

**Town of Eliot
Budget Committee Meeting
Monday, March 27, 2024**

1. ROLL CALL

In attendance in person were Jeff Leathe, Chair; Brad Swanson; Gene Wypyski; and Donna Murphy, and remotely via zoom was Diane Holt, Secretary; and Jim Latter. Reggie Fowler, Vice Chair, was absent. The Chair called the meeting to order at 6:00pm. He asked members if they had any conflicts with what would be discussed tonight. Mr. Wypyski requested a change in the agenda to allow him to report on Budget Committee participation in the Town's Comprehensive Plan (Comp Plan) Committee. The Chair agreed and moved Item 4. Budget Committee Member Input: Reports on Individual Meetings and/or Comments/Suggestions/Question to occur prior to Item 2. 10-Minute Public Input Session.

2. BUDGET COMMITTEE MEMBER INPUT: REPORTS ON INDIVIDUAL MEETINGS AND/OR ANY OTHER COMMENTS/SUGGESTIONS/QUESTIONS

Mr. Wypyski reported to the Committee that there is an opportunity for the Budget Committee to be involved in the Town's Comp Plan Committee by providing its insight and leadership to the Comp Plan Committee's Fiscal Capacity & Capital Investment subgroup. Mr. Wypyski said he is an at-large member of the Comp Plan Committee. Mr. Latter said he and Mr. Leathe are also members of the Comp Plan Committee. Ms. Murphy said Mr. Fowler was the Budget Committee's representative on the Comp Plan Committee. Initially a motion was made to appoint Mr. Wypyski as a Budget Committee representative to the Comp Plan's Fiscal Capacity & Capital Investment subgroup but following discussion that motion was withdrawn. Mr. Latter motioned that the Budget Committee authorize Mr. Wypyski to present to the Comp Plan Committee and to first be reviewed by the Budget Committee and this motion was also withdrawn. Members agreed to put the assignment of a Budget Committee representative to the Comp Plan Committee subgroup on the April 10 agenda for further discussion.

3. 10-MINUTE PUBLIC INPUT SESSION (Community Participation is Encouraged)

The Chair opened the floor to public input. There was no public input.

3. CONTINUED REVIEW of TOWN MANAGER'S FY2025 BUDGET

The Chair directed members to the most recent responses by the Town Manager to the Committee's questions. Concerning the Committee's question about LD1 (Limit on Property Tax Levies) calculation, the Chair read aloud the Town Manager's response: "The Finance Director, Assessor and I revisited the LD1 calculator and based on what is proposed for a budget and all the factors we all agree we would be well below the LD1 limits by about \$900K. The Assessor remains confident the effect on the average house property tax will be approximately \$41 for FY 25 and the mil rate will rise about 11 cents. I would suggest in comparison to other communities that is very reasonable."

Ms. Murphy asked for the LD1 amount the Committee will vote on and for clarification if the Committee votes yes, does that allow the Town to increase the LD1 amount. Members discussed what the Committee vote would allow and asked Ms. Murphy for historical information on how voting has gone on this item. Ms. Murphy said LD1 is voted on by the Town every June and that voting yes on LD1 is a vote allowing the amount to be exceeded. Members reviewed data to see how the Committee voted on LD1 last year. The Chair said the Committee could do one of two things: 1.) understand how LD1 is calculated every year and vote to stay under that amount, or 2.) vote such that the Town can overspend on LD1. Ms. Murphy said last year the Committee began voting on Article 5.

The Chair said that in response to the Committee's questions, the Town Manager explained that Fiscal Operations includes debt services, outside agencies, and the William Fogg Library.

The Chair directed members to the Town Manager's response to the Committee's question concerning the Sewer Department. Members discussed that the Budget Committee annual letter to residents can include information about who pays for the sewer (ratepayers only) and if the Budget Committee should vote on the Sewer Department budget and costs as a recommendation. Mr. Wypyski and Mr. Leathe agreed that the Sewer Department does not fall under the Budget Committee as it is not a tax to taxpayers. Mr. Swanson said the costs attributed to the Sewer Department do not impact taxpayers from a tax perspective. Ms. Murphy said the Sewer Department falls under the Select Board. The Chair read aloud Article 12: "To advise the Town that the Select Board has voted to appropriate the sum of \$964,085 from rate payer revenues for the operation of the Sewer Department. This article has no tax impact as no amount will be raised by taxation." Members discussed if they would support it or not. Ms. Murphy read aloud Section 6.3 of the Charter: "The Budget Committee shall, by majority vote of the committee members present and voting, make recommendations regarding and included in each warrant article having a financial impact whether at the Annual Meeting or at a Special Town Meeting." The Chair said the Budget Committee will opine on the Sewer Department and vote on it. This ended the Committee's review of Town Manager responses.

