

# Town of Eliot

## Budget Committee Meeting

### January 5, 2022

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#### **Call to Order:**

- The meeting was called to order @ 5:02 PM by the Chair.

**Budget Committee Members:** Donna Murphy, Brad Hughes, Denny Lentz, Ed Strong, Diane Holt, Jean Hardy and Reggie Fowler. Ed Strong and Diane Holt (in Florida) and Jean Hardy (at home) attended via Zoom. Reggie Fowler joined the meeting at 5:23.

**Public Comment:** No members of the public were in attendance; no one joined via Zoom during the meeting nor did anyone call in during the meeting.

#### **Approval of Minutes:**

- The minutes of the December 8, 2021 meeting were reviewed. Donna had edits to Lines 42, 57, 66 and 132. Ed motioned to accept the minutes as amended, and Denny seconded the motion. The motion carried 6-0 by roll call vote.

#### **Budget Review:**

- Jean opened the discussion citing her dissatisfaction over the fact that Mr. Sullivan, Town Manager (the “Manager”) referred to the Budget Committee as the “Budget Advisory Board” in his Summary Report under Tab 2 in the budget book. She would like to see that changed to “Budget Committee”. Denny and Donna agreed that was an accurate correction.
- Ed commented that the Town Manager’s letters/memos were more lecture than anything else. Donna responded that perhaps, but also noted we all know that in texts, emails and the like that presumed tone is not always representative of what is intended by the writer. She added that we do have a joint meeting with the Manager and the Select Board next week, so let’s just wait and hear what he has to say then.
- Ed asked for the date and time of that meeting, as he left his budget calendar at home. That joint meeting is January 12<sup>th</sup> at 5:30 PM, with a follow-up joint meeting at the same time on January 27<sup>th</sup>. Ed asked if Donna has received a revised schedule of meetings from the Manager, to which Donna responded yes, and we will go over them later. Ed asked Donna to email the original budget calendar to him, Jean asked for a copy as well.
- Brad then opened with a discussion of his review of the budget, noting his approach is always to look at each individual budget and focus on the right-hand column which calculates the difference between last year’s budget and this year’s budget. Any material differences are noted. Brad said he has a few type-written pages of comments and questions, but he felt that going over those tonight would not be constructive since he felt the Town Manager would address nearly all of them next week. For example, Brad was certain the Town Manager would have an explanation for the increased Paving budget of \$1,000,000 under Capital Improvements, when annual budgets have historically been around \$500,000. Brad further stated that nothing “wagged his tail” on his first pass, so he is inclined to wait to see what the Town Manager does for his presentation. But he does want to see the LD1 limit calculation from the Assessor. We have been told what that is, but Brad wants to “trust but verify” this year. Brad also mentioned that he expected budgeted electrical costs to be reduced this year because

of the solar array contract, but none have been reduced. Denny agreed, noting that he has been asking that question as well, but been told that decreases would not be reflected until the third or fourth year of the contract with the builder of the array. Jean felt we should see a decrease immediately, but Brad explained that the agreement was that the builder would garner those savings initially as part of the agreement with the Town of Eliot.

- Ed expressed disappointment that there were no opening letters or memos from Department Heads discussing their budgets, as we have been given in past years. Donna again noted that the new Town Manager has adopted this approach where he discusses the department budgets with the Department Head, and the Town Manager will present those to us. In the past Department Heads presented their budgets to the Select Board and the Budget Committee. Donna further said she would like to do what Brad suggested and wait to hear what the Town Manager has to say next week. This is his approach, and perhaps we can tell him these letters were most useful to us if his presentation lacks in any way. Diane said that she knows Steve Robinson (DPW) wrote a summary report for the Town Manager, so she agrees with Donna and Brad – we just need to wait and see what the Town Manager presents to us.
- Denny noted that he thought the letters we did get were outstanding, especially the one from the Planner. He also noted that the Town Manager met with his department heads and others, but did not attend any of our meetings (after having been invited twice). It would have been nice to hear his philosophy, etcetera first hand. Donna said that would have been nice, but the Town Manager started on November 1<sup>st</sup> and came from another state, and had lots to learn and become familiar with in a very short period of time. Denny agreed this was a very good point.
- Jean brought our attention to Public Works, stating their budget was increasing \$65,000. After some discussion it was determined Jean was looking at a “budget brief” which listed several budget items and the budgeted increase for this year. In actuality, the Public Works budget was only increasing \$4,300 (Page 3 Tab 10).
- Brad then focused on the Workers Compensation line item, which was near the end of this budget on Page 3, noting that there is not budget for this in this department, while last year the budget was \$10,580. He further noted that the Workers Compensation budget under Admin increased considerably, yet budgets for this item is zero dollars in all other departments. Is this all being budgeted under Admin this year? We will have to wait for the Town Manager presentation to find out.
- Jean then focused on the Winter Roads budget, noting variations in budgeted and actual amounts for Salt. Brad explained about a prior agreement in which we agreed to level budget Salt each year, and in years where the Town did not spend the budget, the difference was to be put in a Salt Reserve account for use in years where we spent in excess of the budget. This is a difficult cost to budget. After further discussion it was determined we need to again ask for a list of Reserve Accounts and their balances as of July 1, 2021.
- Donna expressed that she wants to determine what the Town Manager’s philosophy is regarding non-union wage increases. During the discussion she noted that employee wages are important, this is the reality of the job market and available, qualified employees are difficult to find. Brad supported that thought, and noted that we had been informed that the Treasurer, Jordan Miles, will be leaving Eliot for more gainful employment.
- Donna then wanted to discuss our budget calendar for January. We have the joint meeting next week (January 12<sup>th</sup> at 5:30 PM), and there is a follow up meeting with the Select Board on January 27<sup>th</sup> at 5:30 PM. This is a Select Board meeting we are invited to attend to discuss the budget. Brad asked about January 19<sup>th</sup> – we are scheduled to meet at 5:30 PM in the calendar –

