

**Town of Eliot  
Budget Committee Meeting  
Wednesday, January 25, 2023**

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**1. Call to Order**

Chair Donna Murphy called the meeting to order at 5:02pm. Five members were in attendance: Reggie Fowler and Jean Hardy, remotely; and Jeff Leathe, Donna Murphy, and Gene Wypyski, in person. Diane Holt was absent. Ann Lukejord, recording secretary, was in attendance.

**2. Public Committee**

Three members of the public were in attendance: two in person and one remotely. These members of the public were also applicants for the open Budget Committee seat. There was no comment from the public.

**3. Approval of Minutes**

Members reviewed the minutes and provided the recording secretary with corrections and edits. During the review, Jeff asked members to look at page six and the paragraph two rows up from the bottom. He asked where BETE (Business Equipment Tax Exemption) should be listed, as a revenue or something else. Members looked at page 12 and 13 of the budget to see if there was more clarity in the budget. Donna said she would pose Jeff's question about BETE's placement on the budget as a question to the Town Manager.

**4. Appointment of a new member**

Donna directed members to the three applicants for the open board seat vacated by Ed Strong. The three applicants were in attendance: Jim Latter remotely, and Denny Lentz and Tom Scontras in person. Donna said members had the applicants' applications. She invited the applicants to present themselves to the Committee if they would like to do so but it was not necessary. All three did. The applicants spoke briefly about their professional background as leaders and managers, private or public experience, expertise with budgets, and innovative thinking. The Chair then had the Committee members introduce themselves.

The members asked questions of the applicants. Gene asked what motivated each applicant to pursue municipal volunteerism. Each expressed a love for the Town of Eliot and having the time at this stage of his life to be involved locally.

Jean had three questions for each applicant. She asked her first question which was what is the purpose of the Budget Committee. Mr. Scontras responded that the Committee is responsible for where and how taxpayers' money is allocated. He spoke about investing that money into the community. Donna pointed out that the Budget Committee adheres to the Town Charter which may be found on the Town website. Mr. Lentz answered saying that the Budget Committee serves the taxpayers by reviewing and making recommendations on the Town Manager's budget. Mr. Latter said the Budget Committee serves as the legislative branch, providing oversight of the Town Manager.

Jean asked her second question. "What is the biggest issue with the Town of Eliot's budget?" She clarified her question, adding she was looking to see how familiar the applicants were with the budget. Mr. Scontras said he understood the Town's finances to be a fixed revenue stream,

44 a fixed budget, and that he would be interested in seeing how the Committee advises Town  
45 leadership. He stated he was interested in exploring innovative areas where the Town might  
46 generate revenue and added that as he came from a start-up background, his talent lay in  
47 generating growth and revenue. Mr. Latter spoke about his experience as a municipal leader for  
48 the Town of Beverly, Massachusetts, which he said was about the same size as Eliot with a  
49 population between six thousand and seven thousand. He spoke about the challenges of  
50 recurring expenses and a recurring revenue stream. Mr. Lentz said that expenses are going to  
51 remain the same and that there is a need to look at revenue streams for places where there  
52 could be improvements.

53  
54 Jean asked her third question about how familiar each candidate was with the Town Charter,  
55 and particularly, Section 6. Donna said Section 6 pertains to the Budget Committee. Mr. Lentz  
56 said he knows it well as he has defended it. Mr. Scontras said he had a general understanding of  
57 the Charter. Mr. Latter said the Budget Committee is set up to oversee the Administration and  
58 to make recommendations.

59  
60 Reggie asked the applicants if they would be interested in running for the Budget Committee  
61 seat in July. They all said they were.

62  
63 Jeff said he was thrilled to have three candidates interested in the open seat. He added that he  
64 has worked with Denny and Jim and that they are both great to work with. He said he had not  
65 worked with Tom but was sure it would be a similar experience. Jeff spoke about Ed Strong's  
66 long service and deep finance expertise, which included more than forty-five years in municipal  
67 finance. He added that replacing Ed would be challenging but that they should strive for that in  
68 service to the Town. Jeff spoke about Jim Latter's background which included fourteen years'  
69 experience in Beverly and a \$100 million budget. For those reasons, Jeff expressed his support  
70 for Mr. Latter for the open seat.

71  
72 Donna said all the applicants have great backgrounds and strengths. She explained the Budget  
73 Committee's upcoming work and meeting scheduled. She reminded the applicants that the  
74 appointment is only to the end of the current term, which ends June 30, 2023. She encouraged  
75 all the applicants to run for the position in the June election.

