

**Town Council Special Meeting
DRAFT Minutes
April 11, 2012**

Roll Call

Councilors Chase, Orestis, Varney, Pierce, Rodden and Armitage were present and answering roll call.

Councilor Payne was absent.

Item 1 Presentation and Discussion of the Fiscal Year 2013 Proposed Budget.

Town Manager Nathan Poore presented the Municipal budget. The municipal impact on the tax rate will remain flat this year. He discussed in detail the changes in the budget for next year. He showed slides detailing the history of the municipal budget.

Julie Rabinowitz, President of the Library Board of Trustees, spoke about the increase they are requesting from the Town this year. In the process of searching for a new director they conducted a survey of library users to determine the type of services they want and need. They have reorganized the children's area, added teen afternoon and adult programming, will soon roll out an updated website, and will have a book sale and garden tours to raise funds. She presented the library's budget and discussed the various income streams they have. They are investing significantly more in technology in the coming year.

Andy Kinley of the School Board presented the School budget. The biggest factor in the budget is that the district has added 50 more students, many with higher needs than they have seen in the past. This is the fourth consecutive year where the district has seen a decrease in revenue from the previous year. All three Falmouth schools met the State's requirements to qualify as both high performing and more efficient. He discussed the history of the school's budget; they have cut every year, have lost revenue and increased the number of students. He discussed the reasons why the budget is increasing: long-term school debt, revenue loss, fixed cost increases, and a few small additional requests and he discussed details about each of those items. He discussed the significant cost savings of converting to the wood chip boilers. They are designating \$150,000 of their undesignated fund balance as a contingency fund this year. The net impact of the proposed budget is a \$0.498 increase to the mil rate; this is primarily due to lost revenue.

Item 2 Public Forum to seek public input and inquiries relative to the Fiscal Year 2013 Proposed Budget.

Chair Pierce opened the public forum.

Ten members of the public spoke. Nine spoke in favor of the school budget; one spoke against the school budget.

Chair Pierce closed the public forum.

The Council discussed the proposed budgets. Councilor Chase advocated for using some of the undesignated fund balance to offset the mil rate increase. Chair Pierce said the policy regarding undesignated fund balance dictates that it only be used for capital expenditures but it could be used toward debt service. Councilor Rodden pointed out that the policy clearly states that the fund balance is not to be used to offset a mil rate increase. She asked why jobs bill money was used to pay for new jobs that would have to be covered when they knew that money would go away.

Mr. Kinley explained that the money was used to create a therapeutic kindergarten classroom to address an influx of special needs children, who might otherwise have needed to be placed out of district at a significantly higher cost. These were expenses they didn't have money to cover until the jobs bill came through. The need for that program has continued.

Councilor Orestis pointed out that the school department has reduced operating expenses over the past couple years by over a million dollars, while still delivering quality service. He was in support of the school budget.

Councilor Armitage was frustrated that the Town has managed to bring in a tax rate neutral budget and the school has not but pointed out that education was an investment and he would support the budget.

Councilor Rodden observed that there are not as many revenue streams available to the school as there are for the Town. The school must rely on the Federal and State governments, who are cutting their funding, and the shortfall falls to the local government and property taxes.

Councilor Varney didn't like the taxes going up, but she said they have to do it. She doesn't have any children or grandchildren in the school system, but she pointed out that all the children need a good education.

Chair Pierce agreed with Councilor Varney. There is a lot of hard work and transparency, and she pointed out that the school campus benefits the whole community, not just the students.

The Council will vote on the budgets at their April 23 meeting. The hearing on the BVR will be held on May 7 and the vote for the BVR budget will be held on May 14. The School budget will be voted on by the residents at the June 12 election.

Adjourn

Councilor Varney moved to adjourn; Councilor Armitage seconded. Motion carried 6-0.

Respectfully submitted,

Melissa Tryon
Recording Secretary