The Chair opened the ongoing discussion on how the new yes-or-no question format will appear on the ballot by reading the Town Manager's response on his cover letter to the Committee.

Members discussed if they vote on individual departments in the budget or on the articles as they will appear on the ballot. Ms. Murphy said that last year the Committee voted on the articles. Mr. Wypyski said the Committee votes on both the departments and the articles. Mr. Latter said the Committee can vote on the articles at a minimum but can also vote on the departments. Mr. Leathe said the Committee should vote on the articles but also discuss the department budgets.

The Chair directed the members to the articles, specifically Article 5, Administration. **Mr. Latter moved and Mr. Swanson seconded that the Budget Committee approve Article 5, Administration, in the budgeted amount of \$2,876,517 which will include Land Use in the definition of the article.** Discussion among members included whether or not each article should include departments in parentheses. Members said Hearings and Elections and General Assistance were listed but that Land Use was not listed and missing from the wording of Article 5; members asked that a note be sent to the Town Manager asking that he list Land Use with the other items. **The motion passed by a roll-call vote of 5-0-1 with Ms. Murphy abstaining as she thought the Budget Committee was not provided with enough information to assess the account.**

Members turned to Article 6, Fire Department. **Ms. Murphy moved, and Mr. Wypyski seconded that the Budget Committee vote to raise and appropriate the sum of \$425,800 for the salaries, benefits, operation, and maintenance of the Fire Department to include Fire Hydrants.** The motion passed unanimously by a roll-call vote of 6-0.

Members turned to Article 7, Police Department. **Mr. Swanson moved, and Mr. Wypyski seconded that the Budget Committee vote to raise and appropriate the sum of \$1,471,412 for employee salary, benefits, operation, and maintenance of the Police Department to include Dispatch, Harbormaster, and Animal Control.** Members noted that over the past year, line items had been added to the Police Department. **The motion passed by a roll-call vote of 5-0-1 with Ms. Murphy abstaining as she found that the Committee was not provided with enough information to know what was included in the article.**

Members turned to Article 8, Public Works Department. **Mr. Wypyski moved, and Mr. Latter seconded that the Budget Committee vote to raise and appropriate the sum of \$2,412,634 for the salaries, benefits, operation, and maintenance of the Public Works Department to include Streetlights, Summer Maintenance, Roads & Bridges, Snow Removal, Transfer Station, and Federal Storm Management Plan.** Mr. Leathe said that Highway was not listed under Public Works. Ms. Murphy said that Highway and Public Works have been interchanged over the years and mean the same thing. Members discussed the need for consistent language. **The motion passed by a roll-call vote of 4-0-2 with Ms. Holt abstaining as she had a conflict of interest with her son being connected to Public Works and Ms. Murphy abstaining as she did not find that the Committee was provided with enough information to make a decision.**

Members turned to Article 9, Community Service Department. **Mr. Swanson moved, and Mr. Latter seconded that the Budget Committee vote to raise and appropriate the sum of \$393,772 for the salaries, benefits, operation, and maintenance of the Community Service Department/Recreation Department. The motion passed with a roll-call vote of 6-0.** Members noted that the Community Service Department was changing its name to the Recreation Department.

Members turned to Article 10, Fiscal Operations. **Mr. Latter moved and Mr. Leathe seconded that the Budget Committee vote to raise and appropriate the sum of \$529,808 for Fiscal Operations to include Debt Service, Town Standing Committees, Outside Agencies, and the William Fogg Library. The motion passed by a roll-call vote of 5-0-1 with Ms. Murphy abstaining as she did not support the items that are listed in Article 10.** Ms. Murphy commented and asked that her comment be on the record that "Articles 10 and 11 left voters in an unfavorable position because if they vote no it reverts to last year's number which is significantly higher, and it also does not give them the opportunity to weigh in on some things that are lumped in here that aren't even like objects."

