

**CITY OF EASTPORT
SPECIAL CITY COUNCIL MEETING**

**TUESDAY, JULY 22nd, 2014
SHEAD HIGH SCHOOL - LIBRARY - 6:00 P.M.**

I. CALL TO ORDER

The Council President, Mary Repole, called the meeting to order at 6:00 p.m.

Those in attendance and present were: Councilor Roscoe Archer, Councilor Colleen Dana-Cummings, Councilor Scott Emery, Councilor Gilbert Murphy, and Council President, Mary Repole. Also in attendance was City Manager, Larry Post; Assistant City Manager, Elaine Abbott; and City Clerk, Ella Kowal.

Audience Attendance: Elaine Abbott, Robert Scott, Jon McNerney, Lora Whelan, Jackie Davis, Rita Norton, Meg McGarvey, Jon Calame, Anna Hepler, Walter Cummings, Alex Smeaton, Marilyn Mills, Diane Muessig, Will Bradbury, Steve Trieber, Dean Pike, Alberta Hunter, Richard Clark, Richard Netzband,

II. CONTINUANCE of ACTION ON PUBLIC HEARING FROM THE MEETING of JULY 16TH, 2014 - RE: "FY2015" BUDGET

Council President asks if Council has a copy of the new School Budget and asks if there are any questions. There were none. She then asks if there are any questions on the City budget. The City Manager reaffirms that the budget is reflective of the changes that the School has made. Councilor Archer asks if we are doing any cuts on the City budget. The City Manager responds to say that we have already cut \$94,499 out of the budget from last year on the Municipal side. Councilor Dana-Cummings addresses the Assessor, Robert Scott, and asks if we have a number yet. He responds by saying that an educated guess would be an additional \$.50 cents on the mil. The City Manager informs Council that the City's valuation is down some and Robert still needs to complete the homestead reimbursement figures. Council President asks the Assessor what he is looking at for a date before he would know. He said as soon as he had a budget and he could do the commitment. Councilor Archer asks the City Manager if there are any other places that can be cut. He responds by saying he does not see any without being detrimental to the City. He reminds Council of a few years back when we had five police officers and we now have four. We had an extra public works person and we now have three, approximately 2-1/2. We also had another person on the Cemetery that was doing some of the work that Public Works is now doing. We have eliminated another extra half a person at City Hall and he doesn't see where else to cut or eliminating personnel. He further

comments to say that the only part of the budget that was up was Public Works and they are trying to get stuff done given the increase of what it costs. He does not see any other place where he would be comfortable cutting more. He makes note that he has cut 2-3 times already to get it down to where it is. Councilor Dana-Cummings entertains a suggestion of eliminating the Public Works Director position. She updates the City Manager that prior to his employment with the City, it was discussed about having Jeff Sullivan taking that position over and supervising. She continues further to say that the Port Authority has offered Richard Clark, at *no cost* to the City, to plow. She emphasizes the need for three people in the winter time and this would be a savings of \$50,000-\$60,000 to the City. The City Manager comments to say that realistically this would not work. Councilor Dana-Cummings responded that she feels we can make it work or at least try. She feels that we owe this to the taxpayers. Councilor Murphy expresses that he feels Jeff has his hands full with the Sewer Department. The City Manager responds by saying that he will looking at getting him another half a person within a year. Council President reminds the audience that it is no longer a public hearing. Councilor Archer asks that if this doesn't happen are we going to be able to function or are we going to have to borrow money. The City Manager is adamant that he needs a budget tonight. Councilor Archer comments that we should have had this budget long before July 1st. Council President reminds Council that they discussed this at the last meeting and they will be appointing a Budget Committee in the Fall with discussions on a three-year projection and start working on it now so that we are able to know where we are going to be. Doing it last minute three months out is not working. The City Manager informs Councilor Archer that the draft budget went to Council in February. Councilor Dana-Cummings asks what it would do if we were to leave all the individual line items except for those that were already deleted the same as last year. The City Manager said that it would not be good and recalls that there were line items last month that were over. Her point is that we need to make sure that the departments stay within their budget and is not certain that is being done.. He responds by saying that he has operated municipal budgets for 30+ years and feels he does not spend outrageously and looks carefully at what the expenditures. One cannot project a budget for every single line unless it is increased enough so that you won't over expend. One puts in as realistic a budget as possible with knowing that some of those line items within the departments may go over and some may be under. Councilor Dana-Cummings asks if he has any other cost savings ideas. He responds that the budget is looked at throughout the year and hopeful that various ways come about on how we can save money. Councilor Archer asks what the School came back with for a cut and makes note of a difference in an amount of \$82,288 from last year to this year. His concern is whether or not the kids are suffering from this cut. Will Bradbury, a School Board member, responded that they had cut another \$40,000 which was a teacher's position. Bottom line is that they are not filling a position Elementary School for which they have been advertising for. It was for the 8th grade teacher that left last year, but they are now going to have five teachers to cover ten grades. However, he further comments to say that they are trying to add an industrial arts position of different trades. Councilor Dana-Cummings does not believe there is a real plan for the Economic Development fund and asked why we couldn't some out of there. The City Manager responds that it is usually used for Capital Reserve. Will Bradbury reminds Council that the City purchased a Street Sweeper for \$68,000. Councilor Dana-Cummings voices that we have to do something as people are not able to pay their taxes and not continue to increase them every year.

Council President asks Council if they have any further comments or questions.

Councilor Murphy makes a motion to pass the budget as presented. Council President asks for a second. Councilor Archer makes a second to put it out to a vote.

