

**Town of Old Orchard Beach
Finance Committee Meeting Minutes
Wednesday, April 4 at 6:30 PM
Town Hall - Town Council Chambers**

Present: Jim Duclos, Michael Gray, John Bird, Larry Littlefield

Absent: Neal Weinstein, Reza Namin, Jerome Plante

The meeting was opened at 6:35 PM.

1. Review of Minutes from Previous Meeting

Minutes of meeting held March 7: Passed unanimously.

2. FY12-13 Budget Update and Discussion

Budget Workshops have begun and information about the new budget is being distributed. Michael Gray apologized to the committee members for not distributing hard copies of the budget to every committee member. Because committee members are not required to be at Budget Workshops, it was the decision of the committee chair that only one "official" copy of the Budget Workbook be used for the Finance Committee and that PDF copies of all documentation be supplied to committee members as it becomes available. The chair will certainly entertain discussion and debate as to the efficacy of this process once this budget season concludes.

The Finance Committee is struggling with the understanding of their role in the budget process. While we understand our role as contained in the Charter regarding CIP, we wonder what our role is beyond that scope. According to Sec. 2-326(d) of the Town Ordinances, we "shall participate in the budget process", but that our "role shall be determined by the town council."

3. Comprehensive Plan Update

Our guest presenter, Town Planner Jeffrey Hinderliter, gave the committee an update on the Comprehensive Plan and answered questions about the process. The Comprehensive Plan Committee is still gathering information and will be looking to formulate the actual plan over the summer months. Part of the Comprehensive Plan will be to ensure that the town has an updated Capital Improvements Program. The Finance Committee is doing that work now. Both the Comprehensive Plan and the Capital Improvements Program are scheduled to be adopted around the same time, if all goes as planned.

There were questions about the involvement of the Southern Maine Regional Planning Commission and what their work entails. Specifically, members of the Finance Committee were looking for help in understanding the effects of the town's seasonal financial cycle on the municipal budget. We also had questions regarding ideas on how to increase town revenue and/or tax base. Infrastructure issues seem to be in the way of certain kinds of development in the town with no easy remedy. The Comprehensive Plan Committee as well as the Finance Committee will both need to be aware of this issue as deliberations and discussions continue.

4. Capital Improvements Program Updates and Discussion

Larry Littlefield supplied the committee with a copy of the Capital Improvements Program from another town in the area. The committee spent some time looking at it and felt that the overall premise was good. It will be a good place to start discussions around what our program may eventually look like.

The committee felt that certain sections would be needed for our program. Members highlighted the need for an annual timeline for the CIP process, the idea that each CIP request would be ranked on a number of criteria by the committee, and the idea that a CIP request may also come with a funding source from the requestor rather than just a request for funds.

The committee was excited by the prospect of creating the program and will be making this its top priority over the summer months. We are setting an internal target date for implementation of October 15, 2012. That includes getting it in front of the Council, having public workshops, and finally getting approval for its implementation for use.

5. Roundtable: Ideas for Revenue Sources

Solid forms of non-property tax revenue are hard to come by. This idea is nothing new for the members of the Finance Committee. Several ideas were floated at the meeting such as:

- *A targeted local option sales tax*
- *Increased licensing fees*
- *Re-structuring fees to encourage development in certain economic directions such as year-round use*
- *Cost shifting of certain fees like the "sewer user" fee to households and businesses that are the biggest users*
- *Enforcement of fees on any and all groups that use town resources such as police and public works for their events*

Some of the ideas above were met with more encouragement than others. The listing of these ideas should not be taken as committee endorsement. The Finance Committee plans to devote a workshop later in the year to topic of revenue sources.

6. Roundtable: Ideas for Possible Cost Controls

Cost control continues to be a subject of much interest for the Finance Committee. It was decided that the Finance Committee would request a copy of all contracts with financial obligations from the Town. In reviewing these contracts, the Committee hopes to gain a better understanding of our overall financial position in the long run.

7. Other concerns

None.

8. Adjourn

The meeting was adjourned at 8:07 PM

A handwritten signature in black ink, appearing to read "Michael J. Gray". The signature is written in a cursive style with a large, sweeping flourish at the end.

Michael Gray, Chair