

**TOWN OF OLD ORCHARD BEACH
SPECIAL EMERGENCY TOWN COUNCIL MEETING
THURSDAY, JUNE 26, 2008 – 7:00 P.M.
TOWN HALL CHAMBERS
AGENDA**

The Chairman called the Special Emergency Town Council Meeting to order at 7:00 p.m. on Thursday, June 26, 2008.

Roll Call:

The following were in attendance:

**Chairman James Long
Councilor Shawn O'Neill
Councilor Roxanne Frenette
Councilor Robin Dayton
Councilor Sharri MacDonald
Town Manager Steven Gunty
Assistant Town Manager V. Louise Reid**

EMERGENCY ITEMS: (Carried over from the June 24, 2008 Special Town Council Meeting)

CHAIRMAN LONG: We acknowledge the presence of the entire Council. I will now ask the Assistant Town Manager, V. Louise Reid, to report on the attendance at the funeral of town employee, Carol Kingsbury.

ASSISTANT TOWN MANAGER: Most of you are aware of the passing of Carol Kingsbury of the Planning and Code Department. There were over eighteen from the Town itself in attendance at her funeral today in Dicksfield, Maine; municipal employees, business owners and friends. In all the beautiful sentiments that were expressed about Carol, over and over again was her ability to laugh and even when she was told she would not recover she was the one who supported her family and uplifted them. I owe an enormous debt of gratitude to Carol for her untiring efforts on the Annual Reports and other graphic work that was required by our department. I personally will miss her and our love and prayers go out to her three sons and their large family.

5000 Discussion with Action: Adoption of the FY 2009 Municipal Budget Chairman James Long

MOTION: Vice Chairman Shawn O'Neill motioned and Councilor Frenette seconded for discussion to Adopt the Municipal FY 2009 Budget in the amount of \$13,473,410 and further Capital Improvement Program Budget in the amount of \$955,000 for a total of \$14,428,410 on the Municipal side.

COUNCILOR LONG: A motion has been made and a second for discussion.

COUNCILOR DAYTON: I cannot support this budget for several reasons. The proposed Council budget is \$807,850 dollars more than the Town Manager's budget submission. I cannot support most of the Council's additions to the budget which include: (1) \$100,000 dollars for

raises and market adjustments to salaries. A market adjustment of \$52,000 dollars during a recession is simply unwarranted. But also, as I have stated previously, my belief is that people work in government and civil service jobs because they care about the general good, not because they want to make a lot of money. (2) The Council budget also includes new positions such as a Public Works Assistant Director for \$70,000. In a recession I think we should be focused on downsizing and efficiency, we should be focused on doing more with less not doing less with more. (3) The budget also includes \$200,000 dollars for a new front end loader. It is my understanding, perhaps mine alone, that this new rather very large piece of equipment is not necessary. The one we have can be fixed at a much lower cost to the tax payers of Old Orchard Beach. (4) The proposed Council budget includes a five percent tax increase which has not been fully explained to the tax payers of Old Orchard Beach. Whether you agree with this tax increase or not, I think we should have done more to let the tax payers know about it well before this evening. I believe the Council should have been made aware of the tax increase well before the published final budget totals were released late on Wednesday, June 18, 2008. Virtually no one has been given the opportunity to respond to this increase. And when I tried to discuss it publicly on June 24, I suffered a litany of insults from other members of the Council. (5) \$25,000 dollars to put security in the ballpark. This item seems spiteful to me at best. We just voted to save and use the ballpark. \$25,000 dollars happens to be the same amount that could be used to cover the basic construction cost of a BMX bicycle race track. (6) Lastly, I believe that the information about excess taxes as reflected in the latest Auditors report on page 85 titled "Fund Balance" needs to be better understood and better publicized to the public at large. For the past four years our average excess tax revenue has been \$4.8 million dollars. This is well above the 12 percent reserve we are required to maintain for emergency operations. I remain unmoved to support a tax increase in the fact of this fact. I would also like to add that some have made the argument that use of the undesignated fund balance in lieu of a tax increase would "wipe out" the fund balance. That is simply not true and there are no figures available to support that argument. It was not long ago that some members of the Town Council and the Town Manager proposed to remove \$1.1 million from the Undesignated Fund Balance to establish a new account for infrastructure stabilization. While I was not able to determine a definition for an infrastructure stabilization account, I do know what \$1.1 million dollars is. If some members of the Council thought we could afford taking \$1.1 million from the Undesignated Fund Balance, why then are these same Council members against taking a lesser amount to cover the Council's imposed budget increases. There seems to be no logic applied to the use of the Undesignated Fund Balance account and no logic to support a secretive tax increase. And that is troubling to me.

