

# Town of Eliot

## Budget Committee Meeting

### February 9, 2022

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#### **Call to Order:**

- The meeting was called to order @ 5:00 PM by the Chair.

**Budget Committee Members:** Donna Murphy, Brad Hughes, Denny Lentz, Ed Strong, Diane Holt, Jean Hardy, and Reggie Fowler. Ed Strong, Diane Holt, and Jean Hardy attended via Zoom.

**Public Comment:** No members of the public were in attendance; no one joined via Zoom during the meeting nor did anyone call in during the meeting.

#### **Approval of Minutes:**

- The minutes of the January 26, 2022 meeting were reviewed. No one had any changes to the minutes. Denny motioned to accept the minutes as amended, seconded by Ed. Motion carried by a 6-0 roll call vote.

#### **Budget Review:**

- Donna opened the discussion asking if everyone had received the email with the Town Manager's responses to our budget questions. Everyone had. Question #1 under the section entitled **Revenue** was the starting point.
- Question 1 – Interest on Investments – answered as yes, the interest is being left in the investments, as opposed to taking it out as in previous years.
- Question 2 – Sewer Admin Revenue- the answer given did not answer the question, and we need to re-ask the question. However, Brad told the group that the real issue here is that we have an accounting system failure. We budget revenue from an enterprise fund and don't collect it, even though it is simply a transfer of monies between funds. Why budget something if we don't collect the money? Brad further explained that budgeting this sort of revenue is beneficial since it offsets budgeted expenses, and therefore keeps the mil rate down. So, in his opinion, if we don't collect it, it is of little consequence. He would rather have the accounting issue answered. It was decided to just leave this alone for now and keep it in the budget as a **budgeted** non-tax revenue. Jean was still unsatisfied about the collection issue, and felt we need to get assurance that the Town Manager intends to collect this budgeted revenue. After some additional discussion about this, it was decided to ask the Town Manager to clarify that it is his intent to collect revenue from the sewer fund in fiscal year 2023. His answer suggests that it is his intent, but we need assurance that it will be done.
- Question 3 – LRAP Funds MDOT – question answered.
- Question 4 – Pay Per Bag Revenue – the Town Manager did not answer this question here, but did provide detail of revenue being recorded in an Administration account (from Current Account Status). The revenue is being recorded, but not in the same department. Questions is satisfied, but the accounting issue remains unexplained.
- Question 5 – Wood Debris – question answered.
- Question 6 – York Hospital CSD Grant – question answered.
- Question 7 – TIF Assessments – the question is addressed, but not really answered as far as the Committee is concerned. Brad pointed out that while he did not know the origin of this

practice, we have been budgeting a TIF assessment for several years now to offset wages and benefits of employees who spend time on TIF matters. Not assessing this fee places the burden on taxpayers to pay for this time. We need to consider calculating an amount for FYB 2023 and recommending that the Revenue budget be increased accordingly (see questions under Admin-Land Use Office in the following Expenses section) . There was some additional discussion, but all agreed we need to make this our first recommended adjustment to the Town Manager's proposed budget, the amount to be determined at a later date. This ended the discussion of Revenue.

