

**Town of Eliot  
Budget Committee Meeting  
Wednesday, February 22, 2023**

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**1. Call to Order**

Chair Donna Murphy called the meeting to order at 5:00pm. In attendance in person were Denny Lentz, Jeff Leathe, and Reggie Fowler, and in attendance remotely were Donna Murphy, Gene Wypyski, Jean Hardy and Diane Holt. Ann Lukejord, recording secretary, was in attendance remotely due to illness.

**2. Public Comment**

There was no public comment.

**3. Approval of the Minutes**

The Minutes for meetings held on February 2 and February 8, 2023, were reviewed. Jean moved and Gene seconded that the February 2, 2023, minutes be approved as amended, the motion passed with a roll-call vote of 7-0. Diane moved and Reggie seconded that the February 8, 2023, minutes be approved as amended, the motion passed with a roll-call vote of 6-0 with one abstain. Jeff abstained as he was not in attendance at the February 8<sup>th</sup> meeting.

The Chair took a moment to bring to members' attention that the appointment paper from the Town Clerk for Denny's appointment to the Budget Committee needed to be signed. Donnas said she, Gene, Jean, and Jeff had signed it, and Reggie will sign it, so Diane's signature would be missing as she is in Florida.

**4. Budget Review**

The Chair asked if members had received via email the responses from the Town Manager to the Committee's questions sent to the Town Manager on February 5, and they had. She said that the Committee has received the budget calendar with deadlines from the Town Clerk. She added that the Committee needs to give its final vote on the budget at their next meeting on Thursday, March 2. Donna said that the Committee still does not have the proposed budget in the form that complies with the ordinance. She would like to go through, if no one objects, each of the answers from the Town Manager to the Committee's questions. She said the Committee still is missing information about details on the budget numbers and they probably will not be receiving that information, as such, the members need to decide how they want to approach not having complete information so she can organize the numbers in a way for members to vote on them.

Donna suggested how the Committee might choose to proceed. She said members could go through the budget and fill in what they can, and if there was data missing deduct that from the total amount. She explained, for instance, under Administration, the Committee could plug in the numbers they have and if there is something missing, eliminate that and decrease the number by that amount. She expressed that she was baffled that the budget was presented to the Budget Committee in such an incomplete manner.

Donna said her plan is dependent on what the Committee decides tonight and that she plans to get all the numbers in that are in compliance with the ordinance and have it to everyone, hopefully, by Sunday night for their review. At this point in the meeting, Diane suggested the Committee go through the Town Manager's responses and see what information can be put on paper from his responses.

Donna directed members to look at the emailed agenda from the Town for the Select Board's next meeting, now moved to Monday night due to inclement weather, for information about Reserve Accounts. She asked members to scroll down to the Town Manager's report in the attachments. She read aloud what the Town Manager wrote: "Again, I would encourage all taxpayers to <https://www.eliotme.org/town-manager/pages/town-manager-budget-proposal-fy24> and review the treasure trove of data and information, Q&As, salary schedules and other relevant data. Finance Director Kristin McNulty and I are working diligently with our outside audit advisor to correct errors in both substance and practice in respect to 'Reserve Accounts' we are hoping to have something for the Budget Committee and the Select Board to review in the next several weeks."

Donna noted that the Budget Committee has to vote on the proposed budget in the next eight days and that the Town Manager is hoping to get information on the Reserve Accounts to the Budget Committee in the next couple of weeks. Diane commented and Donna agreed that that does not make sense. Donna asked members how they wanted to proceed as there will be information missing in the budget, specifically, do they want to replace missing numbers with last year's numbers or fund the missing spots at zero until the Committee gets the information. Jean suggested going with last year's budget, Reggie and Denny agreed. Reggie suggested the Committee continue working to piece the budget together as the best way to show good faith in a difficult situation.

Donna directed members to the email she had forwarded with them from the Town Manager with his responses to their questions. She read the Budget Committee's question to the Town Manager and his response to the Committee and then opened the floor for discussion.

Budget Committee question #1: "Please provide a budget that conforms with the Town of Eliot Referendum Town Meeting Ordinance and includes the cost breakdown by category as listed in the ordinance."

The Town Manager's response: "Please refer to prior response. The form of the budget is the responsibility of the Select Board and the Town Manager according to the Town of Eliot Charter, this change was brought to the Budget Committee's attention in a presentation in November 2022. While we would have been able to consider any input or concerns at that juncture none was offered. The Select Board voted in a public session to endorse the "form" of budget for FY 2023. We are committed to modernize, improve and articulating budgets and other financial matters in a transparent and professional manner which will allow the public to become more familiar and less reliant on third party and personal opinion. We continue to encourage citizens to ask questions directly to the Town Manager."

Donna said that the format change the Town Manager refers to was not presented to the Budget Committee in 2022 but that it was discussed but that the Committee was not able to see it. She

added that the Budget Committee never saw the format change until December. She also stated that the Town Manager did not respond to the Committee's question about his failing to follow the Town ordinance in addition to the Town Charter. Reggie said it was disrespectful that the Town Manager referred to the Budget Committee as a third party. Denny agreed. Reggie added, "If this is what modernization looks like, I'd rather go back to two years ago when we just had regular information."

Diane said it was frustrating that the Town Manager was still not providing the Committee with the answers they need to review the budget. She added that the Committee cannot get the level of detail it needs to form a valid opinion. Jean asked Denny about a comment the Town Manager had made about bringing the information directly to the public. Denny asked to answer Jean's question after Jeff returned from making copies of the information.

