

SELECT BOARD SPECIAL MEETING

July 12, 2022 4:00PM

Town Hall/Hybrid

Quorum noted

4:00 PM: Meeting called to order by Chairperson Donhauser.

A. Roll Call: Mr. Donhauser, Mr. McPherson, Mr. Widi, Ms. Dow, and Mr. Shapleigh.

B. Pledge of Allegiance recited

C. Public Comment:

There was no public comment.

D. Discuss July 13, 2022 Special Town Meeting

Mr. Sullivan said that we were going to talk about whether there was a statement that the SB was going to propose or you were going to authorize one of the members to pen a statement just generally speaking about some of the things we have mentioned about this budget proposal. The revenues that were voted were \$4,865,614. It was the SB's recommendation for that lower amount. Our share of the Eliot school district was \$10,660,000. The general fund budget was \$8,385,094 and we actually did some calculations this afternoon, the Assessor and I, and we're looking to raise less in taxes this year than in previous years, even in the amount that's proposed in tomorrow's Town Meeting. The mil rate will actually go down once again. The taxation minus the MSDA for General Fund will equal \$3,519,480 and, at our calculation, it comes out to about \$5/month or \$60/year for the increase. I still stand by the fact that this is the resources we need to operate and efficient and effective government in Eliot and I hope the members of the Town Meeting can see it that way.

Mr. Donhauser asked if Mr. Sullivan would clarify why we can have this meeting.

Mr. Sullivan said that we have a letter from our Town attorney and read the conclusion:

"In conclusion, under the Charter the Town may call an additional referendum election in the same fiscal year to vote on budget appropriation articles that were not approved at the Annual Town Meeting or are for a similar purpose. There is nothing in the Charter that would limit calling additional Town Meetings, either open or referendum, for the purposes and the ordinance specifically gives the Board the authority to call an open town meeting to address unforeseeable issues, funding emergencies, or issues beyond the normal course of town operations."

This was reviewed by Attorney Saucier and signed by him, as well.

Mr. Donhauser clarified that we are allowed to do this.

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Mr. Widi said that there is legal opinion and then there's the court of public opinion and I think there may be a lot of people who feel the same way. Obviously, I'm on the other side of this, that we have to do this, but we have to communicate clearly why we're calling this and, if it gets voted down, it gets voted down. This is to have a discussion because the circumstances of June 14th are different than the circumstances of today where we funded workman's compensation for librarians but not police. In the court of public opinion, people are viewing this as a re-vote. I don't view it that way but I think we need to clearly state our opinions and, if people disagree, that's democracy.

4:06 PM

Mr. Donhauser said that there has been concern whether we are authorized to do this.

Mr. Sullivan said that I would suggest that there's nobody involved in this that's looking forward to have a Special Town Meeting. I don't think that anyone relishes the fact that that's something we have to look at. I think it's a responsible approach. I know not workman's comp has been somewhat of a focus but there are other issues that were caught in that \$136,000 that was cut from the administrative budget. One was cyber security. Anyone who has emailed us in the past week or so, here, where we haven't had email, that's what we were talking about – some of the server items. Now, the Budget Committee did put \$3,500 back into the budget to move to Microsoft 365 on the server but it was negated by the fact that they took out another almost \$40,000 for some of the other IT upgrades that we need. Between the issues we face with the phones, data, and other technical issues, I think it's an investment we're going to need. We're having trouble with the TRIO system. TRIO Harris is suggesting we go to a new system. Reading back in the notes, the Budget Committee suggested the reason why they didn't vote to approve that was because I was not specific enough in what I was asking for in software. I tried to be specific and there are some things, particularly from a cyber security standpoint that you don't talk a lot about. One, I don't have the technical expertise but, also, the fact that if someone was going to attack our server or other means of going after our IP, you don't want that out there. So, I still stand by that I think you need this investment. I think it's reasonable. I think it's affordable. And kicking the can down the road is just not a good idea. The second article for staffing, we are in need of training here on a number of different levels and that training incorporates a lot of aspects. Not only the actual training (if there is any cost, a lot of training is free) but then, in some cases, we might have to use people to come in and give tutorials, such as for new software. We're not exactly locked down on all those different trainings because they follow different patterns and different schedules. It's reasonable to think that training is a good benefit for employees. The second issue is putting a performance-based evaluation in place that reflects people's efforts and meeting

