

BOARD OF SELECTMEN'S MEETING
February 26, 2015 5:30PM

Quorum noted

A. 5:30 PM: Meeting called to order by Chairman Beckert.

B. Roll Call: Mr. Beckert, Mr. Hirst, Mr. Fernald, Mr. Murphy and Ms. Davis.

C. Pledge of Allegiance recited

D. Moment of Silence observed

E. Approval of Minutes of Previous Meeting(s)

5:31 PM Motion by Mr. Fernald, seconded by Mr. Murphy, to approve the minutes of February 5, 2015, as written.

VOTE
3-1 (Ms. Davis abstained)
Chair concurs

Motion by Mr. Fernald, seconded by Mr. Murphy, to approve the minutes of February 12, 2015, as amended.

VOTE
4-0
Chair concurs

F. Public Comment:

5:37 PM Ms. (Donna) Murphy said that the Public Works Department has been doing a fabulous job clearing the roads with the number of snowstorms we've had.

The Board agreed.

G1. Department Head/Committee Reports

5:39 PM 1) Harbor Commission: Draft Harbor Ordinance

Mr. Lee asked the Board to become familiar with this draft; that they hoped to have this on the June warrant.

Mr. Hirst (liaison to HC) said that the Harbor Commission is doing a very good job, very comprehensive and conscientious; they have reformed the mooring application; that he has reason to believe that our revenue from this source may be enhanced this year.

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2) Energy Committee: Appointment: Laurel McEwen

Mr. Lee said that Ms. McEwen was one of the original members of this committee; that she could not be here tonight but has been attending the EC meetings as a visitor.

Mr. Hirst moved, second by Mr. Fernald, that the Board of Selectmen appoint Laurel McEwen to the Energy Committee, term to expire June 30, 2015.

VOTE

4-0

Chair concurs

Mr. Hirst (liaison to EC) said that it is amazing what this committee has done for the Town in terms of energy assessment for all the buildings, guiding on where to spend Town money to get the best return on investment. He added that they have done such an excellent job that MSAD #35 is employing their expertise, as well, with respect to the schools. He said that he thought that South Berwick had discussion with EC about the solar array.

Mr. Beckert asked Mr. Lee to convey kudos from the Board to both the Energy Committee and the Harbor Commission.

5:43 PM

3) Planning Board: Draft Growth Ordinance II with Input

This was input from various Town entities to the PB questionnaire that asked what impact faster growth (at several levels) would have to the various entities to provide Town services. These questions fulfill the statutory requirements for a town to demonstrate it has the capacity to accept new growth, or not.

Mr. Lee said that he wanted to show the Board the input the PB had received when the PB makes recommendations for growth permits that would be acted upon by voters.

Mr. Beckert said that the PB is holding a Public Hearing on the draft Growth Ordinance and encouraged people to attend or forward their comments to the Board in writing.

4) Business Development Committee: Resignation: Ted Place

Mr. Beckert read Mr. Place's letter and asked for a motion.

Mr. Fernald moved, second by Mr. Hirst, that the Board of Selectmen accept Mr. Place's resignation from the Business Development Committee and send him a letter thanking him for his services.

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VOTE
4-0
Chair concurs

G2. Administrative Department

5:48 PM 5) Town Manager Activities Report

Ms. Davis said that line 21 discussed a problem with ECSD shoveling/parking and asked about that.

Mr. Lee explained that when the school closed to students and staff due to weather the contractor believes they have more flexibility on when to plow; that on the day of the bad blizzard ECSD was open; that on those days the DPW will take care of plowing for the ECSD.

a.) Solar Array Interviews

Mr. Lee said that the Energy Committee (EC) recently sent out a RFQ (Request for Qualifications); that they interviewed three companies; that the EC will be meeting for in-depth discussions with one of the companies. Mr. Lee added that because the Town would be using only about 25% of the energy created from the solar array and any reserve amount set aside to buy this out at the end of seven years we would have 25% responsibility and the school department would be the 75% beneficiary, which would mean entering into discussions with the school around this. He added that they have a ways to go and that the next step is to talk with the school to see if they are on-board with this.

Mr. Lee said that **Mr. Phil Lytle** was **retiring** Saturday from the Transfer Station and has served in many various roles from 1980 to 2015, reading a list of the boards and committees he has served on and the projects he has been involved with over the years. He added that this was pretty remarkable service to the community and offered his deep thanks for all that he has done.

Mr. Beckert suggested the Board send Mr. Lytle a letter thanking him for his years of various service to the Town of Eliot and wish him well on his retirement.

It was the consensus of the Board to send Mr. Lytle the letter.

Mr. Lee said that one of the things they are required to do as part of the Stormwater Management is a public education campaign; that one event they are doing is **Yardscaping Workshops** in conjunction with Great Works River and Kittery Land Trusts, which teaches about sustainable lawn care practices.

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b.) Financial Reports

This is informational.

5:58 PM 6) Date/Time of Town Meeting

Mr. Lee clarified that the Saturday, June 13th Annual Town Meeting date did not conflict with graduation.

