



that this is not a recommended but rather a working document to be used by the Council in the preparation of their budget. He said that the big revenue losses outweigh the gains. He also said that anyone can cut budget considerations but the question is what services are you willing to give up. He also indicated that you can't keep spending when you don't have the money coming in. The proposal is for a municipal budget of almost \$15.7 million; an increase of about \$364,800 from last year's municipal budget. This would increase the Town's \$12.94 mill rate by \$1.49. However, again, the Town Manager stated "I'm going to say something that may shock you. I'm not recommending this budget. The proposal suggests a tax increase I cannot support." Substantial increases in the budget expenditures also come from the \$222,774 mortgage payment for the new Police Station which will be offset by the Ambulance Billing Account. The County Tax increased about \$24,300. Not counting the County tax and the Police mortgage, the budget only amounts to an increase of 1.35 percent or \$146,900.

Many long hours have been spent by municipal staff preparing the Fiscal 2010-2011 Municipal Budget. Input has been provided by all Municipal Department Heads. The goal was to present to Council a flat, zero increase Budget. This goal has not been achieved, at this time, due to the following lines that are controlled by outside influences:

- A. Previously agreed Union Contracts;
- B. An increase in Maine Municipal Health Insurance;
- C. An increase in Maine State Retirement costs.
- D. An increase in the Town's legal expense line;
- E. The addition of a Municipal election;
- F. A new Solid Waste Contract;
- G. Increase Agreement with the Biddeford Saco Old Orchard Beach Transit System (Shuttlebus);
- H. Increase County Tax; and
- I. New Department expense for the Police Station that has to be entered in the expenditure side of the Budget even though the expense will be paid from the Special Revenue Account.

The 2010 – 2011 Proposed Expenditure Budget has increased by \$364,797. \$222,774 of that figure is the new mortgage payment on the Police Station. This amount budgeted in the Police Mortgage Debt Service expense line will be offset by income from the existing Ambulance Billing Account; therefore no tax money is needed in this expense line.

In addition the County Tax increase of \$24,256 dollars is also included in the \$364,797 figure.

Subtracting the Police Mortgage and County Tax, the total Municipal Budget is up by 1.35% or \$146,877.

This proposed Budget is only presented to the Council as a Budget-in-Progress. I have only held the position of Town Manager for five months, making the Budget decision process extremely challenging for me.

**It is my goal to work in harmony with the Town Council in an effort to fine tune and adjust this Budget. I am in support of a Budget which will be responsible to the needs of our taxpayers.**

**This is not a Town Manager recommended Budget. At this point it is a collection of town-wide data, packaged as a working document for the Council to discuss and adjust.**

**In a limited capacity, I personally reduced some areas of the expenditures in the spirit of the difficult economy. I will continue to work with the Council to fine tune this document to an acceptable level of public support.**

*Attached to the Minutes is a copy of the material including charts that were provided to the public.*

### **ADJOURNMENT**

**MOTION:** Councilor O'Neill motioned and Councilor Dayton seconded to adjourn.

**VOTE:** Unanimous.

**Respectfully Submitted,**

**V. Louise Reid  
Town Council Secretary**

**I, V. Louise Reid, Secretary to the Town Council of Old Orchard Beach, Maine, do hereby certify that the foregoing document consisting of three (3) pages is a true copy of the original Minutes of the Special Town Council Meeting of March 30, 2010.**

**Louise Reid**