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goals and, then, there are already some positions that already need salary adjustments. One of the things I find in Eliot that I'm blessed with is to be able to work with such good people; that we have a couple of them here today, and we really want to preserve that. We've got a retention problem. This side of the building has changed in the last two years. We've got some changes in other departments and a lot of those people who have gone to other communities we have to visit when we visit those communities. They're working and we have to be competitive for that. It's essential for training, evaluation, and making sure the people are compensated in a competitive way.

4:11 PM Ms. Dow [inaudible] I've been hearing a lot about the negation of the June 14th vote. They feel like it's a removal of the voter rights of the Town. I think that's a serious feeling that we need to be addressing and considering. Concern that we won't be able to have as many voters come to this meeting, a much smaller percentage of people deciding this...[inaudible]

4:15 PM Mr. Widi [inaudible] said that I'm not opposed to putting something on the November ballot. I think if we went in there and said that we need to vote on this (workman's comp) and put the rest of the stuff on the November ballot, it might be a little more harmonious [inaudible]

Mr. Donhauser [inaudible] said that, if we went forward with these two articles and they passed, the revenue is already budgeted and exceeds that total.

4:17 PM Mr. Sullivan said the revenue plus a lesser amount than you raised on your taxes last year. So, you raise and appropriate about \$3.5 million. You have about \$4.8 million that you're going to raise in revenues and then you would have \$3.5 million you would need to raise for general fund taxes. Obviously, it's a draft now. There are other things, values that have to be settled but, if you look at that from a draft perspective, the mil rate would go down and you would be slightly less from the taxes you had to raise last year. Revenue is up a little and you are also taking money from the TIF so there is income there that makes some of the difference. But, all-in-all, if everything was equal, people would actually pay less taxes. You did cut \$6,000 out of the wage & training and you also cut \$500,000 from the paving. So, that wasn't true when that vote was taken on the 14th. Now, you are below LD1. You are below what you had for a mil rate last year, as it is drafted. You would actually be raising slightly less taxes than you did last year.

Mr. Donhauser [inaudible] the way it works is that you take your revenue and then build your budget and the difference between the two is how much is to be raised in taxes. [inaudible] We need to fully fund, at a bare minimum, workman's comp. It is irresponsible if we don't fund it. We will have serious issues come August 1st.

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- 4:21 PM** Mr. Sullivan said, just to be clear, July 1st only a portion of the premium is due. We pay it in increments. But we are going to need that money during the year. I would suggest that, while that's important, so is some of the money we're asking for for IT. I think it gets lost because I think it's so easy to understand the tragedy of workman's comp but also equally important is the training and funding of compensation. We have incredibly hard workers here. I've heard from people that, if this was to go on a November ballot, they're going to support it and vote it. So that everyone knows, it doesn't make any difference to Mike Sullivan, personally, but professionally, when I look at the studies you've done and the length of time that people have been waiting for this to happen, it's just wearing on people. That's why you aren't able to retain people and why people do learn on the job here and go somewhere else. I don't disagree with you. Workman's Comp is incredibly important but those other items are equally as important in my eyes. And, as the Vice Chair said, if it gets voted down, that's how democracy works. But hopefully, people will listen to reason and understand that it's not going to be an outlandish impact on them and it's investing in your community. The school's budget went up without much real conversation at the local level. The county budget did go down. That was \$4,000. Those are other component parts and we don't generate any revenue from those, whereas, the hard work of the Planning Department and the Clerk's Office actually generates revenue for us to come in and to be efficient and effective in those departments hopefully means that we can generate more revenue and have less dependency on the taxation portion of it.
- 4:24 PM** Mr. Donhauser [inaudible]
- 4:25 PM** Mr. Sullivan said that I understand the argument to say you're negating the voter. There is very popular appeal and it has some legs when it's out in the public. But actually, you're not turning that budget away. We're not asking for that budget. We're asking to augment, not to send it **up under (asunder?)**. We're asking it to be added to, which is a common practice in communities. We could do it at the November elections. I think that that's late and we're going to suffer some repercussions for that but, again, it's up to the body politic.
- Mr. McPherson asked, if it doesn't get passed, where is the Workman's Comp money going to come from.
- Mr. Sullivan said that it will have to come from existing portions of the budget, so, other services will have to be cut.
- Mr. McPherson [inaudible]
- 4:28 PM** Mr. Sullivan said that I would suggest it may be a responsibility to use any and all means to make sure that you have the proper resources to operate the Town. I

