

**TOWN OF OLD ORCHARD BEACH  
TOWN COUNCIL WORKSHOP  
THURSDAY, JANUARY 10, 2013  
TOWN HALL CHAMBERS  
7:00 P.M.**

**A Town Council Workshop of the Old Orchard Beach Town Council was held on Thursday, January 10, 2013. Chair MacDonald opened the meeting at 7:12 p.m.**

**The following were in attendance:**

**Chair Sharri MacDonald  
Councilor Michael Coleman  
Councilor Robin Dayton  
Councilor Dana Furtado  
Councilor Linda Mailhot  
Councilor Bob Quinn  
Town Manager Mark Pearson  
Assistant Town Manager V. Louise Reid  
Members of the Finance Committee**

**Absent: Vice Chair Laura Bolduc**

**The Chair indicated that the purpose of this workshop was to discuss budgetary plans for the upcoming 2013/2014 Fiscal Year Budget. Department Heads and members of the Finance Committee, approximately twenty-two individuals, attended the workshop to discuss important items.**

**A wide variety of discussion and interchange between attendees focused on a wide spectrum of budgetary issues including demographic issues related to the present economy and whether the economy will pick up which brought a variety of different views from those of a deep negative nature to those expressing confidence in the stability and financial security of our municipality. It was evident that everyone recognized the need to shape personal, business and policy decisions this year supporting a view of a slower-growing rate of consumption and perhaps even for the next decade or so. It was evident that a successful economic rebound will require developing goods and services that can bolster the economy. Discussion about the census told a lot about a population. It is, however, recognized that understanding the numbers makes it difficult to get a clear picture of what the census really means. Suggestions for attention by all those involved in budgetary considerations included how many children there are in our community and the ability to provide adequate and sustainable housing for them; balanced with the needs of our extensive senior population.**

**In discussions relative to the Capital Improvement Plan (CIP), a short-range plan, usually four to ten years, identifying capital projects and equipment purchases, provided a need for a planned schedule and identifying options for financing the plan. Essentially the plan provides a link between the municipality, school districts, parks and recreation department and/or other local government entities and a comprehensive and strategic plan and its relevance on the annual budget. It was recommended that the Finance Committee be provided with a systematic evaluation of all potential projects; a listing of all capital projects or equipment needed to be repaired or purchased; plans for financing the projects; a timetable for the construction or**

**completion of projects; justification for the projects; and explanation of expenses relative to the projects.**

**Usually the cost of a capital project will be \$100,000 or more for the life of the project and would probably take more than a single year to complete; project revenues and expenditures should be clearly identified and balances (revenue should equal project expenditures); projects should have a identifiable schedule that includes a beginning, intervening milestones and an end; and maintenance costs to increase the life of the Town's infrastructure, replacement costs for infrastructure and reserves for future projects are not defined as a CIP, but are included in the CIP budget document (pavement maintenance/water downstream improvements/fleet maintenance.)**

**Recognizing that some projects don't fit into the scope of the larger CIP definition, there are usually primary-secondary projects for instance the replacement or upgrade of traffic signals; and projects dedicated to secondary projects as long as the overall primary project budget does not change. It was recognized by the Finance Committee that the existing projects need to be reviewed annually comparing user status and financial information to identify project progress and completion and this information will be integrated into the budget. Revenue forecasting will be a necessity. Discussions between the Finance Committee, the Finance Director and the Department Heads needs to continue in the upcoming months.**

**It needs to be recognized by all and pointed out in this meeting that the CIP plan requires systematically planning, scheduling, managing, monitoring and financing capital projects to ensure cost-effectiveness as well as conformance with established policies. Projects may be appropriated for anticipated revenues but cannot be spent until revenues documents have been received.**

**Time was spent on discussing the need for receiving back taxes and addressing foreclosures which the Town Manager indicated is something that he needs direction from the sitting Council to move forward with this issue. Kathy Smith who works in the Planning and Code Office indicated that collecting past due property tax money should begin with a change in the modification of the current ordinance to include business license renewals. Included in the ordinance might be the right to withhold payment for any vendor performing work for the Town who has outstanding taxes or other monies due the Town.**

**Further discussions on the budget planned for the County and their requirements to change budgetary calendar dates is another issue the Council and the Finance Committee will have to deal with in the coming weeks. The suggestion was made that someone from the community should take an active involvement in attending meetings of the County which greatly impact the finances of the municipality. Another impact on the budget will be the drug seizure activity being done by a special Police unit in collaboration with many legal entities. The public has been in support of continuing this endeavor which will have financial impacts on the upcoming budget. A possible additional position to the Finance Department (Finance Accountant) was raised again and is one of those personnel issues to be dealt with during the budget considerations. Sustainability of services was an important requirement for all budget projections. Consideration and need to possibly raise taxes is something to be addressed in the coming months for at some time one cannot maintain a flat tax rate. It was pointed out that Old Orchard Beach has one of the lowest tax rates of local municipalities. Suggested need continued for the position of a marketing director.**

**The bond issue approved for the building of the Edith Belle Memorial Library will need to be addressed in the coming months. The Library has already indicated the need for additional funding to support the remaining budget year and plans to update the Council on this need at a workshop next week. The needs of the Ballpark and increasing program expenses will be another consideration in the budget planning. There has been continued discussion with the Ballpark Commission and former Councils about the need for a dynamic marketing strategy including segmentation, targeting and positions. The Finance Committee has also recommended in the past exploring marketing plans for a range of trends that would be significantly important to the mission of the Ballpark Commission. An understanding of marketing principles helps marketers and managers sift through the hype and pursue strategies that make sense for their organization.**

**The Chair reported on her plans on the State level as State Representative and the moving forward of the Local Hotel Option Tax. Needs were discussed for the upgrade of the Town Hall which is the focal point for the operation of the Town's business. Follow up report on the completion of the bond projects already underway was requested. Treatment Plant upgrades is one of the top priorities of the municipality.**

**Each of the Department Heads had the opportunity to express their thoughts on their upcoming budget needs as well as promote those priorities which are at the top of their list.**

**It was agreed by everyone that the budget season upon us is vital to the continued sustainability of the Town's services to the community and the need for everyone to move forward in an economically frugal manner recognizing the value of those who provide the services.**

**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 copy of the original Minutes of the Town Council Workshop of January 10, 2013.**

**V. Louise Reid**