

Eliot Budget Committee
Minutes
August 14, 2012, 6:00 PM

Members Present: Rebecca Davis, Robert Fisher, William Jacques, Jeff Pelkey, John Reed, Ed Strong,
Members Absent: Roland Fernald

The meeting was called to order at 6:06 PM.

Bill Jacques will not continue as secretary for the Budget Committee. The duty of recording minutes will default to the chairman.

A letter to the Board of Selectman, Budget Year Commencement Letter, was unanimously approved by all members and will be emailed to the selectmen.

Minutes for July 10, 2012, were unanimously approved.

Minutes for July 24, 2012, were tabled for revision and will be approved at a future meeting.

Ed Strong updated the Excel budget template used by the department heads last year. The form will now include three years of expense history and the percentage of change (up or down). A breakdown of the department's benefits has been added and will show line items for medical insurance, dental insurance, disability insurance, life insurance, FICA, etc. Telephones have been separated between land lines and mobile phones. The Budget Committee recommended line items for salaries and overtime, as well as "date printed" and pagination.

Ed Strong also has sample budget annotations for the Kittery Highway Division. This type of explanatory annotations is used by departments in other towns and clearly indicates a description of what each line item on a budget is for. If completed properly, it will reduce the need for multiple meetings with department heads to explain their budgets. Numbers are used to calculate budget requests so it is reasonable for them to be submitted for review as annotations.

The Board of Selectmen will be holding a meeting on August 23rd to discuss the budget year, and the Budget Committee should attend in order to submit its suggestions. A package will be compiled to include (1) the Budget Committee's Budget Year Commencement Letter to the BOS, (2) the updated Excel template for department heads, and (3) the sample annotations from Kittery's Highway Division.

The BOS should be issuing direction to the department heads by early September. The Budget Committee would like to see preliminary budgets by the end of October. John Reed will try to coordinate a budget year calendar with Selectman Dunkelberger.

A discussion ensued regarding interviews with department heads: should they be conducted jointly with the BOS or separately? The consensus is that joint meetings are beneficial so that both groups hear the same information. It must be made clear that the Budget Committee has a voice during these proceedings and that department heads must answer all questions put to them by the Budget Committee. Follow-up questions will be put in writing, if necessary.

Roland Fernald has obtained three years of Profit and Loss Statements for the Eliot Community Service Department. He is in the process of separating out Kid Care, after which he will be ready to give a presentation to the Budget Committee.

John Reed has obtained copies of past Eliot Annual Reports (except 2002) and will work on a budget history.

Comments have reached the Budget Committee that some believe this committee has overstepped its authority. It is believed that this is largely because of the negative recommendations made by this committee on the three warrant articles voted on, and defeated, last June 12th. According to State law, if a town has a budget committee, that budget committee's recommendations are required for all referendum articles. It was agreed that the Budget Committee exists largely to represent the interests of the taxpayers. If money is involved, this committee should be involved. The committee agreed that it should work cooperatively, but independently – which will occasionally make this committee unpopular in some quarters. One member of this committee expressed a concern that this committee not become “activist;” that it is this committee's job to provide the residents with information and then step back. This committee will make every effort to balance activity without activism.

Negotiations with the Police Union appear to be ongoing. The results of these negotiations will have an impact on the municipal budget for three years. It appears that nobody outside of the BOS has any input or “say so” over the process or outcome of these negotiations.

Concern was expressed that no fee schedule has yet been released for the proposed Route 236 sewer expansion. Repair fees for the existing sewer in South Eliot were either not collected, or have been inadequate, for the last twenty-eight (28) years, leaving a major shortfall in that enterprise account. This should not be allowed to happen with the extended, and more expensive, sewer on Route 236. TIF money cannot be used to pay for repairs. If no plan is implemented, residents will have to pay.

Robert Pomerleau, of Eliot, spoke at the end of the meeting and believes that in coming years the income from the gas compressor station will be inadequate to pay for the TIF sewer bond after long-term depreciation is taken into account. If there is little or no additional economic development on Route 236, the taxpayers will not experience any tax break as a result of this investment, and in the worst-case, may end up paying for the sewer bond. He believes that the taxes from the TIF district (\$450,000 per year) could have been used now to help relieve the tax burden on residents. A serious study by professionals needs to be made before \$9,000,000 is committed to this project.

There was a discussion about the Eliot Commons TIF, which credits back 95% of their taxes for the next thirty (30) years. The new Eliot Commons hotel and elderly housing fall under this TIF. Is construction of the new Route 236 sewer necessary before these projects can be built?

Submitted by Rebecca Davis, Secretary