76  
77 Gene said he was more interested in what the voters might want in the appointment to the  
78 open seat, adding that the Committee should represent the Town and that diversity was  
79 something the members should consider. He was concerned about members' personal bias or  
80 self-interest in appointing the member. He added that the Committee needed to anticipate how  
81 the voters want to see things in making this appointment. Gene said the Committee should look  
82 like the Town does and he was concerned the Committee was not representative of the Town.  
83 Donna said she could not read the minds of the Town's residents and that the six people on the  
84 Committee were elected by the Town. Gene said he just wanted to put that out there for people  
85 to consider.

86  
87 Reggie said the Committee had an overabundance of confidence in the three candidates. He  
88 added that the Committee could not make a bad choice here. Jean agreed with Reggie and said  
89 to the applicants that at times there is conflict between the Town Manager and the Budget  
90 Committee, but the Committee represents the voters, and they are the Committee's primary  
91 concern, and we report back to the voters.

The members voted by secret ballot with remote members voting by email. The recording secretary received and announced the votes: Tom Scontras, one; Jim Latter, one; and Denny Lentz, three.

Donna moved and Jean seconded that the Committee appoint Dennis Lentz to the position through the next election. There was no further discussion and the members voted. The motion passed by a roll-call vote of 5-0. Donna thanked the two other candidates and shared with them the remaining Budget Committee meetings and invited them to join them in person or remotely as members of the public and to run for the open position. Mr. Lentz thanked the Committee. Donna said that Mr. Lentz needs to be sworn in by the Town Clerk before he can vote as a Committee member. She invited all applicants to stay for the remainder of the meeting. Mr. Lentz stayed.

##### **5. Budget review (Administrative, Fire, Police, Fixed Assessments)**

The budget review began with Donna saying she had reviewed the Fire Department budget and worked to match up last year's numbers to the proposed budget numbers so the Committee could review changes. She handed out a two-page working document that she had also emailed to members. She also shared the ordinance list for the categories with members. Members organized their papers.

The members discussed the proposed budget for the Eliot Fire Department. Donna said there are significant increases in salaries in the proposed budget. She directed the Committee to look at those increases. She will ask the Town Manager for more information about salary increases. She also noted there is a new column market Service Fee that has \$10,600 in it and she could only assume that the numbers she could not match up were lumped into that column.

Jean asked about the "Travel and Training" item and noted that in the proposed budget it is referred to as "Travel and Wellness." Jean wanted the Committee to ask why the name change was made to "Travel and Training." Jean said when you look at the proposed Administrative budget, "Travel and Training" is listed as "Travel and Wellness" and that it has increased by \$25,000. Donna said the Town Manager said that number would go up as staff needed more training. Jean wanted to know what the difference is between "Travel and Training" and "Travel and Wellness." Donna said they are probably the same thing. Jean asked if Wellness is now Training, and Reggie said it was a fair question. Jean asked if wellness means a mental health day, Donna responded it was probably more in line with stress reduction and safety training. Jean was concerned where Travel costs had gone. Donna suggested asking the Town Manager if travel costs were under Training and Wellness. Jean thought that was a fair question.

Reggie directed members to the first column where salaries were increased from \$132,867 to \$221,279 and asked if Donna had received an answer as to why are salaries up by \$85,000 or \$90,000. Donna said she would ask for an explanation for the salary increases for the Fire Department. Donna read the Town Manager's explanation for the Fire Department from his letter in his proposed budget: "There are increases in fuel, supplies, training, utilities and compensation. I have also, after discussions with the Fire Chief, added an emergency management (EMA) line. This line will provide incentives for EMT certified individuals as that need continues to grow exponentially."

Donna said the Committee will ask the Town Manager about the compensation piece and if he is giving raises across the board. If so, she added, there is no explanation for that and that is problem throughout this budget. She added that the Committee needs to go through every line item as there is no real explanation for the \$80,000 or \$88,000 in increases in salaries. Gene said \$12,000 of it is in the emergency management area. Donna asked but where is the other seventy-six thousand, and Gene said he did not know. Donna reiterated that that information should be in the budget proposal without the Committee having to ask for it. Jeff asked and Donna confirmed that the Committee has still not received the requested salary and wages data sheet. Jeff added that most of the budget, 70% to 80%, is salaries. Donna said this is what had happened last year: the Committee did not receive requested information about raises, they were denied it, that was why the Committee voted as they did last year because they did not have the data to justify and support that. She hoped that would not be the situation this year and that the Town Manager would give the Committee that information.

