

Town of Eliot
Budget Committee Meeting
Wednesday, April 29, 2020 at 3:45 PM
Eliot Town Hall

1. Call to order
2. Public comment
3. Approval of minutes
4. Article 31, discussion and vote
5. Budget Committee member reports/comments
6. Adjournment

Public comments will be taken after each item after conclusion of discussion by the Committee. Please wait to be recognized before speaking.

Eliot Budget Committee Meeting
Wednesday, April 29, 2020 @ 3:45PM
Remote Meeting Held via ZOOM Due to COVID-19

Watch Meeting @ Town Hall Streams https://townhallstreams.com/towns/elliott_maine

Public Meeting Participation – Email

Send email inquiries / comments in advance or during the meeting to Donna Murphy, Budget Committee Chairman dmurphy@eliotme.org . The Chairman will be monitoring her emails real time during the course of the meeting.

Public Meeting Participation – Join Remotely Using Link Below

- <https://zoom.us/j/97288161263?pwd=U0RKeWNJNW5rR0NLTjRpU2NGZmR2UT09>

*If needed, the Meeting ID and Meeting Password are provided in the join by phone instructions below

Public Meeting Participation - Join by Phone

- **Call 1-646-558-8656** *charges may apply depending on service provider
- **Enter Meeting ID: 972 8816 1263 followed by #**
- **Attendee ID: no ID needed - press #**
- **Enter Meeting Password: 523805 followed by #**
- **You will now be connected by voice only to the meeting**

Participation Process

Upon remote access or call-in connection to the meeting you will be placed in the "waiting room" until the Budget Committee Chairman admits you into the meeting and advises those attending of the participation process.

Thank you in advance for your patience and understanding, this is a new way of meeting and we will do our very best to accommodate everyone's right to participate.

Town of Eliot

Budget Committee Meeting

April 22, 2020

Budget Committee Members: Donna Murphy (Chair), Jim Tessier (Vice Chair), Denny Lentz (Secretary), Brad Hughes, and Diane Holt. Not present: Janie Wang and Ed Strong.

Call to Order:

- Meeting was called to order @ 4:00 PM by the Chair (video streaming was used).

Public Comment:

- No members of the public present.

Approval of Minutes

- Motion by Brad Hughes, second by Jim Tessier to approve the February 19, 2020 minutes as amended. Vote 5-0.

Article 31 discussion and recommendation

- The Budget Committee discussed the Town Manager's request for \$200,000 from the Undesignated Fund Balance to have funds available due to COVID-19 related expenses. Discussed concerns that the Town Manager did not provide a written explanation of areas of the budget that may be affected. Reviewed the memo and made amendments. Discussed looking at reducing expenses.
- Motion by Jim Tessier, second by Diane Holt to approve the memo to the Town Manager and Select Board to be considered at the April 23, 2020 Select Board meeting as amended. 5-0 to approve by roll call.

William Fogg Library, Memorandum of Understanding

- Discussed not supporting the Town taking over the salary, wages, and benefits for the library. The library is looking to get salary and wages similar to Town employees. Discussed if there is a MOU to support also including the Town in having some say over the costs. Jim stated that at the March 12, 2020 Select Board meeting there was some talk of having the MOU placed on the November ballot. The discussion was to propose the Town pay the operating expenses including salary and benefits, and the library to pay the building costs.

Budget Committee member reports

- Jim stated that he and Brad met with the Town Manager and Treasure to work on the format of the CIP and make some revisions. They have made progress and one the format is finalized we can talk about the numbers.

Adjournment

- Motion by Denny Lentz, second by Brad Hughes to adjourn. Vote 5-0 to adjourn by roll call.

Respectfully submitted,

Donna Murphy, Chair

Date Approved: April 29, 2020

Dennis F. Lentz, Secretary

DRAFT

Date: April 22, 2020

To: Town Manager and Select Board

From: Budget Committee

Re: Town Meeting Warrant Article #31

At the April 9, 2020 Select Board meeting the Town Manager presented Town Meeting Warrant articles for Select Board final approval including Article #31 which had not been presented to the Budget Committee for recommendations as required by Article 6, Section 6.5 of the Charter, which states “The recommendations of the Budget Committee shall be reported to the Select Board prior to final approval of the budget by the Select Board”. The Budget Committee had not even been informed of this proposed change until after the Select Board meeting. Now the Town Manager has asked the Budget Committee to meet to vote on a recommendation.

