

Town of Eliot

Budget Committee Meeting

March 3, 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 23, 2022 meeting were reviewed. Donna noted one change on Line 50. "addresses" was changed to "addressed". Ed motioned to accept the minutes as amended, seconded by Denny. Motion carried by a 7-0 roll call vote.

Budget Review and Final Vote:

- Ed opened the discussion saying that he calculated the increases due each officer under the new contract, and what is in the budget is accurate and does not need adjustment. He also noted that this budget was prepared in December {2021}, so the Town Manager already knew the terms of the new contract back then, so we were shut out of that. He also asked if anyone noticed that the Chief was given a \$10,000 raise before the current 5% increase. Brad, Donna and Denny said yes, that this was done after the Fire Chief increase was approved. Ed pointed out that this was done after the budget was approved. He noted that they had the money to do this from surplus funds in the department, and that the surplus did not go to the General Fund. Jean asked if this surplus was supposed to go to the General Fund, and Ed told her, not necessarily, that the Select Board can and did, approve this use of surplus funds. Ed also noted that there is no need to fund the 2021-2022 increase because the funds are already there, but we would need to fund the DPW increases, which he thinks will be around \$30,000.
- Brad noted that we did make an adjustment to the budgeted wages for the police (Adjustment #19), but we did not vote on it. It was posted in the Budget Committee Worksheet 2022-2023 Budget, however, and needs to be removed (\$16,247) thereby changing our amount to \$1,368,416 for the Police Department.
- Donna then informed the Committee that she followed up with the Town Manager since we had not received responses to our comments/questions dated February 16th, and learned that the responses had been posted on the Town web site and not sent directly to the Chair as is the norm. In her opinion this is once again a show of disrespect to the Committee. Most members did not realize this, but Jean had discovered them on the Town web site, and emailed them to the Committee members. Once all members found that e-mail, we began discussion of the responses.

- Donna began by reading the first question and the response, but Brad suggested that perhaps we should just look at the responses and determine if they might impact our decisions on the budget in the previous meeting.
- Question #1 does not impact our decisions, instead, as Brad pointed out, it is really a non-budget item. It simply has to do with accounting systems – i.e., we budget certain revenue, such as the Sewer Admin Fee, yet we have not collected it in past years. There was a question of the grants for the SRO, and Brad noted that what he was referring to was the portion that was to be paid by MSAD 35 – as of December 31st we have not collected that money. Brad realizes that these are not major revenue sources, as the Town Manager said in his response, but that is irrelevant to the question. Once again, the Town Manager response does not come close to addressing the issue.
- The next issue regarding accounting of revenue from Pay-To-Throw bags was likewise does not impact our earlier decisions, and likewise the response does not address the issue. And, this is not an “enterprise” fund – it is the same as revenue from cardboard, aluminum and paper at the transfer station. Brad suggested that the TM should answer the questions and stop “blowing smoke”. Ed asked if everyone read the Town Manager’s comment concerning his longevity. Donna noted that only one member commented about this, not the whole committee, and how this was unprofessional to include here, especially since these responses were posted on the Town web site.
- The next question, concerning travel and training in administration, once again was responded to but, as Reggie said, the response was ambiguous and did not answer the question. All agreed, and the adjustment of \$3,675 we agreed to last week stays.
- The Committee felt that the question concerning advertising was appropriately answered, and Donna polled the Committee as to whether we should reverse this \$1,800 adjustment. Vote was six in favor, Jean abstained.
- Ed then commented that he has noted that the Town Manager has commented in his responses that any funds not used will be returned to the General Fund. However, he said that last year all surplus funds were rolled over and not left in the general fund. When Brad asked if Ed had proof of this, Ed said that what the Negotiation Committee was told was that the raise was given to the Police Chief came from surplus funds within the department and that policemen raises could be funded from that as well. Reggie asked if there was an unofficial line that formed every year to use surplus funds, to which Ed responded that the Select Board can elect to roll over surplus funds. Jean asked that if funds are rolled into the General Fund, does that reduce the amount of property taxes the following year? Further, if the Board wants to do X, Y and Z can they just roll over funds to do so? Brad and Donna said no, that this is only done in unusual situations. Brad explained budgets, and how things change, and how budgets are impacted. This situation with the Police Chief arose because the Fire Chief was given a healthy raise. It was a judgment call on the part of the Select Board to fund this out of surplus funds. Ed noted the disparity between the Police Chief wages and the Town Manager wages and pointed out how whacky things are.
- Next was Question 5 concerning Admin Software Licensing, and Denny thought this was a logical answer. Ed recommended putting the adjustment for NearMap (\$4,000) back into the budget, and there was consensus to do so.