Donna said the other notable increases were in maintenance, heating oil and gasoline. She added that it has always been helpful in the past to hear from department heads has always been helpful to answer questions and unfortunately, they don't have that opportunity this year.

Reggie saw no proposed funding for fire truck and vehicles repair and maintenance, Donna thought that was all lumped in under the \$10,600. Reggie said he looked back to 2019 and estimated the average was \$4000 per year for truck and vehicle repair and maintenance. Donna directed Reggie to Service Fees Communications. She said there were a number of items requested last year that did not match up in the budget this year. She did not know what was meant by Communications and wondered if, for example, emergency generator maintenance or ventilator maintenance might be under it. Reggie said last year Service Fees Communications included telecommunications, landline, internet, and cable, at about \$4500. Donna said it was actually \$4800 and added she did not see propane in the current budget either. Empty lines on the numbers Donna pulled out for the Committee represented numbers she could not find. She said she will request information as to what items fall under the \$10,600 for Service Fees Communications. Jean said she did not see Dues listed in the proposed budget. Reggie said Salaries are listed in one bucket. Donna said there is no information on raises or if there were any new positions. Donna said she will ask the Town Manager for a breakout by position. Jean said she did not see emergency generator maintenance in the budget. Donna said it was unclear what is under the \$10,600. She said there was no listing for the pump testing certification and asked if that was under Communications and why it was. Donna expected she may find telecommunications in the Administrative budget when she gets to that.

Donna reiterated a major concern that the Budget Committee had worked for years and years to get items in the right place such that the budget reflected the cost to operate each department. She said that the Town Manager has moved items all out so there is no true cost for what it costs to run each department. She pointed out that the OASDI (Old Age Survivors and Disability Insurance) is a cost to the Fire Department, but it has been moved under Administrative. Reggie asked why would that change as that is the information the Budget Committee needs to do its work. Donna pointed out that the true cost of an employee is not just salary, but also includes benefits and Medicare and other items that need to be calculated in to get the true cost of an employee. She said last year the Fire Department costs were \$230,056 and this year it is proposed at \$315,079 with no explanation. Donna said this is a department that traditionally has not had big increases. Jean said she would not be opposed to supporting

186 raises, particularly for firefighters, but she needs the specific numbers to understand the  
187 proposed raises. Donna shared that the Budget Committee had proposed an increase for Fire  
188 Department volunteers four years ago that the Budget Committee had worked on that and  
189 proposed it. She added that in her conversations with the Fire Chief, he had never pushed for  
190 changes in compensation. Reggie asked if the Town was competitive in salaries with other  
191 towns. Donna said the Town Manager should provide the Committee with that information as  
192 giving raises needs to be based on something. Reggie said and Donna agreed that it is all public  
193 information. Donna said she will ask for a breakdown of items of the \$10,600 under  
194 Communications and a breakdown for Salaries.

195  
196 Reggie asked to be reminded what OASDI is. Jeff said it is Social Security at 12.4% and Medicare  
197 tax is 2.9% in 2023. Donna noted that most people get it taken out of salary, although not the  
198 case with teachers who get a pension. Donna said even if that amount is added back in, it does  
199 not answer the question as to what that item contains. Reggie said the proposed budget is not  
200 complete at best and that the Town is already taking a \$85,000 or more hit to the bottom line.

201  
202 Gene asked about the accounting lists and asked if the accounts they are reviewing still exist in  
203 the new accounting system. Donna answered that she did not know and that when the Town  
204 Manager made his presentation to the Committee, he said he would be consolidating. Gene said  
205 there was also a discussion that the Town Manager was also moving to an upgraded accounting  
206 system. He added so my question is are these accounts still in that system or when they  
207 compressed them did they do away with them. Donna answered she hoped they did not do  
208 away with them so they could see how the Town is spending funds but only the Town Manager  
209 and Finance Director can answer that, Donna does not have that answer. Gene felt if the  
210 accounting had changed the Committee did not want to spend time trying to match those up in  
211 that case. Donna said what they wanted to do is ask about the Communications Service Fee of  
212 \$10,600 because she could not match items up from last year needed a breakdown of that  
213 account. Gene said a second question to ask was if these accounts are the same accounts the  
214 Committee used in FY24 accounting system, for example, is the Town Manager still keeping  
215 track of propane and other things. Gene said he is just offering the possibility if these accounts  
216 did go away or do they still exist at this detail level.

