire Town could be on the hook for that sewer bond or a portion of it – that was the pros and cons. He added that the pros were that assessed value could go up - no guarantees – along with commercial land values, which, again, would provide additional monies to the TIF but, then again – cons – it may not go up; there may be and, if it did, there may be increased traffic...and that was it, that it could be as simple as that.

Mr. Moynahan said that some of the struggle has been that, when the TIF document was created, was the financial projections – they were outdated – so, now, questions arose that the projections were wrong, the depreciation schedule was wrong, this was wrong and where did they go. He added that some of these things they could not answer...forecast out 20 years, that depreciation was a yearly thing; that they could not do it and have that firm figure so, it was kind of a hard thing when they were trying to get to an exact dollar figure.

Mr. Beckert said that he thought it went back to the crystal ball thing, again. He added that the best-case scenario they could do, now, they used the figures as they were currently – this is what the assessed value was out there right now, this is what has been brought in, this is what was in the account; if it stayed flat for the 20 years, then, what would it do. He added that he had seen those figures, that someone had come up with them, already, that answered those questions; if there was an increase in valuation, then, this was what it would do. He said that he thought that there was even a figure out there that showed that, if there was a decrease in valuation, then, this is what would happen. He said that he thought that in all three of those scenarios that he had seen, so far, the project would pay for itself. Mr. Beckert said that was the kind of stuff, the pros and cons, the thing like Mr. Dunkelberger mentioned – if they didn't do this and land valuations went down whatever percentage, then, there is the possibility of that happening. He said that that was the type of stuff the committee needed to tell the public. He said that, if the bottom were to drop out and the Mayan calendar came into play tomorrow, there was a possibility that the worst-case scenario could be 'this' – that was the con. He added that, if it stayed flat or if it increased at a half a percent a year, then 'that' was what they got out of that scenario – so there was a pro; what would it do for Eliot's business economy. He said that those were the pros and cons; that he didn't think this was rocket science; that he thought that those were the simple things that needed to come out to the public. Mr. Beckert said that he saw a lot of those pros and cons in the thing that Eaton Peabody did; that the State revenue sharing presentation at the Regatta Room covered a lot of things, from his understanding; that that was where they came up with their pros and cons list, so, he didn't see what the big issue was.

Mr. Dunkelberger said that some of the cons would be – if this didn't pass and the Town dissolved the TIF then the funds went back into the general fund and the taxes were lowered by \$40 or so per year, after three years. He said that that would be a pro, if everything else remained flat, then, these were the numbers.

Mr. Moynahan asked, for emphasis, should it be financial, in nature, that the committee should be looking at because he had just heard several examples of financials.

Mr. Beckert said that he thought it was a combination but he thought that financials was the big thing in people's minds – could they afford to do this.

Mr. Moynahan asked if there should be any focus on technical. He said that he was just trying to give a little more guidance and, if there was no need for this Board to see technical from another group, then they should tell them not to be concerned with technical. He added that, if the Board wanted them to look at some of the financials, even, with the Eaton Peabody's thing, then the Board could let them know to seek financial pros and cons.

Mr. Beckert said that, in his opinion, the technical has been answered by Underwood; that was why they hired an engineer that was experienced in this.

SPECIAL BOARD OF SELECTMEN'S MEETING
December 20, 2012 5:30PM (continued)

Mr. Moynahan said that he was just asking the questions, here, because they have had those in the committee meetings, at times. He added that, if they could eliminate some of what they were looking at, then they might be able to be more productive with some of the pros and cons approach.

Mr. Dunkelberger said that he thought that 80%, if not 90%, of people's concerns was with the financials, so, concentrate on that.

Mr. Moynahan said that he did forward on, after their last meeting, to Eaton Peabody one of those spreadsheets (Mr. Donhauser) that the Board had that showed no increase in revenues; that he figured it was a baseline. He added that they could do a backwards depreciation or forward with increased revenue, or something, but as soon as that was in the committee would get that, if it was accurate; that he had them look at it to see if it was accurate information.