Mr. Fernald moved, second by Mr. Murphy, that the Board of Selectmen approve the schedule, as requested by the Town Clerk.

VOTE

4-0

Chair concurs

7) Town Manager 15/16 Performance Goals – Draft 2

Mr. Lee said that he rearranged the goals into primary and secondary and asked for the Board's feedback.

Mr. Hirst suggested making both the Boat Basin and ECSD self-funding.

Mr. Lee said that managing ECSD finances includes that and discussed the clarity he was looking for with the enterprise accounts. He added that he is working collaboratively with the ECSD Director to get the programs self-funding as a goal.

This will be put on the next meeting agenda for finalization.

8) March 2, 5:30 PM Workshop w/Kittery Council (in Eliot)/Public Hearing and Workshop on Town Meeting Referendum Ordinance

Mr. Lee explained the on-going discussions and sharing of information regarding the IMA Agreement issues and so would not be part of the workshop agenda.

6:07 PM 9) Accept 2013/14 Audit Report

Mr. Hirst moved, second by Mr. Murphy, that the Board of Selectmen accept both the Auditor's Report for the period July 1, 2013 to June 30, 2014, and the Management Letter that accompanied it.

VOTE

4-0

Chair concurs

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10) Key Bank/Payroll: Dual Authorization

Mr. Lee said that two weeks ago Key Bank's system didn't function properly and didn't push the Town's payroll through for the direct deposits and explained how that was resolved. He added that they were concurrently changing their internal control systems that require dual authorization when doing payroll; two separate passwords, if you will, and he would write a memo detailing that. He said that Melissa Albert is the back-up for payroll and that when she or the Finance Director is not available then Ms. Rawski would serve as a possible back-up for payroll; that they are all trained and it is working very well.

6:11 PM 11) Web Site Administrator Job Description

Mr. Hirst moved, second by Mr. Fernald, that the Board of Selectmen adopt the job description update of 1/5/15 for the Eliot Web Site Administrator, as provided and marked G2. 11, dated 2/26/15.

12) TIF Alternatives Meeting #1, March 9 at 6PM

Mr. Lee said that he had Ms. Mueller (attorney) coming to this meeting; that they created nice booklets for the members of the State statutes, information from Bernstein Shur, draft criteria, etc.

Mr. Beckert asked that the members know what they are tasked with on this committee.

Mr. Lee said that the first thing on the agenda will be a review of their mission.

Mr. Murphy said that he thought this Board should have very clear instructions to this ad-hoc committee of this Board, which in the past we have been sort of negligent about; that the Board expects a report and the behavior of the committee must be that there cannot be any internal dissension; that anyone may speak; that a record will be kept of all suggestions.

Mr. Beckert said that he thought that Mr. Lee laid that all out in the mission and goals of that committee that he presented to us before.

Mr. Lee agreed, saying it was in the application, itself.

Mr. Murphy added that it should be very clear that, at any time, the management of the committee or any committee member can come back to this Board for help with anything that isn't working; that this Board had the authority to make changes.

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Mr. Lee said that he thought the committee was clear on that and he will reiterate that and go over the mission.

G3. Public Works

6:17 PM 1) Hazardous Waste Disposal Options Report

Mr. Lee discussed the four options in the report, recommending Option #2 that develops a procedure to have four small collections quarterly throughout the year with an estimated cost per event of \$375 for a total of \$1,500 for the year. He added that the unit fee remained the same - \$25.00 per unit – and the system could be set up either as a user-based system or continue to have it tax payer based.

Mr. (Jim) Tessier discussed the few things that Kittery actually collects and that there are a lot of other things we collect not on that list that are important to collect. He added that Mr. Moulton's survey had people overwhelmingly wanting HHWD to stay in Eliot. He said that two comments they hear from the general public are that this isn't often enough and it isn't publicized well and they were addressing both with Option #2. He said that if they get to the last one and know they are getting close to the budget they can set a limit on how much would be spent that day to make sure they stay within budget; that for many reasons he thought Option #2 was a very good option for the Town.

Mr. Hirst moved, second by Mr. Murphy, that the Board of Selectmen adopt Option #2 in coordination with the Eliot Public Works Director who studied it carefully.

DISCUSSION

Ms. (Donna) Murphy said that Option #2 didn't clarify how this would be funded, whether it would be user-based or paid through the budget.

Mr. Lee agreed and said that we should decide that, as well.

There was discussion around the pros and cons of user fees versus budgeting for this.

Mr. Beckert asked Mr. Moulton if he knew what we would set for user fees.

6:25 PM Mr. Moulton said that he had an idea but would work with a vendor he had used this year to generate those fees.

Mr. Hirst amended his motion to use user fees as a support structure for this.

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Mr. Fernald said that he wanted to know what the user fees would be before he made a decision.

Mr. Lee said that they didn't have to act on this tonight; that we could have the user fees for the next meeting.

