BOARD OF SELECTMEN'S MEETING
December 22, 2014 5:30PM

Quorum noted

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

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

Pledge of Allegiance recited

Moment of Silence observed

Approval of Minutes of Previous Meeting(s)

5:31 PM There were no minutes tonight.

Public Comment:

There was no public comment.

G1. Department Head/Committee Reports

5:32 PM 1) Conservation Committee Report

This was informational regarding Town-owned parcels in the Town Forest (Johnson Lane area).

2) Comp Plan Implementation Committee – Name Change

Mr. Beckert said that the request has been put in to be correctly in concert with what it was called in the Comprehensive Plan – Comprehensive Plan Review Committee.

Mr. Murphy moved, second by Mr. Fernald, that the Board of Selectmen change the name from Comprehensive Plan Implementation Committee to Comprehensive Plan Review Committee, to be consistent with the Comprehensive Plan, itself.

VOTE
4-0
Chair concurs

G2. Administrative Department

5:35 PM 1) Town Manager Activities Report

Mr. Murphy asked for an update regarding the Mary Lizzy Spinney Trust Fund.

Mr. Lee said that they have been doing research to discover if any or all of that trust fund available to the Town and, if so, for what purposes; that we discovered in her will that, 75 years after her death in 1928, she directed the Town to remove her headstone, bury it onsite, remove the fence around her plot and thereafter, the funds were free to do with as the Town wished; that now he is trying to locate her site to see if the Town has honored that directive or to see if we should advise the current owner of the property that the Town has a bit more obligation to do with this will.

Mr. Beckert said that he could give Mr. Lee the location.

Mr. Hirst asked if we knew, roughly, what the balance was in the account.

Mr. Lee said that it was approximately $36,000.

Mr. Lee said that he contacted York County Emergency Management Association (YCEMA) and they were kind enough to send over an entire box of different types of pamphlets for emergency preparation; that they will begin to make those available in the Town Hall.

Mr. Hirst suggested letting Ms. Selsberg know about this.

There was discussion regarding having these pamphlets give local information, as well as the general information that applied to all towns.

5:40 PM **2) Monthly Financial Reports**

Ms. Davis asked Mr. Lee if the BOS could also get a revenue summary report along with this report.

Mr. Lee said yes.

Ms. Davis asked why the number in the Public Works line item (DOT) of $19,152 was different from the number in the Town Book under Revenue, which was approximately $37,000.

Mr. Lee said that he believed that was the amount we carried forward from the end of the last fiscal year; that some of that was not allocated but had to be allocated for local road use.

Mr. Moulton said that that was correct.

Mr. Lee will get the accounting method to show how this money is shown in the budgets for the BOS.

Mr. Moulton informed the BOS that this funding was reduced this year to $34,000 by the State.

3) Visiting Nurses Program – Update

This is a memo describing changes over time to this program.

5:45 PM **4) York River Study – Update**

This was an update on the York River Study by Mr. Leavitt as excerpts taken from the different local papers.

Mr. Hirst said that he had some concerns but he didn't think now was the time to bring them up because they didn't know what was going to happen yet.

Ms. Davis discussed her concern with federal overreach regarding this and that we should continue to be educated as this goes along.

Mr. Murphy said that it was his understanding from the beginning that this was a chance to look at the river to see if it even qualified for Scenic and Wild designation; that the final decision is made in a vote by the Town.

5:47 PM **5) MMA Report**

This was a breakdown of the services MMA provides to the communities as a part of the dues communities pay.

Mr. Lee said that this was a partial breakdown; that it did not include legal and personnel questions, etc., towns can ask them.

Mr. Hirst asked where we stood with the Safety Committee and with the MMA application for grants.

Mr. Lee said that he wasn't sure but that he would look into that.

Mr. Hirst said that MMA has told us in the past that they are very anxious for us to maintain an aggressive posture on safety and having an operational Safety Committee that meets and actually does something; that they have money out there that we can apply for and they are pretty liberal about what they'll give it to us for.

Mr. Lee said that he had hoped to get to this his first year here but it has just not risen to the top.

There was discussion on the make-up of this committee and the benefits to the Town in the way of dividends from MMA; that this needed to be addressed.

Mr. Lee was directed to revitalize the Eliot Safety Committee.

Ms. Davis asked about the disposition of these dividends.

Mr. Lee said that these drop into the General Fund as revenue; this was for worker's compensation improvements.

5:51 PM **6) Administrative Secretary Retirement**

This was a letter from Ms. Barbara Thain notifying us of her intention to retire effective February 4, 2015.

Mr. Murphy moved, second by Ms. Davis, that the Board of Selectmen reluctantly accept Ms. Thain's letter of retirement and make plans to thank her effusively for all she has done.

VOTE
4-0
Chair concurs

Mr. Lee will draft something for the entire Board's signatures.

Mr. Beckert said that he thought we would give her a proper send-off.

Mr. Lee said that she has asked, very respectfully, for no big send-off; that he thought she was going to let people know that she will be at a certain location and if you wanted to stop by and wish her well, that was fine, but she did not want us to put together a big send-off; that that would make her very upset.

5:53 PM **7) Request for Reimbursement of Vacation Time**

This was a request from the Public Works Director concerning his accrued vacation time.

Mr. Lee said that he thought the memo was pretty self-explanatory; that the long-and-the-short is that the PW Director, although trying to take some time wherever he can, he has pretty much been unable to take the time he should be taking and still follow the policy of what he can carry forward; that the PW Director, as well as long-time employees have several weeks on the books and, because he is short-staffed, he has a hard time keeping things going as they should and still take vacation. He added that the memo explains Mr. Moulton has a long-time employee retiring very soon; that when he retires there will be a period PW will

be short-handed and/or hiring somebody who will probably be paid a lot less; that that would be more than enough to cover a couple of weeks of vacation that Mr. Moulton was unable to take.

Mr. Murphy commented that if so many of the personnel of the PWD are unable to take vacation because of the workload doesn't that say something about the manning level.

Mr. Lee agreed that it did and, although he may be met with a fair amount of resistance, we are trying to come up with a plan to bring another person on the PWD because of that very reason, in part.