Ms. Davis said that they could give it one more go and see where they were at.

Mr. Beckert said he would get tough with them, Ms. Davis...

Mr. Dunkelberger said that, at the same time, he agreed with Mr. Murphy; if the Board needed to sit down as a group, then, let's sit down as a group.

Ms. Davis said that she thought that, honestly, if the Board had a half an hour, that it would make them feel better. She added that she was sorry to add that burden to the Board but it has been a repeated request, she guessed. He added that, maybe, it would solve the problem, early on, and they could get going from here.

Mr. Blanchette asked when their next meeting was.

Ms. Davis said that they hadn't scheduled one.

Mr. Murphy said that he not heard anything tonight about Eliot, as a Town, and Eliot growing in the future and the needs that were going to come at them – sewer needs – those that were on us now and they weren't solving them, the school, Marshwood Imperial estates, Hanscom Road was a dense community and he didn't think anyone up there was complaining, at the present time, but it was a dense community with he didn't know how many houses up there, maybe 150, and that was right next door to what was going to be the answer to their problems. He added that they either get a gravity line down to Bolt Hill Road and pump it over to the pump station and bring it back, or, pump it up to Beech Road and have a gravity feed into this new station; that if they had a new, strong pump station there by Ray Grover, then that would be ready to accept from all directions coming down from the library, when Riverside Estates had to improve their system, or farther out. He said that no one seemed to be talking about that larger picture and the things that were going to come at them in five years, ten years, fifteen years, twenty years, and, gradually, they would have to meet that. He asked when they were going to start, adding that here they had an opportunity, a chance, to do this without greatly affecting the tax burden. He added that, granted, Wall Street has upset their plans, but, their problems were still going to be with them and how were they going to solve them – did they wait until the problems were upon them and the DEP or feds said, "Get it done."

Mr. Moynahan said that Mr. Murphy would like to see the committee incorporate a pro and con of future build-outs.

Mr. Murphy said yes, the future needs of the Town and, to the extent that, doing this now would move Eliot in a better position to solve those when they happened.

Mr. Moynahan said that he was just wondering if it was better from the Route 236 committee or the SC to express a pro and con in that manner, adding that the Route 236 committee probably hasn't reviewed that whole master plan.

Ms. Davis said that they didn't have that information.

SPECIAL BOARD OF SELECTMEN'S MEETING
December 20, 2012 5:30PM (continued)

Mr. Moynahan said that the Board may be tasking from the SC to provide a pro a con as far as future build-outs, or something.

Mr. Murphy agreed that that would be a good idea.

Mr. Moynahan said to Ms. Davis that he wasn't saying that they weren't up to speed but he didn't think they had spent as much time on the technical piece, as of yet.

Ms. Davis agreed, adding that all of the 32 questions were financial. She said that she thought her committee was ready to go but she thought that, if the Board could give them a little booster talk.

Mr. Moynahan said that, without looking at the content on that, a bullet page like that with yes and no answers on specific financial questions, would that be something the Board would prefer to see for a first draft from a committee.

The Board agreed that that would be very useful.

Mr. Moynahan said that that would probably be a good format to present to the Board moving forward.

Mr. Murphy said that that separated the individual questions and each question would have a page that was referenced behind it for more details.

Mr. Moynahan agreed, if people wanted it, but, yes, it was pretty much a yes and no worksheet on that.

Mr. Dunkelberger said that, even if they had a single sheet that they could push out to the folks in Eliot, and give them a website address that they could access that supporting documentation, it made it really easy to find, then.

Mr. Moynahan said that he thought that they had something for the Sewer Improvement Project on the website, currently, something with the TIF or sewer improvement – just a place to add instead of starting again. He said to Ms. Davis that a format similar to what she had described would be a good approach for her committee to follow up with to the Board.

Ms. Davis said that she could take it from here and ask them to review the video-stream from tonight so that they could pick up the Board's comments and suggestions...

