

Town of Eliot

Budget Committee Meeting

April 10, 2018 Meeting

Budget Committee Members: Donna Murphy (Chair), Jim Tessier (Vice-Chair), Dennis Lentz (Secretary), Steve Furbish, Noah Lemire, Janie Wang. Ed Strong (absent due to travel).

Call to Order:

- Meeting was called to order @ 6:27 pm by the Chair (video streaming was used). Chair was late with notice due to work.

Public Comment:

- No members of the public present.

Approval of Minutes

- No minutes.

Review of Budget Process

- Noah commented that he felt that this year's process was dramatically better than the prior year. Donna commented that there were some challenges. Saw an improvement at the beginning of the process and then things started to fall. Jim stated because of the scheduling we were more effective. We got the budget in December and the first meeting in mid-January so it gave a couple of weeks to look it over. That meeting was before the meeting with the Town Manager and the department heads. It gave the opportunity to prepare questions and we had another meeting before the second meeting with department heads. Because of that sequence it was significantly better than last year. Denny stated that agendas for the meetings tied things together. We were able to prepare better. Denny questioned if the Budget Committee met their objective. Donna stated the only objective the Budget Committee set was to not increase the MIL rate and Jim stated not exceeding LD1. Jim stated we did not meet that. Donna stated that opportunity is there if the bonds pass. Jim stated we need to figure out a way to talk to the Town Manager to get those numbers earlier in the process. Right now, we are shooting in the dark with the rough estimates and so we don't have a firm number set. Jim stated we could have easily found a way to cut the \$2,000 to get under LD1 and because we didn't have the specific number. Noah questioned, aren't there factors that end up creating that number that he (Town Manager) doesn't necessarily know? Jim stated he (Town Manager) is assuming we can't do these calculations until later in the year but the way he read it is when he looked at it some time ago he thinks there is nothing that prevents you from looking at last year's number and using that to build our budget for next year. Noah stated he does not feel that having that number early on is helpful. Jim agreed and stated that it is needed at the end. Having those two goals helped to prioritize. Jim mentioned when the Town Manager was proposing a \$314,000 tax increase we did a reasonable job getting that down. Jim stated that another area that worked well the improvement on

the CIP. Likes Janie's idea of refining the process. Jim stated that he would like to thank everyone here as he felt we all had a good relationship. We work hard to raise issues, are open for discussion and have open minds. Discussed Janie's idea of looking at which vehicles are using up funds with repairs and do they need to be moved up for replacement. Jim liked the running total that was kept and the impact it had on the budget. Denny stated it helped him. Donna stated that Town Manager and Treasurer commented that it was helpful to see the changes and the reason for the changes. Jim thanked Donna and Denny for creating this. Jim stated there was still a crisis at the end of the process but we are still going in the right direction. Of note was the meeting when Jim arrived with new budget sheets he had obtained as a citizen when attending a Select Board meeting. The new sheets were not provided to the Budget Committee. Jim stated this is direct reflection of the Town Manager. He should have been at some of the meetings and explaining where he was at. Jim felt irritated that he was the only one with the new sheets. He had not made copies for the Budget Committee. Donna commented that if Jim had not been at that meeting the Budget Committee would not have known about the new numbers. Donna suggested sending a formal invitation for the Town Manager to the meetings. The Town Manager should be responsible for getting the new information to the Budget Committee when it is generated. Donna stated that when new information is sent to the Budget Committee it is sent only to the Chair. The Chair forwards all emails to Committee members but if an email is sent at 4:30 the afternoon of a meeting and the Chair comes directly to a meeting then it is not accessible. The Town mail cannot be accessed when in the Town Hall. Steve stated he was surprised at the Citizen's Option Meeting. He stated that he expected the Library to be there but did not expect the Conservation Commission. There were about 75 people there and in their seats by 7:00. Jim talked about the Budget Committee putting in the time and effort, work in developing the number and the Select Board agreed with the Budget Committee recommendations. Did this come across? Donna stated that at the end of the Citizen's Option Meeting she made a statement that the Town Manager gives the budget to the Budget Committee and that we don't create the budget. We review and make recommendations. Noah stated that he has seen a change from his previous time on the Committee for the positive. Discussed the goal of collaboration, not attacking department heads when they attend meetings to give information. This current Committee has committed to this. Noah stated that one of the reasons he came back on the Committee was that he had notice how collaborative the process had become. In the back of his head he was concerned that the quality of the review might have gone down and it was just a rubber stamp. He was pleasantly surprised to find it wasn't the case. Janie stated she would like to spend more time with department heads and have a better understanding of what they do and what their top financial concerns are. Could this happen in November or December prior to the budget to share their thoughts. Noah expressed that at initial meetings when questions were asked the Town Manager shot us down due to it being a written question and not having the answers in writing. Noah stated he might have a follow up question. Discussed having a follow up meeting with the Town Manager for feedback on ways to improve the process. Denny questioned if we had a formal list for review. Donna read the notes she had taken which included, sending emails to all Committee members, having the Town Manager at more of the meetings, and having questions answered at the meeting rather than having to wait for a written response. Added meeting with department heads prior to completion of the budget. Jim stated as a Committee we should think about, is there a better way we can ask the questions. We ask a question it is too broad in scope and get