Mr. Murphy said that there is a reason to have vacations and not to do that, particularly in an environment where the work is arduous and dangerous, is stupid.

Mr. Hirst asked when was the last time we added a net position to the PWD.

Mr. Lee said that he thought it was around 1986. He added that, as part of that discussion, since then we have taken on sewer, stormwater, 19 more miles of roads and we are stretched very, very thin. He added that he would like to give the PW Director props who won't take vacation time if there is stuff that still has to be done; that he is too conscientious to let it slide. Mr. Lee said that he thought that the Board should allow this to take place if the Board saw fit to do so.

5:56 PM Ms. Davis said that this was a tough year; that we are down $75,500; we've got repairs to a truck coming for $5,000 to $10,000; that she didn't know if the boiler repairs were planned for and included in the budget. She added that we said at a previous meeting that less pressing repairs would have to be put off because we don't have the budget for it and, when people take vacation that falls within the budget. She said that she has been reviewing the financial report and it doesn't seem to jive with the Town Book for the DPW and she needs someone to look at that but that it looks like we may be potentially even further down than we thought by another $13,000; that she has looked at the amount of money that has been put on the certified budget ($787,000) for the department but, looking through the Town Book, it looks like residents voted on $765,407; that she thought we had some major problems and not a good time to be taking extra money out of this department. She said that she thought we needed to look more closely at exactly where we are and try to come up with a solution to this; that we have a lot of employees that are long-term and this is a problem that is going to recur every year so, rather than set a precedent this year, we've got to arrive at some kind of a different solution.

5:59 PM Mr. Murphy said that he didn't object to looking at solutions but he didn't think it was ever responsible for the Town management to allow workers to be overworked and not get their vacation; that that just adds to the danger and we don't need to do that. He added that we may look carefully at what is being done, or workload, and so forth but we don't attack or endanger our employees.

Ms. Davis said that paying Mr. Moulton for his vacation time is not going to remedy the situation of his not taking his vacation time. She added that this is a situation of management and we've had half a year or had however many years it's taken to accumulate that time and we have a problem with this budget this year, reiterating that we have to arrive at a different solution.

Mr. Hirst said that good personnel practices dictate that people do take vacations because they need to have vacations; that while he appreciates the guys not taking vacation because of workload he thought it was incumbent on the Board to make sure that they do take vacations.

Mr. Beckert said that that solves the problem from this point going forward, if that is the direction the Board wants to take, but we need to address the situation that was brought before us.

Mr. (Bob) Pomerleau said that he had a problem with this from a management standpoint; that either it was the Town policy that you take it or lose it or it isn't a policy; that if you are making an exception to the policy then you have to be prepared to allow for any other employee. He added that when you start getting into paying people for vacation time you are most definitely adding to a budget that hasn't been approved; that he questioned this with a budget that was already $18,000 short. He said that what bothers him most is that you put out policies like that to avoid situations like this; that it becomes incumbent on management to ensure people take their time. He added that, in his experience, where there was always a conflict over vacation times it wasn't so much they were unable to take vacation but it wasn't available when they wanted to take it.

6:02 PM Mr. Fernald said that what Mr. Pomerleau said had absolutely nothing to do with this; that the fact of the matter is that this department is short-handed; that it has been running on a skeleton crew and has been for years. He added that every time we try to correct that situation we get shot down. He said that it is complementary to our DP Director that he feels that he has to not take vacation time to get the work done because of our unwillingness to put enough people in that department.

Ms. Davis said that an additional review of a June 17 memo was compensation for comp time and she has since been informed that comp time is recorded at time and a half and that comp time we paid out on June 17th also included the number of hours times time and a half; that before we make a final decision she would

like to see a review of that to see if that is the case; that if it is then we may have already actually paid out enough to compensate for this vacation time.

Mr. Lee clarified with Mr. Moulton that that was straight time.

Mr. Moulton said yes.

Mr. Lee said that the request was only to be paid one hour for one hour, at the time; that that is what we proposed and that was what was approved.

Mr. Beckert said that that was comp time earned and when Mr. Moulton was an hourly employee and had nothing to do with vacation time. He asked that the two not be tied together because one is not the same as the other.

6:05 PM Mr. Lee suggested if it would – he doesn't like this option – be a difficult matter, just being able to have a little flexibility to try to get the PW Director out of here for some of that vacation time - if we are having a mild winter even; otherwise he stands to lose it very quickly. He reiterated that having flexibility to get him some vacation time might work and not impact the budget more if he could have more flexibility on when the DP Director could use it perhaps, maybe, he could handle it that way; that that is the only option he can see – a little flexibility – or just use it or lose it and tell him that's how it is in Eliot.

Mr. Fernald asked where the money would come from.

Mr. Lee said that Mr. Moulton is suggesting, and he agreed, that we do have a retiring person whose salary was budgeted for longer than he will be working. He added that, with that said, he did agree with Ms. Davis and Mr. Pomerleau that, with the $75,000 missing money in the repair budget; that we kind of counted that once, already, and this would be a second accounting of that; that he felt it was the right thing to do but, in the future, he would handle this in ways to tell people they really must use it or they really will lose it. He added that he didn't realize the magnitude of this problem until recently.

6:07 PM Mr. Beckert said that he thought there was another issue around this issue; that we are looking at a calendar year versus a fiscal year and maybe we need to bring things into concert with each other.

Mr. Lee agreed; that they should go over that personnel policy one more time. He added that he thought we had until June 30 to work this out but looking through it, it is January 1st, and so suddenly all these Town Hall staff are taking vacation time.

Mr. Beckert said that when we changed fiscal years from July 1st to June 30th we didn't change the policies on leaving earnings, etc. to go in concert with the fiscal year; that that stayed with the calendar year and it is paid out of the fiscal year budget. He added that we need to look at that in the policies but, again, that is future, not solving this. He said that he needs to know how the Board wanted to deal with this request now.

6:08 PM Mr. Murphy moved, second by Mr. Fernald, that the Board of Selectmen agree to reimburse the Public Works Director for two weeks of his vacation time prior to the end of this calendar year.

DISCUSSION

Mr. Lentz asked what the current policy was on vacation.

