

**Town of Eliot
Budget Committee Meeting
Wednesday, February 15, 2023**

1. Call to Order

Chair Donna Murphy called the meeting to order at 5:07pm. In attendance in person were Denny Lentz, Donna Murphy, and Jean Hardy, and remotely were Diane Holt, Reggie Fowler, and Gene Wypyski. Jeff Leathe was excused as he was traveling out of state. Ann Lukegard, recording secretary, was in attendance remotely due to Covid. Crystal Kent, William Fogg Library board member, and Karen Ordway, William Fogg Library bookkeeper and human resources administrator, were in attendance at the invitation of the Committee.

2. Approval of the Minutes

The approval of the minutes was tabled. The Chair explained that the Town Clerk had informed her that the February 15 meeting notice had not been posted in accordance with the Charter provisions. The Town Clerk cited Article 8, General Provisions, of the Town Charter, specifically section 8.7 (A) (e), which requires notice of a special meeting be posted three days prior to the meeting and notice of a regular meeting be posted seven days prior to the meeting. As such, the Committee could meet but could not vote on any motion. Donna noted that the meeting had been posted since December but not with the agenda attached.

3. Guest Speakers

Crystal Kent, William Fogg Library board member, and Karen Ordway, William Fogg Library bookkeeper and human resources administrator, were in attendance at the invitation of the Committee to discuss the Library's finance and request for funding from the Town of Eliot. Ms. Kent updated the Committee on the Library. She said staffing was almost back to full staff and that the Library is looking forward to returning to regular, pre-Covid hours. She discussed the Library's programming and said the Library is working on a new programming model that would have sponsors and underwriters supporting Library events. Ms. Kent said the Library was working on a full calendar of fundraising events and working to develop new revenue streaming, including some paid programming. She spoke about the Library undertaking a capital campaign and would welcome public comment in a month or so. Ms. Kent stressed that the Library wants any expansion to meet the needs of the community. She added that they would like fundraising to support operating costs.

Donna asked if they had brought paperwork to share with the Committee. Gene asked for fiscal year '24 information and actuals for 2023. Donna asked for monthly expenses from July 2022. Ms. Kent said she would get those documents to the Committee.

Gene asked how the Library used the \$25,000 in American Rescue Plan Act (ARPA) funds that the Library received from the Town. Neither Ms. Kent nor Ms. Ordway knew about the funds or that they were received. Donna suggested they follow up with the Town Manager for more information about the ARPA funds earmarked for the Library.

Gene asked if the Library had received a Paycheck Protection Program (PPP) loan during Covid and any other assistance. Donna said she and Jean had questioned that as well. Jean said her concern was that the Library had received money from the Town earmarked for salaries and then also applied for the PPP loan but then laid off employees for a while. Donna added that there would have been no loss for the Library in salaries as the Town covered that cost but that then the Library applied for the PPP loan. Ms. Ordway said the Library's lawyer told them not to share applications. Jean said the Town and Committee need an accounting for those funds. Donna said the Library needs to supply the Committee with answers, not necessarily that night. Jean cautioned the Library representatives to cooperate and communicate when it comes to these matters and to reach out to the federal government, if need be, before the federal government completes its audit of how funds were used. Gene shared that he suspected that the Library's FY '24 payroll would be offset by payroll savings for the recent period of time that the Library was without full staffing. The Library representatives agreed that would be the case. Donna reminded everyone that the Committee has a meeting timeline to keep and that the Town Manager should discuss this matter with the Town Manager.

Gene asked the Library representatives how they expected to raise the proposed \$8000 in fundraising in its budget. Ms. Ordway answered that that amount has nothing to do with fundraising but is an annual amount the Library takes in from book fines, copy fees, and other restricted charges. Gene asked if \$8000 was a real number, and Ms. Ordway clarified it is. Donna noted that it is a source of revenue.