217  
218 Reggie directed Gene to look at the page Donna sent members and go down to the line that  
219 reads SCBA Maintenance, if you go down line by line it matches with what the Committee  
220 received last year. Reggie said it lines up line for line but what it does not do is give the  
221 Committee salary details, so the Town Manager is using the same line items as last year's  
222 budget. He added the Town Manager has everything punched in, and Donna said but there is  
223 quite a bit missing.

224  
225 Donna said she cannot match up items and that the Committee knows from comments that the  
226 Town Manager made that \$38,815 in Telecommunications is most likely in Administrative. She  
227 will continue combing for hours through the numbers for information that should have been  
228 provided by the Town Manager. Donna said without information, she cannot support requests.  
229 Jean said she went back two years, and it is very difficult without information to make sense of  
230 it. She added she needs to know details to know if costs are going up or down. Donna reiterated  
231 that the Committee has asked for and been denied information as it was last year. Gene  
232 reiterated that he thought it was important that Donna find out if the Town Manager still uses  
233 these accounts going forward. Donna said she is asking that question to get some of those

234 answers. Jeff said the Committee should ask the Town Manager to map them out. Donna said  
235 what the Town Manager has done is decrease transparency when the Town has clearly wanted  
236 increased transparency. Donna asked if there were additional questions to be asked. Jeff said  
237 they need a lot more information on Salaries and how this is mapped out in comparison to the  
238 past budget. Donna said she was concerned that not providing the information to the Budget  
239 Committee felt deliberate. Donna asked if there were any more questions or comments about  
240 the Fire Department. Jean thanked Donna for breaking out the numbers as it was very helpful.

241  
242 Donna directed members to the Police Department budget. She said the Committee is in the  
243 same boat with the Police as they are with Fire as they only have minimal information. She  
244 added she will work on breaking out numbers for the Police Department this week and pose the  
245 same questions as she did with the Fire Department. She asked if there was any opposition to  
246 her doing this work this week, and there was none.

247  
248 Members continued looking over their pages and commenting. Jean requested that the  
249 Committee ask for the definition of Training and Wellness for each department as the meaning  
250 could change from department to department. Donna said she did not know if Animal Control  
251 was moved under Police but belongs under Public Safety per the ordinance. It's just under  
252 Animal Control. Reggie asked about Regional Social Services is \$54,000 per year and it looks like  
253 a new item. Donna said it is in the Town Manager's narrative. Donna spoke about the new  
254 therapeutic support position that is shared by the towns of York, Kittery, and Eliot, and that her  
255 understanding is that it is a social service position with the police and that it has been highly  
256 successful. Gene directed members to page 7 of 30 and the third paragraph down where a  
257 \$54,000 increase is in the context of a trained social worker. Donna asked if that is a shared cost  
258 or a whole new position. Jean directed members to look at Grant Enforcement, and said that  
259 under the Department of Justice, it was funded for two years. She wondered if they were  
260 coming up on the third year. She was not clear on why there was \$9000 listed and wondered if it  
261 was the full cost of a patrolman. Donna agreed that it should be partially funded. Jean asked if  
262 that was a separate vote. Donna said that no, that it would be included under the Police  
263 Department if the Committee was given justification and then voted on by voters. Jean asked  
264 that they look at why that dropped from \$20,000 to \$9000 and that the percentage should go  
265 up, not down. Donna reminded the Committee that they had told the former Town Manager

266  
267 Jean said In-Service Training is not in the budget and asked if funding is not needed for that;  
268 Donna said it may be under Training and will ask for that. Donna asked why there was a  
269 proposed \$6000 in the budget for Uniforms when the Police had been given a raise with  
270 purchasing their own uniforms in mind. Jean asked why the Reserve Officer is down from \$5000  
271 and the amount requested is down \$1000. Donna suggested that perhaps the Reserve Officer is  
272 not needed but that the Committee needs an explanation. She added without an explanation, it  
273 cannot be supported. Jean noted that Overtime had jumped up. Donna said Overtime may be  
274 offset by revenues as she thinks road details actually bring in revenue, and that she will ask the  
275 question of the Town Manager. Jean spoke about 2019-2020 proposed Overtime was \$55,000  
276 and Town only spent \$37,000, and for 2020-2021 was \$55,000 and actual was \$58,000.