Mr. Lee said that it was use it or lose it as of January 1st; that that was the drop-dead date. He added that that recently came up and he told different people that they had to arrange to get out of here but we are in the throes of winter, now, and he didn't make that arrangement and his options are mighty slim, and Mr. Moulton has to put together three budgets before December 31st.

Mr. Beckert said that the other thing with use-or-lose if you, as the employer, don't afford the employee the opportunity to use it you have to let them carry it; that it isn't as simple as cutting it off; that it all depended on what the circumstances are.

Ms. Davis said continually overlooking that this budget is way under for the year seems irresponsible and if we use it now we are going to have problems later in the year; that it just seemed wrong to neglect this.

DISCUSSION ENDED

VOTE
3-1 (Ms. Davis)
Chair concurs in the affirmative

Ms. Davis said that she wanted to be assured that the 175 hours that were paid out for this comp time were not actually already multiplied by one and a half before we again multiplied it by one and a half.

Mr. Lee said that he would do that.

6:15 PM **8) Referendum Town Meeting Ordinance – Sample/Draft**

Mr. Lee said that he provided this rough draft from Mexico, Maine, tweaked for Eliot, for the Board's consideration; that this is just to give an idea of how we might handle some of the details of how you do this by referendum. He added that he included a sample ballot from Jay, Maine and a copy of the York, Maine Charter that has the budget referendum voting included in its language. He said that this packet is mostly food-for-thought regarding putting an ordinance before the voters to spell out what the process is for voting by referendum on the budget because right now we don't really have a clear sense of how we are going to handle some of the elements of this; that he thought an ordinance might make that clearer. He asked for the Board's direction on this.

6:20 PM Mr. Fernald asked, regarding the Jay, Maine ballots, if the machines could take care of that.

Mr. Lee said yes; that the machine could be programed to take care of virtually any kind of ballot we want to create. He added that he thought there was a logistical side to this that could have a consequence of having to buy one or more ballot machines to be able to handle more and bigger ballots, as well as the increased voter time.

Mr. Pomerleau supported an ordinance so that the process is clearly laid out; that he also supported giving voters choices to avoid voting over and over again, suggesting three: Selectmen's recommendation, Budget Committee's recommendation and a third one that said Neither – flat-funding, or something of that sort, so that the voters have choices rather than this format that says yes or no.

6:23 PM Mr. Lee reiterated that this is a sample ballot; that he is still in the process of trying to create that; that if we did this without that he didn't think Mr. Fisher would withdraw his petition; that he would push his petition because he wants exactly what Mr. Pomerleau is talking about. He agreed that they would have to structure it such that it would be BOS and BudCom at a minimum and/or the ordinance might say that if neither passes then it reverts back to last year's funding but they would have to hammer out those details. Mr. Lee said that there is a pretty simple 5-page ordinance, here, that is pretty comprehensive, been used a long time, and pretty close to being able to be used, although it needs some tweaking, but it could get us a long way down the road to not having conflicting measures out there and a lot of questions and who is doing what and confusion over still having a part of a Town Meeting or not having a part of a Town Meeting; that he wasn't even clear what to do if it went through.

Mr. Beckert said that he was hearing that everyone was in favor of moving forward with an ordinance.

Mr. Lee suggested he could work with the Chair to set up a workshop early in the winter; that he would ask people to look this over and mark it up for the workshop regarding concerns or how you would like it structured and how a ballot might be formatted, as well.

6:25 PM Mr. Beckert said he would like to see samples from other communities that are already using it.

Mr. Lee said that he did try to get those types of samples and, of all the ones he was sent, none of them had more than yes or no on the Selectmen's numbers; that a lot of them, not all, listed the BudCom recommendation but without the ability to vote for that recommendation. He added that it isn't that hard to make one of these up.

Mr. Beckert said that he had to wonder why the other towns weren't doing it that way; that there had to be a reason.

Mr. Murphy said that the State law requires that towns have the actual amount that the BudCom recommends; that he doesn't understand why this town isn't following the State law in this regard.

Mr. Lee said that he didn't know, either, but he would want the BudCom's recommendation shown and the ability to select it.

Mr. Beckert said that we would look at setting up a workshop in the near future.

Mr. Pomerleau suggested they look at the Rumford Charter as it has the kind of ballot the Board was discussing.

6:27 PM **9) Registrar of Voters Appointment**

Mr. Hirst moved, second by Mr. Fernald, that the Board of Selectmen approved Wendy Rawski, Town Clerk, as Registrar of Voters.

VOTE
4-0
Chair concurs

At this time, The Board signed the appointment document.

10) Telephone System RFP

Mr. Lee said that replacing the phone system was in the budget for $8,000; that $2,000 of that $8,000 was used toward IT back-up and that kind of thing. He said that, when asked before where this would come from, he had suggested that he

could hope we could do the phone system for less than $8,000 and only do $6,000. He added that he did want to come to the Board with the RFP he put together; that Mr. Emery from the IT Committee helped him with this; that he wanted to make sure that, if we do send this out, we have agreement that if we can find a phone system that is appropriately priced – say, under $6,000 – there would be support to move forward with actually honoring the purchase.

6:29 PM Mr. Beckert said that we definitely need to do something because he doesn't like calling here during the day, and he is sure residents don't, and getting the fax system. He added that the system has been checked and deemed outdated and in need of upgrading; that he thought they needed to move forward with this and do it.

Mr. Lee reiterated that he wanted to make sure that if he sends this out and goes through the steps, identify a phone system and a phone company, etc. and if we can get it at $5,800 or something and he comes back, that they would have support to actually go forward with it because he got from some of the staff that they are disillusioned because this has come up so many times and there has been money and it never goes, it comes up and goes, and some folks don't even believe it's going to happen this time so he is here before the Board to make sure that, if he goes forward with it, it does take place.

Mr. Beckert said that this was budget and approved and asked if he had consensus from the Board that we are going to move forward with the purchase of a new phone system if he finds one within the budgeted amount.

Three members said yes.

Mr. Beckert then asked for a motion to move forward, if he couldn't get consensus.

Mr. Murphy moved, second by Mr. Hirst, that the Board of Selectmen approve the Town Manager's intention to send out bids for a new Town Hall phone system to cost up to the budgeted amount.

