

SPECIAL BOARD OF SELECTMEN'S MEETING
March 5, 2014 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

New Business

5:30 PM Budget Review Workshop

Mr. Moynahan said that they had full totals for each department, CIP's, Stormwater, Safety, Reserves, Outside Agencies, etc., as they put the warrant together. He added that revenue-sharing looked like it was going to be reduced, which impacted how they managed the overall budget. He said that they were looking at around \$700,000 (worst case) over the LD1 cap. He added that he was looking for thoughts from Board members on how reductions might be done. He asked if LD1 was a target the Board wanted to try to hit.

Concerns were discussed around cutting \$700,000 from the total budget and its impact on services.

The Unassigned Reserve Account (currently \$2.2 million) was discussed regarding how much should be left untouched and any potential use to help offset the budget.

5:35 PM Mr. Lee gave a history of the LD1 cap; that he believed they would be allowed between \$75,000 and \$80,000 this year; that the \$700,000 was above that figure that would be permitted under LD1. He discussed that the rules changed after LD1 was passed; that the only thing that remains is the LD1 – all municipal revenue-sharing has dried up, State Aid to Education continues to dry up; that revenues to towns were going down like a rock. He commented that he didn't think it was reasonable to stay within LD1 and do reasonable care to the community; that all of that \$700,000, and more, was strictly related to reserves, capital improvements, infrastructure improvements, some of which has been postponed; that for the first time they have a Stormwater budget.

Mr. Moynahan said that the Stormwater was supposed to be in the budget last year; that there was \$40,000 budgeted last year that never made it into a separate article; that Mr. Moulton had indicated that he and Mr. Blanchette had found a way to do that this year but he (Mr. Moynahan) just didn't know where that was.

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He asked, if they could live within their current budgets and still have that \$40,000 to expend, then how did they do it last year and why were they looking for a full \$120,000 if they could absorb some of it now; that maybe Mr. Lee could follow up on that.

5:40 PM Mr. Dunkelberger did not believe they needed to live within the LD1 cap unless the voters told them to do so; that he looked at places in the budget they could cut and believed he could not cut \$700,000 without significant infrastructure improvement reductions. He added that he did believe there were areas they could reduce to get a lot closer than they were, such as salary and fringe (dependent on union negotiations) and deferrals or cuts on other items or potential savings.

There was discussion regarding increasing the Unassigned Reserve balance, per the suggestion of the Town Manager.

There was discussion regarding the lack of progress with union negotiations and the potential for taking the 3% across-the-board pay increase off the table; that for years union employees have gotten pay increases while non-union employees have not gotten COLA's and asked why they were holding those employees to a better standard.

The 5-10-15% insurance increase for employees was discussed that has not been applied equitably.

5:47 PM Mr. Beckert clarified that they were not adding new staff, not increasing other than normal increases in insurance, etc., and not increasing anything drastically within the operating budget; that the increase in overage was within the capital plan. He discussed his displeasure with LD1 because it was a legislative initiative that the municipalities never voted for; that the State has not abided by it but holds municipalities at bay with a bad bill. He discussed his serious concerns with continual putting off of infrastructure improvements and the potential for using Unassigned Fund Balance to prevent that happening again. He suggested that the Auditor could offer some good advice on where the Town should be and the direction the Auditor saw successful municipalities going to obtain infrastructure improvement/maintenance goals.

5:50 PM Mr. Lee discussed appropriate uses for the Unassigned Reserve Fund; that it was not used for operational expenses. He also discussed what went out and came in last year – around \$200,000 – and thought \$200,000 in this year's budget would not be a dangerous place to be but moving toward \$300,000 to \$400,000 would be slipping down a slope.

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There was discussion of the cost of deferring capital improvements as it relates to voting for the LD1 cap and the costs to the Town in doing that and what might be realistic and reasonable.

5:55 PM Mr. Fisher expressed the intent of the Budget Committee to go after the LD1 cap.

There was discussion around the importance of knowing how the BC met the LD1 cap as not knowing the thoughts behind reductions was hard, especially with things the Town could not take away from, like fringe benefits; that there were serious concerns around reducing services to the Town.

