

**TOWN OF OLD ORCHARD BEACH  
TOWN COUNCIL MEETING  
Tuesday, May 13, 2014  
TOWN HALL CHAMBERS  
6:30 p.m.**

**A Town Council Workshop of the Old Orchard Beach Town Council was held on Tuesday, May 13, 2014. Chair O'Neill opened the meeting at 6:45 p.m.**

**The following were in attendance:**

**Chair Shawn O'Neill  
Vice Chair Bob Quinn  
Councilor Malorie Pastor  
Councilor Joseph Thornton  
Councilor Michael Tousignant  
Councilor Kenneth Blow  
Councilor Jay Kelley  
Town Manager Larry Mead  
Assistant Town Manager, V. Louise Reid  
Finance Director Diana Asanza**

**The workshop this evening is to consider line items budgeting; revenues which the Town Manager is asking be delayed to another workshop as there is some more information that needs to be accumulated; and to begin the process of revisiting the items previously discussion in former workshops.**

**In the most recently revised Charter the issue of line item budgeting was considered and adopted.**

**Old Orchard Beach Town Council Order  
Consent to Intra-Departmental Transfer of Funds Between Line Items**

**WHEREAS:**

- a) Section 706 of the Old Orchard Beach Charter provides that “the budget for all departments shall include all proposed expenditures, and carryover dedicated accounts. The Town Council shall make line-item appropriations for each department for the ensuing fiscal year. The line-item appropriations for each department shall not be exceeded except by consent of the Council and subject to the provisions of Section 708”; and**
- b) The Town Council desires to provide its consent to certain intra-departmental transfers of funds between line items;**

**NOW, THEREFORE, BE IT ORDERED:**

- (1) Pursuant to Section 706 of the Old Orchard Beach Charter, the Council hereby consents to intra-departmental transfers of funds between line items provided that the transfer does not exceed the line item appropriation by more than \_\_\_\_\_ Dollars (\$0.00).**
- (2) All intra-departmental transfers of funds shall be approved by the Town Manager and the Finance Director or their designee.**

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**During the discussion time about the modifications of the existing practice with respect to authorization to exceed line item appropriations, the question of a possible challenge was raised by members of the Charter Commission. Both John Bird and Jerome Begart spoke at length at their expression of being against this policy moving forward. The proposed order was intended to change the existing practice while complying with the language of the Town Charter, Section 706. The proposed language which seemed to have support by the Council for the concept there was a concern that any changes made in practice remain fully compliant with the Charter language (Section 706 and Section 708.) With that in mind the Town Manager was requested to obtain additional legal opinion on the proposed language.**

**The Finance Director provided the following memo to the Council:**



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## Town of Old Orchard Beach

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**Treasurer - Finance Director**  
OOB Town Hall  
1 Portland Avenue  
OOB, ME 04064

**Diana H. Asanza**  
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May 12, 2014

**TO: Honorable Town Council**

**FROM: Diana H. Asanza, Treasurer – Finance Director** 

**CC: Larry Mead, Town Manager**

**Re: Budget Amendments - Line Item Transfer Requests**

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I have attached the listing of the proposed line item transfer requests of each account that is overspent, and accounts that are projected to be overspent at June 30, 2014. This process to meet the requirements of the Town Charter, Section 706, has become a very time consuming task to manage and maintain for the Finance Department as well as Department Heads for several reasons. Tracking each amendment is unlike tracking a journal entry – it must be handled separately and filed accordingly with the necessary back up documentation to include Council minutes approving the line item transfer for auditing purposes. Before this takes place I meet several times with the each department head to go over the needed funding, where the funds are to be taken from and completing the request form.