6:28 PM

Ms. (Donna) Murphy asked if citizens would only be charged for the product they bring in and not for the set-up fee; that that would still be a cost to the Town.

Mr. Lee agreed, saying that we would budget for the set-up fee.

Mr. Beckert asked if it was consensus of the Board that they would go with Option #2; that the only additional clarification would be how it would be funded.

Mr. Hirst withdrew his motion and Mr. Fernald concurred.

The **Board agreed by consensus** to accept Option #2 and decide on user fees at the next meeting.

2) Record Snow/Mailbox Replacement

Mr. (Joel) Moulton said that we have had 110 inches of snow and a lot of damaged mailboxes because of that; that they have had many calls and that this could turn into hundreds, and maybe thousands, of dollars because of the number of calls. He said that some we fix but a lot of them are not their fault and asked for direction from the Board.

Mr. Fernald said that he disagreed with funding this; that they would be opening a can of worms. He added that we have all had that same problem and if we clear our mailboxes back so the Town trucks can see them then there wouldn't be that problem.

It was the **consensus of the Board** not to pursue this unless it is a clear, legitimate case that the Town caused the damage.

6:35 PM

3) Capital Projects Funding Request

Mr. Lee said that we have received our total repayment from South Berwick for the Old Field's Bridge Project; that Mr. Moulton inquired if the reimbursed amount (\$5,893) could go toward the Park Street Project because that did go over budget and they are both capital projects. He added that he told Mr. Moulton that we have recently had discussion regarding that, in the vast majority of cases, we would rather see this drop through to the General Fund while, at the same time, about \$75,000 was accidentally missed from Mr. Moulton's Vehicle Repair budget;

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that when you add that to the overage on Park Street it becomes fairly significant on how we are going to get through this year. He said that he really didn't want to ask for this but thought it was a sensible thing to do in this case. He added that he has put the staff on notice that, in most cases, he would not even entertain it but, in this case, he understands the multiple factors that lead to him being concerned.

Mr. Fernald asked if all the bills were paid for prior to this reimbursement and that money came from the CIP for the bridge.

Mr. Moulton said yes.

Mr. Lee said that, as the project went along, we ended up paying more than South Berwick so South Berwick reimbursed Eliot to make the contribution by both communities the same.

Mr. Fernald asked why this reimbursement wouldn't go back to that account.

Mr. Lee said that that was because the project is completed; that the project came in under what was in that CIP and this money is not needed on the Bridge Project; that we saved money on that project and didn't save money on Park Street.

Mr. Fernald clarified that this is not extra money and asked why it couldn't go back into that account.

Mr. Lee said that it can and would remain there another 50 years until the bridge needs work. He added that he thought Mr. Fernald was on the right track; that if you think of this as a Public Works capital account to do projects out of, generically, it could go back into that account and, if one came in under budget and one came in over budget, you can use it for the other project.

6:37 PM

Mr. Fernald agreed.

Mr. Lee said that if you look at it discreetly, and they were discreet capital budgets, there was 'this' amount for bridge and 'this' amount for stormwater and he is of the opinion that we need to look at those discreetly. He added that they were not envisioned as all these capital projects as mish-mashed money to use as you have to. He said that he thought there was a sense that this is the maximum we want to spend on 'this' and a maximum we want to spend on 'that'; that as it turned out, 'this' one came in under, 'this' one came in over and, if we are allowed to take this money and apply it Park Street, then they both come in much closer – that the bridge is still in budget and Park Street is much closer to being in budget.

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Ms. Davis said that the money being reimbursed is from money that was actually paid out on the project so she thought we should put it back in because we actually wrote checks for this; that it should go back as revenue against the project.

Mr. Lee clarified that we should let it drop through to the fund balance.

Ms. Davis agreed. She added that she took this occasion to review some of these expenses and she has a few questions that need to be reviewed before we even agree on this final number.

Mr. Lee said that, if that is the will of the Board, yes.

6:39 PM

Mr. Hirst asked if we could do this with this money, as is being suggested, without violating the policy we have already set.

Mr. Lee said not and that is why he was here before the Board because it would take a special exception to do this. He added that, if the Board wanted this to drop through and follow that policy, and he told this to Mr. Moulton, then that is alright and we probably should; that we just need to be aware that we had a couple of things go on with Park Street; that we encountered an unforeseen \$3,800 repair at the end of Park Street (privately installed underground utility); that we are waiting on a reimbursement from that and, if that comes in, we will apply it to the Park Street Project.

Mr. Hirst said that he had great sympathy for the request but, if we didn't draft the policy in such a way that we could make exceptions to it, then he supposed they had to follow the policy.

Mr. Lee said that that was alright with them. He added that, if given more flexibility, as a manager, and you could mix and move money to make sure the budget, as a whole, covered the ins and outs of the CIP budget to cover those projects, it would be an easier world for him; however, that is not his world and the policy is the policy, it drops down into Fund Balance and the stormwater budget will likely be over.

Mr. Fernald said that, with that, the Town actually votes on the bottom line.