- The first expenses section is Admin, and the first question dealt with Travel & Training. It was the consensus of the group that the response was very verbose, but lacked in actual information or data. Diane was concerned that all of this training/ cross-training would translate into requests for wage increases. Jean commented that most organizations have established training plans, i.e., who will be trained and how; what CEU credits they need for their function; and other requirements to maintain employment. This response addresses none of that. Both Donna and Jean felt this was a very subjective response in an attempt to justify his position. There is nothing objective in this response. Brad felt that perhaps the Town Manager has not had the time to develop a detailed plan, but wants to do so, and he feels this amount will cover whatever plan he develops. At any rate, everyone agreed the response could have, and should have, included more specific information about what types of training were available and their cost per employee so that the Committee could assess the reasonableness of the amount requested. This is also a budget item up for adjustment when we make our recommendations.
- Advertising (Admin) was the next response, and it, too, lacked in appropriate detail to assess. A simple statement as to how the increase was determined would have been better than what we were given.
- Banks Service Charges & Fees showed a \$4,000 increase, and Brad felt the answer was appropriate. Jean wondered why the fees would be so high ( approximately \$15,000), and she wondered if we "were robbing Peter to pay Paul". Brad said that this has been discussed before, and that Key Bank actually attended a Select Board meeting some years ago to discuss their fees, amongst other things. Jean wondered why we have not changed banks, but Brad said that, while Key Bank fees seem high, so are fees charged by other banks for commercial and municipal accounts, predominately because of volumes they have to process. Unfortunately, the budget is fine.
- The next item was for Administrative Software Licenses, requesting a \$24,000 increase in costs. The Town Manager response mentioned NearMap for mapping needs (estimated at \$4,000); Paychex as a new payroll system which would provide more tools than we currently have (\$5,000 to \$8,000); and the fact that he wants to evaluate our accounts payable processing, records retention software and other automated services over the next year. Ed pointed out that this only provides an answer to half his request. Jean questioned why NearMap when we currently use GIS Mapping, which is a staple in this state. Jean said she has used GIS Mapping, and it is a wonderful tool with excellent capabilities. She did a web search on NearMap, and the site claimed it would "double your business and slash costly site visits", amongst other claims. She wondered if the plan was to move away from GIS Mapping, and if so, why are we? Denny said he thought no, because in the Planner's cover letter he requests \$5,000 for GIS Mapping upgrades, including advanced query tools and document upload tool bundle. Brad then said that herein lies a conflicting approach to this in the budget, and if the Town Manager wants us

to support his request, he will need to provide an answer as to which budget is to remain. Committee members agreed.

- Electricity budgeted under Administration was questioned next. An increase is budgeted, while Brad, Denny and Ed thought there should be a decrease because of the solar array built on the former Town landfill. The Town Manager's response was that CMP is projecting a 40% increase in rates, and that is what was budgeted. It does not, however, make sense to increase last year's budget by 40%, rather it would make more sense to base any increase on current actual costs. It was decided to ask for the contract so that we can determine when reduced rates were to benefit the Town and put this to rest (this applies to this line item in several departments throughout the budget). Also, Brad is going to look at actual amounts posted through the most recent Expense Summary Report to see what can be derived from that.
- The question of Workers Compensation expense being recorded under Administration and not in departments that incur the expense remained unanswered. This is simply an accounting issue, and does not affect the overall budget. However, the Town Manager response did not address this issue at all. After much discussion, it was decided to request the Town Manager to provide an estimate of Workers Compensation costs for this budget year based on quoted rates per \$100 remuneration so that we can determine an adjustment to the budget.
- Software licensing costs budgeted for the Town Clerk Office is answered, however Ed pointed out that this a 20% increase, which seems high. Did he receive quotes from vendors that he can share with us? Jean wanted to know what Civic Plus is and what its relationship to Trios is. She read to us some of the features from the Civic Plus website as well as from the Trios website. It is unclear how these will be used in the Clerk's office. Donna pointed out that we are back to where we were some years ago, fighting for answers, and getting responses to our questions that only generate more questions. This is non-productive.
- Salaries and Wages budgeted for the Land Use Office were questioned, and the Town Manager's response points to the fact that no TIF funds are being used to offset a portion of the cost of the Tax Assessor, the Planner and the Land Use Assistant. Brad will work up an estimate of what the TIF should be charged based on current compensation costs.
- The increases for software licenses under the Land Use Office are attributable to providing contractors, the general public and other practitioners greater access and ability to do on-line permitting and other research, and Ed pointed out that the ability for contractors to apply on line for permits is a plus, and does help the Office to be more productive.
- The question of Advertising in the Hearings & Elections budget with its \$1,600 increase is still unanswered in the minds of the Committee members. We would prefer a list of items that would be advertised since there was some confusion about this amongst Committee members.
- There was no discussion on the Assessments section.
- Printing and Advertising costs for Community Services is answered.
- Gasoline for CSD is budgeted at \$10,000. This is a line item under Youth Bound programs and is further described as "Transportation – MSAD 35". This was budgeted in FY 20-21, but not in FY 21-22, and is again budgeted for FY 22-23. None was budgeted last year because of COVID. Discussion of this line item was misdirected. Brad claimed there is another line item for this cost, but, in actuality, this is the line item for this cost.
- Brad accidentally left a question regarding the philosophy of CSD behind programs offered to the public. The Director answered it, and Denny wanted to discuss the response, but we had agreed in our last meeting to not pursue this further.