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mean, the Town Meeting wasn't called in spite or to be punitive towards the voter. It wasn't to get rid of the will of the people. It was to augment what was stated there. In a democratic society, it would be a shame to not be able to change rules or regulations. You've seen that at the national level that many of us may not agree with but there has to be an opportunity for bodies of government and democratic societies to change a vote. And sometimes people make mistakes. I remember one time they dropped the drinking age to 18 and, in a couple of years, they figured out that was a mistake and you had to go back.

4:29 PM Ms. Dow [inaudible]

Mr. Widi talked about the many positions that have changed in staff in this building, a lot of turn-over. Mr. Sullivan, you are saying that you want one of us to make the case and turn it over to the public. What's your opinion.

Mr. Sullivan said that I hope the case can be made about how important it is. Again, I can only give my opinion and, again, this isn't punitive. I know that the Budget Committee is having a meeting tomorrow night. Maybe that's an opportunity to ask them to endorse a plan with the SB. Certainly from what people have sent me online directly from Budget Committee members about me, I'm probably not the one to ask. They have made it clear that they have some animus towards me and weren't afraid to put their names on it. I get it. It is part of stating your opinion and having an opinion about how you think government should be run. Not the first time or the last time that will happen.

4:33 PM Mr. Donhauser asked when the Budget Committee was meeting versus the Special Town Meeting.

Mr. Sullivan said that the Special Town Meeting is at 5:30 and the Budget Committee is meeting at 4 PM.

Mr. Shapleigh asked [inaudible]

Mr. Sullivan said not completely. Regarding reserve accounts, for instance, if you want to put wage & training as a line item in administration, I would have control over it. But, if you put it in the reserve fund, as it's been explained to me by numerous people here in Eliot, an expenditure has to come back before the SB for approval so there has to be a plan. So, there's that extra step, or safety valve, built into the system. That's one of the reasons why I thought it was fair not to put it in administration and to try to convey to the public that this would have a training component, an evaluation component, and a salary adjustment component. How those all work out to a dollar amount is difficult to say because how much training is somebody going to accept, union issues involved. There are a number of

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different obstacles. So, that's why I put it in the reserve fund, hoping that I could convince the SB of a plan once that plan is fully developed.

4:35 PM Mr. Shapleigh [inaudible] speaking about the general fund

Mr. Sullivan said that the Workman's Comp is part of the administrative budget. I put it in there because it's really a management or administrative function. There was certainly a disagreement about that.

Mr. Shapleigh was talking about the overlay [inaudible]

Mr. Sullivan said that, regarding the overlay, during the year you are subject to appeals for assessments as to values so the overlay account is something that may offset some of those tax payments or values. There are some larger tax payers in Town that may appeal their value and it might be found that it's correct. I think your overlay is going from \$488,000 to \$300,000 something.

