

**TOWN OF OLD ORCHARD BEACH  
TOWN COUNCIL WORKSHOP.  
Tuesday, January 10, 2012  
TOWN HALL CHAMBERS  
7:00 p.m.**

**A Town Council Workshop of the Old Orchard Beach Town Council was held on Tuesday, January 10, 2012. Chair Bob Quinn opened the meeting at 7:03 p.m.**

**The following were in attendance:**

**Chair Bob Quinn  
Vice Chair Michael Tousignant  
Councilor Robin Dayton  
Councilor Sharri MacDonald  
Councilor Michael Coleman  
Town Manager Jack Turcotte  
Assistant Town Manager V. Louise Reid  
Attorney Geoff Hole – Bernstein & Shur**

**Chair Quinn indicated that the purpose of this workshop is to discuss the Charter. Recognizing the amount of time that was spent by the Charter Commission over the past two years, it is important that the Council have knowledge to implement the changes that were approved by the voters in the November election and the passage of the four items on the ballot. Basically the Charter will not go into effect until July 1, 2011. This Workshop was the continuation of a November 2011 Workshop on the same issue. It was again emphasized by John Bird that the goals behind the changes were to provide more public oversight and input into municipal affairs, along with requiring more transparency, while also more clearly defining the role of public officials.**

**Attorney Geoff Hole did a follow up on three questions asked last time:**

**Questions that were raised last time and needed to be addressed this time were the following:**

**Section 409:3 – Are we required to have a “Parks Director,” or does the Charter give us the ability to have one if we want to – same with Emergency Management Director? He indicated he did not feel the requirements demanded that there must be a Park’s Director, i.e., other such positions not part of the departmental structure.**

**Section 502:1 – Which employees that are appointed by the Town Manger must be “appointed or reappointed” annually by July 1<sup>st</sup> of each year. Discussion on this involved the decision that appointments and reappointments need to be done each year on a structured committed basis and in a timely manner.**

**Section 409:1 – Does the Town Manager have to have two separate contracts (one for his probationary period or six months and another for up to two years) or can it be combined into one contract, but voted on twice (once for initial appointment and then for contract appointment.) It was suggested that if a one document process is developed the attorney should make sure that the distinction between the six month probationary period and the two year commitment needs to be legally defined and clearly stated.**

**Other than expanding the Town Council, the most significant changes to the Charter can be seen in the budgeting process which was discussed at length. This requires the creation of a Finance Committee which has oversight of the newly created capital improvement program. Specifically, the committee is responsible for the annual creation of a five-year capital-spending program. Once those funds are appropriated that money shall only be spent for the purposes unless the Town Council declares an emergency. The Charter now mandates the Council to make line-item appropriations for each department, instead of approving a gross spending amount. The line-item budget is a financial document that lists how much the local municipality will spend on every item that it uses. Cost categories include services, operating expenses and capital outlay. The primary orientation of a line-item budget is that of expenditure control and accountability. Also the line-item amounts cannot be exceeded except with Council approval. Under the revisions approved the Town Council must also notify the Town Manager and department heads of any expected budget limits six months prior to the beginning of the budget year. And the changes require all department heads to submit their proposed budgets along with a projected work plan and an explanatory message to the Town Manager 120 days prior to the beginning of the budget year. The Budget for all departments shall include all proposed expenditures, and carry overs. The Town Council shall make a gross appropriation for each department to be managed at the line-item level for the ensuing fiscal year. The gross appropriation for each department shall not be exceeded except by consent of the Council and subject to the provisions of Section 708. Dedicated accounts are used when a separate fund is not called for. They are used for clearing accounts for fee supported activities, reserves for future expenses and various forms of designated savings. The budget is established each year prior to June 30<sup>th</sup> of each year. In the Town Manager's continuing efforts to improve transparency with financial information, it is the desire of the Council also that we maintain a balance budget while balancing service needs. Once all departments have submitted their budget proposals negotiations begin with the Town Council in order to arrive at a proposed budget. Once the final budget is established, it will go to the Council prior to June 30<sup>th</sup> for approval and signature of the Council and become effective July 1<sup>st</sup>. It was noted that we need in the budget process to ask ourselves how are we doing; if we are meeting our goals; if our citizens are satisfied; is the process in statistical control; and what improvements are necessary. There is a need in the presentation of the budget to justify programs and their costs, and demonstrate accountability as stewards of the taxpayer dollars. Everyone needs to keep in mind that the budget serves as an outline for how our municipality should maintain and improve services but within fiscally responsible constraints. The budget is not just an accounting document; it is a management and plan which is limited by the amount of resources available and the determining of objectives in the creation and execution of a budget. We had discussion on the General Fund which is the main operating fund and pays for the core community services and on the General Fund Revenue which fluctuates from year to year. We are all aware that the budget is not a static document and must be responsive to changing circumstances in a fiscal year. Several things were mentioned by Council and those in attendance include the need of failing to base business decisions on the**

