

Town of Eliot

Budget Committee Meeting

February 16, 2022

Call to Order:

The meeting was called to order @ 5:00 PM by the Chair.

Budget Committee Members: Donna Murphy, Brad Hughes, Denny Lentz, Ed Strong, Diane Holt, Jean Hardy, and Reggie Fowler. Ed Strong, Diane Holt, Jean Hardy and Reggie Fowler attended via Zoom.

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 February 9, 2022 meeting were reviewed. Diane did not receive the email either from Brad or Donna. Donna noted two changes, one to Line 162 (s/b \$75,000) and one to Line 174 (s/b not). Ed motioned to accept the minutes as amended, seconded by Denny. Motion carried by a 6-0 roll (Diane abstained since she did not review the minutes).

Contract Negotiations

- The Town Manager forwarded what termed as an MOU of contract terms with the Police Union (three years from 7/1/2021 to 6/30/2024). Ed noted that not only is there a pay increase, but one with a bonus of \$1,000 (which amounts to 48 cents per hour). For the period beginning 7/1/2021, this is added to their base pay then a 2.5% increase in wage is computed thereafter. After some discussion it was agreed that this is retroactive pay for FY 2021-2022. In addition, a \$500 bonus will be added to base pay on 7/1/2022 and a 2.0% raise thereafter. The final year provides for a 2% increase with no bonus attached.
- Brad noted that we did budget an increase for the 2021-2022 increase into the Wage Reserve (although no provision for a bonus was included). The Town Manager budget for FY 2023 includes an approximate 5% increase in wages, so we need to ask him for a recalculation of the budget increase. It was agreed to include this in our follow-up questions.
- Ed asked if we have requested a copy of the final contract. Donna responded that we have not, since it is not approved by the Select Board, but we will ask for the finalized contract in our follow-up questions.
- Jean wanted to know what these raises plus the bonuses amounts to as a percent increase over their current pay. Both she and Ed noted that this bonus, being added to base pay, compounds the actual pay increases over this period.
- Brad wondered if this bonus had anything to do with the cost of uniforms treatment Ed discussed during our last meeting. No one thought this to be the case.
- Jean followed up on Ed's question stating that not only do we not have a copy of the contract, we were not part of the negotiations of the contract, to which Donna asked if we should not wait for that contract and then continue our discussions. Jean said her point is that this Article 2 (Wages) calls for increases of 2.5%, 2% and 2% and bonuses of \$1,000 (2021) and \$500 (2022) and Article 4 (Uniforms) calls for an increase of base pay of \$1,500 in FY 2022. The Town will no longer pay for uniforms and it will be the officer's responsibility thereafter to buy their uniforms.

- Ed opined that this is crazy, unlike anything he has ever seen in all his years in law enforcement. Donna again suggested we postpone discussion of this to another time. Jean asked what if the Select Board approves this? Ed felt that they already have approved it, to which Jean noted her dissatisfaction. She further stated that, if that is the case, we have not participated in negotiations the way we are supposed to according to the Town Charter, and that makes this contract illegal. We should complain, in writing, to the Select Board and see if we can enforce this. Reggie responded to that saying that would then make us the bad guys. Ed said that the whole point is that the Charter has not been followed since October (2021). Reggie said they (Select Board and Town Manager?) are using us as a pivot – we complain, they let us back in, and then blame us. Jean asked what is the solution, to which Reggie said he did not know.
- Donna said the Select Board is aware of our dissatisfaction over being left out of negotiations because she wrote a memo to them when Ed first brought this up. Ed said he also sent an email to the Select Board and the Town Manager.
- Donna again stated that we are not going to resolve this tonight.
- Brad then said to the group that we have a budget to approve and that is priority number one at this time. He then suggested to Jean and Ed that if they did not feel is not right, then they should provide the Committee a budget they feel is right. We then can discuss what to do about the contract terms and the violation of the Town Charter after that. Discussing this now is getting us nowhere. We have a limited amount of time to finalize our budget recommendations to the Select Board.
- Ed said he cannot do that (provide a budget) because he was not part of the negotiations. He further said that we were blocked from negotiating a contract that is probably the most expensive one ever, and we are being blocked out of negotiations of the other open contract.
- Denny wanted to know if this is documented, to which Donna replied yes, and Denny said then he agrees with Brad – either we agree with the contract terms or we do not, and, if we do not, then by how much?
- This ended the discussion.

Reserve Accounts:

- This is on the agenda because Ed said we should look at them at the last meeting, to see what was left in the balances.
- Brad said he did not see the Salt Reserve on the list he printed (part of the TM response to our original questions), but both Denny and Diane said it was on theirs. Diane said the balance was about \$183,000, and Brad thought that would be what he thought it should be. No further discussion.

Budget Review:

- Donna asked where we should start. Brad thought we should go down through our follow-up questions we will submit after this meeting to the Town Manager, and decide on each one what our recommendation will be without a response from him. If we do get a response and we agree with that response, we can then change our recommendation next week. But for now, let's determine what we might propose, Brad will put those recommendations in the Budget Reconciliation Worksheet we have used in the past, and get that out to Committee members in the next few days.
- Donna then went to our draft Follow Up Questions and read each one to the Committee.
- Question 1 – Sewer Admin Fees – there is no budget impact for this item.