Members discussed how items are being presented to voters, what is consolidated in the articles, and the new ordinance passed by voters to condense the format of the ballot.

The Chair directed members to Article 4, Fiscal Year 2025 Estimated Revenues. Members discussed use of the TIF in 2024, Ms. Murphy explained that change in use of the TIF was taking money out of the Tif to support certain salaries, a practice that should not be done and is no longer done. **Ms. Murphy moved, and Mr. Wypyski seconded that the Budget Committee approve raising Fiscal Year 2025 Estimated Revenues in the amount of \$3,027,601 to reduce the amount to be raised by taxation (fiscal year is July 1, 2024, to June 30, 2025).** The motion passed by a unanimous roll-call vote of 6-0.

Members turned to Article 11, Capital Improvement & Reserve Funds. **Mr. Swanson moved, and Mr. Wypyski seconded that the Budget Committee vote to approve the transfer of \$429,000 from undesignated fund balance for the Capital Improvement & Reserve Funds.** Mr. Leathe read from the Town Manager's letter the specific amounts and the departments to which they will be transferred. Mr. Leathe also read in the letter that the funds would have oversight from the Select Board. **The motion passed with a roll call vote of 5-0-1 with Ms. Murphy abstaining, stating that she did not have enough information to support the \$429,000 but did not want to vote no as should the Committee vote the motion down, there would be a significant increase to the amount.**

Members turned to Article 12, Sewer Department. **Mr. Wypyski motioned, and Mr. Swanson seconded that the Budget Committee advise the Town to appropriate the sum of \$964,085 from taxpayer revenues for the operation of the Sewer Department. The motion passed by a roll call vote of 5-0-1 with Ms. Murphy abstaining.** Mr. Latter noted that the wording of this article, particularly "to advise," is different from the other articles and that the rates are set by the Kittery Water District. Ms. Murphy

suggested a conversation with the Select Board or Town Manager to see if Article 12 needs to come before the voters.

Members turned to Article 3, Property Tax Levy Limit (LD1). **Ms. Murphy moved that the Budget Committee vote the property tax levy limit of \$4,550,599 as established for Eliot by State Law. There was no second to Ms. Murphy's motion.** Ms. Murphy said she took her wording from the article, and Mr. Wypyski said that the article reads to increase the property tax levy limit. Members discussed the wording of Article 3 and questioned if they were voting to support or voting to exceed the limit. Ms. Murphy clarified that if the voters vote no on Article 3 then the Town cannot exceed the limit and if the voters vote yes and that prevails then the Town can exceed the limit. Ms. Murphy added that the article will not appear on the ballot as a yes or no vote and suggested the Committee table its vote on Article 3. Members agreed. **Ms. Murphy moved, and Mr. Swanson seconded that the Budget Committee table its vote on Article 3. The motion passed by a roll call vote of 6-0.** Members agreed to see if more information would be coming from the Select Board that would help them act on Article 3.

The Chair said he will inform the Select Board via email about the Budget Committee's votes and actions on the articles.

5. REVIEW AND APPROVE MINUTES

Mr. Wypyski moved, and Mr. Swanson seconded that the minutes from the Budget Committee's March 18, 2024, meeting be approved as amended. The motion passed unanimously by a roll call vote.

Mr. Wypyski moved, and Mr. Swanson seconded that the minutes from the Budget Committee's March 20, 2024, meeting be approved as amended. The motion passed unanimously by a roll call vote.

6. OTHER BUSINESS

There was no other business.

7. CORRESPONDENCE

There was no correspondence.

8. SET AGENDA AND DATE FOR NEXT MEETING

The next meeting will be held on Wednesday, April 10, 2024, at 6:00pm.

9. MOTION TO ADJOURN

Mr. Wypyski moved, and Mr. Leathe seconded that the meeting be adjourned. The motion passed unanimously. The meeting adjourned at 8:40pm.

Respectfully submitted,

Jeffrey Leathe, Chair

Date Approved: March 27, 2024

Diane Holt, Secretary