I recognize the importance of accurately budgeting for expenditures based on current and historical needs to avoid over spending line items. As I complete my 2<sup>nd</sup> budget process as the Treasurer - Finance Director we have made significant strides to realize the potential advantages of line item budgeting – which is simplicity and transparency based on historical expenditures of previous years. This, as you are aware, has been a major work in progress. To accomplish this, with the numerous changes that have occurred since 2012, we continue to communicate with each department when questions arise on where invoices are coded. In addition, at least monthly, and sometimes more frequently, I review the year to date budget reports with department heads. We are more accurately tracking expenditures and more confidently justifying budget requests.

The end result of requesting, granting and processing line item transfers is relatively the same, which is accurately tracking actual expenditures according to the budgeted line item account, in order to improve the budgeting process for the next fiscal year. This can be accomplished by what we are currently doing now – partnering with departments and working diligently to code invoices correctly to the proper account and not to an account that has an available balance.

I would respectfully request that Council bring forward for discussion the amendment as written by Town Counsel below, which would provide the Town Manager and the Finance Director with the authority to approve intra-departmental transfers or consent to over expend accounts as long as the total department budget has not been overspent, not to exceed a pre-determined amount.

Below I have copied Section 706 of the Town Charter, and the proposed council order drafted by legal counsel providing an alternative approach to Council authorization for line item adjustments.

## **Sec. 706. Expenditures and Departmental Revenue.**

The budget for all departments shall include all proposed expenditures, and carryover dedicated accounts. The Town Council shall make line-item appropriations for each department for the ensuing fiscal year. The line-item appropriations for each department shall not be exceeded except by consent of the Council and subject to the provisions of Section 708.

### WHEREAS:

- a) Section 706 of the Old Orchard Beach Charter provides that “the budget for all departments shall include all proposed expenditures, and carryover dedicated accounts. The Town Council shall make line-item appropriations for each department for the ensuing fiscal year. The line-item appropriations for each department shall not be exceeded except by consent of the Council and subject to the provisions of Section 708”; and
- b) The Town Council desires to provide its consent to certain intra-departmental transfers of funds between line items;

### NOW, THEREFORE, BE IT ORDERED:

- (1) Pursuant to Section 706 of the Old Orchard Beach Charter, the Council hereby consents to intra-departmental transfers of funds between line items provided that the transfer does not exceed the line item appropriation by more than \_\_\_\_\_ Dollars (\$0.00).
- (2) All intra-departmental transfers of funds shall be approved by the Town Manager and the Finance Director or their designees.

Management is asking that the following agenda item be brought forward at the next Town Council meeting:

**Discussion with Action:** Approve the consent to intra-departmental transfers of funds between line items provided that the transfer does not exceed the line item appropriation by a certain sum and the transfer is approved by the Town Manager and the Finance Director.

### Town Clerk

A revisit to Account Number 20107-50310 – Service Contracts was discussed. The Town Clerk has requested software to assist with the management of Freedom of Information Requests which can be quite time-consuming. The first year would cost \$4,800 and the annual cost after that would be \$2,800. The majority of Council felt that although they understood the detail involved in responding to these requests, the company was fairly new and not many municipalities had participated in it and they felt the cost after the first year was excessive despite the fact that this Company does the codification of the Town's ordinance changes and is aware of municipal procedures. During her presentation the Clerk stressed that the Freedom of Information Act (FOIA) is a law that gives citizens the right to access information from the government, unless it is protected by law. This she said is a most user-friendly open records request tracking system, web-based, allowing for submission, task assignment, escalation, notification and distribution connecting several department heads at the level that is required and acceptable for them. The Council thanked the Town Clerk for her work in this important area but suggested perhaps the item be revisited next year and consensus was not to move this item forward. It did agree, however that Codification will remain at \$3,000.