Mr. Moynahan said that he always attended all of their meetings and, if there were another two Selectmen that would like to have fresh faces, then go to one of the meetings. He added that, if they couldn't schedule a collective workshop, then he would be more than willing to let them do that.

Ms. Davis said that they could reach a consensus on a draft list and submit it to the Board and then, maybe, if it still seemed like...

Mr. Moynahan said that maybe they could make some tweaks and comments, and that sort of thing, and give them something to build on.

Ms. Davis said yes.

7:06 PM
#5

TO : Board of Selectmen
FROM : Planning Board
REF : Video-streaming

Mr. Moynahan said that this was from the Planning Assistant and it said, "*Please be aware that the Planning Board has voted not to have their meetings video*

SPECIAL BOARD OF SELECTMEN'S MEETING
December 20, 2012 5:30PM (continued)

streamed at this time." He added that he thought that all the committees had gotten back to the Board on video-streaming, now.

Mr. Dunkelberger asked if they could ask the PB as to why and what was their thought process on that.

Mr. Lentz said that he thought that, at least, the consensus was that they kept asking which was the real record that they went by legally; was it the written record that they took in the notes or was it the video-stream; that that was the main one, for him, anyway.

Mr. Moynahan said that the written record was currently the real minutes. He added that they spoke to that in some policy language later tonight that would better define some of that stuff. He added that, once that was clarified maybe each committee could be referenced, again, and they might make different choices.

Ms. Davis said that even if they didn't use it as a public record that, as a member of the BC, she liked to keep up with what was going on in Town. She added that the reason she would like to see it video-streamed was just so that, if she couldn't make a meeting, then she like to get on there and watch the meetings to see what was going on.

Mr. Lentz said that he understood.

Ms. Davis said that, if they had no objection, she would like to request that they reconsider that.

Mr. Lentz said that he would ask them again.

Mr. Moynahan said that the requests should come from the Board, by request, to the groups. He added that the Board strongly encouraged the groups to video-stream their meetings but it was left up to the individual groups, and they would talk about it, again, in policy.

Mr. Beckert said that, as Chair of the PB, he had no objection to video-streaming, and left it up to the members and the voting members said no, at this point in time.

7:10 PM
#6

TO : Board of Selectmen
FROM : Eaton Peabody
REF : Final Lisbon TAA, Lisbon Gap Analysis, Final Draft TAA

Mr. Moynahan said that they had a large stack of paper and were emailed to folks for review, also. He added that this was a follow-up from Eaton Peabody as it related to some of the items he discussed in their presentation to the Board. He said that he guessed that the question to the Board was, outside of the request that they sent to them for additional information from their presentation, did they need any more of this information provided to the Board to make an informed decision, moving forward, understanding that most of these came with a cost. He asked if there was anything, specific, that the Board thought would benefit the Town in making decisions moving forward with this sewer improvement project.

Mr. Dunkelberger said no. He said that the information that they have gotten, now, had answered most, if not all, of his questions with regard to having a third party look at what was going on within Eliot. He said that he thought it was very informative, he thought it was very balanced and went into even more detail than he expected. He added that he didn't think that the additional detail provided here helped him in any way.

Mr. Murphy said that he had looked through this package and all these detail things were examples of things that could be done for Eliot, having to do with the Town of Lisbon, Maine – trade area analysis, retail sales, and so forth – and it would probably be \$10,000 that they would have to pay to have that done here;

SPECIAL BOARD OF SELECTMEN'S MEETING
December 20, 2012 5:30PM (continued)

that it would take time and would be one more delay and he thought that Eaton Peabody's presentation was wide, broad, succinct and understandable, and he felt reassured by it. He added that, to him, it was enough.

Mr. Hirst said that he was all set.

Mr. Moynahan said that they would get back to Eaton Peabody thanking them for forwarding the information on to the Board but, at this point, they had no need for any additional items.

The Board agreed.