- Question 2 – Pay Per Bag Revenue – there is not budget impact for this item.
- Question 3 – Admin Travel & Training – Donna felt that if amounts are proposed, then they have to have come from somewhere, and if the TM does not want to share that, then she can't support the requested budget. She suggested we go back to the prior year budget, and all members agreed. A potential \$3,675 decrease in the budget.
- Question 4 - Admin Advertising – again, no data. A potential \$1,800 decrease in the budget.
- Question 5 - Admin Software Licenses – There is a question of the use of NearMap software (\$4,000), so that is a minimum adjustment. Getting no response for more details could lead to a \$24,000 reduction in this request.
- Question 6 - Admin Electricity (and including Fire and Police) – Brad had developed a spreadsheet showing current year actual expenses, which supported his and Denny's contention that CMP invoicing is reduced because of the landfill solar array. After a review of the data in that spreadsheet, it was agreed to double the current year expenses, increase that by the 40% CMP thinks its rates will increase, and use that as a budget for 2023. Brad will calculate that and put it in the Budget Reconciliation Worksheet. All agreed.
- Question 7 - Admin Workers Compensation – Brad had developed a spreadsheet detailing historical WC costs for the Town, by work center, and, in that spreadsheet, he averaged the last two years' actual costs and proposed that be the budget for the 2023 fiscal year. We are asking the TM to give us this information based on actual WC rates being charged by the insurer. Lacking that we will use Brad's spreadsheet numbers. Brad asked for the opinion of Committee members because this is an accounting consideration, and does not impact the overall Town budget. Donna said that compliance in this manner has been cited in other cases, why not this one? All agreed. The cost of other than Administration will be removed from Admin and charged to the other departments, per Brad's spreadsheet.
- Question 8 - Advertising Hearings & Elections – nothing was decided.
- Question 9 - Gasoline (CSD) – Brad had noted that this MSAD35 cost had never exceeded \$3,000 in past years, and unless we were provided a proposal from MSAD35 which showed \$10,000 as a contract cost, we would reduce this budget to \$3,000, maybe increase by inflation.
- Question 10 - Police Wages – Brad will calculate what the FY 2022 and 2023 amounts will be based on the terms we have been provided, and we will use that if we receive no recalculated amounts from the Town Manager.
- Question 11 - Paving – we cannot support the \$1 million request without detail, so we will reduce this budget to \$500,000.
- Question 12 - Revenue from TIF – there is no budget impact for this item.
- Question 13 – Police Cruiser – a potential \$8,000 reduction in this budget.
- Question 14 - Public Works Computer Repairs - - potential \$3,600 adjustment if no response is received from the Town Manager.
- There were no further items to discuss. Donna will send our follow up questions to the Town Manager tomorrow with the Electricity and Workers Compensation worksheets for his review.
- We will make an adjustment to the budget for the TIF support of certain administrative employees based on their time spent of TIF matters, as we have done in past years. Brad's spreadsheet will be used since it is based on percentages of allocations used in the last budget. Jean and Reggie had questions concerning the spreadsheet, which Brad answered.
- Jean asked if we were meeting with the Select Board to go over our recommendations, as we did last year. Donna replied that there is no meeting scheduled, we are just going to forward

our recommendations to them. Jean responded that it worked so well last year, this will be a disconnect. No one disagreed with that.

- Donna had a few more comments. First, Project Share – we are paying for some So. Berwick residents in this program – but not a significant amount. The Aging-In-Place Committee has in their budget payment of a Zoom facilitator and payments to volunteers as recognition of their efforts. Last, the Bicentennial Committee needs to be removed from the budget.
- Donna also mentioned the article in the Portsmouth Herald about the sharing of a new police position with the towns of York and Kittery. There is nothing in this budget for that, and she wants to know where this funding is coming from, amongst other things. This will be added to our follow up questions.
- Denny then told Donna that he thought the letter to the Town Manager/Select Board on the library MOU was excellent, and wondered if she has heard back from anyone. Donna said the Town Manager replied with a thank you. Denny then wondered what our position on the library is going to be in this budget. Brad said he has a suggestion to make, but would rather wait until our next meeting.
- This ended the discussion of this agenda item.

Budget Committee Member Reports/Comments:

- Ed apologized to Donna for being short with her when she called him with a question, but he was in the midst of something. The question surrounded vacation pay to policemen. Ed said that it was changed from a per day computation (10 hours) to 40 hours per week. Donna thanked Ed for the information.
- No other members had reports or comments.

Adjournment:

- Motioned by Ed, seconded by Diane to adjourn at 6:13 PM. The motion carried by a 7-0 roll call vote. Our next meeting is scheduled for February 23, 2022 at 5:00 PM. This is a hybrid meeting.

Respectfully submitted,

Donna Murphy, Chair
Brad Hughes, Secretary

Date Approved: February 23, 2022