Mr. Lee agreed, saying that they vote the bottom line per article, as well; that there is a total budget being voted on that is not line item by line item. He added that within one line the stormwater was \$90,000 and, to a certain extent, we are supposed to stay at \$90,000 if at all possible; that we negotiated it down below that if we used some of DPW's money then we found out that \$75,000 never

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made it in on the Vehicle Repair, which has exacerbated this situation, and that is why he was suggesting this in that this is kind of unique.

6:42 PM Mr. Murphy asked, if we don't follow Mr. Lee's suggestion, how will this overage be paid.

Mr. Lee said that they would modify their work schedule for the spring and remove some of those projects, as we did last year due to lack of funds.

Mr. Hirst said that, having stated his position on this, he wondered if we shouldn't revisit the way the policy is written and, maybe, build into it a little bit of flexibility. He asked if that was something that was a slippery slope.

Mr. Lee agreed that it was a slippery slope; that he thought they had already seen it with him in the short time he has been here asking three or four times about this type of stuff. He added that gross budgeting is tough and has a down side to it; that it is pretty black and white, which it is supposed to be. He said that he thought we should stick with it pretty much; that the Board always has the right, under special circumstances, to consciously do an exception to a policy and state their valid reasons; that whether this rises to that occasion is the question for the Board.

6:44 PM Mr. Beckert said that it was the Chair's recommendation to let it drop through; that they can look at what they need to postpone for work; that if those postponements become an issue between now and the end of the fiscal year then we will address that on a case-by-case basis.

Mr. Lee said that he thought that would be good. He added that they also have a contingency budget and that would probably be the right thing to do – to maintain the contingency account, let these things drop through, and hold it in the back of the fiscal year to see if they become a crisis; in which case, we could talk contingency. He said that he was fine with that and, by no action, it has to drop through by policy.

It was the **consensus of the Board** to let this drop through to the General Fund.

Mr. Murphy said that Ms. Davis raised some points and asked what were her points and how did she find them.

Ms. Davis said that we were given a project summary when the project mostly wrapped up; that she went through to compare the invoices from the weekly warrant and back-checked some of the numbers on the summary sheet; that some of them she had a question on and just thought they needed to get some of the

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totals; that she could summarize that to the Board in an upcoming week if the Board wanted to have a look at it.

Mr. Murphy said that what bothered him is that the Board has to be careful not to be running the departments and how much do we allow to be the nature of reality; that reality isn't what we plan, it's what happens, and the department does the best it can to live with that reality that happens. He asked if there was something extraordinary about them, or suspicious.

Ms. Davis said no, that she didn't want to use the word suspicious; that there is just a lot of accounting with this and, as an example, there was an invoice from Action Equipment Supply that received a \$445 credit (these were numbers we used to balance against South Berwick) but the full amount was charged against South Berwick; that, again, on some ledge pack that was purchased only part of a \$4,800 invoice should have been charged against the bridge; that she just thought they needed to do some rebalancing in checking some of the numbers. She clarified that it wasn't giant money but probably \$2,500 to \$3,000, at least.

Mr. Murphy asked if she thought that South Berwick owed us that amount.

6:47 PM

Ms. Davis said no; that she thought we need to reduce what we charged them for because our numbers are higher than what we actually paid out.

Mr. Moulton said that, during the course of this whole project, he and John St. Pierre (South Berwick DPW Director) concurred on all bills, all costs; that we sat down at the beginning, during, and at the end of the budget and concurred consistently with the numbers we had. He added that we agreed with each other's numbers and the two town managers agreed to them.

Mr. Beckert said that each of the invoices were approved and signed by the Board of Selectmen at weekly warrants; that he didn't see, as Chair, the need to micromanage the departments. He added that, regarding budgeting, we have staff, a Town Manager and department heads and it is not the job of the Board to do cost-analysis.

Mr. Lee said that he did not ever state that there may not have been an error that both Mr. Moulton and Mr. St. Pierre agreed to; that there may have been; that they are primarily building a bridge, not doing cost accounting; that he thought they came very, very close to getting everything; at least in so far as everyone agreed; that there were frequent meetings and he was frequently updated because he wanted to make sure this was carefully accounted for because he knew there would be a need to be accountable for meeting whether we saved money on this project, or not. He added that he believed they did but there may be something in

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there but he doesn't know what bills are being discussed; that they are human and there may have been a mistake but not anything intentional.

6:49 PM Ms. Davis said that she guessed, then, that she was asking why we even bothered to sign warrants if we were not going to check the numbers.

Mr. Beckert said that Board members are to review the weekly warrants for the bills that are presented and, if a Board member has a question on those particular bills, then that is what one questions; that it is not this Board's job to do cost analysis on any department; that he was not sure why cost analysis was being done after-the-fact. He added that cost analysis is done before a project is started to see if it is worthwhile and the payback is there.

Ms. Davis said that as the project goes along and we look at the warrants, that's an isolated case but we can't really understand where everything fits in until after, maybe, the project is done and we are looking at the summary. She added that, what Mr. Beckert was saying was that this \$4,800 bill that was charged to South Berwick, which should have been only \$1,994, he had no interest in that.