VOTE
3-1 (Ms. Davis)
Chair concurs in the affirmative

6:35 PM **11) Town Manager Performance Evaluation**

Mr. Lee said that he was trying to get the Board, on or about December 31st of each year, to do a performance evaluation of himself because, with that and your goals you had set for him, then he would proceed to do goal-setting and performance, etc. with staff. He added that what the Board had was the form the

Board used after his first six months; that this would be from the end of May through the end of December then do it annually thereafter.

It was the consensus of the Board to move forward with this.

12) New Longevity System for Non-union

Mr. Lee said that this was not for adoption, necessarily, but a proposal to replace the abysmal system that we currently have in place, which he thinks is too rich to begin with. He added that it is a difficult thing to figure out because it talks about 3% of your base pay but doesn't designate what base pay it is referring to; that he doesn't understand the system. He said that we really ought to have a wage study done at some point because he doesn't really have a wage scale, either. He said that the union folks are using that other longevity system; that the non-union folks and the personnel policy have the same type of system but it's very hard to understand when to apply it and it only covers the first six years people work here, which doesn't make a lot of sense to him; that that isn't longevity, that that says the Town only wants people to stay six years and, then, no more bonuses. He added that he put something together that talks about going out 20 years of service and wondered if we should try to create something that is more suitable than what we are working with currently.

6:37 PM Mr. Murphy discussed the cumulative increase over 20 years (7.73%).

Mr. Lee said that he was just proposing something because we don't really have a system in place. He added that he welcomed feedback, new ideas, alternate schedules.

Mr. Pomerleau didn't see this as a longevity plan. He said that, in working for the State for over 30 years; about five of them, we had longevity steps in place and they came after 15 and 20 years, with 1½ % for each one; that at that point people had reached the top of their wage scale. He added that the problem with the proposal was that it didn't take into account the step increases that came along with it; that this was just increasing the base wage. He said longevity meant after a person had been there a long time and their pay scale is over with; that longevity steps come only after you have reached the top of your pay scale. He added that he fully supported a wage study to get wages in line but he has a problem with this proposal as a substitute.

6:40 PM Mr. Hirst said that since wages and benefits are such a high percentage of our total budget he thought it was incumbent upon us to have a wage study and to allow for that cost in the coming budget.

Mr. Beckert agreed, saying that we tried to bring that up with the last budget and it got shot down.

Mr. Murphy agreed, as well.

Ms. Davis said that she thought this was a good thing to roll into our policy studies so she would like a little additional time to talk about it and come to some kind of a conclusion.

Mr. Hirst thought that should be done in conjunction with a wage study.

Mr. Lee agreed it probably should be done with the wage study, as well. He said that he didn't disagree with Mr. Pomerleau that this was not longevity. He added that because we don't have a wage study at this point there are people who have been here a long time without that. He said that, at this point, if we have consensus to try to get a wage study, and he thinks the Town of Wells spent about $5,000 (he thought would cost much more); that to do this longevity, if it's even needed, with a full compensation study is probably the way to go; that he just wanted to bring to the Board's attention that there are some things that land on the Manager's desk for which he has very little guidance.

Mr. Beckert said that the soonest we could get money for a wage study would be at the Town Meeting, if it passed, in June. He added that if it is the general feeling that we need a wage study we will have to budget for it and see where the chips fall.

Mr. Hirst asked if the wage study Mr. Lee prosed to seek RFP's for include a review of job descriptions.

Mr. Lee said that he thought that would have to be a part of it. He added that he thought the one in Wells included a job description review so you could compare apples to apples.

6:45 PM **13) Credit/Debit Card Policy/Implementation**

Mr. Lee said that many, many towns are doing this now; that he did some research on what other towns do and how they make sure that customers fully understand, before they use a credit or debit card, that that charge is coming back on them. He added that we are going to make absolutely certain, including signing off on the receipt, and everything. He added that he worked in a town where customers came back a couple of times saying they had changed their minds and, if they had come back right after the transaction we probably could have done something but coming back the following day doesn't work; that he thought we

needed a policy so we don't find ourselves in the same boat and he thinks this will do that so he would ask for the Board's approval of the policy.

Ms. Davis asked if the clerks were going to provide totals for the customers to show this is what it would be if you paid with a check and this is the amount of the fee, that this is your new total, so that they clearly understand how much extra they are paying.

Mr. Lee said that they could certainly do that if someone didn't understand what 2.5 % meant and asked someone to tell them. He added that he believed the charge was a separate receipt that happens and that is why it is very clear, but it is after-the-fact. He said that the only thing we've been talking about is making absolutely sure that people are happy and know what they are getting into.

Mr. Hirst moved, second by Mr. Murphy, that the Board of Selectmen adopt the Town of Eliot Policy Regarding Customer Use of Credit and Debit Cards, dated December 4, 2014 and as presents as Item G2. 13.

DISCUSSION

Ms. Davis asked if we should add that (totals) in writing to the policy or would it be a matter of our internal policy.

Mr. Lee said that we can handle it internally as a matter of unspoken policy; that if somebody asks then that would certainly be done and we might just do it, anyway, especially if you see a person is about to charge $500 or $600.

DISCUSSION ENDED.

VOTE
4-0
Chair concurs

6:48 PM **14) Draft: Consolidated Financial Policies – Workshop?**

Mr. Lee said that during the months of February and March he thought they needed to try to slip in two or three different workshops – we have an investment workshop, these financial policies that need to be in place; that we have a lot of things going on and he's just bringing it to the Board's attention. He added that he wanted the Board to have a lot of time to read this because it is a very long document. He asked them to mark it up and bring questions and comments.

It was agreed that Mr. Lee and Mr. Beckert would review the BOS calendar for the next three months.