277  
278 Donna said she noted that the Harbormaster needs to be moved to Public Safety. Jean asked if  
279 that were the same for the Boat Basin Seasonal Staff. Donna answered that she did not see a  
280 line item for that in the ordinance under any department and as such, the Town Manager can  
281 put it wherever he would like. Jean said Is the Police Department now responsible for the Boat

282 Basin Seasonal Staff. Gene said yes it was as that was the proposal, and Reggie said that is what  
283 they wanted. Donna said the Town Manager can have the Police Chief oversee the Seasonal  
284 Staff but according to the ordinance it has to be under Public Safety for the Budget Committee  
285 to vote on it. Donna reminded members to be mindful of what is under their purview as the  
286 Budget Committee. She read what, as listed in the ordinance, was under Public Safety: Public  
287 Health Officer, Firefighters, Ambulance, Dispatcher, Harbormaster, Animal Control Officer, and  
288 streetlights. Donna said the Capital Improvements account with individual listings or the Reserve  
289 Accounts with individual listings were not in the budget and that she would ask for those.  
290 Members looked through pages of the budget. Donna asked if there were any more questions.  
291 Reggie said he did not see anything for Boat Basin Seasonal Staff for any amount and asked  
292 about the \$78,000 budget for them in the proposed account. Donna suggested it might be under  
293 the Community Services Department. Members looked under Police, Public Safety, and  
294 Harbormaster but did not find it. Donna said she would look for the category that Boat Basin  
295 Staff was paid out of last year.

296  
297 Donna said she will work on breaking down the Police, Administrative, Fixed Assessments, and  
298 the William Fogg Library for the next meeting. Reggie said they could not resolve much this  
299 evening without answers. Donna asked if any members had further comments. No one did.

300  
301 Donna told the members that the three William Fogg Library trustees would be attending the  
302 meeting next week. The Committee had invited them to attend. She reminded members that  
303 this would not be a forum to air grievances over recent Administrative decisions the Library had  
304 made. She said the trustees would be treated with respect and committee members would  
305 direct all questions toward budget questions.

306  
307 Jean asked if anyone had a PDF of last year's budget to share with Jeff and Gene as that would  
308 provide helpful background information to new members. Donna said she would look for the  
309 PDF and know the Town has a PDF of it. Donna added that members be mindful in their reviews  
310 and look at past budgets for what was proposed and look at what was voted on by the residents  
311 and what passed.

## 312 313 **6. Budget Committee member reports/comments**

314 Donna asked if any members had reports or comments. Gene said he had spoken with one of  
315 the Library trustees recently and was looking forward to a good meeting with them.

316  
317 Donna said she went to look at recent Select Board meetings minutes and found the most  
318 recent was August. She shared that in those minutes the Select Board had noted that Comcast  
319 cable numbers had dropped but that after more discussion, the Select Board voted to increase  
320 cable fees to garnish funds for a public access TV channel. She found it interesting that the  
321 Select Board would vote to raise fees when numbers were dropping, and they had not asked the  
322 public if they wanted a public access station. Gene said he was at that meeting. Donna reminded  
323 Gene and all members that when they appear at a Select Board or other town meeting, they  
324 appear as a private resident, not representing the Budget Committee. Gene said that Comcast  
325 approached the Town about the cable access channel and that it would not cost the Town  
326 anything and it would serve the Town's 1,800 Comcast viewers. Donna said it would cost the  
327 townspeople who subscribe to Comcast. She added that this has come before the Town in past  
328 years and was shut down every time. She wondered if anyone asked those cable customers if  
329 they wanted their fees increased to have that access. Gene said the way it was proposed that it

330 is between Comcast and its customer. Donna disagreed saying it was made possible by the  
331 Select Board vote where only one member did not vote for it. Gene said it would improve  
332 communications in the Town which has been a problem and that it would be better than Zoom  
333 in broadcasting Town meetings. Donna said she hopes the townspeople are aware of the  
334 decisions being made on their behalf. She added that the most recent Select Board minutes  
335 were from August 11, and she was reading them at the end of January.  
336

337 **7. Adjournment**

338 Reggie moved and Jean seconded that the meeting be adjourned. The motion passed with a roll-  
339 call vote of 5-0. The meeting adjourned at 7:04pm.

**Respectfully submitted,**

**Donna Murphy, Chair**

**Date Approved: February 2, 2023**

**Jean Hardy, Secretary**