

Town of Eliot

Budget Committee Meeting

February 12, 2019

Budget Committee Members: Donna Murphy (Chair), Jim Tessier (Vice-Chair), Dennis Lentz (Secretary), Ed Strong (via Skype), Brad Hughes, and Janie Wang. Noah Lemire excused due to work.

Call to Order:

- Meeting was called to order @ 6:00 pm by the Chair (video streaming was used).

Public Comment:

- No members of the public present.

Approval of Minutes

- Motion by Jim Tessier, second by Brad Hughes to approve the January 31, 2019 minutes as amended. Ed Strong abstained due to not being present for the meeting. Vote: 5-0 to approve as amended.

2019/2020 budget review

- Brad handed out new sheets and included all the adjustments that were given last week. A couple things we need to focus on. Brad looked at the details in last year's revenue budget. The revenues on the first sheet are from December 14, 2017. The \$2,670,000 number was not right. Brad spent some time with Jordan Miles, the Treasurer yesterday. Revenues were understated. Brad's sheet will show a \$2,958,995. It should have been the number in the first presentation. Brad is not sure we have the correct number for the LD1. Brad is not sure where the number came from and we need to have it verified. Jim agreed we need to have it verified. Brad asked what is the offset? Jordan stated it had something to do with the sewer fees. Brad explained that it didn't go into the general fund and went into the enterprise fund. \$29,400 should go in revenues. It is still in the revenues. We need a good answer. The \$2,972,954 is the number in the certified budget. Brad stated the proposed adjustments from the Budget Committee have been posted. They posted the bond revenues. The Boat Launch fees were changed to \$24,000 to \$25,000. TIF revenue shows for \$13,527, but there are two numbers on the new sheet that Brad does not know where they came from. Jim stated to look on page two of the revenue sheets and go to the TIF revenues, those two were there. The \$14,326 was not there and three lines below were shifted up one. The \$14,326 and the \$3,995 add up to \$18,321. That got added to the sheet. Brad asked what are they? Jim stated the Planner. Brad questioned the \$3,995. Brad recommended increasing the decrease in excise tax and the sewer admin fee and what is the CSD revenue increase. Janie stated the police grant and outside activities are still at \$20,000. Jim stated they reduced expenses to the grants to 0. There is still a \$5,000 difference.

Jim stated when they reduced the grant it should be \$5,116 not \$5,000. Janie asked if they took out the skate park? Yes. Expense for TIF admin is \$13,527 is showing \$13,146. Brad mentioned it to Jordan. It is only \$400 but should be the same number. They changed the payroll errors for the Transfer Station., at \$8,466. Last update for Summer Maintenance is 1/31/2019. Donna read the updated and previous numbers. Hazardous Waste went down \$5,000 instead of the \$5,500. Accounting software for CSD for revenue and expense is in there. Fixed Assessments for TIF (medical and MPERS) are posted. They took out skid steer lease payment, duplicated Stormwater funds. took out laptops. There is an unidentified net difference of \$7,000.

Janie stated both should show a revenue. Janie stated in the new version they are breaking even. Jim stated on page 2 of the police budget OASDI is still 0. Took grant enforcement down to 0. Janie it is still over by \$5,116. Both are over. The Outside Activity is overstated but the Grant Enforcement is 0. It was reduced on the expense side. They need to reduce another \$5,000 and should increase on the revenue side if they are making a profit. The amount is needed for the set-up cost of Hazardous Waste Day to compare to the revenues and why they are not covering the cost of the expense. Ed stated that only profit on the outside activity. Ed stated Grant Enforcement is straight salary and they just reimburse. Ed stated last year's outside was unusual because of the CMP work. Look at previous years. It was so bad they were hiring Kittery and York. Brad asked, what are we going to do to the Salt budget? Jim asked if we wanted to push them to an average. Jim stated they are budgeting for the worst possible scenario. Do we budget the average or have a reserve account? Janie stated last year we recommended it, but the SB didn't agree. Brad stated the reason is that the Charter or some subset allows the SB to use funds without going to the voters. They can go over 15%, then had to go to the voters to get more if needed. This is no longer needed. Brad stated when we see changes in the SB year after year it is difficult to see consistency. Denny stated this is what the Charter states. Jim stated if we keep budgeting \$200,000 and only spend \$50,000 it rolls down to the general fund. Brad stated this is where we get the contingency fund money. Jim stated he was trying to avoid spikes. Brad agreed with having a Salt reserve. We put excess in it as a separate line item and take from there for excess. Brad stated we did this a few years ago. They rolled it into the next budget. Jim will write up a proposal for the Budget Committee. Jim reviewed his list. They have changed the CIP sheet. The Boat Basin is basically taken care of. Salt is still outstanding. Jim stated he had a second sheet with questions. On the summary sheet they increased spending by almost \$500,000. \$498,362. This is an increase of 7.7%. If they incorporate the changes we suggested, it comes down to 4.6%. Brad stated most of that is CIP. We are thinking to add but have taken some out. CIP increase is almost \$250,000 and we knocked it down. DPW went up \$102,000. Jim stated we have been pushing to make the CIP good numbers and we need to keep it. Brad stated that road paving, each year we put in a half million dollars. It has been asked for and he has yet to see it. What roads have we paved and how does it fit with the plan? Brad stated Old Road didn't really need to be paved and was paved. Cedar road was paved a second time. Jim stated he has a schedule and need to see where it is at. Brad stated Joel is a perfectionist and that is admirable but not with taxpayer money. Brad stated that maybe we knock off \$50,000. Janie questioned if this is micro management. Brad and Donna stated there is a huge history. Discussed the year before last of using road paving approved funds for