COUNCILOR O'NEILL: One of the most difficult tasks facing the Council is the budget and we are all aware that in consideration of the School budget there was additional funding on the behalf of the School because of the State shortfall in funding equated to a half a million dollar.

COUNCILOR FRENETTE: No it was almost $\frac{3}{4}$ a million dollars.

COUNCILOR O'NEILL: We did receive some back to ease that pain. In this year's budget we reduced our capital improvement plan by almost a million dollars compared to last year. We are aware of the needs of the community and we also are aware of the economic pressures on our citizens. For instance the Planning Department wrote most of our grants and it was shifted to Public Works' new position for that reason. I believe we are well below the average that we pay our employees and it needed to be stated and I support it. It is not a five percent increase; we could not get our final budget until the 18th because the budget workshops were not finished and we were still going through the process. The \$25,000 for the ballpark – this has been our white horse for years; we have a group of people who want to upgrade the Ballpark and the Council agrees and the Council steps up to the plate by putting money back into the ballpark for

the security of the people using the Ballpark and we get criticized for it. I can't comprehend that. We have not had a tax increase for the past four years and unfortunately there comes a time when we have to raise taxes. We have done considerable work throughout this year and the Council needs to be recognized for it.

COUNCILOR FRENETTE: I support this budget and I had wished we did not have to have the increase but we gave \$762,000 to the school budget; supported the bond issue placed on the ballot and we need to support the municipal side. If we do not have the increase to the Undesignated Fund balance down to a balance that would not cover an emergency. We had eight times last year alone that we went to the Undesignated Fund balance for \$150,000. The year before we spent \$682,000 from the Undesignated Fund. Historically as shown in the annual report shows our fund balance. We need to keep \$ 2,500,000 of that by our own policy which is 12% and the rest of the amount is not always there. It depends on taxes and revenues so we cannot always count on it. Just because it has been there we can't assume it will always be there. I supported the school the budget knowing we could not afford that amount of money and I would hope the Councilors would believe the same would and should be done on the municipal side. We are shown every month a financial report that shows every penny spent and every dollar coming into the budget. We have had budget workshop after budget workshop – and the public has been invited, and given an opportunity to speak. Just because some Councilors didn't like the issue or how it went or the results doesn't mean we did not go through the process. We did do our work we have done a great job and I am supporting the tax increase because I don't believe this is the time to be spending our undesignated fund. I believe we have been honest brokers.

COUNCILOR MACDONALD. I am a quiet Councilor as you know. I am not happy with the way we approached the budget this year. I don't pat myself on the back and say I did a good job because I don't believe I did. The Workshops were brutal; brutal to each other in front of the citizens sitting there. I don't support this budget. The statements were nice tonight and I am not going to slam other Councilors. A lot of the decisions on this budget were based on remarks. I support the schools and will continue to support the school. We added 183,000 to the school proposed over last year's budget. I trust the staff and the town manager's administration. We are asked to approve a budget \$900,000 more than his budget. What do I do? – We were provided no detail behind the numbers. I don't believe in micro-managing the staff. The \$25,000 to the ballpark was added because the Ballpark committee is getting to powerful and that was said that night. I hope it is reflected in the Minutes. I support the raises for the staff. I support the 4% even though the Social Security cost of living is only 2.5%. I was told that my neighbors don't support a tax increase and that we should tighten our belts. I don't believe we have tightened them enough. I appreciate the work of the Council but people need to get involved because things are not going well for Old Orchard Beach.

TOWN MANGER: Mr. Chairman, May I be recognized, please?

CHAIRMAN LONG: No.

TOWN MANAGER: I would submit that I would like to be recognized to speak on the budget.

CHAIRMAN LONG: Mr. Town Manager you are not recognized; you may not speak.

TOWN MANAGER: I take objection to that, Sir.

CHAIRMAN LONG: Will the secretary call for the vote.

**VOTE: Yea: Councilors O'Neill and Frenette and Chairman Long.
Nea: Councilors Dayton and MacDonald**

5001 Discussion with Action: Set due dates of 9/5/08 and 3/06/09 for taxes for FY 2009.

MOTION: Councilor Frenette motioned and Councilor O'Neill seconded to set due dates 9/5/08 and 3/06/09 for taxes for FY 2009.