Jon Calame from the audience asks if they are able to comment. Council President updates Mr. Calame that the public hearing was held last week and that allowed for public input and participation. Councilor Dana-Cummings asks about Robert's Rules of Order and that you are able to comment on a motion. Clarification came that only the Council can comment. Jon Calame asked if it changed the equation a bit in terms of the public participation where there is new data from the school. Council President responds that this was given consideration earlier on in the meeting. Meg McGarvey responded that the School Board held a two hour meeting on Monday and that every consideration was given.

MOTION MURPHY SECOND ARCHER
To approve the FY2015 budget as proposed and presented.
DENIED 1-4 (ARCHER, DANA-CUMMINGS, EMERY, & REPOLE "NO")

Council President asks the Council for any other ideas.

Councilor Archer comments to say that he would like to see the City match the School for what they have done with cuts to the budget and feels that the School has given up quite a bit and that the students should not have to suffer because of it.

Council President calls for other suggestions. Councilor Archer responds and reminds Council that at the last meeting there was quite a bit of confusion and dislike on the pay raises and that they heard this from the public with great concern. He feels that the City should be looking at this and few other things. The taxpayers voted us in to do a job and it is time we listen.

Councilor Dana-Cummings recaps and reminds Council that raises were in place last year and they also received a 3% 401KIRA. She references back to last year's budget and that it is all taxpayer's money. She recalls that there was an increase of \$18,000 in raises in addition to the 3% IRA. She thinks that great and that the employees should have that but she considers that to be a raise. The City Manager responds to say that the 3% was not a new concepts and that it was always there and available to employees. The employees had to put the money in and the City was obligated to match it. The only difference now is the City puts it in and the employee is not obligated to match it. The fact is that is was always there and available to the employee and that there was a policy that had been in existence. Thus, it is not suddenly a 3% raise. He reminds Council that the City was only obligated to match those that contributed. He continues further to say that with new hires, the City Council has never been involved with the negotiations. As for the budget, the Sewer portion of it

doesn't have anything to do with this budget. He continues on to say there is a time when adjustments are necessary. Councilor Dana-Cummings comments to say that Jon McNerney has done a spreadsheet and was wondering if it would be permissible for him to do a presentation. The City Manager responded that he would rather not as he believes there to be some inaccuracies in it. Mr. McNerney refers to the Payroll Supervision of an amount of \$33,280.00 for FY2013 and the FY2014 is now at \$42,432. The City Manager responds that the 2012-2013 Budget was done prior to him coming here. He cannot answer to that budget.

MOTION DANA-CUMMINGS SECOND ARCHER

To leave all the numbers the same as last year for *each line item* except for those that were already eliminated.

DENIED (3-2) EMERY, MURPHY, & REPOLE “NO”

The City Manager responds to say that they cannot do that for someone that he has hired at a set wage. Councilor Dana-Cummings responds that she has made the motion and it is up to Council to vote on it. Councilor Archer asks Councilor Dana-Cummings a question and needs clarification. She responds that it be the *same* for each line item as last year's budget and do away with the pay raises and except for those that were eliminated. The City Manager responds to say that it will increase the budget because the Administration is down a \$1,000; the Police is also down. She reiterates except for those line items that were already eliminated such as the position at City Hall, a position in the Cemetery, another in the Police. Councilor Archer asks the City Manager about the budget that was presented to Council this evening. He references that it shows Administration down but Public Works is up and the Police Department down and the Fire Department down and the Airport is way down. The City Manager responds that they moved the Airport over to a enterprise account. He notes that the overall operations budget is down \$23,000. The City Manager further notes that the Municipal Programs is down as well as the Municipal Debt which results the total Municipal Budget down by an amount of \$94,499.

Council President calls for additional suggestions. Dean Pike, the Budget committee Chair asks for clarification of what Councilor Dana-Cummings was asking for. He asks if she was asking to appropriate from property tax the same amount as last year, the Council President confirmed that she was not it was to keep each line item the same as last year with the exception of those that were eliminated. Mr. Pike suggests that they may want to reword her motion to reflect that they raise the same amount of money in taxes as they did for the previous year. The City Manager comments to say that there are all those variables to be considered and to ask for the same amount of dollars would be problematic.

Council President entertains another motion, plan, or discussion.

Jon McNerney addresses the Council and comments to say that he has put together a spreadsheet and the basis for this spreadsheet is information published by the City Manager and he has expressed that there is something wrong with the data. Councilor Dana-Cummings

comments to say that it affects the budget and it should be permitted to be presented. The City Manager responds by saying that there is only one line raise difference from what he was presented and dated June 11, 2014 since the one that he presented to Council back in February. Councilor Dana-Cummings comments that Council did not meet on it and that it was just handed out to them in February. Councilor Dana-Cummings addresses Marilyn Mills in the audience and asks for guidance on how to word the motion.

Councilor Murphy makes a suggestions and puts it forth to the Council for consideration. He recommends that they take the \$40,000 in Capital Reserve out of the budget. Councilor Dana-Cummings makes a comment as to what they will do next year.

MOTION MURPHY SECOND DANA-CUMMINGS
To accept the FY2015 Budget as presented with an amendment to *remove* the **\$40,000** in **Capital Reserve**.
PASSED 5-0

Amount to be raised in taxes is \$2,810,348.00 for a total budget of \$4,552,612.00.

MOTION MURPHY SECOND DANA-CUMMINGS
To approve the FY2015 budget of \$4,552,612.00 of which \$2,472,916.00 is education the amount to be raised by taxes \$2,810,348.00 and to approve a Sewer budget of \$370,165.00.
PASSED 5-0

III. ADJOURN

MOTION MURPHY SECOND EMERY
To adjourn.
PASSED 5-0 (TIME: 6:43 P.M.)