7:13 PM
#7

TO : Board of Selectmen
FROM : Selectman Dunkelberger
REF : Draft policies

Mr. Moynahan said that everyone had taken the draft policies home with them and marked them up.

Mr. Murphy said that he had taken them home but he had not had a chance to review these in detail.

Mr. Hirst said that he had not marked them up; that he liked them the way they were.

Mr. Moynahan said that these were a great start and certainly things that were sorely needed to add clarification to the way they operated in Town. He asked if they wanted to keep these, as not everyone had had a chance to review, keeping these drafts so they didn't have to make more copies, and they could put it on their next meeting. On that topic, he asked if anyone was opposed to not meeting next Thursday because he was not scheduling a meeting unless the Board was really adamant that they needed one.

The Board agreed to no meeting on December 27th.

Mr. Hirst addressing the mechanism for adopting this said that this was not an ordinance but simply a Selectmen's policy.

Mr. Blanchette said yes.

Mr. Hirst said that it could be adopted, as written, if the Board so determined, just at a regular meeting.

Mr. Blanchette said that the Board had a policy to adopt policies. He added that when they came to a point where they had a final draft; in other words, the draft that was accepted, then they had two readings on two separate meetings and, if there were no substantial changes, then they could adopt right after the second reading; that it could be adopted at the meeting of the second reading.

Mr. Hirst said that the effective date could be as early as that night.

Mr. Blanchette said yes.

Mr. Murphy said or the next day.

7:15 PM
#8

TO : Board of Selectmen
FROM : Underwood Engineers
REF : Contract

Mr. Moynahan said that, coming in to budget season and potential for Special Town Meeting, they should have discussion on how to pursue this. He said that the Sewer Department budgeting, the first portion of this contract, was \$40,000 for 2014 and that was for the existing sewer system. He asked if they were going

SPECIAL BOARD OF SELECTMEN'S MEETING
December 20, 2012 5:30PM (continued)

to look to appropriate that through sewer user rates, was there enough in the sewer account currently, has the SC reviewed and had any comments on this, or Mr. Moulton, as he thought he was including portions of this in his budget, although it was not a financial implication to the Town, they were still having a sewer budget done by their DPW Director. He addressed Capital Improvement Plans (CIP), asking if they should be in a CIP form, much like they were doing for other capital improvements in the Town and, if so, should they come up with better dates than next year to have some of this stuff done, for a million dollars, if necessary. Mr. Moynahan said, additionally, the engineering status, he thought it sounded like consensus to have a Special Town Meeting and, in that, they were requesting additional funds to move forward with the sewer improvement project engineering studies. He said that these were three separate conversation pieces.

Mr. Dunkelberger said that he thought that, with regard to the sewer department budgeting, he thought that they needed to incorporate the requested items into next year's budget, if not sooner.

Mr. Moynahan said that the appropriations all came from sewer user rates not from general funds, so, how did they incorporate that in without getting additional funds if there was not a sufficient amount of reserve money set aside for that. He added that he wasn't sure what the balances were.

Mr. Hirst said that \$135,000 was what he heard last night; that it was a current balance in the capital reserve for the existing sewer. He added that, just for their information, he said that Mr. Moulton said that he could spend it all overnight just to complete repairs that were critical because much of the infrastructure was way past its useful life. He added that the sewer rate subcommittee did not yet have enough information on which to make a recommendation but it was something that they were expecting shortly.

Mr. Dunkelberger said that, to continue on, the spending of the \$40,000 out of what he had in the budget made a whole lot of sense from a planning, as well as really identifying repairs necessary, near-term as well as long-term. He added that he would support him doing that. With regard to the CIP, he said that because this sewer fund was a separate fund, he thought that the CIP ought to be a stand-alone document with regard to the sewer.

Mr. Moynahan said absolutely; that he was just talking about a similar format to what the balance of the Town was using.

Mr. Dunkelberger said exactly, but separate.