G3. Public Works

6:50 PM **1) Transfer Station Report: MMA Risk Management**

Mr. Lee said a review of the Transfer Station was done at the end of October. He added that, generally, we got good marks but they always find some things. He said that one of the things MMA was not keen on was the public accessing the buildings and the report said to "*stop the practice of allowing residents in the Recycling Building when machinery is operating and provide them with designated safe passage ways to areas to place recyclables in the chutes and bins*." Mr. Lee explained that one of the things that is often done is that people will often dump their stuff in 'pre-sort' containers and the employees take the 'pre-sort' containers and bring them to, and dump in, the actual machinery. He said he didn't quite know what they were going to do with that; that they would try to handle that, operationally, to try to address that; that there was yellow paint on the floor around the bailers indicating to stay behind that mark. He added that the other thing that concerns him are two budgetary matters; that one is the retaining wall that we use for our oversized bulky waste (OBW). He explained that we are using 'jersey barriers' that are stacked on top of each other and they are not to be used for retaining walls by code; that we are using them that way and MMA wants us to put in an actual retaining wall, if we want to use that. He added that they want us to put in a 42-inch rail system over at the OBW, as well; that some of these things may require of some kind a capital investment with the Solid Waste budget in order to meet these and that is why he brought this to the Board's attention. He said that he thought they had taken care of some of the operational issues; that the tripping hazard is gone, etc. and Mr. Moulton has changed when they operate machinery and so forth. He added that we are trying to get a price on a retaining wall to replace the 'jersey barriers; over by the OBW can and railing, as well.

6:53 PM Mr. Hirst asked if the status report on all these have been communicated to MMA.

Mr. Lee said yes.

Mr. Murphy asked if there was anything pending with MMA.

Mr. Lee said no; that they were satisfied with what we've done and they know that a couple of these items are budgetary matters that cannot be addressed immediately.

2) PW Garage Boiler Replacement Bids – Use of Contingency?

Mr. Lee said that we have an old forced hot water boiler and asked Mr. Moulton to explain what happened when they went in to do the cleaning.

6:55 PM Mr. Moulton said that when Gagnon came in to do the cleaning/maintenance prior to heating season they noticed a leak in the cast iron chambers and, evidently, when they get old they start to leak and you can't repair them because the cost is so high and, once you shut the boiler down to repair it, the rest of it starts to leak. He added that the only real solution is to replace it; that they have gone back and forth over what type of fuel for needed heating of the garage. He also added that his fear was that this was not a budgetary thing (first found in November) and they could lose heat, suddenly in a storm, when they took the trucks out so you could easily burst pipes, etc. should you lose heat and not replace the boiler.

Mr. Beckert asked how old the boiler was.

Mr. Moulton said it was as old as the Garage – 1991. He added that it was the original boiler and it does run year-round because that is also how hot water is gotten.

Mr. Lee said that what we would like to do, based on the recommendation of the Energy Committee (EC), is to separate the boiler from the hot water system and go with an on-demand hot water system. He added that they asked for three prices; that one didn't respond, P. Gagnon was a little rich for our blood; that Gino's Plumbing & Heating originally included a 40-gallon water heater, which they removed ($1,300) and gave us a revised lower estimate. He said that their recommendation was to go with oil-fired and go with a relatively simple system.

Mr. Beckert asked what the bottom line was on that.

Mr. Lee did not have the revised estimate and suggested they table this until January 8.

Mr. Beckert agreed.

Mr. Lee said that the question then would be how to fund this because it is an off-budget crisis that was unforeseen; that that was why you have contingency and that was his recommendation that they look at this as a contingency item.

Mr. Beckert asked what we had in the total capital budget.

6:59 PM Mr. Lee said that he didn't know off the top of his head but he could find that out, as well.

Mr. Beckert asked Mr. Lee to go back and look at how the capital budget was set up because he remembered, in initial discussions with the departments, that it would be to submit what each department needed with the understanding that

somebody else's priority might trump yours. He didn't remember how the final vote came out and that was why he asked him to look at it.

Mr. Lee said that we could look at that and get a final proposal for the January 8 meeting.

Mr. Hirst asked if they had explored this event with the boiler may be covered under the boiler machinery insurance, which covers a sudden and unusual event to a covered object.

Mr. Lee said that it was reported by Gagnon that it was wear-and-tear.

Mr. Moulton agreed it was age.

Mr. Lee said that he didn't think the report from Gagnon would support coverage.

7:01 PM Mr. Hirst said that if this thing didn't have to run in summer then there should be a savings in operation.

Mr. Lee agreed, adding that, to go a step further, the final projects for this year from the EC also focus on the Public Works that tightens up the building from heat loss; that with that, the high-efficiency oil-fired furnace and the on-demand water heater should bring the cost of that whole operation down pretty dramatically.

There was discussion regarding the different capital funds and how they function for clarity.

7:05 PM Mr. Hirst asked if we were going to take some steps this next year to consider repurposing the money that is in the ECSD building fund.

Mr. Lee said yes; that there were four funds from which he thought we could begin to pull them down and offer some tax relief with some of that reserve money. He added that he has a proposal for bringing some of that money out of there.

7:08 PM **3) Sewer Bond – Cost Allocation – Draft**

Mr. Lee said that on the second page Underwood offered up two different ways to allocate the improvements to the pump stations; that one is cost-allocation by design flow apportionment and the other is by intermunicipal agreement flow apportionment, adding that he thought it was, for the Board, more along the lines of what was O&M and what was upgrade. He added that Underwood said that you couldn't really do it monetarily but that it does come out pretty similar to the

design flow apportionment – the difference between capacity before and after the upgrade – and if we do it that way sewer uses would pick up 69% of the debt and Town (expansion) is 31%; that he thought that was most in line with what most folks were saying and thinking; that he thought this was as close to a defensible, fair split as he could arrive at.

Mr. Murphy said that he did not discuss Option B.

Mr. Lee agreed, saying that it was there for the Board's viewing. He added that that was a 55% sewer users/45% Town and they note that existing users are 110,000 gallons of the 200,000 that is currently allocated and the Town expansion would really handle the other 90,000 and reiterated that would be a 55/45 split. He said that they are both there and both defensible.

Ms. Davis said that there were strikeouts on this letter and asked why there was not a more formalized draft of this and why were the corrections made but not, sort of, implemented. She asked if they were unable to come to a final solution on what they wanted to say. She also said that she would like to see the cost if sewer users were covering 100% of this; that this gives only two options and, if this was a district, the district would pay for these costs.

7:10 PM Mr. Lee said that we have previously done that; that he thought it was a 47% increase on sewer users; that we previously had a memo that described what the impact would be and was found in the rate study.