Mr. Beckert said that he did not say that.

Mr. Fernald asked what other departments she was looking at.

6:51 PM Ms. Davis said that, predominately, she has limited time so she is reviewing a lot of the costing that goes through and, in this particular case, she saw the reimbursement so she took a look at the receipts she had against the project; that she was just double-checking things. She added that she thought that was the whole purpose of being officers of the Town – to have an understanding of what is going on, to look at costing, and to gain some knowledge of how our money is being spent so that when we go to do budget reviews for the year we know what's going on and where things are going so that we can make better judgments and recommendations to the people. She said that without this it is very difficult for us to stand up and say here are your choices; that we have to know where this money is going and be fully cognizant; that it says in the Town Manager's job description that he is fully responsible to the Board of Selectmen; that she thought that meant that we have to have a good understanding of everything that goes on. She added that it doesn't constitute micro-managing for us, as a group, to know what all of this means. She said that when she looks at a \$160,000 project she feels it is her responsibility to take a look at this and figure out where the money went, and why. She added that it is written on the invoice - \$475 credit, \$1,994 out of \$4,845 should be charged to the bridge; that it wasn't picked up by the department head, it wasn't picked up by the Town Manager, it was picked up by a Selectman as part of the whole stream of people that are looking at what the Town spends.

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Mr. Beckert asked who wrote the note on the invoice.

6:53 PM Ms. Davis said that on this particular invoice it was the Finance Director.

Mr. Beckert said that she picked it up and, when the Selectmen signed the warrant that week, they signed it based on what the Finance Director presented for an invoice.

Ms. Davis said that when this invoice was presented to South Berwick it was inaccurate. She asked if Mr. Beckert was saying that we should just ignore this.

Mr. Beckert said no. He said that he was wondering why the micro-management and scrutiny to this level coming on this particular department; that he was asking that question because of the sheaf of papers Ms. Davis handed the Board two weeks ago at a meeting for us to look at and why she forwarded those to a former member of this Board. He added that the questions she asked and the information she put forward are exactly some of the information that Mr. Moynahan, behind the scenes, has put forward; that he would not let this, or any other, department be victimized by a member of this Board or a member of the public. He said that if Ms. Davis has something to bring forward she feels is not appropriate then bring it forward. He said that the Board has not taken any action on Mr. Moynahan's concerns because he has not brought anything forward that is legitimate so, until that happens he is not going to entertain micro-managing this department or any other Town department. He added that we have a Town Manager, department heads, and the Board of Selectmen, of which she is one member of; that if the other four members of this Board don't agree that we don't need the information that Ms. Davis feels we need, then we don't need it. He discussed his frustration with the FOAA requests and suggested they could bring the lady down from the Attorneys General office to have a frank discussion.

6:56 PM Ms. Davis reiterated that being knowledgeable about our budgets and looking at how things are done is not micro-managing; that she thinks there are concerns and it was legitimate asking about the paving expenditures.

Mr. Beckert said that Mr. Moulton has given the board answers to those questions tonight; that they need to be reviewed. He added that if, after reviewing the answers, if she still had concerns and this Board feels they are fully concernable concerns, then the Board will deal with them.

Mr. Lee said that his concern was the issue of micro-management. He added that the way the town management form of government works is that he stays out of policy and the Board stays out of day-to-day operations, effectively; that the Board tells him in what direction to head and monitor him on that; that in the day-to-day activities, if he lets the Board down regarding audit reports or financial

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reports not working, they don't balance, for example, then the Board takes him to task; that that is how it is supposed to work. He said the Selectmen were a policy board and he provides them enough that they would know if he was following their policy; that if he isn't, he's in trouble and, if he is, good job. He reiterated that day-to-day stuff and cost analysis is not anywhere near the Board's job description. He said that there are classes on the proper role of Selectmen and they will harp on this point at those classes. He added that this feels really wrong to him.

6:58 PM

Ms. Davis said that the people elected each of the five of us to be cognizant of what goes on in this Town and we can't know it without knowing it. She added that when she looked at these big bills she had a lot of big questions about some large expenditures. She reiterated that it is our job to know what's going on; that it is our job to understand this budget because we make decisions every year about what we are going to spend, and why, and we have to tell the people what that is. She added that she doesn't feel there is any complaint with any employee in Town; that Mr. Moulton does a good job but she feels that some of these oversights are a result of our lack of knowing what is going on and we should know what's going on. She said that departments come before us with a \$2,000 expenditure requirement that needs our approval; that we do not know what needs to be spent unless we know what's going on. She added that she sees an awful lot of red on the January financial report; that there are many line items that are in a big deficit and we have six months to go; that we need to know what's going on or we are going to end up at the end of the year with some big problems. She said that she has some other things that we need to be discussing and it is our responsibility to discuss these issues; that she meets a certain amount of resistance when she does it in private so she is doing it up here. She added that it's here; that you can answer it; that it's for everybody to see; that these questions are a matter of public record, as are the answers; that she isn't even hinting that people are doing something wrong; that what she was saying was that we need answers to some of these larger questions and we, as a Board, need to know what they are and to understand and agree with them.