Donna stated that she will put in the numbers the Town Manager has validated and those are numbers the Committee can go with. Reggie thought that sounded reasonable. Donna cautioned that the Committee may not have all the numbers, for instance Capital Improvements (CIP), and that they needed to go through all the answers. Denny said he agreed with Jean in that he also does not want to see spaces left blank and that the Committee should put in the number from last year's budget if they are not sure what the answer is. Reggie said part of the problem with doing that is that the Town Manager moved items around and that nothing matches from last year and the Committee runs the risk of putting a number in that is not tied to that item and opening itself up to being told it does not know what it's doing. He noted that the Committee is trying to put the budget together but that there are a lot of got-ya's in it. Denny said he thought it was designed that way. Reggie added that one could not mistakenly do this.

Donna read aloud each of the Budget Committee questions followed by the Town Manager's response to that question and then opened the floor to discussion on the question and response.

Donna said Question #2 listed the ordinance and the categories that are in the ordinance.

The Town Manager answer to #2: "All articles will conform with the Charter and Ordinances regarding budgetary process."

Donna said this was an opportunity for the Town Manager to give the Budget Committee those specific numbers for the Budget Committee to vote on. She added that this is what the Committee does not have and what she is going to create. Jean said she has come to the conclusion that the Town Manager does not really understand the budget and that he breaks things down to put them in the most favorable light. Jean initiated a discussion on payroll and said that Old-Age, Survivors, and Disability Insurance (OASDI) and Medicare had been pulled out from wages and Donna said that is was always done this way, not included but a separate line item. Donna said her concern about payroll was that the town payroll proposed and voted on by the townspeople last year does not match up with current salaries. She added that raises had been given to Town employees after the townspeople voted on the proposed salaries at the June election. She noted that is where members will see differences in salaries. Donna pointed out that the Administrative Secretary is now listed as

the Assistant Town Manager and wondered if the person serving as Assistant Town Manager has the certification and meets the qualifications for the position. She asked if anyone has that information to please share it. Jean said while she did not want to get into the salary discussion, she wondered if people are getting paid more than the townspeople voted for, what does that mean and how can that be done. Donna said it was done through the special meeting in July and cited it as disingenuous to put one amount in front of the voters in June knowing you are then going to hold a special meeting in July to give raises the townspeople had no knowledge of. It was noted there were two items at the July meeting, one for Workman's Comp and the other for training and salaries.

Diane asked when the union contract kicked in that gave raises. Donna said it typically kicks in July 1<sup>st</sup> and that that is something to be planned for. Diane said her point was if that had something to do with the change in the pay. Donna directed members to last year's Master Wage and Benefits Worksheet to see what had been proposed for a raise before the voters. She said voters had voted it down in June but voters, or a smaller number of voters, came to the special meeting in July and voted for the increase that had been voted down in June. Donna said the Budget Committee had declined that extra money for salaries because the Town Manager would not give the Committee information on the salaries, and the voters in June supported the Budget Committee's recommendation and did not vote for that money. She added that the Town Manager then put the raises to the voters at the special town meeting in July where it was passed. Donna said this is why salaries do not now match up. She called the Town Manager's actions of putting the salaries before the voters in June and then turning around a month later to give employees raises to be disingenuous. She said the ballot question to give Town employees raises should have just gone before the voters in June if he wanted to give Town employees raises.

Denny clarified that the comment he made earlier was in response to the Town Manager's answer to the first question. He read aloud the following portion of the response: "We are committed to modernize, improve and articulating budgets and other financial matters in a transparent and professional manner in which will allow the public to become more familiar and less reliant on third party and personal opinion."

Reggie said if the Town Manager has his way and does not give the Budget Committee information, the Budget Committee will only have an opinion, but if he gives the Committee the numbers, it will not be an opinion. He added that the Town Manager is forcing the issue. Denny said this is why the Committee should not leave anything blank. Donna said she was not going to leave anything blank. Denny asked how they would do that. Donna said they will match up the numbers as best they can and see what they have. Denny said he was not being critical but wanted to know how the Committee will proceed. Denny asked if the numbers the Committee will use is something the Committee believes or if it is just their opinion, or simply last year's number because the Committee cannot come up with a new number. Donna said it depends on the category. She noted that the Committee has no information or number on CIP and Reserve Accounts and that according to the Town Manager's Report on the agenda for the upcoming Select Board meeting, he will not have those figures for a couple of weeks. She posed the question again to the members as to how they should thought it best to proceed and asked them to think about it. Diane said they should see what they can do and then decide next week. Donna said there were certain things the Committee just

does not have, including Reserve Accounts and LD1 (Property Tax Levy Limit). Diane suggested they go through the answers and continue asking for information they do not have.

Donna read the Town Manager's response to Question #3 on Warrant Articles. The Town Manager responded to the Budget Committee Question #3 as follows: "We are fully aware of the requirements for the warrant articles and intend to create said warrants within the parameters set forth to comply with the Eliot Charter and Ordinances." Donna noted that the Budget Committee will have to get those numbers on its own.

Donna read the Committee's question requesting a schedule for all employee wages by department, name, position, date of hire, current rate, OT rate, rate with proposed increase, pay, OASDI, Medicare, MPERS (Municipal Police Employees Retirement System), and Town Portion of Health, Dental and IPP (Invoice Processing Platform).