### Planning and Code

There was a general discussion about the work load in the Planning and the Code Department and the general feeling that the department is understaffed. Service Contracts were discussed as well and the Planner presented a proposed funding request to improve office efficiency. This included a Vision software yearly licensing fee of \$3,288, GovQA software fee in the amount of \$8,800 and this included a one-time fee of \$4,000 and a yearly license fee of \$4,800. In addressing the GovQA software it was noted that this has the capability to improve records and allow each department to manage according to their needs while centralizing the search for property history and information. It includes advanced tools and critical information necessary to effectively manage all cases, projects and issues. It is a web-hosted Community Development Platform which will save the department time and expand their potential. The same issues were raised in the length of time this programming has been used and also the use in other municipalities which is information which was to be secured for the Council by the Planner. According to the Planner this program serves over 400 municipalities across the United States and it appears two in the State of Maine – Raymond, Maine and one other. Again the Council appreciated the need but the Town Planner in a sense rethought the proposal and felt that going forward with the Vision software would be sufficient in their planning work and Account Number 50301 remained at zero. Discussion continued on issues relative to Code including again the need for staffing and the concentration on documentation of items through programs such as GovQA. Account Number 20113-50320 remained at zero.

## Public Works Department

In the discussion of the Extreme Clean Beach Cleaners Contract under line item 20151-50318 – Beach Cleaners Expense, there was a question of the payment of the additional \$10,000 to continue work through Columbus Day and keep the bathrooms open. The Council recommended that we revisit this item and better determination be given in what the \$10,000 will provide and how many weeks. Conversation continued as to whether this was needed – good weather versus bad weather – business requests – resident requests – but those considerations will be discussed during the revisit. It was decided that property damage would be reduced to \$3,000 and the Public Works Director agreed he could work with that number. Account Number 50452 – Operating Equipment was also reduced to \$110,000, again with the collaboration of the Public Works Department.

## Police Department:

Concentration of 20131 department budget items included Account Number 50106 – this was regarding the one full time employee from the Police Department. The Chief had put this employee in his budget originally but it was removed by the Town Manager. He was asked if this would impact him. Discussion continued on the pressing needs of personnel of the Police Department and the Town Council for the most part agreed that additional personnel would relieve some of the pressure and time constraints but questions were raised if that would affect the overtime budget line. It was decided that before completion of the budget – a workshop would be held on this matter.

## Electricity

During the meeting the discussion also included information on the increase in electricity. In working with the Maine Power Options Director to try to understand what the anticipated increase will be in FY15. Maine Power Options is an energy purchasing consortium that serves as an aggregator for Maine's local governmental and non-profit organizations. The group purchasing program is designed to increase the buying power of eligible participant organizations for the purchase of fuel oil and electricity. The purpose of the Maine PowerOptions is to bring together or pool local governmental and non-profit organizations to achieve the best value for electrical services. They provide cost-savings energy and informational opportunities. They also serve as an advocate in negotiations with utilities. They also would be good for continuously assessing the needs for new programs such as natural gas, energy management, demand response and carbon offsets. Supply and demand is an economic model of price determination in a market. It concludes that in a competitive market, the unit price for a particular good will vary until it settles at a point where the quantity demanded by consumers (at current price) will equal the quantity supplied by producers (at current price), resulting in an economic equilibrium for price and quantity. If demand increases (demand curve shifts to the right) and supply remains unchanged, a shortage occurs, leading to a higher equilibrium price. If demand decreases (demand curve shifts to the left) supply remains unchanged, a surplus occurs, leading to a lower equilibrium price. If demand remains unchanged and supply increases (supply curve shifts to the right), a surplus occurs, leading to a lower equilibrium price. If demand remains unchanged and supply decreases (supply curve shifts to the left), a shortage occurs, leading to a higher equilibrium price. An additional increase of approximately a bit over \$50,000 is mostly for street lighting and Wastewater. It is hoped

to obtain a six-month bridge contract with the supplier and then lock in sometime in the fall a two or three year contract. Rates are not expected to diminish until at least FY18.  
**ADJOURNMENT:**

The Chair thanked those in attendance.

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 copy of the original Minutes of the Town Council Workshop of May 13, 2014.

V. Louise Reid