do we want to meet and generate questions after the Town Manager presentation on the 12<sup>th</sup>? It was agreed we would meet in hybrid environment at 5:00 PM on the 19<sup>th</sup>. We are also scheduled to meet on January 26<sup>th</sup>, but it was agreed to keep that open at this time.

Therefore:      Next meeting is January 12<sup>th</sup>, 5:30 PM with the Town Manager and Select Board, hybrid meeting  
                     Budget Committee meeting on January 19<sup>th</sup>, 5:00 PM, hybrid meeting  
                     Potential Budget Committee meeting on January 26<sup>th</sup>, time to be determined  
                     Select Board meeting on January 27<sup>th</sup>, 5:30 PM, hybrid meeting

- Denny asked about what our plan is regarding the Library MOU. He noted that the Town Manager has taken time to tour the library and meet with the staff, but he wonders if the Manager has reviewed any other materials concerning the matter, so when would be a good time to issue our letter?
- Brad responded that he thinks we should hold off and hear the Manager's presentation on the library budget and see how things unfold from there. Brad said we need to get this on the ballot, and certainly we need go address this before March, so maybe address this again next month.
- Denny said that this is not an issue of numbers, but still the same issue that the library is not a town department and the issue of oversight. He further said this really is an issue that should come from the Select Board. But yes, February is good with him.
- Jean asked if there is any control over the use of funds the Town provides to the library, is there a legal hook here. Is there some documentation about this arrangement? Reggie offered that someone at some point agreed to this funding, does anyone know how this started? Donna informed the group that years ago the library asked the Town to help with a shortfall in the monies generated from their investments to cover operations and asked the Town to cover that shortfall (thought to be about \$40,000). It has progressed from there to nearly \$250,000 at this point. She noted that reasons for this are that staff has been added, wage and benefit increases have been given, and programs have been expanded. Donna also discussed what has occurred with the library budget request during the Citizens Option Meeting when the Select Board and Budget Committee did not recommend the amount requested by the library. Nothing further was discussed on the matter.
- Ed asked what others thought of the Manager's statement that no monies would be taken from the TIF to offset salaries, wages and benefits of Town employees who spent a fair amount of time on TIF matters. Brad said he was not happy about it, but let's hear what the Manager has to say next week. Answering an inquiry, Brad explained the historical treatment in the budget for this service provided to the TIF. Ed offered that last year this was approximately a \$125,000 burden that was supported by the TIF, and not the taxpayers, and that State officials have approved this assessment. Reggie wondered what authority the Town Manager has to make this decision, is this not a Select Board decision? Further, he noted that the Tax Assessor explained to us that the TIF is a resource to the Town, and he does not understand why we are not using it. He would like an explanation to why another approach makes sense. Donna said this will probably be discussed during next week's meeting.
- This ended budget discussions.

**Budget Committee Member Reports/Comments:**

- Jean revisited the fact that Ed was not invited to participate in union negotiations (as a member of the Negotiations Committee), and the Town attorney presumably finalized the Police union contract. The Negotiation Committee was excluded from this. As far as she is concerned this is not a valid contract. Ed said at this point he is ready to call the State Attorney General about this matter. Jean felt we should bring this up at the joint meeting next week. The Town Charter dictates how this town is run, and the Town Manager has overstepped his authority here. Ed still has not received any updates, so he is uncertain where the Police and DPW union contracts are at this time.
- Denny had a question concerning how and where in the budget monies were allocated from the TIF for salaries, wages and benefits in the past, and it was explained.
- Donna wanted to know how the group wanted to meet next week – Zoom or hybrid? Consensus was to hold a hybrid meeting.
- No one else had any reports or comments.

**Adjournment:**

- Motioned by Ed, seconded by Brad to adjourn. The motion was approved 7-0 at 6:12 PM. Our next meeting is currently scheduled for Wednesday, January 12, 2022 at 5:30 PM at Town Hall. This is a meeting to be conducted by the Town Manager, who will present the budget to the Select Board and the Budget Committee.

Respectfully submitted,

*Donna Murphy*, Chair  
*Brad Hughes*, Secretary

Date Approved: January 19, 2022