The Town Manager's response: "Each employee's date of hire name will be submitted to the Budget Committee and Select Board as well as their present rate of pay, their earnings for 2022, (the overtime rate would be one and one half of their rate). I will provide a total cost of each benefit, by department and an average cost per employee. Due to concerns about violating personnel practice and protecting privacy of individual employees I will not break those categories down by individual employees. As you are likely aware doing so has not material bearing on costs of benefits. We appreciate your support on this personnel and management matter."

Donna said she would look into the benefit information the Committee is asking for as it is public information and the Committee is not asking for any medical information but for the cost of the benefit.

Donna continued reading the Town Manager's response on the request for salary information: "There rates of compensation have not been set for FY 24 and will not be until the Performance Based Evaluation process is completed by the end of May. All compensation will be within reasonable limits based on responsibilities, CPI and level of acceptance of new training. The total compensation will be within the Town Manager's requested amounts and portion thereof not assigned to an increased compensation will be returned to the general fund."

Reggie asked if the Town Manager's response meant that if someone is hired in the middle of the year, the rest of that salary would go into the General Fund? Donna said she thinks the Town Manager is going to do what he did last year, provide more money if people are doing some training or something. She added that she did not understand that as typically training is part of keeping one's job. Denny asked how is the Town Manager's answer going to help the Budget Committee. Reggie thought it was a non-answer. Donna said she had sent out a page to the members via email that shows the current salary and wage rates and that she has gone through some of them. Jean sent the document out again to the members.

Donna read Question #4 on the Fire Department which reads: "Please provide the cost breakout for each item that was included and/or consolidated in the category Service Fee \$10,600." She said she did not see an answer from the Town Manager to that question.

Donna read Question #5 on the Police Department: "Please provide an explanation for uniforms \$6,000. Please confirm that uniform costs are included in the pay increase per the union contract."

The Town Manager responded on Question #5: "Correct the cost of uniforms for veteran officers is now their responsibility going forward there is no annual stipend. For any new officers the town is responsible for the initial outfitting and equipping which is generally about \$2,300 as per the contract."

Donna noted that the budget is asking for \$6,000 and wondered if the \$6,000 represented two and a half new hires in the coming year. Reggie suggested officers would want to know if two new members were going to be hired. Donna said if the Town is hiring a new officer and they are giving them that money up front, that new hire is also getting it in their salary, so they are getting it double. Reggie said he could appreciate the need to give a new hire the stipend if that is what the Town Manager is saying, and asked if the Town Manager is looking to hire two new officers this year. Members were not clear on how the Town Manager came to the \$6,000 amount and where those funds go if they do not get used. Donna said that if the Town does not use that money, the Town is well within its rights to use those funds within that article. Jeff asked if there was regular turnover in the Police Department each year and if the Town Manager is planning for that but he did not know if that was the Town Manager's rationale. Donna said that is something that has to be planned for and she has no issue with that but that the multiplication in this case does not add up. Reggie and Jeff agreed the Town might know of someone leaving. Donna said she had no objection to building funds in for the unexpected but that if it's \$2,300 an officer, the \$6,000 does not add up as it should be \$4,600 for two or \$6,900 for three.

Donna read Question #6 on Police: "Please provide a detailed explanation for Regional Social Services \$54,000 and how this cost has changed from the current year Per a conversation last year, this position was presented as no cost to the Town."

The Town Manager's response: "This line was covered by a grant last year. The grant paid \$28K for a variety of mental health services for both citizens and officers. The coalition with Kittery, York and YCCA proved to be invaluable. We are hoping the BC will see the value in expanding the program by offering it on different shifts and weekends. The social service access and mental health programs accessed have been extremely helpful to all of town operations."

Donna said the Town Manager's answer did not provide enough information and did not include information about what other towns were paying or if the other towns hired someone else. Diane said the Town Manager did not explain what he meant by expanding the position and if that meant five days a week or 24/7. Donna said his response does not inform the Committee if he will be hiring someone in Eliot, if the position is still a shared position, if he is hiring two people, or if a grant is still covering it. Gene said his understanding was that the Town Manager was going to add

another full-time head-count and that Eliot was going to share with the other two towns. Donna asked Gene if that would be two people in addition to the existing person. Gene said yes. Donna asked if Gene asked the Town Manager why he did not share that information with the Budget Committee. Gene said he received the information during a late summer or early fall presentation at the Green Acre/A Baha'i Center of Learning in Eliot where the Town Manager and chiefs of police for Eliot and Kittery and about thirty other people were present to discuss social services in town. Jean asked Gene if Gene knew why the Town Manager did not want to share this information with the Budget Committee. Gene said he did not know, and suggested Jean ask him. Donna said that the Town Manager does not speak to the Budget Committee members. Donna said she was curious as to why the Town Manager would present this at Green Acre but not to the Select Board or Budget Committee. Diane asked Gene if this was part of sessions at Green Acre over the summer, Gene said no. Jean asked if this meeting was by invitation only, Gene said yes. Donna said there was a letter from the Town Manager in which he said that Michele Meyer had requested that Gene be the one to attend, according to the Town Manager. She added that it had nothing to do with the Town or it should have been recorded and open to the public. Gene disagreed. Donna stated that this was not a town meeting. Gene said no it was not, there was none of the pomp and circumstance that goes with a town meeting. Donna said it still begs the question why this was discussed at Green Acre but not brought before the Select Board, which it may have been, or the Budget Committee. Gene said he did not know what to say. Reggie said he was glad Gene attended and could tell them about it. Donna said she will still put questions out around this issue if there is no objection from Committee members. Jean said she supported more questions. Jeff commented he went back to the Town Manager's December 27<sup>th</sup> budget material that the Committee has and then read aloud the last sentence: "This would allow us access to additional social workers outside the traditional business hours as crisis rarely happen on schedule." He added that it would double the amount of social work time outside of traditional business hours. Jeff thought that showed a plan for expansion. Donna said but it fails to answer the question of what is the Town receiving for the additional \$54,000, what are the other towns paying, is this still grant-funded, what proportion is Eliot paying, what do the expanded hours look like, and generally what are we getting for this money. Donna asked Jeff to send clarifying questions to her that she would then send on to the Town Manager if he had any, he did not.