6:03 PM There was discussion around particular reductions in specific departments, starting with Administration (Tax Collector and CEO (third-party inspections), as well as other line items).

There was discussion regarding CEO with BOA and P.A. with PB and making sure those two were not the same person with both boards, especially if there was an appeal on a PB decision; that the PB Chair had the authority to defend PB decisions before the BOA without the P.A. present.

It was suggested that Mr. Lee look at this.

Look at extending roof line item from 2 years to 5 years; reduce computer reserve line to \$3,000 (actual at zero this year); phone line to \$6,000; GIS mapping reductions.

There was discussion regarding the realized savings from having no CEO versus the hourly rate paid for visiting CEO's filling in, especially at this dead time of year, and how this all impacted services to Eliot citizens. Additionally, there was discussion regarding a 30-hour week and the caliber of candidates that might attract; that recruiting might be harder and Eliot might become a training-ground for other municipalities because of that versus legitimate rationalization of privatizing versus someone who was familiar with Eliot properties in all their various differences.

6:12 PM Mr. Lee discussed his experiences with contracted services, based on equivalent parcels, using a contract assessor once every couple of weeks; that they did have a part-time data entry clerk who would set up appointments, stay in contact with residents, etc.; that there was a lot of citizen frustration and that was what LD1 did. He added that his biggest concern would be a part-time tax collector because that was also a customer service representative at the window and there are times when people are waiting plenty, anyway.

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- 6:20 PM** There was discussion regarding reducing tax anticipation notes and having a higher fund balance, and the impacts from that.
- There was discussion regarding reductions in legal and how that might be accomplished.
- Mr. Lee reviewed his suggestions for reductions in the Administrative budget.
- 6:30 PM** Mr. Dunkelberger suggested Mr. Lee put a plan together for the Board to review next week.
- There was discussion regarding reductions to the land bank, committees, library, and outside agencies.
- 6:35 PM** There was discussion regarding including all infrastructure costs in CIP's and not have sudden surges; that project costs needed to be broken out into CIPs, not in operating budgets.
- 6:40 PM** There was discussion regarding Transfer Station employee hours and the need for clarification around this in light of the fact that the open hours have been reduced.
- There was discussion regarding having a card-swipe at the Transfer Station for the Pay-to-Throw Program, as well as administration of the program itself and in what way the program would continue.
- 6:46 PM** There was discussion regarding police overtime, what level of staffing was required for Eliot, the impact of the police shortage and surge capability; that caution might be warranted in how this was resolved.
- 6:54 PM** There was discussion regarding whether 2%+ rate of growth was reasonable and the formula and verified information used to decide this.
- 6:58 PM** Mr. Pomerleau discussed LD1's compliance rate of 80% in Maine municipalities and that the Board needed to be prepared going to Town Meeting to deal with that reality. He also suggested they relook at some serious personnel reduction costs.
- Mr. Lee said that there was also a study correlation with an 80% reduction in capital investments as a result of LD1.
- 7:01 PM** There was discussion regarding having LD1 as the first article on the warrant for discussion on the Town Meeting agenda and what the voters of the Town were willing to do with, or without.

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There was discussion regarding TIF funding for specifics, such as fire trucks as it relates to the TIF Zone.

There was discussion regarding abatements, how they are applied, what the process was and how it might be improved.

There was also a caution to pay attention to a regional approach to need regarding TIF capital purchases and what was already available.

7:10 PM

Mr. Lee said he would be willing to lay out three options: LD1 parameters reductions, a minimal use of the fund balance that may have the auditor's support, using that for capital projects remaining in the budget, as well as one that he thought the Town Manager would think that won't have very big administrative or other service impacts; that they might have a handout for Town Meeting that would show the different impacts of each.

There was discussion regarding the Unassigned Fund Balance, how much should be kept in it and why, and how it might be used, or not.

Adjourn

There was a motion and second to adjourn the meeting at 7:20 PM.

VOTE

4-0

Chair concurs

DATE

Mr. John J. Murphy, Secretary