

Joint Meeting of the Select Board and Budget Committee

April 4, 2019 at 6:00 PM

MINUTES

Attending: Chairman Jack Murphy, Selectmen Phil Lytle, Richard Donhauser, Alex Orestis and Bob McPherson. Budget Committee Chair Donna Murphy, Members Jim Tessier, Denny Lentz, Janie Wang Brad Hughes; also Dana Lee, Town Manager.

1. Roll Call: Chairman Murphy opened the meeting at 6:00 PM. He noted that all Select Board members were present. Chairman Murphy noted Noah Lemire and Ed Strong could not be present (with notice).
2. Public Comment: There was no public comment.
3. Consideration of Citizens' Option Recommendation: The Town Manager said that essentially the two boards had one decision to make – whether to support or enjoin the Citizens' Option recommendation to increase Wm. Fogg Library appropriation by \$10,000 more (to \$180,000). He further stated that it may be good to leave it as a stand-alone recommendation as a "litmus test" of the voters' strength of support for the Library. Most of the group seemed to agree.

Denny said he would stay with the BC recommendation; he said that their plans are unsustainable. He said there is too much reliance on Town funds and that they need to be treated like an outside committee. Jim reminded both groups that a sub-committee of the Budget Committee had very open, honest meetings with the Library. He says that they know they are taking too much from the Trust Fund. He said they were trying to help them form a long-term business plan before the budget process started. Jim and Janie to meet with them again and facilitate a plan. Janie said they had been very good this year in providing more detailed budget information. Brad said that he felt the public should decide the level of tax support for the library. Donna said that they need a business plan. She said that Lydia has indicated that the new addition would have only minimal operating cost impacts (heat, cooling, etc.) no new staff – just space in which to operate. Alex agreed. Donna also said that they would like to be on a similar pay and benefit scale as town employees. Bob asked about the \$500,000 estimated cost for the addition. Janie confirmed that was the estimate. They said the Library folks understand that all funding for the addition will be fund-raising, not a capital request to the Town. Denny said that the Fogg House is not open to the public. He also said that the Fogg House building must have quite a few operational costs. He asked where that money comes from. It was stated that Steve Beckert and the trustees generally want to stay independent and not have the Town involved in management. Phil said he remembered back when the request was just \$40,000. Phil also said that the Budget Committee did a very good job on this year's budget.

Denny suggested that there may be only 4 or 5 years left of trust funds; that it only earns about \$30,000 year, but are taking \$50,000 to \$80,000 annually from the fund. Donna said that in

some cases the principal amount can't even be touched and that many of the trustees have been there for many years, and that the town has no say in operations or revenues. Jim said he had projected that they will be requesting \$250,000 + from the Town in just a few years out. Donna said that the Library does a great job, not unlike the programming that Community Service Department does for the Town. Denny said that we have to separate the emotional issue from the business issue. Bob said that he expects it will take them many years to raise the funds for the addition, and they are likely to be "in our lap" by then.

Jim said that the enhanced communication must continue in a constructive manner. Janie suggested maybe having a Budget Committee member join the Trustees, if they did not mind. Jack said that the Select Board concerned and involved as well. He suggested that there may be a will that we do not know about. Donna said that the Library is not expecting such an occurrence. Almost all gathered agreed that the Library do not seem overly concerned. Richard asked "who holds title to the two buildings?" Jim answered that the title is in the name of the Trustees / Trust. Donna asked if they are financially responsible for the operation. Discussed how Kittery Fire used to be independent then had to go under the Town as a Department over time. Janie said that the Library certainly does not have a bloated budget; it is very lean budget.

Jim said that the Trustees want to maintain control of the library and that we should continue to offer to help them figure out how to use the trust smartly. He also noted that as Moderator, Peter Dennett said the Library had recently received a couple of large donations. Jack asked who does their investing; maybe investment advice is needed.

Chairman asked if there were any motions to be made. There were none from either group.

5) Other Business: Jim presented a handout regarding LD 1 and how to properly calculate it. He said that based on the document, we are supposed to use last year's known additional town value to get a firm number, not the "must wait until late summer" and using the current year's additional value to "estimate" the LD 1 max. Jack said for the Town Manager to speak with the Assessor about this.

6) Donna made a motion to adjourn the meeting at 6:50 pm. This was seconded by Brad and was approved without objection.

Approved as Amended 4-25-19
Dana Lee