Donna read Question #7 which was also concerning Police: "Please provide a cost breakout for each item included in Dept/Specific Tech for \$17,700."

The Town Manager answered: "IMC, BodyCam Cloud and PowerDMS are the present software platforms in use exclusively by the PD FY 24 pricing has not been finalized, budget based on historical costs and Dept./Office \$8,500, office cleaning, evidence room supplies Contra Maintenance Otis Elevator, Cummins Generator, Cintas (Fire Alarm) \$8,125."

Donna said those questions were not answered as there was no cost breakouts.

Donna read Question #8 under Police and Public Safety: "Per the ordinance the Harbormaster and ACO [Animal Control Officer] should be included in this department."

The Town Manager responded: "Will be included in the warrant article."

Donna said the Committee needs those numbers to vote on and that the Committee does not have them so she will create them.

Donna read the question: "What caused a \$4,971.07 increase in the ACO salary?"

The Town Manager answered: "It is not a salary increase as we are working towards an inter-municipal agreement. contract. Presently we are working with York to provide ACO services and anticipate an inter-municipal agreement. The Town of York is going through a managerial change and we are awaiting as they prepare said agreement. We anticipate the overall cost to be less than \$15,000 which we include all expenses."

Donna was not clear on what the end of his statement meant and added that it was an increase. Diane asked when the Town expected the contract and if it was this year or next. Donna said it is still an increase to the taxpayer and what are they getting for that and asked then what happens to the current ACO once this agreement is signed.

With no other comments, Donna moved on to Question #9: "Please provide an explanation for the cost increase in Streetlights. This was previously presented that this cost would decrease. The actual for last year was \$14,500."

The Town Manager's response: "Maintenance for both signal lights and streetlights come out of this line. A recent request for a new street light where a pole and power existed was \$950."

Jean said he did not answer the question. Donna looked at Public Safety information for the increase. She said that the Town Manager is saying the increase is \$950, the cost for adding streetlight where a pole and power exist and yet the increase is \$2,500. She added that per the Town Manager's answer, the Budget Committee can reduce that line as it looks like it is only \$950, so instead of \$17,000, it can be \$15,450.

Gene said he did not understand what Donna was doing. Donna explained that last year the cost of streetlights and traffic lights was \$14,500, and the Committee asked the Town Manager what the reason for the cost increase was, and his response was the recent request for a new streetlight which costs \$950. Gene disagreed and said the Town Manager was giving that as an example of what a streetlight costs. Donna disagreed with Gene and re-read the question and the Town Manager's answer and said the proposed increase was due to a request for a new streetlight at the cost of \$950. Reggie agreed that it seemed pretty clear as to what the Town Manager was telling them. Diane said even if the Town Manager meant that as an example, he should have said that he needed three of these or five of these or whatever the case may be. Gene said they should ask for that to be clarified because Gene sees that as only an example of what the costs are. Donna asked Gene where the Town Manager said that, and Diane agreed with Donna's point. Gene said he was just trying to put the answer into context. Donna said she asked that the Town Manager provide an explanation for the increase and that was what the Town Manager chose to present and to her that



was the only increase he presented, if there were more he should have given them. Jean asked Gene what Gene thought the Town Manager was saying was the cost for the streetlights for FY '24. Gene answered that he did not believe that the Town Manager was giving a specific cost and that as he read it the Town Manager was just giving an example of what his costs are.

Jean asked Gene, "As a Budget Committee member making recommendations to the Legislative Body of the Town of Eliot, which is the voters, because your name will be on the warrant as a Budget Committee member, are you comfortable giving an answer that the cost of the streetlights will be \$950."

Gene answered, "Am I comfortable? I wouldn't say that because that is not what it says."

Jean asked, "So then, what number would you put in there?"

Gene said, "I am not prepared to give you a number. I don't know. I have got to go back and look at that line item in the budget to see what it was."

Donna said, "I can tell you that right now, Gene, so that you can respond. Last year their request was for \$14,500 and that was what was approved. He is requesting \$17,000 this year, an increase of \$2,500. He did not explain what that \$2,500 increase is."

Gene said, "Well, then I think we have to ask him again what that \$2500 increase is for."

Donna asked Gene, "How many times do you think we should ask him the same question before we finally get an answer?"

Reggie said, "He's already run out the clock."

Donna said, "We're paying this man, his new salary is \$112,000 a year, I ask him a straightforward question, and we don't get a response. How many times do you think that we should offer to put these questions up for responses until we get the right answer."

Gene said, "Until we get the answer we want or until we get the correct answer?"

Donna said, "Until we get an answer to the question. There isn't a correct answer, this is actually answering the question we ask."