Mr. Beckert said that he had read the answers and was satisfied.

Ms. Davis said that she had not received them in time to read them before the meeting.

7:01 PM

Mr. Lee said that we did not get the questions until the end of the last meeting and that he got the answers from Mr. Moulton today around 3:30PM; that with regard to sideswiping each other with questions and answers, he is doing the best he can to get them to the Board in a timely fashion. He added that the other thing that is harped on when doing training of the proper role of Selectmen is that the Board needs to speak with one voice and that is the most critical thing. He pointed out

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that, if each of the Board members had their own private mission, whether it be cost analysis, tree cutting, ECSD, or insurances, he would virtually get nothing done if he had five different people going down their own route of stuff that interests them; that he could not function that way, no manager could function that way.

Mr. Fernald said that we, as a Board, did not agree to have Mr. Moulton answer these questions.

7:02 PM

Mr. Lee said that he did it as a matter of courtesy because he felt that some of the questions were valid and he wanted to know, as well. He added that you do need to speak as a Board; that he said that two weeks ago; that if the Board finds any validity in it, then we will go look deeper. He said that he at least wanted Mr. Moulton to talk to him and explain what this was all about and, as he read the answers, he just didn't see anything more than, perhaps, a mistake here and there and that happens, we are not flawless.

Mr. Fernald discussed his concern for questions like why the decision was made to go to a particular dealership, for example, and that has nothing to do with cost analysis. He added that it almost looks like a digging for dirt type of thing for that department, which he was concerned about.

Ms. Davis said that Mr. Moulton does a good job; however, these were outstanding questions; that when we get department heads in here consistently with only one or two bids for work she feels as part of their job as the keepers of the taxpayers' funds that we have a good understanding of what's going on. She added that some of this stuff was quite obviously a question that needed answering; that she thought if we were talking to a lot of taxpayers sitting in the audience and the Board had to answer to them, then the Board would have to come up with a different answer than "We just don't want to know this."

7:04 PM

Mr. Beckert said that he didn't think anyone was saying that. He added that we sign the warrant every week and the bills are what is presented; that the Finance Director looks at the bills, the Town Manager looks at them as Treasurer and we get the reports; that if there is a mistake in the report between Eliot and South Berwick then, maybe the two highway directors need to go back and look at it but he is certainly not going to micro-manage it. Addressing vendors, he said that we have gone to certain vendors for years, long before Mr. Moulton came here we went to one of the vendors Ms. Davis asked questions about. He added that these are questions that are being asked because somebody is asking to stir the pot.

Mr. Fernald said that there is a process that every selectman needs to go through; that if there is a citizen out there with a complaint then the process is that that needs to go to the Town Manager in writing and, if he can't take care of it, it will

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come back to the Board; that the process needs to be followed because we are a Board of Selectmen not individual selectmen.

7:06 PM Ms. Davis used Congress as an example of elected individuals who are not hindered in their knowledge of government by having to all agree that the question needs to be asked and said that we are individuals elected by the people, we represent the people, and when there is a question it needs to be brought forward. She asked if there is an answer to the question then what is the problem here.

Mr. Fernald said that there was no problem; that it needs to go through the proper channel.

Ms. Davis said that she represents the people of Eliot and she brought the questions to the Board.

Mr. Murphy said that we all represent the people together; that there are no cliques out there; that everyone elected him and all Board members represent everybody and not certain groups; that things need to be brought to the Town Manager who brings stuff to us.

Ms. Davis reiterated that the fact that we approve these expenditures means we need to know what's going on. She added that there will be other questions she will be asking and she hopes they will be interested in finding out the answers, as well.

Mr. Fernald asked if that would include all the departments or just the Highway Department.

7:08 PM Ms. Davis brought up one issue; that we had \$9,000 worth of paving on Park Street that was costed out to the department rather than the project. She added that in order to do these budgets and know what's going on and whether we are over or under we have to pay attention to how these things are done.

Mr. Lee said that we knew; in fact, he believes there was a time when we came back to this Board that we had negotiated with them and could not get them down to the number we were funded at and he would have to use about \$10,000 out of the department paving; that that was planned because we knew we had to take money from his department because we weren't given enough in Stormwater from the get-go. He added that there was this thing about \$30,000 that has been talked about how we lied or misrepresented during budget deliberations; that he has explained that once before, as well. He added that the lie was that there was an in-kind element to this grant and people did not understand what in-kind meant. He explained that that meant that he deferred Mr. Moulton's normal work

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over to the Stormwater project and continue to pay him to do non-Town related work, in a sense, towards this grant so that we can show that Mr. Moulton's labor is kicking in, no cash, but that was misunderstood; that now for the fifth or sixth time he is hearing it again

7:09 PM

Mr. Beckert said that we were hearing it behind the scenes because the former chairman is in collusion with some of the people sitting in this room asking the questions; that he has seen the emails that show Ms. Davis handing him stuff back and forth. He added that part of the problem down on Park Street on a code enforcement issue has to do with a general contractor that did something without the proper permits and put in the wrong stuff; that that would be billed out to the resident and, hopefully, they will get that back from the general contractor. He said that that may be part of the reason there was so much reluctance to disturb anything on Park Street that doesn't need to be disturbed. He said that unless this Board feels the information she is asking for is warranted the Town Manager will not get it unless it goes through this Board and we hand it to him as Board unanimously.