Ms. Davis said that, in looking at the sewer bills, there are quarterly fees and there are flow fees so, when you say 47%, which one are you referring to.

Mr. Moulton said both.

Ms. Davis said that this does not give the rest of the Town any option in whether they want to participate in this or not.

Mr. Lee said that we previously provided that; that we did show that and was part of that rate study that was done; what would happen if we put the entire amount on sewer users. He added that, subsequent to that, there was some discussion about what is repair and what is upgrade and we have had two or three sessions on that; that's what he was dealing with was this new, more current discussion.

7:12 PM Ms. Davis said, looking at Page 1, discussed the first bullet paragraph under Explanation of Project Costs, saying that what this said to her was that this cost was repairs only and not repairs and expansion. She added that she thought we need to have three options spelled out so we have a clear idea, in one place, what exactly is going on. She also discussed the most recent rate study and the

quarterly increases that occurred; that it seemed those fees were based on the DPW Director's salary (partial) and $28,094 for the upgrade with Kittery; that the average quarterly fee went from $62 to $79, which amounts to $72 over the year and she felt a real objection that we are charging the sewer users for the DPW Director's salary when we've never done that before. She added that that is more than 50% of the recent increase so she guessed it would be good if we could look at this thing as an entire package and try to arrive at some kind of fair conclusion. She said that her other objection is that we did not include the revenue for this in this year's budget so, if she is looking at this correctly, we are charging sewer users twice for the Director's salary – once through property taxation and once through the sewer user fees without reimbursing the general fund for the money they have put in there. She said that we need to have a clearer picture of what all the options are and the statement on Page 1 clearly says that this is for repairs.

7:15 PM Mr. Beckert said that the percentage that we are paying for the PW Director's salary, this Board voted to do that and take that recommendation.

Mr. Lee said yes.

Ms. Davis said that she went back and did the numbers.

Mr. Beckert said that maybe some didn't understand it but we voted on it and the majority agreed we would do it that way.

Ms. Davis said that we need to talk about it.

Mr. Beckert said that we did talk about it and Ms. Davis had the reports from Underwood to go through it. He added that Mr. Hirst sat on the Rate Increase Committee and those were all discussed, all approved and all voted on so it isn't as if we went into this blindly; that this was all reported on from the sewer Committee (SC), recommended by the SC, passed on to this Board and to sit here, now, and say we've gone ahead and dumped something onto the sewer users without giving it forethought when we did it is incorrect. He reiterated that we've gone ahead and done it, we've discussed it, it's standard; that Kittery has been doing it for years, including part of the Town Manager's salary in the bill that they give to Eliot from the sewer department; that it has actually taken a while to adopt it. He added that he didn't know what to tell Ms. Davis; that this is their proposal now and if they have Paragraph 1 worded improperly, we need to check that to see if they were talking straight repairs versus what their charts say on the second page. He said that the laws on the sewer, itself, said that the Town would be able to charge the sewer users for repairs, not for expansion. He said that the proposals, regardless of the amounts or percentages, are correct in saying that sewer users will pay for the repairs to the system and, if the Town wants expansion and capacity beyond that, then the Town has to pay a portion of that.

7:17 PM Mr. Lee said that that was his understanding. He added that he guessed there is the option of going 100% on sewer users because one could argue that it is all repairs and it's necessary; that you could certainly take that position. He added that he is asking engineers, though, what they think would be the…when they look at that law, what is repair and what is upgrade; that they said that there are really only two ways that you can approach that that way and they have laid out both approaches here. He said that, at some point, this Board is going to have to take a position on what percent is what and whenever you feel like coming down and deciding that and we could move forward with public hearings and getting ready for June. Mr. Lee said that he could dig out the rate study that shows the impact if you put 100% on sewer users; that Ms. Davis probably has that somewhere and you might take a peak back at that but he thinks it is another very large increase on top of the previous one. He clarified this was not to protect the sewer users; that if it was all theirs, then that's the way it is but, based on the engineering, it doesn't appear that that's the case.

7:18 PM Mr. (Michael) Thompson, sewer user, said that looking at his rates as a sewer user, and his usage is not that high but even if he projected out a little bit for higher usage, our sewer rates are already higher compared to the surrounding communities. He added that currently he uses 300 cubic feet per quarter but if he projected out to 3,000 cubic feet per quarter, as a residential user, he'd still be paying more than Kittery for that same amount. He said that, for him, it seemed like, to a great extent up to 2,000 to 3,000 cubic feet per quarter Eliot's rates are already higher. He added that if we are looking at another 47% it is just overwhelming; that there were only 640 users and as he understood it there were supposed to be quite a bit more, originally. He said that with this repair or upgrade he didn't know if a $1.5 million pump system is really necessary for 640 users; that he was guessing that it might be able to handle more, which to him would mean it is an upgrade rather than just a repair. He added that it just seems really expensive for so few users and if there had been more then maybe some of these problems we are facing now, based on decisions made by the Town and not by sewer users alone, is the reason we are in the situation we are in now.

Mr. Pomerleau said that he thought he had a pretty good understanding of all this but this memo really confuses him. He added that the design flow chart shows a total of 160,000, with 110,000 for existing sewer users and 50,000 for Town expansion and asked where the 50,000 was going; that there was no one on the system but sewer users. He added that the IMA flow chart said 200,000 (total) and, as he understood it, that was pretty much used up or close to our 200,000 allocation now.