Jean said, "So, Gene, you do understand (interrupted)"

Donna said, "Hold on, Gene. Jean Hardy's talking, let Jean Hardy finish."

Jean said, "You do understand, Gene, that we have a process and that we have a timeline and that certain things must happen within that timeline. Are you aware of that?"

Gene said, "Very much so."

Jean said, "So, here we are, next week we have to vote on what we are going to recommend to the citizens in Eliot. If the Town Manager has not given you the information so that you can sign the warrant article, where do we go from there? (Pause) We've asked, according to the Charter, and according to the ordinance, we've asked a list of questions. In your knowledge of the budget and having looked through it, because I have a respect, you dig through the information and you find information that I did not find. Based on information that's been presented to you as a voting Budget Committee member, do you feel, I don't want to say 'feel' because I don't want to put emotion in this, but has the Town Manager answered the questions so you can present a comprehensive report to the Legislative Body in the Town of Eliot?"

Gene answered, "Well, I think at this point, we are on our way to getting all of those answers. So, I'll keep my opinion to myself until the process runs its course."

Donna said, "The final vote is next week, Gene. We've just gone through nine questions which most are not answered, some of them, this was the second time I asked them. (Pause) Do we want to move on to number ten?"

Reggie interrupted the proceedings saying he needed to leave the meeting as his leg was hurting him from a recent surgery and he needed to head home to elevate it. The Chair dismissed Reggie and Reggie left the meeting.

Donna returned to reading the Budget Committee questions with the Town Manager's response and then opened the floor for discussion. The questions and responses appear verbatim as they appeared in emails.

Donna read Question #10: "What caused the decrease in OT salaries?"

The Town Manager's response: "The OT line item was for the Transfer Station and Snow/Winter were adjusted to appropriately capture likely overtime needs."

Donna read Question #11 under Public Works: "What caused the \$3,500 increase in Catch Basin/Repair/Maintenance/Cleaning?"

The Town Manager's response: "Anticipated increases in cost and demand."

Donna asked if there were any questions or comments on those two responses. Diane said they were fine.

Donna read Question #12: "What caused an increase of \$2,000 in Electricity?"

The Town Manager's response: "Increased rates, also transmission rates are up so that effects net metering."

Donna read the second part of the Question #12: "This was previously presented as an area that would decrease due to the solar panels. When will the Town realize a decrease?"

The Town Manager's response: "I am fairly certain if the rates continue to increase, both generation and transmission none of us will ever see a decrease in our bills."

Jean shared her experience with solar panels and net metering and disagreed with the jump in cost for the Town. Jean said, "I would like to have a better understanding of where he says it will be an increase of \$2,000 dollars in electricity. I don't understand this. The Town is on net metering, I do not understand how this cost goes up."

Gene said, "The issue, Jean, I believe, is that the transmission rates have gone up. Your net metering is a function of how much you sell the power back to the power company." Donna said that was correct.

Gene added, "The rates that are charged by CMP to move the power back to them has gone up tremendously. And it was told to me that was what cut into the amount of money we could make off those solar panels."

Donna asked Gene, "Who told you that?"

Gene said, "Donna, you're very interested in where I get my information."

Donna said, "Yes, because we need to document this. Who gave you that information?"

Gene said, "I was at the last Select Board meeting where it was discussed."

Donna said, "Thank you. When we make these statements, we want to state where this information came from. I don't know if it came from a neighbor, from the Select Board, from the electric company. And I will remain interested in where you are getting the information you are sharing."

Jean explained her knowledge and experience with solar and net metering, saying she does not understand the Town Manager's answer. She would like to know how many kilowatt hours the Town of Eliot is producing and using each month as that is what will dictate the cost of the electricity.

Jean said, "If they are at the point where the electricity that they are generating is outperforming what they are using, that is where the transmission fee comes in and that is what my electric bill is, that is the transmission rate, the \$14 a month that I am paying Central Maine Power is for the transmission of that electricity." She reiterated with that knowledge, she does not understand the Town Manager's response on this issue.

Donna reminded Gene and the members that when taxpayers were first presented the plan and provided a tremendous amount of information, they were promised consistently that taxpayers will see their rates come down, that was what they sold the entire project on to the Town.

Jean asked that the Budget Committee ask the Town Manager for the kilowatt hours per month that the Town of Eliot is using and generating, particularly in the last year. Jean noted that there will be fluctuation from month to month.

Donna read Question #13 under Public Works: "Please provide the cost breakout for each item included and/or consolidated in the category Vehicle Repair/Maintenance \$115,500."

The Town Manager's response: "The calculation is based on cost trends, the Budget Committee has been provided with the expenditures for those repairs and maintenance needs."

Donna said she does not have that information and no breakout for that amount. She asked if anyone had that information to please forward that to her.

Donna read Question #14 under Public Works: "Please provide the cost breakout for each item included and/or consolidated in the category Contract Maintenance \$20,000."

The Town Manager's response: "Provided in the expense reports, we feel the FY 24 will follow a similar but slightly more expensive pattern."

Donna said this was a non-answer as it does not provide a breakdown of the information the Committee is asking for. With no more comments, she moved to the next question and response.

Donna read Question #15: "Please provide a breakdown of costs in Paving including the road repair/paving plan for FY23/24 listing each road."