Jean said she was supportive of the Library and always has been and asked about the Library's plans moving forward. Ms. Kent said she wanted to answer the question with a philosophical perspective stating that the Library wants to convey to the community that it is a safe place for readers and non-readers, that everyone is welcomed at the Library, regardless of politics or affiliations. Further, she added that the Library is eager to have people get involved and that the Library wants to be supportive of the community. Jean asked if the Library would enter into a Memorandum of Understanding (MOU) with the Town. Ms. Kent said the Library did not want to at this time and that they want to continue as they have and see how their fundraising and approach to funding goes to see if the Library can be more self-sustaining. Jean asked if the Library saw a time in the future when the Town could reduce the funds they give to the Library. She said that the Library receives nearly a quarter of a million dollars annually from the Town. Ms. Kent said she does not have a crystal ball but that that is something that the Library should work toward. Jean said she understood the Library has had challenges over the past couple of years and that is difficult. She asked what the Library's objection was to have an MOU with the Town. Ms. Kent said that is a good question for the other trustees and that her understanding is that because not everyone in the governing body is supportive of the Library and that that might result in some reduction in staff and hours and things like that. She reiterated that she was only one person answering the question. Jean said that for her, sitting as a member of the Budget Committee, it is the lack of information, trying to get information from the Library has been unsuccessful. Donna said that the issue is that there is no oversight, the Town is just handing over \$250,000. Donna said that the concern that has been brought up is that the Town is providing these funds without accountability and that the information needed has not been forthcoming from the Library. Ms. Ordway responded saying that once they have the figures,

they can add the Budget Committee to her list of recipients. She added that she compiles the numbers every year and she can do that. Donna asked her to expound on that as the Library is not a Town department, does not have to follow the Charter, does not have to follow the ordinances, and so forth and that is the overriding concern. Donna said the Committee has had some discussion about an MOU that was not about taking over the Library and as you know that ended. Ms. Kent said she understood that the Town wants to know how the money they give to the Library is being spent. Jean said that the red flag for her is the PPP loan, estimated to be between \$33,000 and \$40,000, and that when the Budget Committee asked for information about it, the Committee received great resistance from the Library. She added that she does not know if the Library stayed within the parameters of the PPP loan and that as directors, the trustees have an obligation to know where that money is and where it is going and that the federal government is strict about how they are used as noted on the PPP application.

Donna asked about funds raising for the Library by the Friends of the Library and the Library Association and how much the Library has received from those groups. Ms. Kent said to her knowledge there were two fundraising events, which were its Eliot Festival Day event and the annual pie sale prior to Thanksgiving, but that the Library did not receive any funds. Donna asked if anyone had contacted the fundraisers to see about the funds and what they were for. Ms. Kent answered no. Denny asked if the expenses in the '24 budget for the Library cover both the Library and the Fogg House or just the Library. Ms. Ordway said she did not know. Donna said she understood from past information from the Library that the Fogg House must be taken care of first, and then the Library, that the homestead takes priority over the Library. Ms. Ordway said she was not sure but that she knew there was a certain percentage that was given to the Library before the Fogg House but that it's not 100% of what is in the trust but a small percentage. Donna asked about clarification on the trust, especially for new Committee members who may not know about it, and how it is protected that money cannot be just taken out of the trust, but a principle must be left in there. Ms. Ordway said 42% of the trust's balance cannot be touched and she estimated that amount to be \$400,000 to \$500,000 which is permanently restricted.

Denny asked how does the Library follow what they receive from the Town and what they receive from the trust. He asked if the Fogg House was included in those numbers. Ms. Ordway said it was decided after a meeting of the former Library director and the Town Manager, and that the former Library director returned from the meeting and told her this is the column the Town has to cover, and this is the column the Library trust has to cover. Denny asked if that is still valid. Ms. Ordway said yes. Denny thought it might be best to document that again. Ms. Ordway thought that was a good idea. Denny asked if the budgeted expenses included the Fogg House as well as the Library or is it strictly the Library. Ms. Ordway explained that the funds from the trust took care of the Fogg House.

