

**TOWN OF OLD ORCHARD BEACH
TOWN COUNCIL WORKSHOP
MONDAY, JUNE 15, 2009
TOWN HALL CHAMBERS**

A Town Council Workshop of the Old Orchard Beach Town Council was held on Monday, June 15, 2009 in the Town Hall Chamber. The Chair opened the meeting at 7:00 p.m. The purpose of the Workshop was to present an opportunity for the Council to review the fiscal 2009/2010 budget.

Present:

**Chair Sharri MacDonald
Vice Chair Robin Dayton
Councilor Shawn O'Neill
Councilor Laura Bolduc
Councilor Mike Tousignant
Town Manager Steve Gunty
Assistant Town Manager V. Louise Reid
Finance Director Jill Eastman**

There were many Department Heads present in the meeting. The Town Manager presented a synopsis of budget reductions made by Department Heads and Town Manager in the Proposed FY10 Budget including the Departmental Reduction and the Manager's Reduction.

**BUDGET REDUCTIONS MADE BY DEPARTMENTS
AND TOWN MANAGER IN
PROPOSED FY10 BUDGET**

	Departmental Reduction	Manager's Reduction
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<u>Town Manager</u>		
Professional/Engineering	(10,000.00)	
Service Contracts	(7,000.00)	
Advertising	(2,000.00)	
<u>Assessing</u>		
Professional/Engineering	(2,000.00)	
<u>Town Clerk</u>		
Conference/Training	(50.00)	
Travel/Food/Lodging	(100.00)	
<u>Planning</u>		
Phone	(360.00)	
Professional/Engineering	(1,500.00)	

	Departmental Reduction	Manager's Reduction
<u>Code Enforcement</u>		
Admin Office	(500.00)	
Supplies		
Printing/Copying	(750.00)	
<u>Miscellaneous</u>	(54,125.00)	
<u>Contingency</u>	(16,602.00)	
<u>Police</u>		
Part Time Wages		(46,000.00)
Overtime	(750.00)	
Holiday Wages	(16,175.00)	
Court Time	(1,500.00)	
Education Incentive	(500.00)	
Pay		
Physical Fitness	(2,000.00)	
Incentive		
Clothing Allowance	(2,400.00)	
Service Contracts	(750.00)	
Operating Supplies		(1,738.00)
Tactical Supplies	(4,900.00)	
Vehicle Fuel		(3,600.00)
<u>Parking Enforcement</u>		
Postage	(2,375.00)	
<u>Communications</u>		
Full Time Wages	(31,742.00)	
Holiday Wages	(3,263.00)	
Flex Plan	(200.00)	
FICA/Medicare	(4,718.00)	
Maine State	(538.00)	
Retirement		
ICMA	(2,150.00)	
Health Insurance	(28,914.00)	
Dental Insurance	(1,470.00)	
Income Protection	(420.00)	
Employment Testing	(2,000.00)	
Operating Supplies	(3,720.00)	
<u>Fire</u>		
Part Time Wages		(5,250.00)
Phone	(1,440.00)	
Vehicle Repairs	(5,000.00)	
Operating Supplies	(3,000.00)	

	Departmental Reduction	Manager's Reduction
<u>Public Works</u>		
Seasonal Employees	(35,000.00)	
Maine State	(3,276.00)	
Retirement		
Dues/Memberships	(500.00)	
Building Repairs	(37,500.00)	
Vehicle Fuel	(5,000.00)	
Liquid Calcium	(1,000.00)	
Operating Supplies	(10,000.00)	
Sewer Maintenance	(20,000.00)	
Operating	(3,000.00)	
Equipment		
Equipment Repairs		(5,000.00)
Vehicle Repairs		(5,000.00)
<u>Waste Water</u>		
Equipment Rental	(5,000.00)	
Waste Tipping Fees	(10,000.00)	
TOTAL	(345,188.00)	(66,588.00)

After an extensive discussion with the Council members the following changes were made and below is the synopsis following the June 15th meeting.

BUDGET INFORMATION	
After 6/15/09 Workshop	
Capital Monies Not Spent in FY09	
Public Works Facilities	\$ 35,000.00
Public Works Grader/Loader	\$ 225,000.00
Debt Service	\$ 250,000.00
Total	\$ 510,000.00
Designated Funds	
Public Works VacAll/Lease Purchase	\$ 53,000.00
SmithWheel Outlet Project	\$ 47,000.00
Rescue Billing Fund	\$ 100,000.00
School Reserve Fund	\$ 170,000.00
Total	\$ 370,000.00
Total Other Funding Sources	\$ 880,000.00