Mr. Moynahan agreed that the sewer all had to be stand-alone, except for the third portion of this, which was the engineering for sewer improvement projects and fell within the TIF. He asked if Mr. Moulton would like to comment on any of this.

Mr. Moulton said that, as far as the budget portion of it, he was planning on including that section in the budget but, also, if the Board remembered at the meeting last week, Underwood had current funds to help review sewer rates. He added that he had been given some bullets, and he worked with Mr. Pratt to get some bullets, which would work with the subcommittee, and incorporate all this into the rates for the projected future. He added that they were going to assist him, and he was also working on the CIP portion of it, so that they knew where they were going, especially knowing the cost of the expansion – some of the upgrades could happen under the appropriated TIF funds and, if that failed, then they needed to have a plan and, unfortunately, that plan and that window was probably five years. Mr. Moulton said that he didn't mean to be out there but they were looking at 70% to 75% life expectancy was gone on this system so, it was short-term, it was going to be there, it was real, and it was factual. He added that he was going to be working on those two things in his budget however the Board wanted him to do so; that he would do the CIP portion as he did everything else this year for his other budgets and he was going to incorporate the sewer portion into the budget, knowing well where they stood with the reserve account of \$135,000.

**SPECIAL BOARD OF SELECTMEN'S MEETING
December 20, 2012 5:30PM (continued)**

Mr. Moynahan said that he thought that would be helpful to have once he had that budget page showing that this was a planned expenditure, based on this information, so that they had that breakdown.

Mr. Moulton said that they were just waiting to collect the rest of the information from subcontractors that would help them do the work for some of the things that were needed, then he would have that complete and in to the Board.

Mr. Moynahan said that he just meant in the first portion of theirs, which was the asset management plan and that was where Mr. Moulton had a current balance in the sewer fund and planning on expending 'this' amount for 'this' type of thing but, as of right now, there were no plans to replenish that account until the rate structures were done, and this played a role in the rate structures.

Mr. Moulton said that one of the things they might want to consider, if they recalled from some of their discussions, should the expansion go forward and there was an SRF loan with reduced interest rates, part of that request was for an asset management plan, which was required. He added that it was a good thing to have and something that the Town did not have, but, that portion of it he thought was money well-spent, even though the reserve account was low. He added that, in his opinion, that was something the Board should move forward with; that they were doing their best to provide maintenance and things; that he was putting together part of his budget that was maintenance costs and he was going to break it down into needs, wants, and have-to-haves. He said that, hopefully, that would be forth-coming next week, but like he said, he was still waiting for people to get back to him. He reiterated that he thought that that asset management plan was a real critical, key piece, whether they moved forward with the expansion or not.

Mr. Moynahan said that this was a work in progress. He added that he thought that they would need a motion, if they wanted to add to the Special Town Meeting, the additional engineering expenses to put in front of the voters for those funds.

Mr. Hirst moved, second by Mr. Dunkelberger, that the Board of Selectmen ask the Town to appropriate an additional engineering assistance budget of \$15,000 at the spring or late-winter (next) Town Meeting.

DISCUSSION:

Mr. Moynahan said that his only comment was to make sure the Board was sure that this was the only engineering expense they would have in that time period, until June; that he was pretty confident, with the engineers, that this would be satisfactory.

There was no more discussion.

**VOTE
4-0
Chair concurs**

Mr. Moynahan said to Mr. Blanchette that this was the first one they would start putting on the Town Meeting warrant articles.

**7:24 PM
#9**

TO : Board of Selectmen
FROM : Shellfish Management Committee
REF : Annual Shellfish Management Review - 2012

Mr. Moynahan asked if Mr. Place had gotten this.

Mr. Blanchette said yes.

Mr. Moynahan said that there was nothing the Board needed to do with this.

SPECIAL BOARD OF SELECTMEN'S MEETING
December 20, 2012 5:30PM (continued)

Mr. Blanchette said no, not at the present.

