

Town of Eliot

Budget Committee Meeting

May 14, 2019

Budget Committee Members: Donna Murphy (Chair), Jim Tessier (Vice-Chair), Dennis Lentz (Secretary), Ed Strong (via Skype), Brad Hughes, and Janie Wang. Noah Lemire unable to attend due to work. Donna Murphy arrived at 6:11.

Call to Order:

- Meeting was called to order @ 6:00 pm by Jim Tessier, Acting Chair (video streaming was used).

Public Comment:

- No members of the public present.

Approval of Minutes

- Motion by Brad Hughes, second by Ed Strong to approve the March 12, 2019 minutes as amended. Vote: 4-0 to approve. Janie Wang abstained due to not being present at March 12, 2019 meeting.
- Motion by Brad Hughes, second by Ed Strong to approve the April 9, 2019 minutes as amended. Vote: 5-0 to approve.

Discussion on library subcommittee goals and objectives

- Brad stated Mr. Pomerleau had a concern with any members of the Budget Committee being involved to that level with the Library and their budgeting. Janie spoke up and said we are not helping them prepare their budget, we are helping them to understand what life is really like and that they need to start working on some way to become more independent. Janie stated we are going to draw that line about strategically helping them versus us telling them what to put in their budget. Brad stated he had concerns about being independent and closely working with them on their budget. Brad stated we have to maintain the appearance of being independent. Jim stated he agreed with Mr. Pomerleau's concern that we don't want to cross that line. We don't want to be perceived as helping them develop their budget. Jim thinks that in his and Janie's discussions, the library has recognized that the amount they are taking out of trust fund is not sustainable long-term. They recognize that they don't have, and have stated they don't have any long-term plans for how to finance the library and would be open to further discussion. In the information they provided at the beginning of the budget process Lydia, the Library Director, she laid out a plan that if the Town appropriated \$180,000 this year and raised it by 5% each year, in 2025 that would be \$241,000 a year.

Jim stated it was a lot of money in his opinion. Last year at the Citizen's Option meeting they voted to increase the library by \$10,000. It was only approved by two votes. At this year's they recommended adding another \$10,000. The Budget Committee is recommending \$170,000. The Citizen's Option is \$180,000. Jim would like to see the Library Director recognize that the Town's residents might not be too receptive to pay above and beyond what they are getting out of the trust fund and other fees. Donna questioned if they had discussed the separation of costs between the Fogg House and the library. Jim stated no. Donna stated there is a cost for the Fogg House. Denny stated they were lumped together. Donna stated that they are two different entities. Jim stated he doesn't know if the Library Trustees see it that way. Brad stated they don't. Jim stated that Trustees are running the house and the library as part of their responsibilities. Doesn't think they attempted to break them out. Brad asked how the Trust sees it. Denny stated that Lydia has said that the house will be the number one priority. The Library comes second. Ed stated that they should approach a lawyer and go back to Court to get the document changed to allow to raise money to sustain. Denny stated you can see a change in their thinking. In the last month all their documentation has been changed to say the William Fogg Public Library before the word public was not in there. Donna stated they do charge for some things and the hope is not charge someone for a library card. Jim stated that in the Trust document it does say to establish a free library. A few months ago the Kittery Library called themselves a free library. The Mason's call themselves free. Was the definition of free different then than it is today? It would be reasonable to ask them or get additional information what the meaning of free was back then. Donna stated that they would like to be treated as Town employees. They would like insurance, they would like the Town to fund it. The other side is they have been clear that they don't want the Town to have any say over their operation. They need to decide what they want to be and that is not our decision to make. The Town is not going to make the decision for them. Jim's impression was they felt like that was a pipe dream that in a perfect world it would be fantastic if the employees were Town employees. They have never given indication that they were going in the direction. Brad stated we have heard enough times they want to be paid like the Town employees. Therefore, they are asking for more money to support that. Donna stated they have to make the decision where they want to go and have the Town vote on it. Jim stated it isn't likely they are going to have both. Stay independent or become a Town department. Ed stated the question that arose is your actions and Ed doesn't have a problem with what Jim and Janie are doing. Jim stated it doesn't hurt for someone to say, you are subcommittee and don't cross the line. Jim doesn't want to be perceived as part of the library. Janie feels the concern is overblown. We have a good relationship. They have not asked, what do you think we should do with the finances? Brad stated as long as they understand appearances are everything. Donna stated it is not our place to direct them on their financial plan. Jim