**data that is provided for making business decisions with too little data is just as problematic as basing them on too much data. There is a need to measure key variables to get the whole picture. Focusing on financial indicators is another way of projecting the new budget.**

**A major concern was the fact that the budgetary provisions will have to be followed in the preparation of the budget even though the budget does not go into effect until July 1, 2012. It is obvious that one of the most significant changes to the Charter can be seen in the budgeting process which requires the creation of a Finance Committee, which has oversight of the newly created capital improvement program. The Committee is responsible for the annual creation of a five-year capital-spending plan. Once those funds are appropriated, that money shall only be spent for those purposes unless the Town Council declares an emergency. The Charter also mandates the Council to make line-item appropriations for each department instead of approving a gross spending amount. Also the line-item amounts cannot be exceeded except with Town Council approval. Under the revisions that were approved the Town Council must also notify the Manager and Department Heads of any expected budget limits six months prior to the beginning of the budget year. And the changes require all department head to submit their proposed budgets along with a projected work plan and an explanatory message to the Town Manager 120 days prior to the beginning of the budget year.**

**In terms of the Town Manager the revised Charter makes it a requirement for the Town Council to provide him or her with a written list of expectations on an annual basis and to evaluate performance against that list. It was pointed out by Jerome Begert that the idea behind this is to prevent surprises during the Manager's annual review. It also gives the Council latitude and discretion on what the expectations are going to be and they could change from year to year. Discussion also indicated that the Charter creates a new Finance Department to be headed by the Town Treasurer who will hold the title of Finance Director. Those functions falling within the Finance Director's purview include general assistance and tax collection. The Attorney noted that the creation of various departments within the Charter are not different than from how the Town operates now but better defines the roles and duties of each position within those departments. Advisory Committees were discussed. The simple definition of an advisory committee is a group of volunteers that meet regularly on a long-term basis to provide advice and/or support to the Council. Even with this definition it was obvious that there can be a broad range of activity. The need for the Finance Committee to be obviously more involved as a result of Charter changes and the fact that they have not been able to meet regularly was pointed out. The Charter change makes its critical that their input is vital.**

**The Town Clerk indicated that the Election process for the Charter to pass when questions were asked in that regard included the fact that the combined yes and no votes must equal at least 30% of the voters who cast ballots at the last gubernatorial election. We discussed internal controls which safeguard the assets of the municipality and include separation of responsibilities between those handling the income and those handling the disbursements and assuring that no one person handles a cash transaction from the beginning to the end. We also instructed that there be written approval for payment of bills; periodic financial reports to the Town Council; and an annual audit of the financial records. Bills are to be approved for payment in writing; a purchase approval form is to be used to document approval for payment of the invoice (except for utilities) and to identify the account to be charged. Pre-numbered checks are used with different sequences for payroll and vendor disbursement.**

**The Finance Director signs the checks for payment and a second individual places the check in the envelopes and mails the invoice payment. Two signatures are required on the check.**

**We discussed the necessity of understanding protocol which is the proper etiquette and way of doing things. General protocol means setting up rules or guidelines that need to be followed or rather a code of conduct or behavior. The Town Manager encouraged the need for there to be an accepted or agreed-upon way of doing things. He also indicated that leadership is critical in designing and deploying effective management policies. A conceptual framework is needed including effective internal and external communications which is the key to success. We discussed the meaning of amendments as compared to a revision. An amendment is a totally new addition to the constitution whereas a revision is a change to an already existent law. Amendment is the correct legal term when amending a filing, not a revision.**

**There were opinions on the extent of the changes to the Town Manger's contract and whether a contract is needed at all and the timeline of the probationary period relative to a two year contract. Concern was expressed with a section of the new changes that states that after a six month probationary period, the Town Manager "may be given a contract of not more than two years." There were some who felt it should say "shall" instead of "may." It was indicated that the Charter does not require any contract after a six month probationary. The Attorney indicated that it would mean that there would not have to be a contract but if there was one it could not be for more than two years. It was suggested by a Charter Commission member that this was a grammatical error and was intended to mean the Town Manager may not be given a contract of more than two years. It was advised by the Attorney that the Town not take on an at-will employee and would recommend a contract agreement when hiring a new Town Manager. The Charter also requires department heads to be nominated by the Town Manager and confirmed by the Town Council.**

**Chair Quinn thanked everyone for coming and the Town Council Workshop closed at 9:20 p.m.**

**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 four (4) pages is a true copy of the original Minutes of the Town Council Workshop of January 10, 2012.**

**Louise Reid**