PROPOSED EXPENDITURE CUTS TO FY10 BUDGET	
General Liability Insurance	\$ 20,000.00
Finance Department Position	\$ 64,000.00
Public Works Travel	\$ 6,000.00
Public Works Conferences/Training	\$ 2,000.00
Assistant Public Works Director	\$ 70,000.00
Deputy Fire Chief	\$ 68,000.00
10% of Overtime	\$ 42,800.00
Assessing Department	\$ 25,000.00
Total Expenditure Cuts	\$ 297,800.00
PROPOSED ADDITIONS TO FY 10 BUDGET	
Recycling	\$ 3,000.00
Charter Commision	\$ 15,000.00
Recreation Assistant-Increase to 32 Hrs.	\$ 26,700.00
TOPS in Blue	\$ 3,000.00
General Assistance	\$ 10,000.00
Police Substation	\$ 3,000.00
Total Expenditure Increases	\$ 60,700.00
NET REDUCTION IN PROPOSED FY 10	\$ 237,100.00

TOTAL REDUCTION TO FY 10 PROPOSED BUDGET

\$1,117,100.00

**TOWN OF OLD ORCHARD BEACH
FY 2010 EXPENDITURES
COMPARISON FY 09 AND FY10 BUDGETS**

CLASSIFICATION	COUNCIL	MANAGER	COUNCIL	Increase	Percentage of Increase (Decrease)
	ADOPTED BUDGET FY 08-09	PROPOSED BUDGET FY 09-10	ADOPTED BUDGET FY 09-10	(Decrease) from Prior Year Budget	
<u>General Government</u>					
Town Council	43,958	46,598	61,598	17,640	40.13%
Town Manager	329,516	329,302	321,302	(8,214)	-2.49%
Legal Services	80,000	80,000	80,000	-	0.00%
Tax Collection	93,828	95,303	95,303	1,475	1.57%
Finance	128,962	182,148	129,747	785	0.61%
Assessor	186,504	187,704	162,704	(23,800)	-12.76%
Town Clerk	113,892	152,488	152,488	38,596	33.89%
Elections	16,850	14,250	14,250	(2,600)	-15.43%
Registrar	45,515	7,985	7,985	(37,530)	-82.46%
Planning	141,583	140,961	139,461	(2,122)	-1.50%
Planning Board Design Review Committee	900	1,250	1,250	350	38.89%
Code Enforcement	600	350	350	(250)	-41.67%
Zoning Board of Appeals	186,409	198,865	198,565	12,156	6.52%
Town Hall	500	1,000	1,000	500	100.00%
Miscellaneous	108,570	109,967	109,967	1,397	1.29%
Contingency	64,125	10,000	10,000	(54,125)	-84.41%
Insurance	41,602	25,000	25,000	(16,602)	-39.91%
Transfer to TIF Fund	386,200	406,200	386,200	-	0.00%
	206,334	-	-	(206,334)	-100.00%
Total General Government	2,175,848	1,989,371	1,897,170	(278,678)	-12.81%
<u>Public Safety</u>					
Police	1,924,820	1,997,313	1,989,513	64,693	3.36%
Parking Enforcement	60,673	61,248	61,248	575	0.95%
Communications	500,209	436,602	433,102	(67,107)	-13.42%
Emergency Management	1,215	1,215	1,215	-	0.00%
Animal Control	5,225	16,675	16,675	11,450	219.14%
Public Safety Complex	84,700	90,120	90,120	5,420	6.40%
Lifeguards	119,370	125,760	125,760	6,390	5.35%
Fire/Rescue	1,408,320	1,430,600	1,347,600	(60,720)	-4.31%
Hydrant Rentals	125,000	129,000	129,000	4,000	3.20%
Street Lights	228,000	228,000	228,000	-	0.00%
Total Public Safety	4,457,532	4,516,533	4,422,233	(35,299)	-0.79%

Public Works

Public Works	1,597,114	1,553,033	1,466,533	(130,581)	-8.18%
Total Public Works	1,597,114	1,553,033	1,466,533	(130,581)	-8.18%

Sanitation

Waste Water					
Treatment	1,081,935	1,119,720	1,101,220	19,285	1.78%
Solid Waste	565,000	565,000	568,000	3,000	0.53%
Comfort Station	7,500	7,500	7,500	-	0.00%
Total Sanitation	1,654,435	1,692,220	1,676,720	22,285	1.35%

Agencies, Culture & Recreation

Recreation	233,504	217,651	232,422	(1,082)	-0.46%
Conservation					
Commission	50,000	50,000	50,000	-	0.00%
Service Agencies	38,575	28,575	38,575	-	0.00%
Library	227,773	227,773	227,773	-	0.00%
Transit District					
Subsidy	64,000	75,869	76,000	12,000	18.75%
OOB Historical					
Society	14,000	13,535	14,000	-	0.00%
Adult Education					
Allocation	79,090	79,090	-	(79,090)	-100.00%
Total Agencies, Culture & Recreation	706,942	692,493	638,770	(68,172)	-9.64%

Health & Welfare

General Assistance	77,395	86,400	96,400	19,005	24.56%
Abatements/Overlay	40,000	60,000	60,000	20,000	50.00%
Total Health & Welfare	117,395	146,400	156,400	39,005	33.23%