stated we have a pretty good understanding that the amount they are taking out of the trust fund is not sustainable and if they keep down this path, they will ultimately deplete the trust fund unless there is more infusion of money. Only about half the money in the trust fund came from William Fogg. Someone else donated \$300,000 and someone donated \$100,000. Those additional infusions have helped. Jim stated they do fund raising and charge fees that helps. Janie stated they will never charge enough to cover them. Janie stated what are they thinking for the next ten years? What are they going to do if they deplete the trust fund? Are they going to become a Town library? Our role is to ask questions. Denny stated they know they need to put together a plan. It is not sustainable to keep asking the Town people for more money. Janie stated that if they do not have a ten-year plan maybe it is time to create one. Donna stated there has been some conversation about hiring someone to do a plan for them. Jim stated their plan is to add an addition. Right now the estimate is \$500,000. They plan to raise the money to build. They acknowledge there will be electric and heating costs. They don't have enough revenue to cover their costs now. It will require additional money coming out of the trust fund. Jim stated that they haven't stated it but based on information from the library director, their plan is to get more and more money out of the Town to cover the costs. Donna said they have stated this. Jim thinks that when we say what is your plan, they are happy to say it is to get more money out of the Town. Jim would like to see if they are willing to entertain more options. Their definition of free is that they can't charge. Donna stated that they do charge for people to use the space. It would be good to hear their view of charging here but not there. Janie stated it is the access to core services. Denny discussed their intent to take more and more from CSD. Donna asked if they were talking about some of the activities that CSD did in the past. Example was the ice cream social fundraiser. Jim stated they have stated at some of their meetings they have taken over some of the responsibilities of the CSD. Jim stated they did not detail. Denny stated they have plans to expand. Jim stated realistically you look at their budget. They are taking out \$30,000-40,000 more than they can sustain. If they did something different to raise money and not take as much from the trust fund they could look at it being sustainable and growing. Jim hoping to facilitate have you given any thought on how to raise \$20,000 or \$30,000 to not take so much out of the trust fund and say what they will say. They are so focused on that it is a free library. Ed stated they don't want them taking fund raising from CSD. Donna asked about a plan to raise money to replenish the trust fund. Jim stated the Friends are raising money for the addition and unless there is direction from the Library Director and the Trustees to put money in the trust it goes to the addition to the library. The thought process is to raise \$500,000 for the addition not \$500,000 into the trust. Brad asked the goals and objective for the subcommittee. Janie stated understanding what their long-term plan is. Jim is correct with the increases they are asking for they are going to run out of money in the trust fund. Donna stated they can't touch 50% of the money in the trust

fund. Denny stated that Donna is right, Peter stated that. Denny believes they have five or six years left at the current draw. Denny asked Janie to restate the goals. Janie stated the goals are to understand their long-term strategy financially with regards to the trust fund. We know they are going to deplete the trust. They have never addressed what they are going to do when the trust is depleted. Even with the increased amounts they are requesting they are not going to cover it. Based on those projections they are hoping that the increased from the town will offset the increase in spending on the salaries. It doesn't cover the \$40,000-\$50,000 from the trust. Janie stated the trust is not growing. Jim stated it has to be invested in conservative things. Jim stated based on information from Lydia, the total payroll is \$175,000 and increase to \$225,000 in 2025. Increasing \$50,000. Projected from Town \$180,000 to \$241,000. Jim stated his understanding for goals is trying to understand where they think they are and trying to helping them understand where they are going is not sustainable long-term. Janie questioned why there is an urgency for raising money for an addition and not fund raising for "hey we are going to run out of money". Ed stated Janie is right they are raising money for an addition they can't afford. Brad stated the fine line they have an understanding of their goals. Brad stated that being the case, why are we still involved with them? Now they are having discussions on why the plan isn't going to work. It is getting more involved in long-term plans and is that where we want to be? Jim stated ten years down the road they will have depleted the trust fund. The two options are to close down the Library or have the Town take over. Jim stated he would rather not be part of the discussion ten years from now. Brad asked if this was appropriate? Jim stated it is appropriate to ask the questions and not give the answers and get them to think. Janie didn't feel that we do have a clear picture on their long-term plan. Hoping to get to the point we have the picture and don't need to go anymore. Because they don't have picture, we can't have a picture. Jim stated he and Janie feel that the Library Director and the Trustees don't have a long-term plan. Donna had a discussion with Lydia as a citizen and suggested they hire someone to look at a long-term plan. Brad stated the question is to ask do you know where you are going and how are you going to get there. Asking not telling. Jim stated you could ask if they have thought about developing a plan. You are taking more out of the trust than can be sustained have you thought of plans to bridge the gap. Donna stated we can't advise them. Brad asked why we haven't done this with the CSD. Donna asked if Brad wanted to be on a subcommittee for this. Jim stated they have tried not to cross the line. If we are there and interested it will help the Budget Committee to understand them. Jim is going with this intent. Keeping the lines of communication open is helpful. Jim would hate to see them run out of money. Janie stated at the end of the day they will submit the budget they want. Denny discussed what if they come back and ask for \$200,000 what do we base our decision on. Jim discussed the vote. What if it is shot down? We could make the case, the Library is a valuable asset, but the Town has limits what they can

contribute. Denny asked if we take a stance and stated an amount. Jim did not agree. IF the Town doesn't support the increase what is the plan. Donna discussed the vote and the two lower numbers were the majority last year. Do you place a question on supporting the library with a clearer question? A no vote reverts to last year's number. Brad stated people are supporting but only so far. Jim felt after the vote they will have another data point, not a definitive answer on what the Town will support. Jim and Janie do not have another meeting scheduled. Janie suggested waiting until after the vote and have a Budget Committee meeting to discuss. If the Budget Committee agrees to schedule a meeting.