Ms. Davis said that her questions did go through this Board last week.

Mr. Beckert agreed but said that she had been in this week asking for further stuff beyond last week.

Ms. Davis said that she has asked for a financial report.

Mr. Lee said that she asked for every financial transaction for the past two years and for every financial transaction for this year, to date, for every department.

Ms. Davis said that in order to look at the budget and make comparisons, we need to see this.

Mr. Lee said that he understood that, that he knew what her position was; that he didn't agree with it but he understood it. He added that another concern is about the chain-of-command type of thing when individual staff are approached by a Selectman doing further inquiry on General Assistance expenses; that that is going around the Town Manager and everything he didn't want to see when he put in that chain-of-communication memo about keeping it orderly. He added that he was happy to answer, happy to be transparent; that when this Board wants something he will go get it as fast as can be; that he has proven that. He said that the staff are getting nervous about answering questions because they are not used to people coming to them to ask questions and not go to somebody else, to a department head, to the Town Manager; especially the Town Manager.

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7:13 PM Mr. Fernald said that the staff needs to be informed of that; that whenever someone does that – a Selectman or anyone – they have to go through the Town Manager.

Mr. Beckert said that he wanted to move on with the rest of the agenda and not belabor this. He added that this is a Board of five members and no one member had individual powers other than the Chair to call meetings, run meeting and the likes; that even he can't do stuff without consensus or a vote of this Board representing this Board elsewhere. He said that we need to remember that and not cross the line. He added that we knew this was going to be a growing experience moving to the Town Manager-form of government and, if we can't do it the way it is supposed to be done then we'll look at those who don't want to follow the rules because there are alternatives for that, as well.

G4. Public Safety

7:15 PM 1) Firefighter's Association: Sale of Reflective Address Signs

Mr. Lee said that the Firefighter's Association would be offering these; that once attached to the mailbox it helped them to quickly find an address. He added that they come pre-drilled horizontally and vertically; that ordering information was at www.eliotfire.com. He added that this sheet has other good information, including the Pancake Breakfast information, an EMA Facebook page, and a thing called File of Life and further information can be found at www.folife.org.

2) Update: Motion for Sanctions – Denied

Mr. Lee said that he wanted people to know there has been a Motion for Sanctions against our Police Department – against our officers and Chief; that it was heard by the court and it was denied rather forcefully. He added that he felt bad for the Chief and officers that their integrity was called into question; that it hurt their families and it is unfortunate; that he was very glad and not very surprised that we came out with not any findings. He added that he was proud of Chief Short and glad he has the integrity he does; that sometimes it's too much but he knows there is plenty of it...

Chief Short said that he agreed with Mr. Lee that the judge has spoken; that it was absolutely a struggle for the officers and their families; that it is nice to have this done with and to get back to work and focus on their jobs.

7:18 PM Mr. Lee said that, with that said, this desperate attempt cost us in excess of \$15,000 in legal expenses; that these are things you don't control in a budget.

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H. New Business:

There was no new business.

I. Old Business

There was no old business

J. Selectmen's Report:

7:20 PM Ms. Davis said that she would like to get the Board's sanction on receiving the financial reports that would be extremely helpful for both the Selectmen and the Budget Committee (BudCom) to do a comparison with the previous two years' budget expenses. She added that it is a database that the Town puts all of their information into so all we need is a pdf generated by that system.

Mr. Lee said that he had no qualms about doing that and thought that would be helpful to the BudCom. He added that each year is 728 pages; that two years ago TRIO was not being fully used so two years ago will not look anything like recent times.

Ms. Davis said that we needed to start at a point; that she looked at this year's budget and we don't really have a comparison with previous years; that it is difficult to make any kind of judgment without complete information.

Mr. Lee agreed it was an easy report and that he was having trouble sending it because it was so big; that they could put it on a zip drive.

Mr. Beckert said that when we ask the departments for their budget submissions we ask them for several years' expenditures.

Mr. Lee agreed and, in years past when it was done the same year after year after year it was very easy to do apples-to-apples and get a couple years prior; that, as the Board knows, we have change from net budgeting to gross budgeting, changing the structure to be more meaningful and sensible and not duplicative all over the place; that to do this apples-to-apples, which he knows everyone wants to do, is hard in the time of change. He reiterated that he didn't mind releasing them but he just didn't know the value they would have to folks; that if you take it too seriously and do apples-to-apples we are going to be trying to unscramble those eggs forever.