The Town Manager's response: "Paving pricing is not available we do know that 2023 base coat price was \$76.50 a ton the same material in FY24 is \$85.25, the finish coat was \$79.50 a ton the FY 24 price is \$88.00. I have attached a copy to the paved areas which we would like to address in FY 24."

Donna made sure members had received the information via email, and they had. Diane said that that was an answer, referring to the Town Manager's response to Question #15.

Donna read Question #16 concerning Public Works and Summer Maintenance: "Per the ordinance Summer Maintenance costs are in a separate article."

The Town Manager's response: "Correct."

Donna read Question #17 on Summer Maintenance: "Please provide information on where the costs from last year for the following categories were relocated. Equipment Repair and Maintenance

\$15,000, Supply and Materials \$5,200, Gas \$2,500, Building Supply and Materials \$1,000, Equipment Rental \$800, Water 500, and Electricity \$1,000.”

The Town Manager’s response: “As explained in the notes we are hoping to move to a contract service and use small engine equipment already at the PW for the balance of the work.”

Donna said the Town Manager’s response did not answer the question. She asked if any members had comments or questions. None did so she moved on to the next question.

Donna read Question #18 Public Works and Roads & Bridges: “What caused the decrease of \$1,500 in Sweeping”

The Town Manager’s response: “(more need, increased cost)”

Donna read the remainder of Question #18: “and what caused this to be moved to Roads and Bridges?”

The Town Manager’s response: “The majority of “seeping” is done on roads.”

Donna noted that the Town Manager probably meant sweeping in his response. With no comments or questions, she moved on to the next question and response.

Donna read Question #19 about the Transfer Station: “Please provide details that caused the increase in MSW Disp Fees.”

The Town Manager’s response: “The Eco Maine Contract is a 10 year agreement which after the first four years is tied to the Consumer Price Index (8.2%)”

Donna read the second part of his response to the question about the Transfer Station: “The Town of Eliot entered into a contract several years ago for disposal.”

The Town Manager’s response: “I attached a copy of the MSW agreement and a rate sheet.”

Donna read question about the Transfer Station: “When did or does this contract expire.”

The Town Manager’s response: “June 30, 2027 with a renewal clause allowing a ten-year extension.”

Donna read the next part of the question about the Transfer Station: “What are the terms of any new contracts? If there are new contracts please provide a copy of the new contract. Please confirm if Special Waste Disposal Fees was consolidated in this category.”

The Town Manager’s response: “Yes, There is copy of the Organics Solution invoice, there is no charge for food waste or for the compostable bags. The Director has suggested and I agree there should be a charge for the compostable bags or people should be encouraged to purchase them

elsewhere. I have reached out to Kittery to re-ignite discussions about consolidating the Transfer Stations in hopes of some cost savings, but that determination is a long ways away. There are these and many reasons why more communities are privatizing trash and recycling.”

Donna read the next question about the Transfer Station: “Transfer Station. What caused an OT category to be added?”

The Town Manager’s response: “See Question 10.”

Donna read the answer to Question 10: “The OT line item was for the Transfer Station and Snow/Winter were adjusted to appropriately capture likely overtime needs.”

Donna read Question #21: “Please provide the Reserve accounts.”

The Town Manager’s response: “We continue to work on balances related to Reserve Accounts and Capital Improvement Plan accounts. As there was not a clear picture as to balances or expenditures. Furthermore, the auditors could not find where an appropriate vote was taken for the accounts to be established. We hope to present a recommended structure by February 22 or sooner.”

Donna said that this is what she spoke about earlier in the meeting, the Committee does not have this information, and the Town Manager informed the Select Board, as seen in the Select Board’s agenda for Monday’s meeting, that the Town Manager hopes to have that information in the next few weeks. Gene said if the Budget Committee does not have it then the Select Board does not have it for their vote. Donna said that was correct.

Donna read Question #22: “Please provide the CIP accounts.”

The Town Manager’s response: “See #21”

Donna said the Committee just does not have those numbers. Jean asked how does the Select Board and Budget Committee vote on the budget. Donna said she is not clear on why the Town Manager does not have a clear picture of the balances and expenditures of these accounts.

Jean asked, “How does the budget move forward?” Donna answered that those are the categories the Committee has to decide next week whether the Committee is going to look at the previous year for information and make recommendations using that information or look at a zero amount until the Town Manager decided to give the Budget Committee the information. She said members will have to look at this challenge next week when they are voting.

With no other questions or comments, Donna moved on to the last question and response.

Donna read Question #22 about Town Committees: “Please provide a copy of each committee’s itemized request.”

The Town Manager's response: "Each committee provided an itemized request, the Town Manager based the request on trend, historical expenditures and what was provided by the Chair of each committee. Will attach those correspondence."

Donna said the correspondence the Town Manager referred to was attached in his email. Members said they had received the correspondence. There were no questions or comments on Question #22. She opened the floor to comments on the budget.