Article #31, as written requests authorization for up to \$200,000 of COVID-19 related expenses. During its deliberations, the Budget Committee felt it could not support the question as written because it did not define what might be considered COVID-19 related expenses.

The Committee, therefore, feels that the Town Manager needs to provide the Budget Committee, the Select Board, and the citizens of Eliot what he feels might fall under this article before it can be approved.

The Committee requests that the Town Manager provide a plan that will identify specific revenue and expense items that may change, including non-essential spending that could be deferred to offset any potential revenue losses.

Respectfully,
Donna Murphy, Chair
Jim Tessier, Vice-Chair
Denny Lentz, Secretary
Brad Hughes
Ed Strong
Janie Wang
Diane Holt

JUSTIFICATION FOR REQUESTING THE POSSIBLE USE OF UP TO \$200,000 OF THE TOWN'S UNASSIGNED FUND BALANCE (SAVINGS ACCOUNT)

4/24/20

Question #33 of the ballot to be voted upon on July 14th asks voters if they will authorize the Select Board to use up to \$200,000 from the Town's Unassigned Fund Balance (UFB) for unanticipated costs associated with the local response to COVID-19. In order to use any of this money, the Select Board would have to unanimously agree by vote at a public meeting.

- We believe that certain expenses associated with COVID-19 might arise next year, though much of the "pinch" will happen between now and the end of the fiscal year (June 30,2020). There is a fair amount of agreement that the virus could return late this fall, so we are thinking ahead.
- This year, as Town Manager, I have put a freeze of major capital spending. For example, we will be deferring some paving to make sure we have adequate cashflow. For the balance of this fiscal year.
- Most people may be unaware that the Town also takes out a line of credit each year, called a Tax Anticipation Note. Usually, twice per year, right before tax payments are due, the Town has low cash flow and we use the \$2,000,000 TAN line of credit. As soon as taxes begin to come in, that line of credit is paid off.
- Last year, we added about a million dollars to our UFB, and have added to UFB each year since 2014. We now have an "fully adequate" UFB of \$3,500,000. Annually, we try to budget incoming revenues conservatively, and routinely have some unspent appropriations. This means that the Administration feels that we inherently build a budget meant to sustain some "hits."
- Recently, the state and federal governments have provided several stimulus programs to help people facing unemployment. More stimulus money is probably coming, which may help mitigate local impacts such as food, rent assistance and utilities.
- We anticipate that our General Assistance budget (Welfare) which is only \$20,000 in the budget could be very significantly effected. Even with stimulus money, long-term unemployment may drive up our costs to help our residents.
- We anticipate that a program called Municipal Revenue Sharing will have to reduce the amount that towns and cities receive from the State of Maine, as the revenue is based on a portion of sales tax, which of course is drying up nationally. The extent of this reduction could be \$100,000 of the \$378,000 we have budgeted.
- Further, we believe that at some point, one or more deep sanitation cleanings may be required at Town Hall, Public Works, Police Station or Fire Station, should any employee be found to have the virus. Police cruisers may also need sanitation services.

- Staff are asking that we make certain building adjustments such as taller plexiglass shields between customers and clerks; other minor building modifications / signage may be necessary to ensure social distancing.
- We are already in the process of purchasing remote-meeting capable laptops for our “virtual” Select Board meetings (\$10,000+). We are finding that we need to pay monthly subscriptions to programs such as Docu-sign and Zoom Meetings.
- At this time, the Town does not plan to lay-off or furlough employees. If the virus goes on into the fall, we anticipate having to pay unemployment to certain staffers who are deemed non-essential.
- Currently, property taxes are being well-paid by our residents, but again as we enter the period for November tax payments, we may see people struggle to pay that half of their taxes. The use of UFB will help us in that event.