4:37 PM Mr. Martin, Assessor, explained the overlay and his work to get assessments valued properly.

Mr. Shapleigh asked (inaudible).

Mr. Sullivan said not without a vote from the public.

Mr. Martin explained.

Mr. Sullivan said that the Town Manager doesn't have authority to spend money out of that account.

Mr. Donhauser said that it is my understanding that no money can be spent by the SB, whether it be from a reserve account or general fund account. He discussed the process by which funds are appropriated and spent, whether the general account or reserve accounts and that reserve accounts can't be used for any other expenditures except what the voters approved them for; that they also have to come before the SB, with justification from the department head or Town Manager, for a second approval to expend. He also discussed the contingency fund and the limitations for expending that fund has.

4:43 PM Mr. Sullivan said that an interesting thing is that it is taken for granted that by reducing the budget it reduces your tax liability, and that's not true. You could reduce your budget and, when the mil rate sets, it could actually be above. And even if this \$226,000 was approved, you still wouldn't really go over what has been talked about here. There's still going to be room in that in the future if you

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needed more money for something else; that you would have room to appropriate that.

4:45 PM Mr. Martin explained further. [Inaudible] From April 1st to our snapshot case, when we finally get all of the data input, there can be changes to our valuation based on market increases that are almost always higher. Last year, for the first time, Eliot exceeded a billion dollars of taxable evaluation. A lot of adjustments last year were on commercial properties because it changed for the first time, materially, since 2008. So, when that happened, it was a little bit of a shift away from residential, but we still had an increase in residential. [Inaudible].

Mr. Shapleigh asked what was Plan B if this doesn't pass.

Mr. Sullivan said that we will have to make adjustments to the budget overall. We'll have to extract from administration, or other departments, the cost of insurance. We'll go without some of the cybersecurity that we wanted to put in place. We'll go without some of the IT upgrades that we were looking at. We won't have any money for training. People won't get raises. We'll have to look at whether we can afford positions. I sent an email to the Chair discussing that, if there was to be a statement read at the Town Meeting, there would be a motion regarding that tonight.

4:49 PM Mr. Widi said that I'm willing to state our case if that is acceptable.

Mr. (John) Reed said that I'm one of the guys in the category of public opinion, discussing the negative impressions on voters, that he hadn't heard a good explanation of the need or why this couldn't wait four months, and that he wasn't in favor of tomorrow's meeting. I see the conundrum we're in, and I think most people do, with the training, the IT, and all that stuff. {Inaudible} Worker's Compensation is important, and the others are not trivial, but I think if you deal just with the Worker's Comp, you will walk away with a lot more goodwill on the part of the voters. They won't feel disenfranchised. Regarding the Charter, he felt that part of the problem with budget cycles has been people have not quite gotten on the same page as far as what's contained in the Charter and it's real important to me. We just need to work together.

Mr. Donhauser [inaudible].

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E. Ratify Appointment of Kearsten Metz as LHO

4:01 PM Mr. Donhauser moved, second by Mr. McPherson, to appoint Kearsten Metz as the Local Health Officer for a term ending June 30, 2023.

Roll Call Vote:

Mr. Donhauser – Yes

Mr. McPherson - Yes

Mr. Widi – Yes

Ms. Dow - Yes

Unanimous vote to approve motion.

F. Executive Session; Staples Legal Matter

5:05 PM Mr. Donhauser moved, second by Mr. Widi, that the Select Board enter into executive session to attend a legal matter and not return to open session upon conclusion of executive session.

Roll Call Vote:

Mr. Donhauser – Yes

Mr. McPherson - Yes

Mr. Widi – Yes

Ms. Dow - Yes

Unanimous vote to approve motion.

G. Adjourn

The open meeting adjourned at 5:06 PM.

Respectfully submitted,

Ellen Lemire, Recording Secretary

S/ Robert McPherson, Secretary

Date approved: November 10, 2022