Discussion of recent Town mailing regarding information on budget items and discussion on Budget Committee informational mailing.

- Donna stated she spoke with Dana last week and was surprised to get the Town mailing on the budget as it was the understanding that the Town Manager and the Budget Committee would do this together and each fund half. There was a spin on items. Ed agreed. Donna spoke to the Town Manager and made it clear that the Budget Committee would not fund it. The Town Manager's reasoning was that he had to do it in a hurry. Donna noted that the Town Manager's notes that were presented at the Select Board meeting this past Thursday that he started working on this a month ago and there was nothing that prevented him from getting the Budget Committee's input. Does the Budget Committee want to do their own mailing? There are several differences. Ed questioned if there is enough to do a mailing. Discussed the differences. Janie did not feel it was worth it and suggested posting on social media. Donna stated if she had time, she would hand out at the Transfer Station. Need okay from the Town Manager. Haven't used any of the budget. Last year we were to pay for half and Dana used all of the money due to overspending in Admin. Purpose is to offer counterbalance to the Town mailing. Janie felt it would be confusing. Brad stated it needs to be specific with the differences. Donna stated we would be handing out what was handed out at the Citizen's Option. It has already been approved and reviewed for bias. Agreed no mailing. Will see if some can be left a Town Hall and social media. Post to EOL. Discussion on having mailings needing to be vetted for bias. Janie will put it on Facebook on Citizens of Eliot and Parents of Eliot.

Discussion of Budget Requests and information need to support requests.

- Denny handed out an explanation. Denny stated there are purchasing policies. Should we review and for example insist on three bids. If we don't do that, we don't have the same information and when it goes to the Select Board they ask for money and the numbers are not justified with what they are requesting. Donna asked if this was interfering with policy. Denny and Ed felt it was not. Denny does not like making

decision on a guesstimate and we need real numbers. They should be showing with real numbers that things are increasing. If you want more show us. Donna stated we sent a memo that we would not be inclined to approve any new positions without documentation. Ed gave example of generator. More was budgeted than was needed and should have had bids prior to request. Denny gave example of painting at the Boat Basin. Jim stated getting more solid data is needed but maybe not through a formal RFP because that means you are going to award it. Ed stated you can get an estimate. Brad stated in the past for the most part they have gone out to get estimates. Denny stated it isn't consistent. Brad agreed. Brad stated there should be parameters. Jim agreed setting parameters for example something over \$10,000. Brad did some research regarding the new positions trying to find some documentation or justification. Document to hand to the Town Manager saying this is what we need if you are asking for new positions. Brad stated he hopes it is a long way out before he asks. Brad handed out an outline of what we should ask if they want a new position.

LD1

- Jim stated at the last joint meeting with the Select Board the Town Manager was not following the State guideline on how to determine LD1. The Town Manager stated he would provide us a response and Jim assumed that it meant fairly soon. However, at this past Thursday's Select Board meeting there was also the public hearing for the Town meeting warrants and on number three which is talking about LD1 it specifically states the final limit cannot be calculated until late summer which is exactly the issue Jim raised two months ago at the joint meeting. Jim asked the Town Manager if he had re-calculated LD1 and why this wasn't fixed? His response was that he didn't have enough time to make the change. The whole purpose of the meeting was to change the warrant. If the Town Manager could make changes from the Citizen's Option meeting, he probably could have stricken this one line. He could have had the Assessor do the calculation and had the information available at the public hearing but he did not. He still did not determine an accurate number for LD1. Jim feels that is a really important number the citizen's ought to know before they vote. The Town Manager did not give any indication he was planning to do that. Jim asked should we be asking the Select Board to direct the Town Manager to provide an accurate number to the voters. Too late for this year. The ballots are out. Jim stated the ballot states the number cannot be calculated until late summer. This is not true. He could have a handout. Question if people understand LD1. Brad stated the real number is \$116,000 and the Town Manager is using \$129,000. The Select Board is over LD1. Jim stated the Town Manager could have directed the Assessor to calculate it and she could have done it in the two months. Jim asked if we wanted to do anything. Suggested adding a line on the hand out. Jim stated it would be more appropriate from the Town Manager. Brad stated he would do a write up. The Committee agreed to add to the hand out to list the real number.

Budget Committee member reports and comments

- Congratulated Janie on her award and trip to Washington DC. Jim stated the Solid Waste Recycling Committee responded to the Select Board considering Household Hazardous Waste. The Committee is not convinced that any change in policy is warranted at this time. The Select Board agreed with that. The town will not be paying for hazardous waste and the \$6,000 budgeted should be ample money. Donna stated the \$6,000 should drop through to fund balance and hopefully not spent elsewhere.

Adjournment

- Motion by Ed Strong, second by Denny Lentz to adjourn at 7:27. Vote 6-0

Respectfully submitted,

Donna Murphy, Chair

Date Approved: July 9, 2019

Dennis F. Lentz, Secretary