

**TOWN OF OLD ORCHARD BEACH
TOWN COUNCIL WORKSHOP
WEDNESDAY, JANUARY 16, 2013
TOWN HALL CHAMBERS
7:00 P.M.**

A Town Council Workshop of the Old Orchard Beach Town Council was held on Wednesday, January 16, 2013. Chair MacDonald opened the meeting at 7:04 p.m.

The following were in attendance:

**Chair Sharri MacDonald
Vice Chair Laura Bolduc
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 Edith Belle Memorial Library Board
of Trustees**

The Chair indicated that the purpose of this workshop was to discuss issues related to the Edith Belle Memorial Library. Members of the Library's Board of Trustees were in attendance at the meeting.

The Edith Belle Memorial Library located in Old Orchard Beach is a quasi-municipal organization with its own Board of Trustees and Bylaws. It does, however, receive almost all of its funding from the Town of Old Orchard – taxpayer money. In June the Town approved \$180,900 for the Library's current fiscal year funding. Additionally the Town had provided them an additional \$6,000 in September to hire a part-time bookkeeper. The Library had originally proposed \$241,610 and the amount that was provided was less than the \$225,880 that the Library Board had requested last year.

The investigation into the embezzlement of funds estimated to be approximately \$140,000 from the Library over a period of six years has raised the issue of not only accountability but the lack of documentation and recordkeeping which allowed the embezzlement to continue over such a long period of time.

The request this evening by the Board for an additional \$75,000 to cover operating expenses raised some questions by members of Council as to what that money would be used for and no listing was provided at that time to the Council for consideration. The request was made that this type of documentation is needed when requesting additional tax payer money and that the Council would need to see such a calculation before consideration could be given. There was unanimous support for the need and value of the library within the community but the question of documentation and accountability, particularly in light of what had occurred before, was relevant to the discussions this evening.

Terms such as “woefully under funded” and “there is not enough money to operate” caused concern to all in attendance. It was also noted by Library staff that a spending freeze is in place and the Library has about \$19,000 to cover operating expenses through the end of June. The payment of approximately \$14,000 in unbudgeted legal fees to get its 503c status reinstated by the IRS was mentioned but the status had lapsed because proper paper work and timely filings had been missed by the Library staff. The question of late fees was raised as well since the Town took over the actual payment of Library invoices and although the Library and Town staff have been working together to move forward in a more efficient way, the process has some issues itself. The approval of warrants by the Council in a timely manner is a necessary consideration to the payment of invoices.

It was noted that on June 19, 2012, a Memorandum of Understanding was signed between the Library and the Town of Old Orchard Beach which included:

“The Town of Old Orchard Beach, Maine (the Town) and the Old Orchard Beach Free Public Library Association (Library) both acknowledge that the two organizations serve the same constituency and have the same goal and objectives. Both organizations want to maximize service to the residents of Old Orchard Beach and patrons of the Edith Belle Libby Memorial Library.

The Town and the Library also acknowledge that the Town has the capacity to provide certain services that the Library needs. Examples of these services include payroll processing and accounts payable processing. Both organizations acknowledge that there are potential dollar savings and other benefits to having the Town perform certain functions for the Library.

The Town and the Library now agree to the following arrangements for services:

- 1. The Town will process all payroll related functions for employees at the Library. This is intended to include regular payroll processing as currently provided to Town employees, officials and other entities with similar memorandums of understanding. This includes but is not limited to regular paycheck processing, direct deposit, tax deposits, necessary and selected deductions and any other service that may be appropriate.**
- 2. The Town will process accounts payable upon receipt of coded invoices from the Library. The Library Trustees will have full authority over purchasing decisions. The Town will prepare regular processing of an AP warrant to be signed by the Library Trustees.**
- 3. The employees of the Library remain under the control and direction of the Board of Trustees of the Library. In order to assure flexibility, the Board of Trustees may, when warranted, transfer funds from one operational line item to another operational line item within the current fiscal year.**
- 4. This memorandum of understanding is considered to be in place until such time that either the Town or the Library chooses to modify or discontinue the terms of the agreement. Any modification will be subject to mutual agreement. Either party may choose to discontinue terms of this Memorandum of Understanding**

by giving notice of termination at least one year prior to the beginning of the Town's next fiscal year."

Discussion included the Library's Board request for consideration of returning the autonomy of the Library to the Board of Trustees. There were concerns expressed by some members of Council and consideration of this item was to be continued for further discussions at another Workshop of Special Town Council Meeting.

It was noted that the Library still had \$78,500 left in its budget so there were those who did not feel the situation could be considered "falling off a cliff." It was noted, however, that payroll funds cannot be transferred to operational funds and vice versa. There was \$59,000 of the \$78,000 in payroll and payroll cannot be used to pay operating invoices. It was also noted that there are several invoices "in float" right now that have not been accounted for in the amount of approximately \$19,000.

The request was made by the Library Board members that another meeting be held where approval could be given for the requested funds and not wait until the next official Town Council meeting which is scheduled for February 5th. In order for that to happen a Special Town Council meeting would need to be scheduled and the Chair indicated she would work with the Assistant Town Manager to determine a date for such a meeting.

The Chair assured the Board of Trustees and those listening or in attendance that we would be working out this situation in the coming days. She thanked everyone for coming and participating in this important discussion.

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 16, 2013.

V. Louise Reid