7:22 PM Mr. Moulton clarified that we were pushing over 200,000 gallons per day because of all the I&I issues we had; that roughly 2 years ago there was a moratorium put on any added sewer allocations because of the I&I. He added that we have

become more proactive and he has spent more of his time on sewer, which directly relates to the discussion they've had about adding his salary to the sewer; that he has four budgets and three departments to deal with and to divide it up equally makes it clear that these are the three different departments that his salary should come out of. He said that because of the I&I problem they expended a lot of time and money to do the repairs to get the I&I down; that the improvements to the pump stations – they had a five-year life cycle five years ago. He discussed the danger of an imminent failure that is a very real and that failure would cost more than $1.5 million to do a repair and replacement. He said that the pumps are old, we are spending a lot of money on maintenance and what we are looking to do is improve the system so it can manage what we have now. He added that during the last major storm we pumped over 1.2 million gallons in a week down to Kittery so we pushed extra; that we still have I&I issues so there are a number of sewer issues that still exist; that we are spending all this money on maintenance to increase the rates because we have to increase the mains or do you cut your bottom dollar, you do the improvements, your maintenance drops but you have this capital expenditure; that with the expansion improvements it's cheaper to do it now during the construction and, should it be done in the future, it would cost the Town more money; that, inevitably, the Town will probably have to be sewered along the river because of the discharges and the Town would be on the hook for probably more than $1.5 million for just the Town; that right now we are looking at around $300,000 to $400,000 to do the improvements, as it sits now while doing construction; that that is putting in a pedestal for another pump and is preparing for the future. He said that there are always comments that we don't plan for the future but we are trying to plan for the future and that will cost the Town short money now versus long money in the long run. He agreed it was a big impact in a few years; that the previous fees were not covering the bills then the new IMA went into effect and the fee percentage increased; that users are still not meeting the bills because they have I&I and maintenance problems because the pumps are old. He added that costs had to be covered and it was a challenge adjusting the rates as a result. He said that they might want to look at buying the extra 200,000 gallons for the future because there will be expansion in this Town because the State and federal government are mandating no discharges into the river; that it's a catch-22. He added that the rates are high, as Mr. Thompson said, for 641 residential users and comparing to Kittery and York would include industrial users that Eliot doesn't have and that lowers the rates; that he has a chart that shows Eliot rates are right in the middle but that is offset by industrial/commercial use in the other towns.

7:27 PM Mr. Thompson said that he was to some degree trying to make an appeal that we could share this, rather than 100%, particularly if it's for the future; so why then should 640 users pay for the future for the whole Town; that a portion is fine but 100% is not.

Mr. Lee said that that's what he is offering tonight is even a 69%/31% or 55%/45%, some recognition that some of this is expansion for future capacity to handle sewerage.

Mr. Moulton added it was also I&I because you are dealing with a Town-wide I&I issue with drainage.

7:28 PM Mr. Thompson said he just keeps hearing 100% and that kind of scares him.

Mr. Pomerleau said that he had no problem understanding the concept of repair and maintenance cost versus added upgrading costs and this is bewildering because, if they are going strictly on flow and usage, there is nobody but users using it so where the other gallons go is a mystery. He added that, as far as Mr. Moulton's salary that goes with it, in his mind, that should have been charged from day one; that there was an administrative cost to the system that never should have been a freebie.

Ms. Davis said that, the thing is, the costs are going up and the problem now is that it was largely due to mistakes of not collecting adequate fees over the years. She added that the reason she objected to Mr. Moulton's salary being taken out at this time is because we do have this problem and it is incumbent upon us to mitigate the charges; that instead of mitigating them we are adding to them. She said that half of that $72/year should not be occurring right now; that, yes, it should over the long run but right now we should be helping them, not hurting them more. She said that we should be taking part of that money and putting it towards the repairs and the amount that is being charged is unfair because your entire salary is being split amongst 3,000 properties in Eliot, whereas, when you take a third of it you are only splitting amongst 641 users so we need to look at fairness issues, here.

Mr. Lee asked Ms. Davis for suggestions.

7:30 PM Ms. Davis said that she thought we need to sit down and look at it; that this report clearly states that this is for repairs and we need to look at the overall…if you go to the Town with this and there are a lot of people who feel strongly against contributing to the sewer, then your bond warrant is going to fail in June; that you've got repair issues that must be taken care of so you are gambling with this warrant.

Mr. Lee said that he is not gambling; that he is providing to the Board some options that you must decide.

Mr. Beckert suggested we seek clarification on the wording from Underwood; that, if they are talking about repairs and upgrades in paragraph one, they need to say that.

Mr. Lee said that he would have them attend the next meeting.

7:32 PM Ms. Davis asked for more detail; that we see repairs, we see upgrades, there's no clarification on exactly what's involved with each of those; that it would be good to see more of a breakdown of why this and why that; that we get these total numbers and they don't really mean anything.

Mr. Beckert said that we have had all that in the past but…Mr. Moulton said that they would send that.

Mr. Lee said that he really needs more input from folks that have more questions because he can't anticipate them; that he doesn't know what's going to come up, he doesn't know what the views are, he doesn't know what to ask for in these memos. He added that he asks for what he thinks is important, what he thinks he needs to understand it and what he thinks lay people might need to understand it, etc.; that he gets these things in and then it's…there's not enough clarity, there's not enough clarity. He said to tell him what clarity looks like because he needs some guidance on what clarity looks like.

Mr. Hirst said that, in following up on something Mr. Thompson said, when we look at the rate study that brought an increase in November 2011, that was the first time the rates had been adjusted since May 1991; that Mr. Thompson was right in that the Town didn't do what it should have done between 1991 and 2011 so we are playing catch-up and it has hurt the users and there's nothing you could have done about it.

7:33 PM Mr. Thompson said that he obviously hasn't been here from the beginning but, again, he doesn't know that the sewer users, themselves, made those decisions that led to this situation; that it sounds like it was the whole Town that made those decisions that led to this situation about rates or maintenance or whatever.

Mr. Hirst said that he thought it was the Town administrators that did not operate during that period of time.

Mr. Thompson said that that was the Town and not the sewer users, alone. He added that his question was why are 641 sewer users now possibly going to pay for all that particularly, again, it doesn't seem like we, the sewer users alone, made all those decisions; that the decisions were made by the Town, at large, so, at least, maybe, sharing the costs. Mr. Thompson discussed the word 'repair' versus 'upgrade' or 'improvement' as it applied to 641 users; that if the $1.5

million is being spent on this then is that really necessary to serve only those few users or could it possibly serve other people, as well.

7:35 PM Mr. Lee said that it is intended to serve other people; that it's intended to remedy the old stuff we have now so that the 641 can keep going and it is also intended to plan for the future for some additional capacity to handle some other users down the road when we inevitably have to add sewer somewhere in Eliot over the next however many years. He added that he thought that's the ratio that should be found – what is repair and what is future expansion or upgrade; that that's what he is trying to do.