Denny said historically the Select Board has not had the in-depth knowledge of the budget the Budget Committee has had which was why the Budget Committee and the Select Board always met to review the numbers. He asked if the Select Board no longer meets with the Budget Committee, how does the Select Board get the knowledge that the Budget Committee has gained over the last three or four months to recommend budget numbers to voters. Denny recommended either using last year's number or coming up with one of their own numbers but that the Committee should not leave anything blank. Donna said they cannot leave anything blank and there is no intention to do so. Denny said it is sad for the Committee to not have answers to questions at this point of the process. Donna said she agreed with Reggie that it seems intentional. Jean said there is no doubt in her mind that it is intentional and that the whole intent is to get rid of the Budget Committee or put people on the Budget Committee who are going to be yes people to the Select Board and the Town Manager. Gene said the Legislative Body elects the Budget Committee. Denny said he is still struggling to understand why the Town Manager did not provide the Budget Committee with a list of items he had moved from one area to another. Donna said that did happen to a point but what has not happened is providing the Committee with details. She added that the Budget Committee has asked questions about the minimal information it received, and that the Town Manager has declined to give the Budget Committee that information. Donna said she sees that as deliberate and posed the question what are they hiding that they are not giving the Budget Committee those numbers. Jean said she hates to go to that conclusion, but that conclusion is the only one she can draw that there is something going on that they don't want to disclose. Donna said that no one is saying that there is anything illegal or whatever, it's just what is their reasoning for not wanting to give this information to the Budget Committee so that the Budget Committee can do the job members were elected to do. She wondered if it was a control issue or something and said she did not know.

Jean asked Gene if he had any insights. Denny asked why does the Select Board not ask the Budget Committee to sit with them. Donna answered that the Budget Committee had invited them to and the invitation was declined. Jean asked Gene if he had any insights as to why the Town Manager was choosing not to work with the Budget Committee. Gene said he cannot speak on behalf of the Town Manager and said that his concern is that his experience at a Select Board meeting or in speaking to people, they are candid about things.

Gene said, "The thought that they – in quotes – are hiding things, personally I don't see it. I just don't because I've never been met with anything less than candor and openness. If I ask the right question."

Donna asked Gene if he was suggesting that the Budget Committee did not ask the right questions that the Committee has sent twice to the Town Manager. Gene answered that he did not understand why this is so awkward. Donna asked Gene if he understood that under the Charter, the Budget Committee asks questions and it is the Town Manager's job to provide the answers. She asked if he understood that it is the Town Manager's job to provide the Budget Committee with the answers so the Committee can do its job, and that they have requested joint meetings and they have been declined.

Diane spoke about Bill Widi, member of the Select Board, who when he attended an earlier Budget Committee meeting, said he thought it was a good idea that the Select Board meet with the Budget Committee at least once. She asked if the Committee had followed up on that and asked the Select Board Chair again. Donna said that according to protocol, the Committee goes through the Town Manager which the Budget Committee did and it was declined. Donna spoke to professional presentations and the importance of gathering and sharing all data. She said she did not understand if this is a budget the Town Manager wants to see pass, why he would not provide the information to validate his request and gain the Committee's support on it. She added that the only conclusion she can come to is that they do not want any input from the Budget Committee.

Jeff suggested the Committee gives the Select Board a heads up at their meeting on Monday about the Committee's status on its budget review. He said that the Committee is in a serious situation principally due to individuals but also now due to the calendar closing in on the Committee. He suggested it may be helpful for the Budget Committee to go to the Select Board podium at the next meeting and share with them where they are in the process. Denny, Jean, and Diane thought it was a good idea. Denny said that by the Charter the Budget Committee operates independently and if they do not get cooperation from one arm of local government, they could try another.

As an Eliot resident and member of the public, Ann Lukegord, 239 Rollingwood Road, asked and was allowed to comment to the Committee. Ms. Lukegord serves as the Budget Committee's recording secretary. She said, "Listening in on this conversation, I just want to remind everyone that at the July special meeting last year when Bill Widi spoke on the behalf of the Select Board, he said that they failed to do their job in a way that the Town didn't need the special meeting and wasn't presented a ballot, I don't know what his exact words were, clear or, that the Town did not work together and they were to blame for that. And I think reminding them of those words at the beginning of that special meeting as we're heading this way would be a good way to approach the Select Board and say we're heading down a path we don't want to go down. So as a resident, I agree with what Jeff is saying and thank you for letting me speak."

Donna thanked Ms. Lukegord, and Jean said she liked what she had to say. Donna said that when Select Board members Lauren Dow and Bill Widi were at a Budget Committee meeting a month or so ago, there was a clear indication that they saw the Budget Committee as the issue. Donna said she would not discourage anyone from going in front of the Select Board but she would caution that it does not appear that the Budget Committee will gain any support, but that the Budget Committee will at least have its say.



Diane said she thought Jeff's idea was a great one because if the Committee doesn't at least tell the Select Board how it feels and where it is at this point of the process then shame on the Budget Committee for continuing its work and not saying anything. She said it's up to the members to at least try. Jean said so the question is who goes before the Select Board. Donna said it would be the Chair or the Vice-Chair and that she is not available on Monday night as she is having a medical procedure that day. She will contact Reggie about it and asked for a third back-up. She asked if Jeff would be available. Jean and Diane said they would second Jeff being the third back-up. Jeff did not accept being the third back-up. He suggested a letter or memo that a Budget Committee member could read to the Select Board in the Committee Chair's absence. He saw this as a Chair-to-Chair discussion. Donna said she would speak to Reggie about it and shared that the Budget Committee would not be on the agenda as it missed the deadline for that and would have to speak during the Public Comment period.

Jeff said speaking at the Select Board meeting was important as it is embarrassing if this is not resolved and it will diminish the confidence the Legislative Body has in both the Budget Committee and the Select Board if they cannot resolve this in an appropriate amount of time. The Chair said she would speak with Reggie if she did not hear any objection to doing so. No one objected.