paving the parking lot. The paving plan does not go back to see if they are done. Brad stated the plan recommended a certain amount and used the gold standard. The question is what roads were approved and what were done? Donna will get paperwork to Brad. Brad stated we are over LD1 by \$40,000. Jim asked, do we need a solar array reserve? Brad asked, didn't the warrant and the wording of what we had in mind that if the voter approved, we would float a bond in five years to pay for the buyout of the solar array? Brad stated, we don't need to have a reserve. In that case we don't need a reserve. The skate park was \$7,500. The CSD went up \$52,500 and do not know why. Page 1 of the summary not the detail that was updated on 2/8/2019 about 2/3 of the way down. It is \$52,5000. Brad stated that none of the number made sense. Janie discussed the \$35,000 for civil engineering for the Town Hall. Discussed the pay scale. Ask for the numbers that follow the pay scale for the increase across the board and the 1.5% for date of hire. Janie would like to know if there is a plan for the allocation for the civil engineering. Brad stated the money is to develop a plan. Ed stated we did this five years ago. Ed was on the committee. Brad asked, what did that study say. Ed stated they decided to go with another building and the voters rejected it. Jim stated it was for the CSD building. Denny stated the Town has not grown. Brad stated that we have all see Federal and State regulations lay more on and it becomes a burden. Brad stated what this office does is more automated for example vehicle registrations. Now it is all automated not typed out. Ed stated 35% of the people are doing it themselves online. Brad stated there is a mixture of added and things are much easier. Brad stated we are not growing that fast. How many building permits do we issue a year? Jim stated, 18 but it doesn't include the senior housing. Brad stated we have asked but we didn't get the numbers. Jim stated Brad asked at the joint meeting what are we doing to ease the workload with the new technology. Ed stated he spent 40 years in municipal and he never saw it decrease. Jim discussed that years ago the DPW director did not have an assistant and now it went from 10 hours to 20 hours and how they want full -time. Discussed the DPW director changed from hourly to salary. The DPW director based his salary on an 80-hour work week. At a recent meeting he stated he was working 55 hours. This is one of the positions that the wage study showed was being paid in excess of the value of the job. Should the job now be based on 55 hours? The new streetlights should show decrease in electricity. Jim went back to the \$35,000 for the Town Hall. Do we support this? Janie stated we could ask him at the next meeting. Ed stated it seemed like a high number. The Committee agreed we should invite Dana to the next meeting. Janie asked about discussing some of the items that Dana asked about. Janie asked about the \$20,000 increase for the library. Janie discussed concern that the library does not have a business plan. Donna discussed a suggestion that the Library hire someone to create a professional business plan and put it in front of the voters to find out if there is support for funding it. Jim stated he and Janie attended several meetings at the Library. Jim stated that from a Budget Committee standpoint you should have a business plan. Janie stated they have been very open, and she didn't get the sense of them not wanting us to know numbers. Janie stated there are two issues. They know they aren't sustainable, and the other issue is them wanting to give their staff a raise. Do we want to give them the \$20,000, the \$10,000 the Town Manager recommends, or nothing? Brad stated, we need to look at the numbers and are we under LD1? If we do not exceed LD1, then look at giving them the money. Ed and Denny agreed. Jim stated he

would agree if after that after the budget process they sit down and look at a long-term plan that looks at them becoming self-sustaining. The Library staff keep falling back on the trust language. The library today is not the same as 100 years ago. Ed stated they can go back to court and have a judge look at changing the trust. Janie discussed the \$8,000 for the traffic signal. Brad stated that is was discussed at the meeting that if we could find the \$8,000, we would put it back in. Jim stated we did discuss it and if we did not exceed LD1 we would put it in. Ed never received the bid, the cost to install in each vehicle, and the ongoing cost. Janie stated she is standing her ground that we never discussed it. Land Bank. Denny asked about the \$10,000. Brad stated it was voted down soundly. It was a two to one vote against. Brad would support the \$5,000. Denny, Jim, and Janie agreed. Janie asked about the Historical Society. The question is do we want to support the upfront cost and the maintenance fee every year? Jim stated he is not understanding is this to help people locate the graves? This is already available. Denny stated years ago there was a man who was going to make an interactive map. Denny described the package. It was not elaborate. Denny stated there is no need from a Historical Society point of view for this need. Janie asked if there were people inquiring? The answer was six. Brad felt the presentation was for easy access on the computer. Denny is not against the idea, but he is against the money. Denny stated the Historical Society would like to buy the Grange. Discussed the request for full-time status for two administrative positions. Brad said no, we haven't received adequate documentation. Janie stated that Joel dropped off information tonight and Janie would like to see the same from the Town Manager. Jim stated if we were to entertain going full-time for the DPW could they take on the pay for throw bags administration? This is about \$15,000 the Town is paying Waste Zero every year.

- **Adjournment**

Motion by Brad Hughes, second by Jim Tessier to adjourn. Vote 6-0

Respectfully submitted,

Donna Murphy, Chair

Date Approved: March 4, 2019

Dennis F. Lentz, Secretary