Denny asked Ms. Ordway to explain what the line item listed as "whole Library expenses" on the Library's budget is. Ms. Ordway said items like copy paper, toilet paper, cleaning supplies, and so forth. Denny asked about the payroll and how many employees were on salary or paid hourly. Ms. Ordway answered that only the Library director was on salary. Denny asked and Ms. Ordway clarified that wage-earners have different wages.

Reggie asked if the Library representatives knew of any other community libraries that are not part of the town but are funded by the town as the Fogg Library is. There was some discussion about other libraries, including York and Kittery. Jean said she had done research in this area last year and had found that libraries receiving funds from the town had an MOU and that Eliot was unique in that its library did not have an MOU. Reggie asked if there is some kind of template, even if it is widely varied, that shows how this is handled. He added that it's a quarter million dollars a year and how is it accounted for. Jean said from her research she thought it was a particular format between the town and the library, and she added that there is a website that shows the funding for each library in the state. Denny said seeing what the Library spent out of its '23 budget, as Gene suggested, would be helpful. Donna asked that the Library representatives allow the Budget Committee to respond with questions once members receive the information. The Library representatives agreed to that.

Gene asked about employee benefits. Ms. Ordway said that the Library participates in the Maine Municipal Employees Trust and that full-time employees, about three people, are eligible for health, dental, and vision insurance through it. She explained that employees contribute 25% and the Library contributes the other 75%, and that the coverage is for the employee only. Donna asked if the Library expected savings there as well this year with its recent staffing decline, and Ms. Ordway said yes.

Jean asked what the Library's expectation of the Town is moving forward, specifically if the Town would just continue funding the Library. Donna commented that she thought she had heard the representatives say they would like to lessen the Library's dependence on the Town. Ms. Kent answered that there is no concrete plan in place but that they are looking at potential revenues streams. Donna asked if the Library was considering a capital campaign to replenish trust funds. Ms. Kent spoke briefly about the Library's history and plans following the addition of the children's wing when further expansion was expected but the economic downturn and other costs sidelined those plans. Jean asked if the Town were to fund the Library with \$100,000 instead of \$250,000, how would that impact the Library. Ms. Kent it would have a severe impact on the Library and then on the schools, children, seniors, and others that the Library serves. Jean said she was curious about how the Library would survive as the voters may decide not to fund the Library and then what would the Library do. Donna asked if there is a number for how many people use the Library, is there an ongoing count of who comes in and uses the Library. Ms. Kent said the numbers are down due to Covid, but the Library is now seeing those numbers start to come up.

Diane thanked Ms. Kent and Ms. Ordway for coming in to speak with the Committee. Gene said he is less concerned about the Library having spoken with the Library representatives. Jean said questioning the Library is one of the duties of the Budget Committee, just as the Committee questions the Fire Department, Police, and so forth as it is the Committee's job in representing the voters. Donna reminded members that no members of the Budget Committee can represent the Committee in a meeting without the approval of the Budget Committee. She asked if there were any members of the public online who would like to speak or comment. There was no comment from the public. She then opened the floor to the Library representatives to comment.

Ms. Kent commented that it helps everyone to communicate and that she welcomes building a positive relationship with the Budget Committee. Donna asked about the IRS form 990 for the Library trust. She said the next step would be to send the Library follow-up questions after the Committee receives the requested information from the Library.

4. Public Comment

There was no public comment.

5. Budget Review

Members looked at answers received from the Town Manager to Budget Committee questions. Jean noted that the Select Board had voted to change the budget format. Donna said the Select Board cannot change the groupings that are outlined in the Town ordinance but that they can change the format in terms of the presentation of the budget. She added that it is not helpful because he has consolidated some items, but he is within his rights to change the look of it. But, for example, she said, the ordinance does not allow the Town Manager to move the ECO into the Police Department so we have to pull that out and put it back into Public Safety. The Chair said as a result the Budget Committee's numbers will look different but that is how it is going to have to be because they cannot support anything that does not conform with the ordinance.