an answer that doesn't answer the question. We waste time going back and forth. Denny stated that he envisions the Town Manager wondering why we are asking the question. Steve stated if the Town Manager had come to the meetings he would know. Jim stated this was true. Jim stated it was apparent from some of the Town Manager's answers that he didn't understand the question or we didn't word it correctly. Donna stated we can work on this on our end but if the Town Manager gets a question that he feels will take two hours he should ask a clarifying question. It would help if he could attend the beginning of meetings. Jim stated maybe we invite him to the beginning and schedule the time to address questions. Janie asked if we could go and ask him questions. Jim has done this. Donna discussed that Jim went in with the agreement of the committee. Discussed having subcommittees for specifics. Jim suggested a process to follow up with the Select Board regarding increasing fees. Discussed looking at areas of improvement that could impact the budget and improving the process. Used example of seemingly high number of trips to stores by the DPW. Is there a way to mitigate this and improve the process? Noah questioned if this is micromanaging. Agreed that if we told them what to do that would be micromanaging. IF we bring a situation to the attention of the Town Manager it is not. The alternative is to continue looking the other way and it continuing. The small amounts of money add up. Jim stated it is more money if you say we have to hire a new person because we don't have enough time to get our work done because they spend 20% of their time driving back and forth to Portsmouth.

Review of Town Manager's newsletter regarding budget information

- Donna stated that there is an expectation that the Budget Committee was paying half the cost and the Budget Committee was not asked for input on the newsletter. Jim stated he gave input two weeks ago. Jim stated the content seems reasonable but the wording could be better. Did Committee members feel our work was reflected? The Committee felt it did. Agreed that the newsletter should be simple. Jim stated to include the work the Budget Committee did, the Town Manager is going to want to see it, and it reflects poorly on what he has done. A lot of what we did was find errors and correcting them and suggesting things. Jim cited the CIP. Noah stated it was a math error. Jim stated it was not a math error but the way you approached the process. It ends up being a calculation change. It ends up funding the final year in the year you purchase the new vehicle. Jim said if we were to attach our spreadsheet to it that is the only thing he sees. He does not want to go back in. Noah did not feel we need to attach the spreadsheet as the numbers are there. Donna suggested that Jim being the person to talk to the Town Manager about the changes. The Committee agreed. Requested to review the changes. Noah needed to go back to work and discussion on the newsletter was suspended. Noah provided copies of the William Fogg Library trust document and noted where it stated "free". Noah left the meeting at 7:39. Jim reviewed question number eight. The third line and end of second line it says, "We are recommending adding some funds to the wage reserve, \$17,086." \$217,086 doesn't make any sense there on that line. The number, it should be, we are recommending adding some funds \$17,086. It should have a comma and not a to. Take out "some funds" too. Just adding \$17,086 to that wage reserve. Question eleven on the next page. The last sentence reads, "This budget includes only covers just salt". It's a mess. I think it ought to say, "This budget only covers cutting edges", so we would delete includes and just. So, if you delete only and just it would read, "This budget only covers cutting edges, salt and

overtime.” Question fourteen, in the last sentence it starts off collection and recycling of to be technically correct it should say food waste instead of vegetable waste, any food waste. Normal compost is just vegetative. Food waste is any food that comes off your table. That should say food. Number sixteen, the second sentence says, “Due to the pay plan’s implementation and the rise in minimum wages will better compensate.” Delete will better. It should say, “Due to the pay plan implementation and rise in wages, many part-time employees who help with our senior, adult, and children’s programming will see a wage increase. This should not be an opinion. Question 24 on county taxes. Did we vote and agree? We did not. It was never presented to the Budget Committee. The draft warrant articles stated that Select Board and Budget Committee approved. This should be deleted and read only that the Select Board is recommending. It was corrected by the Chair during a review at the Select Board meeting. Question twenty-nine. There is nothing listed about the Public Works solar reserve. That is the one, remember when we were looking at the reserves and they had \$7,000 listed. We put aside \$7,000 every year to buy out the Public Works solar. Jim corrected after question twenty-nine the reserves are listed. The Public Works solar is not listed and Jim is concerned it might have fallen through the cracks. We have been doing this. Janie asked if it is because the list is almost a year old. Jim stated it is almost a year old but we have been putting money in this for a few years. There should be \$21,000 or \$35,000 in there. Jim did not recall how many years we have been putting away money. Denny asked why there was not a question twenty-nine. This is reserved for the Tax Increment Financing. Jim stated that solar is on the garage but not part of the Public Works. Jim stated he doesn’t know if they lumped it in the energy efficiency but if they have there isn’t enough money in that account. On the sheet with the red lines it has the energy efficiency capital account and it has the energy efficiency reserve account. Both of those now, on the one that is black is energy efficiency. It doesn’t make any sense. Jim will be the person to convey to the Town Manager. Jim stated one other on the first page on the informational public hearing. It would read better if you deleted the last five words. Jim will send changes to the Town Manager from the Budget Committee.

Budget Committee member reports/comments

- No reports or comments.

Adjournment:

- Chair called for a motion to adjourn. Motion by Steve Furbish, 2nd by Janie Wang. Vote 5/0 to adjourn. Adjourned at 7:50.

Next meeting date: To be determined.

Respectfully submitted,

Donna Murphy, Chair

Date Approved: May 8, 2018

Dennis F. Lentz, Secretary