- Next item was Fire Department Electricity, no further discussion as Brad will look at YTD actual amounts as of the most recent Expense Summary.
- Police Department Wages question is, essentially, unanswered. No contract has been approved by the Select Board. Therefore, wages should remain equal to last year and an estimate of increases put in wage reserve. This is showing 5% plus increases for all policemen. We need to ask the question again. Jean again addressed the issue of the Negotiation Committee being locked out of negotiations since October. After some discussion it was decided to put this on the agenda for our next meeting as we cannot do anything about this in this meeting – legal counsel needs to be involved.
- The Uniforms question was left unanswered, and Ed speculated that this is because the department is considering a change in uniform replacement policy, and, if it is accepted by the union, that would result in lower costs. There was further discussion as to potential changes and how they might be structured.
- Police Department Electricity costs – same as before in other departments.
- Capital Improvements Paving Projects was addressed without any detail response from the Town Manager. After some discussion it was general consensus that the Committee cannot support this amount without a list of projects, or considered projects, that equal the \$1 million budgeted. We will support \$500,000, which has been the budget for the past several years.
- Maintenance projects budgeted under CIP essentially went unanswered by the Town Manager – his response was that there is nothing pressing so he will look at this next year. The Committee feels that this is not good approach, and ignoring structural maintenance can only increase costs at a later date. No resolution was reached – should be considered before finalizing a budget.
- The fact that the Public Service boat was not acquired was not received well. With all the support of the Budget Committee, the Select Board and the public, it would seem that this acquisition should have been made. Funds from TIF for fire truck needs to be followed-up.
- Reserve funding for plow trucks and pickup trucks with plows was not included in this budget. Brad thought this is too important to ignore and we should put this in the budget. Total \$75,000.
- The Police cruiser is \$8,000 more that we thought it would be, and Ed suggested that we ask for the State bid for cruisers to determine why that might be.
- The question of the lease/purchase was answered.
- Donna believes that replacement of compactors and other equipment in the Transfer Station is being addressed through the COVID grant money from the Federal government, but she was concerned the initial funding amount may have been decreased to award funds elsewhere.
- The question concerning LED streetlights is bogus, and there is \$9,000 in reserves for these expenses. This should not be budgeted.
- The ACO cell phone amount seems high, but no decision was made about that at this time.
- Under Public Works the question concerning computer repairs/maintenance was accepted.
- The question of the increase in Public Works wages per Wage Master and the detail worksheets in the department not showing any increase remained unanswered.
- No discussion on Summer Maintenance.
- The requested funding under Reserves for Wages cannot be supported without detail calculations, especially in light of the amount for wage increases under the Police Department budget.
- Town Committees detail requests are at Town Hall or on the Town web site.
- No answer to the question of the Bicentennial Committee. This should be discussed later.

- Under the Transfer Station the answer for Fill Ins was accepted. Union Salaries and Wages increase of \$14,967 is not answered.
- This ended the discussion of the Town Manager responses for the evening.

**Budget Committee Member Reports/Comments:**

- Donna said she was going to put Contract Negotiations; Reserve Accounts and remaining Budget items on our next agenda.
- Denny then asked what we were doing about the William Fogg Library. Donna had not sent our documents to the Town Manager as agreed to last meeting, so she will do that tonight and this will be on our agenda next meeting.

**Adjournment:**

- Motioned by Ed, seconded by Jean to adjourn at 6:55 PM. The motion carried by a 7-0 roll call vote. Our next meeting is scheduled for February 16, 2022 at 5:00 PM. This is a hybrid meeting.

Respectfully submitted,

*Donna Murphy*, Chair  
*Brad Hughes*, Secretary

Date Approved: February 16, 2022