#### **5. Budget Committee member reports/comments**

Donna opened the floor to member reports and comments. She went around the room asking each member for comments. Jeff asked to discuss the Community Services Department (CSD) numbers that he worked on. Donna said they would jump back to Budget Review. Jeff spoke about the excel spreadsheet he created and that he would like to use the format moving forward. He said last year's budget request for the CSD had 49 items and this year's request has 13 items, so there are 79% fewer line items, fewer detail than last year. He noted that the 13 line items submitted have no details about changes or value from year to year, especially in salaries which are 85% of the expenses in that department. He noted a few unexplained changes in categories, such as Training and Traveling being renamed Training and Wellness. Jeff suggested that the Committee at a retreat at some point following the current budget cycle create and propose a format for the Town that the Budget Committee would like to adopt and to do so before the process starts for next year. He saw this format as efficiently replacing the notebook and scraps of paper the Committee now has and that it would make it easier to analyze and assess department totals from year to year and straighten out particulars like the Mill Rate. He said it is too late for this year but he thought it plausible that working for the future and with some outside help from someone who is good at Excel, the Committee could convince the Town to incorporate such a program. He added that the budget process does not have to be as difficult as it has been made to be. He saw the Town as having historically the same costs and expenses year to year with small changes so the situation is not like starting up a new company. He spoke about the ease of use of the Excel format and how it captures and communicates data in many ways. He added that the message to the Select Board should be that the Budget Committee cannot do its work and looks forward to working together to improve the format. Donna reminded Jeff and the members that the Budget Committee is doing its job but that the Town Manager is not doing his job by not providing the Committee with information. She added that it is important in conversations that members have that they are advocating for themselves and the Committee and that she is not embarrassed by anything she has done as she has been doing her job requesting the information and that the Town Manager has

declined to provide that. Diane liked what Jeff did and the observation statements he made as to how the format would bring the data all together. She added that she found it to be a good format. Donna asked about converting the numbers she worked on to an Excel document and could Jeff add those numbers to his document. Jeff said he could build the model, but it would take weeks if not longer. Donna said she had someone who could work on the numbers for her over the weekend and put in an Excel document. She will see if the work can be done for Sunday. Jeff said after completing the CSD part he was going to do the Admin part but that they had so little information it was more of a fool's errand or waste of time.

Jeff said he wanted to speak about the William Fogg Library presentation and that he was struck by the lack of understanding the Library trustees appeared to have about the Library and its financial situation. He said either they lack the knowledge or don't have the systems or employees or the capabilities or they don't want anyone to know, but he thought the questions members asked about the loans, funding, and the endowment and the answers given showed that the trustees did not have a handle on their financial situation. Donna thought the Committee brought up questions for which the Library representatives were not provided the answers and should have been by previous personnel. She noted her concern over fundraising events promoted by the Eliot Library Association that stated the funds received were going to the Fogg Library and that the trustees had no knowledge about the funds raised or where those funds were going. Jeff said for the Library to come to the Budget Committee meeting so ill prepared was a huge red flag that something was wrong there. He said the idea of signing his name to a budget for \$250,000 for an organization that cannot provide any information at all is a hard one for him. Jeff said he could not imagine going to a meeting with his only funder so poorly prepared. He added that he read the minutes from the meeting and maybe there may have been more from the conversations as they happened, but it struck him that the Committee should have a lot of concern about where the money has been going, is going, and will be going in the future. Jeff added that he did not mean to compound the issues the Committee is facing but he wanted to share his thoughts.

Jean said she was concerned, even shocked, that the Library would not enter an MOU (Memorandum of Understanding) with the Town of Eliot. Jeff agreed and pointed out that their reason for not wanting to enter an MOU was that someone might not like the way the Library operates. He thought their response to Jean's request was odd as MOUs are actually part of normal operating procedures. Donna said the Library's response to the Committee's request for a copy of its PPP (Paycheck Protection Program) loan application was that their attorneys said not to show it to anyone and wondered why they did not want the Committee to see it. Jean said a lot of that information can be found online. Donna asked if those applications are public information. Jean did not know and said she would have to go back and do some research. Donna said she knows the Library is sincere and doing its best, but she hoped that any entity that asks for money from the Town would be open with its finances.

Donna said she had requested salary information from the Library and if money not used last year could be rolled over to this year, and said she would follow up on getting that information. Jeff said the Library's financial situation is unclear and at a basic level it would be interesting to get a statement of cash flow for a couple of years, what came in, what went out, and where did it go. Donna said she can ask for a statement of cash flow for FY 2022. Jeff said it would be good to get a

couple of years' worth, and that information about loans and the extra salaries from laying off three people would be helpful. He said it would be difficult to sign off on that large amount of money without any information. Donna thanked Jeff for his good observations.

No other members had comments. Donna said she would not be available Monday and possibly Tuesday. She said the Committee's next meeting was Thursday, March 1 at 5:00pm.

Jean said she found the information on the William Fogg Library for the PPP loan of \$35,300 for eight jobs retained and that the loan was approved on 5/1/2020 and paid through Kennebunk Savings Bank. She shared additional information about the loan being paid in full and updated July 2021. Donna thanked Jean for sharing that information.

#### **Adjournment**

Diane motioned and Jean seconded that the meeting be adjourned. The motion passed with a roll-call vote of 6-0. The meeting adjourned at 6:54pm.

**Respectfully submitted,**

**Donna Murphy, Chair**

**Date Approved: March 2, 2023**

**Jean Hardy, Secretary**