

**TOWN OF OLD ORCHARD BEACH  
TOWN COUNCIL WORKSHOP  
Tuesday, June 29, 2010  
TOWN HALL CHAMBERS**

**A Town Council Workshop of the Old Orchard Beach Town Council was held on Tuesday, June 29, 2010 in the Town Hall Chamber. The Chair opened the meeting at 7:10 p.m. The purpose of the Workshop was to present an opportunity for the Council to review the fiscal 2010/2011 budget.**

**Present:**

**Chair Sharri MacDonald  
Vice Chair Michael Tousignant  
Councilor Robin Dayton  
Councilor Laura Bolduc  
Councilor Shawn O'Neill  
Town Manager Jack Turcotte  
Assistant Town Manager V. Louise Reid  
Finance Director, Jill Eastman**

**There were department heads in attendance at the meeting.**

**Discussion continued as the Council reviewed the past Budget Workshops. It was indicated that a \$15.2 million dollar budget would increase taxes by about \$.50, bringing the proposed tax rate to \$13.44 per \$1,000 of assessed valuation. It was indicated that the Council had agreed, at least by consensus on more than \$500,000 in cuts during the last Workshop and also increased parking fees this summer as well as an increased effort to collect on ambulance bills. It was noted that the Council this evening could make further cuts to the budget, add money or make any other combination of adjustments that would affect the tax rate charged to property owners. Below is the result of the previous workshop. The Town Manager indicated that the school spending was reduced by a total of \$70,000 and the Town's share of cost to redo the intersection of Saco Avenue and E. Emerson Cummings Boulevard was reduced by about \$41,000.**

**COUNCIL CUTS TO FY 11 BUDGET  
AFTER WORKSHOP ON  
6/16/2010**

<b>CUTS</b>	
HR Technology	\$ 20,000
Dispatch	\$150,000
RSU	\$ 70,000
GIS	\$ 25,000
Legal	\$ 25,000
DPW CIP	\$ 35,000
Part Time Tax Clerk	\$ 17,000
1/2 Part Time Building Inspector/CEO	\$ 17,000
EE Cummings Intersection	\$ 41,347
Overlay	\$100,000
Annual Report	\$ 1,000

Fireworks	\$ 10,000
Concerts in the Park	\$ 10,000
Holiday Decorations	\$ 15,000
<b>TOTAL CUTS</b>	<b>\$536,347</b>

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Parking Meter Revenue	\$ 60,000
Rescue Billing Revenue	\$ 30,000
<b>TOTAL NEW REVENUE</b>	<b>\$ 90,000</b>

<b>GRAND TOTAL</b>	<b>\$626,347</b>
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A \$24.5 million combined municipal and school budget has been approved for fiscal year 2010-2011. The budget will increase the mill rate by \$.47 cents because although this budget is a decrease from that of last year, town revenues are down. The Town must also cover the rising costs of Maine Municipal health Insurance and the Maine State Retirement. The municipal budget when discussed at the workshop appeared to have a 3 to 2 in favor of the tax increase; Councilors Bolduc and Chair MacDonald voting against and Councilors O'Neill, Dayton and Vice Chair Tousignant indicating they would vote for it in the Special Town Council Meeting to follow. The \$250,000 from the Waste Water budget was also used in projecting the budget. Councilor Bolduc indicated she did not support it because she said that the Town needed to work on downsizing its government to save money. The budget uses \$500,000 from the reserve fund. An earlier draft used about \$700,000 from the undesignated fund but by increasing the tax rate that Town would not have to use so much of its reserve. Both Councilors O'Neill and Vice Chair Tousignant indicated they did not want a tax increase but felt it was necessary and would help the next Council to face the heavy financial demands on them as well. Councilor O'Neill indicated that he felt using \$700,000 from the undesignated fund balance was too extravagant. He indicated that was our "rainy day" fund. Vice Chair Tousignant indicated that the Council had done a diligent job looking through the budget with fiduciary responsibility. Both were concerned that the infrastructure projects the Town needs to address will continue to put challenges on next year's budget.

A number of citizens expressed their ideas and opinions on a various number of issues from no tax increase considering the lack of services to all citizens as expressed by Jerome Beggart. The suggestion by the Charter Review Commissioner Ladakakos that the Department Heads be made to cut their budgets was responded to by the Chair and the Town Manager who indicated that the Department Heads had more than cut their budgets and were responsible for presenting to the Council the two scenarios including the \$700,000 scenario and the \$1.4 million dollar scenario. Other speakers added their opinions including Fred Dolgan who encouraged consideration of economic times and how it reflected on the citizen's ability to pay. Ricki Letowt spent some time questioning the way the total undesignated fund is handled and there was continued discussion and explanation by the Finance Director on the actual understanding of that account. She indicated that if

**the Town had increased taxes just ten cents a year over the past several years, this rate increase would not have been so painful. Arlene Dolgan and Nancy Tate both spoke of gratefulness to the Council for the approval of the contract with a local shelter for the care and keeping of the Town's animal population.**

**Discussions between the Council members themselves was supportive but all Council members indicated that the next year's budget will be more difficult than the one that we have currently dealt with and as such the question was raised of an increase in the tax rate which originally had been \$1.10 and now because of Council planning was down to the \$.35 cent to \$40 cent range that perhaps \$.45 cents would allow some of the money to be made available in the planning for next year's budget when school monies will not be available as they were this year and questions of how revenues will be coming in is something that could not be determined. A consensus was suggested between Councilor Dayton, O'Neill and Vice Chair Tousignant to go with the \$.45 tax increase. Councilor Bolduc and the Chair MacDonald did not agree with any tax increase.**

**Town of Old Orchard Beach  
Calculation of Sewer User Percentage  
FY2011 Adopted Budget**

Expenditure/Revenue	Amount
Dept. 20161	1,074,670
Dept. 20162	
Dept. 20204	250,000
2 Sewer Maint. Workers, 20151/50106	133,641
Line 20151/50508	60,000
Line 20203/50508	75,000
Septic pumping abatements	20,000
2009 Debt	79,484
1998 Gen. Ob. Bond principal	535,000
1998 Gen. Ob. Bond interest	85,796
	2,313,591
Less:	
Sewer Impact Fees	(33,500)
Septic Dumping Fees	(2,000)
Water Treatment Fees	0
Net cost to tax commitment	2,278,091
Proposed tax commitment	19,928,106
Percentage for sewer	11.43%

**It was indicated (to be adjusted if necessary) the following possible numbers:**

<b>Final Town Budget</b>	<b>\$15,237,606</b>
<b>Final RSU Total</b>	<b>9,303,600</b>
<b>Total Final Budget</b>	<b>\$24,541.206</b>
<b>Tax Rate Increase</b>	<b>\$.47 cents</b>
<b>Sewer Fee</b>	<b>11.4%</b>

**Town Manager expressed appreciation to the Town Council for their concentrated effort on the budget and indicated that the process will go smoother in the future.**

**The Council workshop ended at 8:50 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 four (4) pages is a true copy of the original Minutes of the Town Council Workshop held on June 29, 2010.**

**V. Louise Reid**