Denny asked when Jeff would be back, and Donna said she thought he would be joining them next week. Denny said he was interested in seeing the numbers for the Community Services Department and asked that that be put on next week's agenda.

Donna said she spoke with the Town Clerk because the Committee has not received a copy of the full calendar. She said all of the Committee meetings had been scheduled through the end of February and she had the email from Melissa from December confirming that. Donna added that she does not have and what they have received every year are the deadlines and when the Committee will be meeting with the Select Board. She looked through every email and could not find that information. Denny said they should have that. Donna agreed as the Committee needs to know when they have to vote by and send their numbers in. She has requested that information and the schedule and hopes to get it as soon as possible.

Donna shared that while tonight's Budget Committee meeting has been on the books and scheduled since December, she received a note at her chair tonight that read: "Donna, the Conservation Committee has a special meeting tonight at seven in regard to amphibian migration. The Budget Committee will need to end by 6:45, 6:50 tonight." She added that she did not know why another meeting would be scheduled when there is already a meeting taking place.

Donna asked if members wanted to look over the Town Manager's answers to the Budget Committee's questions. Jean said she would prefer they don't if they are not going to take any action. Denny and Reggie agreed. Donna said they would probably not be voting on it tonight as numbers still needed to be punched in. Donna said the Town Manager's answers were not really answers to their questions and that they will have to keep re-asking them. She said if the numbers are not provided to them, they will have to decide as a Committee how they want to move forward.

As an example, Reggie directed members to question 20 about overtime for the Transfer Station. He read the Town Manager's answer which read "See question 10." Reggie read aloud the answer to question ten, which read: "The overtime line item was for transportation for snow/winter were adjusted to approximately capture likely overtime needs." Members agreed there was a lack of clarity in the answer. Donna noted this was like the same non-answers the Committee received last year from the Town Manager. She said the Committee will do the best they can with what they receive.

Jean asked if information had been received about Town employee wages and salaries, Diane and Donna answered saying some information was sent to the Committee. Donna reminded everyone that public employee pay information is public.

6. Budget Committee member reports/comments

Gene asked what the deadlines were in the past for getting budget numbers in. Donna explained the process in past years and answered that the Committee always gets its numbers in before the citizens option meeting. She added that in past years the schedule has been in the budget book. Denny asked about the Committee's joint meeting with the Select Board. Donna answered that she did not know if there was going to be one, and added that prior to the Town Manager coming on, there were always two joint meetings in January with the Select Board. Denny said the joint meetings were very important as the Select Board got an understanding of what the Budget Committee was thinking, and we got an understanding of where they were thinking and what we had to resolve. Donna said in past years, we would be voting at this point. She reiterated that this is unfortunate for the voters and that she would not be voting for anything without documentation that provides justification for an expense or an increase. Donna went around and asked each member if they had any other comments. None did. Jean said she would hold her thoughts.

Donna said she would be away for the following meeting but will try to join the meeting remotely and chair the meeting but if that does not go smoothly, she may need Reggie to chair the meeting. Reggie said he will be at the meeting in person next week. Donna will send everyone an email about how to operate the OWL recording and Zoom link for the next meeting.

Jean said she did have a comment she would like to make and said that she found unacceptable the hostility toward the Budget Committee and the hostility from the Town Manager, the Select Board, and the Town employees and that she found it unprofessional and unacceptable. She added that the whole budget process has not gone according to the ordinance, and it cannot continue as the Budget Committee is a legal entity in the Town of Eliot and if the Select Board wants to get rid of the Budget Committee, then put that before the voters, let the legislative body make the decision.

7. Adjournment

Reggie motioned and Denny seconded that the meeting be adjourned. The motion passed with a roll-call vote of 6-0. The meeting adjourned at 6:21pm.

Respectfully submitted,

Donna Murphy, Chair

Date Approved: March 2, 2023

Jean Hardy, Secretary