Mr. Murphy asked if Mr. Blanchette knew if Mr. Place had been going to the workshops.

Mr. Blanchette said that he had in the past but he couldn't say that Mr. Place was going to them.

7:25 PM
#9

TO : Board of Selectmen
FROM :
REF : Budget review – no correspondence

Mr. Moynahan said that this was in preparation of meeting with a department head and, if people had had a chance to review and there was any additional information that they may want from the department heads or not seeing what they would like to see in the books and the budgets that had been presented, so far, it would be nice to start compiling that, now, so that they could give advance notice to department heads to have that prepared. He asked if anyone had had a chance to review their budgets.

Mr. Murphy said that he had only started and it continued to be updated, almost daily, by Ms. Thain, as materials came in.

Mr. Hirst said that he had.

Mr. Beckert said that he had gone through it some.

Mr. Moynahan said that this was more specific to the larger departments scheduled in January, which were DPW, Police, Administration, and ECSD.

Mr. Blanchette said that one thing they would see, in particular, was an increase in payroll in Administration and that was because he was budgeting for a CFO and an additional person, not at 100%, however, for either one of those.

Mr. Hirst said that they had some budgets in today that were completely lacking any backup material, at all, and they had some that were missing column titles, so it was very hard to read. He added that, in one particular case, they didn't have any payroll information, at all. He said that he thought that they were fairly specific with department heads when they sent out the requests for budgets and he wondered if they could restate their position.

Mr. Moynahan said that he had also seen some missing things – funding sources from each department, excel totals needed to be confirmed from several departments as they didn't total from one year to the other, missing salaries and benefits in several departments, CIP plans; thing of that nature that he had seen with quick glances. He added that they could communicate to all departments that these were some things that were needed; that Mr. Hirst had indicated that some dates for the year columns were missing (headers).

Mr. Hirst agreed that he didn't know what they were; that he could guess but he didn't dare do that.

Mr. Moynahan said that those were some simple requests to ask for some clarification from the departments. He asked if there were other items.

Mr. Hirst said no; that he thought just backup material for, basically, every entry of any significance.

Mr. Moynahan said that the information didn't have any backup material – Police didn't have any, DPW had a bunch, and ECSD didn't have any, so, Mr. Hirst wanted backup material for what information.

Mr. Hirst said backup information for all significant entries.

SPECIAL BOARD OF SELECTMEN'S MEETING
December 20, 2012 5:30PM (continued)

Mr. Moynahan said that he was trying to be specific.

Mr. Dunkelberger offered that, if there was a significant change in what was being requested over the previous year, then, a simple explanation as to why.

Mr. Hirst said that that was fine, except that last year they didn't get much backup material, either, so, if they updated something that wasn't last year, then they didn't have anything this year, either.

Mr. Dunkelberger said, but, it was approved last year and this was why they could have the meetings, if they wanted to go into more specific detail on a particular line item.

Mr. Moynahan said that he was just hoping that they could produce some of this information first, in writing, to the department heads so that they could have it in advance and they weren't going into four different meetings, again, and waiting for one form.

Mr. Dunkelberger said agreed.

Mr. Moynahan said that that was the only reason he was trying to stir these conversations, not to get arguments going on with what they would like to see and all that. He asked if they wanted to go to two years ago, if there was a significant increase from two years ago, then some substantial documentation; would that be far enough back or an explanation of what the increase was, verbally, from last year and, then, backup for any additional increases for this year.

Mr. Hirst said that he thought that that would be very helpful, but, they still had virtually no documentation for items in several of these budgets. He said that he didn't know what to make of that and he didn't really want to go back to last year and see if he could thumb through to find the explanation. He added that he would like to see this thing sit on its merits and be able to be interpreted, without looking at something last year. He said that an increase from last year was fine but, he looked at an increase from this particular budget, here, and he couldn't make head nor tail of it; that it didn't make any sense to him at all – that the columns weren't labeled and there were no explanations and they asked, very specifically, for lots of explanations.