Mr. Thompson suggested that, when he goes to Underwood to maybe keep that in mind that this is handling more than just repairs for us and the wording needs to be in there.

Mr. Lee said that that's true; that he would get clarification on that first paragraph. He added that now, if they change it people would say they changed it because we asked them to change it but he didn't think Underwood meant it the way it was interpreted.

Ms. Davis said that what we are talking about are CIP issues; that she assumed the consumption charge is paid to Kittery for what they do to process everything so why would the consumption charge go up 47% if we're budgeting for CIP improvements and repairs.

Mr. Lee said that we will have Underwood Engineering here next time and do the questions with him but he thinks that the idea was that the amount of money that would need to be generated would have to be 47% more than what we are generating now; that you can mix and match however you like but he thought the idea was that each of them would go up 47%. He added that he did not know we were going to get this far down the road on this thing so he thought we need to have Underwood Engineering here.

7:37 PM Mr. Moulton said that we don't control Kittery; we only control what goes into Pump Station #7 so that's where our costs are allocated; that when Kittery does something we need to be aware of what's going on as it relates to Pump Station #7; that per the IMA there is an impact there, too.

4) Reserve Sewer Capacity Charge – Draft

Mr. Lee said that the Board had asked us to consider language to the ordinance; that the Planning Assistant is working on that and had a couple other comments that she brought forward; that he thought they would bring this before the SC and have some discussions with them. He said that this was just to let the Board know

we were working on that so that we don't put people in an even worse bind; that it, you have to pay a quarterly charge even though you can't connect to the sewer.

7:38 PM Ms. Davis said that she didn't know the process for subdivision approval but asked if a subdivision wanted to reserve an allocation for 24 units, but they can't get enough building permits, how does this help them.

Mr. Moulton said that it shouldn't help them, in his opinion; that the intent is that, for single-family homes that are impacted by the lack of building permits; we are trying to rectify that. He added that if a developer wants 24 lots he is going to make money on it.

Mr. Beckert clarified that it was a lack of growth permits, not building permits.

Ms. Davis said that if there is a lack of growth permits for the developer he is in the exact same position as residential (single family).

Mr. Moulton discussed the sewer rights that enhance the value of the subdivision. He added that, in his opinion, you shouldn't cater to developers because developers make money; that they are in it to make money. He added that it was okay for a developer to make money but they are trying to make money on your dollar.

Mr. Beckert clarified that under the old Growth Permit, it was that developers could only get eight growth permits a year, anyway.

7:40 PM Mr. Lee said that our focus is going to be on single-family homes, not subdivisions; that developers have a different methodology in the way they think and the way they invest and return on investment; guaranteeing, so that, if I sell this and I do have a guaranteed allocation for sewer, it is worth more money; that the issue for the Board was what about the single family who can't get a growth permit; that this needed some tweaking and reviewing and there was a lot of work to go.

Ms. Davis said that it seemed that if the Town is saying you can't build and the developer prudently needs to get those allocations it's unfair.

Mr. Lee said that we would have to consider that, for sure; that we are very early in the process; that we will keep that in mind.

7:42 PM **5) Sewer Allocation – Lori Howell**

Mr. Lee said that the SC recommends the allocation (Map 4, Lot 68).

Mr. Murphy moved, second by Mr. Fernald, that the Board of Selectmen approve this sewer allocation for Tom and Lori Howell for two units at 240 gallons per day.

VOTE
4-0
Chair concurs

G4. Public Safety

There were no items.

H. New Business:

Ms. Davis said that she was informed by a resident that the DPW was contemplating new garage doors and asked if there was any truth to that.

Mr. Lee said that he has not heard anything about new doors at DPW; that that has not crossed his desk.

7:45 PM Ms. Davis asked if Mr. Lee could give an update on Marshwood Estates

Mr. Lee said that he did; that the owner has a first mortgage that prohibits junior mortgages so he could not accept Maine Bond Bank's money, anyway. He added that the owner has until January 31st to comply with the two State orders and they are not even sure what they are going to do as of the 31st of January.

Ms. Davis clarified that he did question his mortgage lender.

Mr. Lee said that the owner found out he could not have a junior mortgage so applying to Maine Bond Bank was never going to be accepted by them even if they agreed to be in second position so the owner is back to ground zero.

Ms. Davis asked, regarding the solar array at the landfill, how only getting half of what they originally thought they would have would affect future projections for income and are they going to be updated.

Mr. Lee said yes it was; that the EC is working on that now. He said that when talking with professionals the solar panels have to sit at certain angles to shed snow and capture sunlight; that they have to be set a certain distance apart so shade of one doesn't cover another; that there are certain slopes on that landfill that are not suitable as the slopes may be too great; that the net area looked to be about 660 versus 1.3; that the EC was redoing those projections.

7:46 PM Ms. Davis asked about solar maintenance once the six years are over.

Mr. Lee said that he wrote a letter on behalf of the EC to all three vendors asking them specific questions, two of them did not really speak to ongoing maintenance. He added that, after we get all the answers back, we will then interview them to get answers about maintenance and other things that are a part of the proposal.

Ms. Davis said that at the meeting with South Berwick one of the councilors mentioned disposal at the end of the life-cycle.

Mr. Lee said that they would have to talk about that, as well, because if we don't buy it are they going to come back and completely remediate the site; that we need to know what they will do if we buy them, as well.

I. Old Business

7:47 PM **1) Investment Workshop 1/29 at 5:30 PM**

This was an informational reminder.

Selectmen's Report:

There were no Selectmen's reports tonight.

7:47 PM
Executive Session

Mr. Murphy moved, second by Mr. Fernald, that the Board of Selectmen enter into executive session as allowed by 1 M.R.S.A. §405.F, publicly prohibited information.

VOTE
4-0
Chair concurs

8:03 PM **Out of executive session**

Mr. Murphy moved, second by Mr. Fernald, that the Board of Selectmen grant the abatement on Tax Map 001, Lot 093000 for the tax year 2013 for the unpaid balance.

VOTE
4-0
Chair concurs

Other Business as needed

There was no other business.

Adjourn

There was a motion and second to adjourn the meeting at 8:04 PM.

VOTE
4-0
Chair concurs

_____ _____

DATE **Mr. Grant Hirst, Secretary**