7:22 PM Mr. Beckert said that, until we get a history under our belts of doing it 'this' way, it would be difficult; asking for Board input.

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Mr. Fernald said that he didn't think it was needed.

Mr. Murphy said that he would not have time to look at that many pages but, if Ms. Davis had time, then go ahead and look at that.

Mr. Hirst said that, if everything prior to this year is on net budgeting, then we are sort of comparing apples-to-oranges; that it would make more sense, perhaps, to ask for this two years down the road so you could use this as the base year.

Mr. Lee agreed, saying that was his expectation; that this would become the base year to which we could compare future years; that he didn't intend to change it after this; that whatever the form of these articles are is the way that he would like to go forward; that gross budgeting is the way he would like to go forward. He added that he saw this as an exercise in frustration for people trying to make sense of it, he believed; that he has tried and he can't.

7:24 PM

Mr. Beckert said that, as far as the budget process goes, the department heads should be able to give us the past year's appropriations and expenditures back so many years in condensed form, as that information was asked for in the budget packets three years back.

Mr. Lee said that we were not able to do that this year; that we can't do it; that we have last year's appropriation and he put in current year through January of financial reports. He added that he wasn't able to go back; that it wouldn't make sense. He added that he didn't mind doing this at all; that this was different that interviewing staff or doing individual cost analysis. He asked not to be asked a ton of questions as to why they don't compare because they are not going to compare. He added that that was why they had the audit report.

It was agreed that Mr. Lee would get the requested report.

Mr. Beckert recognized Ms. (Donna) Murphy.

Ms. Murphy had a simple comment, and no disrespect, but in respecting the request not to speak out that she thought, perhaps, it should apply to all, including the person taking notes for this meeting.

Mr. Beckert said okay, point taken, as long as everybody else remembers that he didn't want any ancillary conversation going on, as well.

7:25 PM

Ms. Davis clarified that the staff was not being grilled with questions; that she was here on Friday reviewing warrant articles and asked whether the General Assistance was for one month of rent versus more than one month of rent; that that did not put her in any kind of uncomfortable position whether that check was

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for one month or multiple months so, to make any kind of nefarious, underhanded dealing out of that question would be unfair.

Mr. Lee said that she came to me and she was upset; that she knew she shouldn't even have spoken because it was not following chain of command; that she asked why she (Ms. Davis) wasn't coming to Mr. Lee,

Ms. Davis said that she was in the office and going through the warrants at that time; that from now on she will leave a note on warrants.

Mr. Lee said that he would appreciate that.

Ms. Davis asked if they could have the excel budget file so she could add some columns in there.

Mr. Lee said that they could.

Ms. Davis said that the CIP that is shown on our summary sheet, here, seems to be combined into one item; that everything seemed to be combined into one lump sum. She asked if we were planning to lump everything so that we can mix and match.

7:27 PM

Mr. Lee said that that was something he put out a long time ago; saying that it was his intention to create a capital improvement budget; that that was what he was preparing this year and what he has put out. He added that he thought they needed to be detailed and, within it, there would be an amount of money; that he did think that voters in saying that's just too much money in paving and it gets shot down by a certain amount – paving, paving, paving – and he thinks we should listen to that and take it out of paving. He said that he did think they needed to list specific amounts for highway, fire, paving, etc. He added that that is the way that most places do it; that they have a capital improvement budget and it is itemized as to what money is going into each reserve account; that it is not attached to each operating account. He explained that, in that way, they are comparing apples to apples; that operations are compared to operations and capital is a separate thing.

There was some discussion to clarify the structure of the budget book.

7:31 PM

Ms. Davis said that everybody is coming to us for approval of expenditures and to say that we don't need to know what's going on and, yet, we are responsible for approving these expenditures seems like a contradiction in terms.

Mr. Lee said that there is a process by which she can learn these things and he thinks this is more about following the process and not go out, individually, and do our own things.

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Ms. Davis said that the process was followed, the questions were submitted through the Board, and it's better to just answer the question; that that is how the people find out the answers.

Mr. Lee agreed, if the Board, as a whole, feels they are important questions; that the Board has to speak with one voice. He added that he found some of her questions interesting and tried to get some answers but he does think it's important that the Board try to speak with one voice if you send me on a job or mission that is going to require some time. He said that he thought the Board needed to be in agreement that it was worth that time as opposed to him spending his time elsewhere.

Mr. Fernald commented that this is our first year with gross budgeting, new formats, etc.; that we need to give it a try and see what comes out of it and make recommendations down the road.

Mr. Lee agreed and tried to explain to staff about the need to be precise in their detail and justification; that each year they will hopefully get more. He added that he is not afraid of detail or transparency. He said that this year is going to be a little weird.

K. Executive Session

There was no executive session tonight.

L. Other Business as needed

There was no other business.

M. Adjourn

There was a motion and second to adjourn the meeting at 7:35 PM.

VOTE

4-0

Chair concurs

DATE

Mr. Grant Hirst, Secretary