Mr. Moynahan said yes, please provide as much detailed explanation as possible as it related to their budget, or something of that nature, was the consensus of that letter he sent out.

Mr. Moulton said that, specific to his department, did they want a project list. He added that that was how his costs were generated; that he tried to summarize it where there were major increases, but, did they want a list of projects.

Mr. Moynahan said that he gave them a project list as it related to paving, which was the largest ticket.

Mr. Moulton agreed but added that there was some drainage that had some increase, so, he thought that he could specify those drainage projects – he was just asking as he was sitting here.

Mr. Beckert said that that may be helpful to answer questions for some of the people – the project lists. He asked which budget Mr. Hirst was referring to.

Mr. Hirst said ECSD, section 7. He said that it did indicate it was a draft, and he understood that, but there were no labels in the columns so he didn't know what to make of it and no payroll information was provided. He said that he wanted to make sure that the payroll for ECSD appeared in their budget and not the Administration budget.

Mr. Moynahan said that all the departments got their payroll information from the Town offices, here, and he was just saying that, if they had not received that at

SPECIAL BOARD OF SELECTMEN'S MEETING
December 20, 2012 5:30PM (continued)

press time, just like fringe benefits were not in anyone's departments and everyone wanted to see that in there...he thought that they should treat them all equally, as departments; that, if one was missing something, then they were all missing some things.

Mr. Dunkelberger said that there was a cover letter from Ms. Muzeroll-Roy saying that she was missing salaries and employee benefits page. He added that she said that she would like to continue to prepare the employee section of the budget but that was as of ten days ago, so, he didn't know where that was at. He added that he was just saying that the missing salary and benefits page was explained – don't know why.

Mr. Moynahan said that the Board's job was to make sure that they had complete packages for when they started meeting with those, so, it would require a follow-up meeting, based on the Board's conversations tonight, for what other information they would like to see from these departments. He suggested 'reminder: for additional backup supporting material, or something of that nature, if they could trust the wording he would send out.

Mr. Hirst said that he had perfect trust in the Chairman's judgment.

Mr. Moynahan said that, if anyone had additional things, that they would discuss them at the next meeting and send them out again.

Old Business (Action List):

This was not discussed tonight.

1. Route 236 Sewer Expansion Project reports, updates, and schedules – Questions from Route 236 Ad-Hoc Committee - Mr. Blanchette
2. Sewer Contract/IMA – Schedule IMA/Kittery Meeting for presentation - Mr. Moynahan, Mr. Murphy, Mr. Marchese, Mr. Moulton and Mr. Blanchette
3. Police Union Contract – Mr. Moynahan, Mr. Dunkelberger, Mr. Blanchette, & Chief Short
4. Community Service Space: Relocation to Elementary School – explore school space – fit up costs, service impacts, insurance, MSAD #35 contract, CSD Director – Mr. Dunkelberger, Mr. Hirst, & Mr. Blanchette
5. Town Manager – schedule workshop; include Comp Plan Implementation Committee
6. Dispatch Service/Ambulance Contract – Contract with Kittery, request from same, costs – BOS, Mr. Muzeroll, Mr. Short
7. Policy creation/review – debit card, video-streaming, website management
8. Employees – cross-training, charting earned times, job descriptions - BOS
9. Liaisons to boards, committees, and commissions – review existing members, try to fill open spots; Committee/Board – Mission Statement Review - BOS
10. Budget Preparation - BOS
11. Auditor – financial statement, management letter, finance director, personal property tax, fixed asset management - BOS
12. Regionalization – explore areas of potential collaboration, cost reductions & enhancements to services – Mr. Moynahan, Mr. Hirst
13. Legal issues – pending and Consent Agreements – Eliot Shores, PSNH/Sierra Club, Mr. Bogannam - BOS

SPECIAL BOARD OF SELECTMEN'S MEETING
December 20, 2012 5:30PM (continued)

14. Sewer User Rates, reserved allotments, odor, maintenance– Sewer Committee, Underwood Engineers, Mr. Moulton
15. Department Heads – monthly reports, employee reviews, financial oversight, policy reviews, and department reviews - BOS
16. Research grant opportunities – AED's for Town buildings
17. Comp Plan follow-up

Selectmen's Report:

There were no Selectmen's reports tonight.