- Question 6 concerned Electricity, and Ed suggested that this is an unknown; that we should leave it alone this year and look at it again next year. Reggie said he did not really know what to do here given the solar array. Denny was OK with leaving it as budgeted. He also felt that we should inform the Select Board that we did discuss this budget and why. Donna polled the Committee and it was agreed to leave this item as budgeted.
- Workers Compensation was answered by the Town Manager and his total amount for the departments we requested was within \$4,000 of what Brad had calculated. The Committee decided to leave our adjustment as is.
- Question 8 on Advertising solicited some discussion. Ed asked what election changes was the Town Manager anticipating. Brad suggested that he does not really expect any, but given what has been going on in Texas, that it might be prudent to have money available if unanticipated changes occur in Maine. No adjustment was made.
- Question 9 dealt with gasoline being budgeted in Community Services. We have financials back to 2016 and this has never been budgeted. Transportation of participants to and from events has historically been included under program expenses for each program, and not in this line item. Somehow this was not understood by the Town Manager when we asked this (more than once). This is not a supportable item in the minds of the Committee. It was agreed to leave our adjustment of \$10,000.
- Question 10 asked for support of amounts in the budget for Police Union Wages. While the Town Manager indicated he might be able to reduce the budget by \$15,000 to \$20,000, Ed said that he recalculated all of the union wages and the budget is correct based on the MOU we received. A previous adjustment which reduced budgeted wages by \$16,247 was reversed.
- Question 11 dealt with Police Uniforms and the Town Manager response explained the reduction. However, the response also indicated that this new policy “gives the Chief the latitude to demand officers to replace uniforms”. Donna questioned how this was different from before and questioned how this gave the Chief an edge. Ed more or less concurred.
- Question 12 – Paving in CIP. Once again, the Town Manager has declined giving detail behind this budget. Brad had concerns that there might be paving for the industrial park (which is TIF) and should not be paid by taxpayers. Further, Brad said we have not heard from the Director of DPW in the past that the paving budget is woefully underfunded. Diane noted that this was not addressed by the Director DPW in his budget memorandum. We simply cannot understand why the Town Manager cannot be, or refuses to be, more specific in his response. If the Town truly needs this amount, then the Town Manager should be more forthcoming in his response to our inquiry and include a listing of roads that he feels warrant attention in this budget. Without such a listing we cannot support the increase of \$500,000.
- Question 13 dealt with the TIF funding of \$132,000 for the fire truck purchased last year (or at least committed to). The taxpayers approved this funding and the Town Manager has no authority to reverse that decision. But this item does not affect this budget so this was tabled for now.
- The question of the \$8,000 increase in the police cruiser budget was essentially left unanswered, so the Committee left the adjustment in place.
- The question about DPW computer repairs was apparently misunderstood. In his response to our question about the increase, the Town Manager said certain supplies budgets were lowered. We asked for a list of those supplies budgets this time around, and we were told this is for

upgrades to hardware and software at DPW. Not an answer to our question. The adjustment was left in place.

- Question 16 dealt with the new police position to be shared among York, Kittery and Eliot. This does not affect the 2023 budget.
- Question 17 again asked for detail behind the \$190,421 request to fund the Wage Reserve. In the opinion of the Budget Committee the only real need to be funded into the Reserve is for DPW 2021-2022 wage increase yet to be determined. Ed feels the Town Manager is hedging and really wants funds to give increases throughout the fiscal year, but he also pointed out that he cannot do that with union employees since they have contracts. Reggie pointed out that if the Town Manager tells us what his job is in this regard, perhaps we can evaluate that. Jean felt that we should fund some money into the Reserve, perhaps \$25,000? Donna pointed out that the only concern right now is the DPW contract. Ed thought \$30,000 should cover the increases there, but he is not sure how much is left in the reserve account. Brad questioned Ed's previous statement that the 2021-2022 police wage increases were funded from surplus funds at the end of FY 2020-2021. The Select Board apparently approved this. Donna attempted to locate the minutes for the Select Board meeting where this was approved, but could not at this time. Ed did not know when it was approved. Donna did see a meeting when the SB when intro executive session, but saw no vote that came from that session. So, once again we do not have detail to make an informed decision, so we have to estimate. Brad asked if \$50,000 would be appropriate? The Committee agreed to fund that amount, and agreed to reduce the request by \$140,421.
- This ended our review of the Town Manager responses to our open items.
- Donna pointed out that tonight we have discussed changes to some budgets we voted on at our last meeting, so we have to review those, vote on reconsideration of our prior recommendations, and vote on a new recommendation. For those budgets that we tabled last week we only need to vote on a recommendation.
- The Administration budget was voted on previously. Ed motioned to reconsider this recommendation and Brad seconded the motion. The motion carried by roll-call vote 7-0. Donna then reviewed the adjustments we previously made to the original Administration budget:

Adjustment #2 TIF assessment for salaries, wages and benefits – keep	\$(73,590)
Adjustment #4 Admin Travel & Training – keep	\$(3,675)
Adjustment #5 Advertising – eliminate this adjustment	
Adjustment #6 Software Licenses – eliminate this adjustment	
Adjustment #7 Electricity – eliminate this adjustment	
Adjustment #10 Workers Compensation – keep	\$(61,910)

Brad calculated the final Admin recommendation to be \$1,399,864

Ed motioned to reconsider the Admin budget of \$1,399,864 and Diane seconded the motion. The motion carried by roll-call vote 7-0.

- The Fire Department was also voted on last week. Ed motioned to reconsider our recommendation of the Fire Department, and Brad seconded the motion. The motion carried by roll-call vote 7-0. The Committee then agreed to eliminate our previous adjustment to the electricity budget, which brought the overall budget to \$230,056. Ed motion to recommend a

budget of \$230,056 for the Fire Department, and Diane seconded the motion. The motion carried by roll-call vote 7-0.

- The Police Department budget had been tabled last week. The Committee agreed to eliminate our previous adjustments for electricity and union wages. Brad calculated our new recommendation and motion to recommend \$1,387,356 for the Police Department, and Diane seconded the motion. The motion carried by roll-call vote 7-0.
- No changes to Community Services were made.
- The Wage Reserve request was tabled at our last meeting. Proposed Adjustment #17 was changed to reduce the budget request by \$140,421. Brad motioned to recommend \$80,944 for Reserves, and Diane seconded the motion. The motion carried by roll-call vote 7-0.
- This concluded our voting. Reggie said that he felt the Town Manager response to the Paving question was reasonable in his lead in, and was the only response he felt that way about. But Reggie also said we don't need political responses to our questions, we need numbers. Jean felt the Town Manager just does not understand our job. Ed felt the Town Manager resented our questions, and Denny opined that the Town Manager may feel we are challenging him.
- Brad asked for a final review of our recommended budget from last week and tonight. So, Donna went down through each department and we agreed the amounts to our Budget Committee Worksheet 2022-2023 Budget as of March 3, 2022. Brad then noted the following:

Total budget for operating expenses	\$8,359,636
Total budget for non-tax revenues	\$4,939,204
Net to be funded by property taxes	\$3,420,432

Brad further noted he has not seen the LD1 Calculation, but given what we were told LD1 is, we are \$822,946 under that ceiling.

Budget Committee Members Reports/Comments:

- Diane said that she did not feel as comfortable with this budget as she did with last year's budget, because last year we were given numbers and we could evaluate. This year was a struggle because we did not get appropriate answers, and she is bothered by that.
- Denny asked if we could not address the ways to improve the budget process and cite what impediments we encountered this year, and provide that to the Town Manager. Ed reiterated his dissatisfaction over being blocked out of union negotiations. All agreed this is a topic that needs to be discussed.
- Donna then said that the next meeting, Wednesday March 9, 2022 at 5:00 PM will have on the agenda 1) Review of March 3, 2022 minutes; 2) Discussion of Budget Process Improvements/Impediments; and 3) our letter to the Citizens of Eliot.

Adjournment:

- Motioned by Ed, seconded by Brad to adjourn at 6:39 PM. The motion carried by a 7-0 roll call vote. Our next meeting is scheduled for March 9, 2022 at 5:00 PM. This is a hybrid meeting.

Respectfully submitted,

Donna Murphy, Chair
Brad Hughes, Secretary

Date Approved: March 9, 2022