VOTE: Unanimous.

5002 Discussion with Action: Set interest rate of 11% for delinquent taxes.

MOTION: Councilor O'Neill motioned and Councilor Frenette seconded to set interest Rate of 11% for delinquent taxes.

VOTE: Unanimous.

5003 Discussion with Action: Authorize the Tax Collector and Treasurer to Accept Prepayments of Taxes before Commitment, at an interest rate of 0%, pursuant to 36 M.R.S.A., Section 506.

MOTION: Councilor O'Neill motioned and Councilor Frenette seconded to Authorize the Tax Collector and Treasurer to Accept Prepayments of Taxes before Commitment, at an interest rate of 0%, pursuant to 36 M.R.S.A., Section 506

VOTE: Unanimous.

5004 Discussion with Action: Set Sewer Rate of 10.4% for FY 2009 to Reflect the Percentage of the Tax Bill Used for the Operation of the Waste Water Treatment Plant.

MOTION: Chairman Long motioned and Councilor O'Neill seconded to Set Sewer Rate of 10.4% for FY 2009 to Reflect the Percentage of the Tax Bill Used for the Operation of the Waste Water Treatment Plant.

COUNCILOR FRENETTE: My neighbors and I do not have sewers and we need them and want them and probably will not get them so I vote no on this.

**VOTE: Yea: Councilors O'Neill, Dayton, MacDonald and Chairman Long.
Nea: Councilor Frenette**

5005 Discussion with Action: Authorize and Direct the Tax Collector and Treasurer, Pursuant to 36 M.R.S.A., Section 906, to Apply any Tax Payment Received from an Individual as Payment for any Property Tax Against Outstanding or Delinquent Taxes due on said Property in Chronological Order Beginning with the Oldest Unpaid Tax Bill Provided, However, that No Such Payment May Be Applied to any Tax for which an Abatement Application or Appeal is pending unless Approved in Writing by the Taxpayer.

MOTION: Councilor Frenette motioned and Councilor O'Neill seconded to Authorize and Direct the Tax Collector and Treasurer, Pursuant to 36 M.R.S.A., Section 906, to Apply any Tax Payment Received from an Individual as Payment for any Property Tax Against Outstanding or Delinquent Taxes due on said Property in Chronological Order Beginning with the Oldest Unpaid Tax Bill Provided, However, that No Such Payment May Be Applied to any Tax for which an Abatement Application or Appeal is pending Unless Approved in Writing by the Taxpayer.

VOTE: Unanimous.

5006 Discussion with Action: Authorize and Direct the Assessor to Prepare a Perfect List of All Taxes of the Municipality and to Commit the same to the Tax Collector.

MOTION: Councilor Frenette motioned and Councilor O'Neill seconded to Authorize and Direct the Assessor to Prepare a Perfect List of All Taxes of the Municipality and to Commit the same to the Tax Collector.

VOTE: Unanimous.

5007 Discussion with Action: Abate certain prior years' taxes as requested by the Tax Collector: Vire, Patti & Roger, T1690 - \$2,778.25 – Fiscal Year 1999; \$2,552.51 – Fiscal Year 2000; \$2,482.25 – Fiscal Year 2001; \$2,503.69 – Fiscal Year 2002; \$1,986.08 – Fiscal Year 2003; \$1,790.96 – Fiscal Year 2004; \$1,672.91 – Fiscal Year 2005; and \$1,287.86 – Fiscal Year 2006, taxes deemed uncollectible.

MOTION: Councilor O'Neill motioned and Councilor Frenette seconded to Abate certain prior years' taxes as requested by the Tax Collector: Vire, Patti & Roger, T1690 – \$2,778.25 – Fiscal Year 1999; \$2,552.51 – Fiscal Year 2000; \$2,482.25 – Fiscal Year 2001; \$2,503.69 – Fiscal Year 2002; \$1,986.08 – Fiscal Year 2003; \$1,790.96 – Fiscal Year 2004; \$1,672.91 – Fiscal Year 2005; and \$1,287.86 – Fiscal Year 2006, taxes deemed uncollectible.

VOTE: Unanimous.

MOTION: Councilor Frenette motioned and Councilor O'Neill 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 five (5) pages is a true copy of the original Minutes of the Special Emergency Town Council Meeting of June 26, 2008.

V. Louise Reid