Other Business as Needed

There was no other business tonight.

Executive Session

7:35 PM Mr. Beckert moved, second by Mr. Hirst, that the Board of selectmen enter into executive session as allowed by 1 M.R.S.A. § 405.6.F "Discussions of information in records...when access by the general public to those records is prohibited by statute;" reference 36 M.R.S.A. § 841.2.E Poverty Abatement.

VOTE

4-0

Chair concurs

Mr. Moulton reminded the Board that, if they had any questions, his budget meeting was the 3rd of January.

Mr. Moynahan confirmed with the Board that they would give the departments until Tuesday to get information in.

7:44 PM Out of executive session.

7:45 PM Mr. Murphy moved, second by Mr. Beckert, that the Board of Selectmen abate the balance of the 2011 taxes, interest, and fees on the property known as Map 25, Lot 9-1 (\$4,004.11)

VOTE

4-0

Chair concurs

7:47 PM Mr. Beckert moved, second by Mr. Hirst, that the Board of Selectmen move into executive session as allowed by 1 M.R.S.A. § 405.6.A "Discussion or consideration of the employment..." Personnel issue.

VOTE

4-0

Chair concurs

8:20 PM Out of executive session.

Mr. Blanchette said that the thing he wanted to let the Board know was that he has accumulated, thus far, about a dozen sample contracts for town manager. He asked if the Board wanted all of them or did they want a sampling.

Mr. Murphy asked if they were very different.

Mr. Blanchette said that he didn't know as he hadn't looked at them individually. He said that he just sent out the word on their email list asking for people to share their contract and, thus far, he had about a dozen.

Mr. Moynahan said that they hadn't even done a true job description.

Mr. Blanchette said that one of them also sent his job description, which he would include.

**SPECIAL BOARD OF SELECTMEN'S MEETING
December 20, 2012 5:30PM (continued)**

Mr. Moynahan said that that would be helpful to him. He asked if they wanted to start with that one; they could always keep the other contracts and they would have a working document of both things.

Mr. Blanchette said that they could do that or he could give them all of them.

Mr. Dunkelberger asked if they were all electronic.

Mr. Blanchette said yes.

The Board said to send them all.

Mr. Moynahan said that he would prefer hard copy.

8:21 PM

Mr. Murphy gave the Board an IMA update. He said that they took the changes they made down to Kittery and Mr. Beers accepted most of them and tried to put them back in and send them back to Eliot. He said that Mr. Beers sent back a package and Mr. Murphy had gone through that package; that he found a couple of serious words that were missing in the legal end of it and a number of other things that Mr. Beers said he had done to correct the Kittery sewer ordinance; that he had partially corrected them but not wholly corrected them. He added that, by correcting it, that led him to a section he had not studied seriously before and he went to that section and discovered another error in the Kittery ordinance. He said that he ended up with a letter, which he just finished this afternoon, with about six things that Mr. Beers now had to correct and he hoped that would be the end.

Mr. Blanchette commented that they were getting there.

Mr. Murphy agreed, saying that once it was back, then the committee could say it was okay by them but, really, they were waiting for the Kittery Council, once again, because Mr. Beers presented all these to the council and Eliot needed to have word from the council that they agreed and they were willing for the Eliot committee to take it to Town Meeting.

Mr. Dunkelberger said that they might get it for the June Town Meeting.

Mr. Moynahan said that they were hoping it didn't get lumped in with everything else because it got so confusing but it might just end up that way.

Adjourn

There was a motion and second to adjourn the meeting at 8:24 PM.

VOTE

4-0

Chair concurs

DATE

Mr. John J. Murphy, Secretary