Total Municipal Operations

Total Municipal Operations	10,709,266	10,590,050	10,257,826	(451,440)	-4.22%
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County Tax

York County Tax	739,574	753,529	753,529	13,955	1.89%
Total County Tax	739,574	753,529	753,529	13,955	1.89%

Debt Service

Principal	1,555,000	1,601,091	1,601,091	46,091	2.96%
Interest	469,570	490,630	490,630	21,060	4.48%
Total Debt Service	2,024,570	2,091,721	2,091,721	67,151	3.32%

Capital Projects

General

Government	275,000	130,000	130,000	(145,000)	-52.73%
Public Safety	75,000	35,000	35,000	(40,000)	-53.33%
Public Works	505,000	670,000	670,000	165,000	32.67%
Sanitation	100,000	138,110	138,110	38,110	38.11%
Culture & Recreation	-	20,000	20,000	20,000	#DIV/0!

Total Capital Projects

955,000	993,110	993,110	38,110	3.99%
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GRAND TOTAL MUNICIPAL

14,428,410	14,428,410	14,096,186	(332,224)	-2.30%
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Total School Operations

9,799,391	9,799,391	9,973,600	174,209	1.78%
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TOTAL BUDGET

24,227,801	24,227,801	24,069,786	(158,015)	-0.65%
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Non-Property Tax Revenue

Municipal	5,061,134	4,625,700	5,524,700	463,566	9.16%
Education	642,794	642,794	-	(642,794)	-100.00%
Total	5,703,928	5,268,494	5,524,700	(179,228)	-3.14%

Property Tax Dollars Needed

Municipal	9,367,276	9,802,710	8,571,486	(795,790)	-8.50%
Education	9,156,597	9,156,597	9,973,600	817,003	8.92%
Total	18,523,873	18,959,307	18,545,086	21,213	0.11%

Property Tax Rate

12.94	\$12.94	\$12.66	(\$0.28)	-2.18%
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**Property Tax Rate
Municipal Tax Rate**

\$6.54	\$6.69	\$5.85	(\$0.69)	-10.60%
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Education Tax Rate

\$6.40	\$6.25	\$6.81	\$0.41	6.42%
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One of the questions that was asked was a statement as to the use of the Rescue Billing fund. Below is the Synopsis of the Rescue Billing Reserve Fund Use. The Town Council has established the following policy concerning the Rescue Reserve Fund and the usage of funds.

- 1. Each fiscal year the Rescue Billing Reserve Fund may be drawn upon to the amount of \$50,000 to be transferred to the Town's General Fund Revenue side – Account 10700-00596, for that fiscal year.**
- 2. Each fiscal year the Rescue Billing Reserve Fund may be drawn upon to the amount of \$30,000 to be transferred to the Town's General Fund, to a Designated Reserve Fund titled: Fire Vehicle Purchase, for that fiscal year for the purpose of purchasing fire vehicles.**

Also each fiscal year the Rescue Billing Fund may be drawn upon for the purpose of purchasing two (2) police vehicles. Funds to be transferred to the Town's general fund expenditure capital improvement line (150-481.)

- 3. In the fiscal year in which a Rescue Vehicle is to be purchased, only the amount of \$50,000 is to be transferred to the Town's General Fund. Revenue side, Account 10700-00596, plus the dollar amount for the Rescue vehicle shall also be transferred.**
- 4. In the event that the rescue billing collection amount dramatically rises or declines, this policy would need to be amended to either appropriate additional funds to the general fund or cut back if collection billing declines.**

During the discussions this evening there were a number of suggestions that were made by the Council in consideration of the budget constraints. The elimination of some positions as reflected in the above charts included the Deputy Fire Chief; the Deputy Public Works Director; and the reduction of \$25,000 in the Assessing Department. Other suggestions that were considered but no decision made and to be considered at the next Budget session is the request of Councilor Bolduc that money be set aside for the Council Secretary's position and a possible elimination of the Assistant Town Manager position replaced by a possible administrative assistant. It should be noted that this would require a charter change. Discussion included possible increase to non-union staff in health cost deductions but this was put on hold for this year by a consensus. Continued discussion on the need to cut overtime; training; contracts, etc., was reviewed. Comments also included issues such as the painting of town hall; animal control, recycling program, possible Accountant for the Finance Director although there not appear to be support because of the necessity to lay off employees already. The suggestion was also made to add a Laborer to the Waste Water Department. The Finance Director indicated there are costs related to lay-offs including unemployment and payment of vacation and holiday pay. The Town Manager reminded the Council that these cut backs will affect the services to citizens. There was also discussion on possible furlough days.

The Council workshop ended at 9:45 p.m.

Respectfully Submitted,

V. Louise Reid
Secretary to the Town Council

I, V. Louise Reid, Secretary to the Town Council of Old Orchard Beach, do hereby certify that the foregoing document consisting of nine (9) pages is a true copy of the original Minutes of the Town Council Workshop held on June 15, 2009.

V. Louise Reid