

**TOWN OF OLD ORCHARD BEACH
TOWN COUNCIL WORKSHOP
WEDNESDAY, DECEMBER 3, 2008
OLD ORCHARD BEACH HIGH SCHOOL**

A Town Council Workshop of the Old Orchard Beach Town Council was held on Wednesday, December 3, 2008. Chair MacDonald opened the meeting at 7:08 p.m.

The following were in attendance:

**Chair Sharri MacDonald
Vice Chair Robin Dayton
Councilor Laura Bolduc
Councilor Shawn O'Neill
Councilor Mike Tousignant
Town Manager Steve MacDonald
Assistant Town Manager Louise Reid
Superintendent of Schools Jack Turcotte
School Board Chair Deborah Evans
School Board Vice Chair Kay Dutton
School Board Member Gary Curtis
School Board Member James Boisvert**

Principals from the three schools were also in attendance as well as a representative of the Special Education program.

Superintendent of Schools, Jack Turcotte, began his presentation with the acknowledgement that the School Department is having “money problems.” He outlined in detail budget concerns indicating that in total the school department’s budget this year is short in the amount of \$320,000. He thanked the Chair and the Council for this opportunity in open communication to present some difficult facts that need to be dealt with. One large budget shortfall was the funding for heating of the schools which is short about \$320,000. He was obvious from what was presented and expressed by Councilor O’Neill that it seems impossible to understand why the School administration would have proposed such a small amount for heating knowing the economic situation we were facing even back at budget time. The amount in the budget for heat was \$146,000 which left a deficit of about \$156,000. Although one of the reasons was that they did not fill up in June when costs were lower, he also explained that they have changed oil handlers and perhaps this had something to do with it. He indicated that he felt they were set up to fail by allowing the tanks to go dry. He continued his discussion indicating that bus fuel which was budgeted at about \$17,000 is expected to cost approximately three times that amount or \$36,500 which leaves the school about \$19,500 short. Reimbursements for continuing education classes for teachers was short approximately \$14,000 and equipment repairs were short over \$10,000. Transition costs for the new Regional School Union which is estimated to be approximately \$30,000 was not included in the budget considerations.

In addition to the unbudgeted costs and the State cuts, the School also faces revenue short falls totaling about \$92,000. This figure includes the loss of \$5,000 of expected revenue that would have been gained from renting school space for events and a \$14,000 decrease of expected out-of-town tuition students. There were expected revenues from field trips of \$18,000 that never

materialized. Although the Superintendent said he researched the expected revenue and made phone calls to former Superintendent Eric Matthews, he could not, nor could their accounting department account for where the \$18,000 funds were supposed to come from and this was noted to be a real concern and that a response for that \$18,000 fund needs to be determine and presented to the Council in its consideration for any additional funding. The Superintendent indicated that the School has instituted cost cutting measures such as turning down thermostats and eliminating field trips. The Superintendent indicated he felt they were down to “bare bones.”

Chair MacDonald indicated to the group that the Council wasn't expecting answers at this meeting but others attending indicated that an explanation of such things as the unaccounted funds and the recent three year contract to the Superintendent when the RSU vote had not even been taken by the citizens and which at election time was passed two to one. The prior School Board Chair indicated that by law they needed to provide the three year contract. Councilor O'Neill questioned that decision.

The Superintendent indicated that the school department does have \$354,000 in reserve funds which most likely would be used to help balance the finances between fiscal years. Teachers; paychecks are spread over the course of the year and there is an overlap in the change of the fiscal year. The reserve funds could be used to offset the \$55,000 State curtailments as well as the \$37,000 of other revenue shortfalls without going to a Town vote. It was noted, however, that it cannot be used to offset the \$230,000 of budget shortfalls without going out to referendum. The question was asked a couple of times for assurance that the tax payers would not be the ones to have to come up with more money based on using these funds for something different than for what they were designated. The Superintendent also reported that the School Department has about \$170,000 in a contingency fund that is held by the Council for the School and was not included in the budget that was voted on last summer. The fund includes \$10,000 for unemployment costs; \$10,000 for course reimbursement costs; and \$150,000 for special education costs. This is a fund that the Council has had for about twenty years and has been or could be used to offset any liabilities. It could be used without the need for a referendum.

A request was made that the School provide necessary reports so that the Town's Audit can be completed as the unavailability of the School's required material is holding up the release of the Audit and the issue had been raised by a Council member. The suggestion was also made that the Town Council be updated perhaps every other month on financial issues involving the School.

The question was also raised as to the procedure for the open seat of Patty Clark who resigned after the election and therefore there is an open seat on the School Board. This appointment should go to the next Council Meeting. Reference was made to Sec. 610. Vacancies in the School Board. *Any member of the School Board who misses three (3) consecutive regular meetings of the School Board without excuse may be removed from office after notice and hearing by a resolution duly adopted by the majority of the remaining members of the School Board. The office of the School Board [member] shall also become vacant upon resignation, death, recall, failure to qualify for the office within ten (10) days after written demand by the Town Council, forfeiture of office, or failure of the municipality to select a person to the office. If a seat on the School Board becomes vacant for any reason less than ninety (90) days prior to the next regularly scheduled municipal election, the vacancy shall not be filled and the School Board shall operate with the remaining members. If a seat on the School Board becomes vacant for any reason more than ninety (90) days prior to the next regularly scheduled municipal election, it shall be filled until*

the next municipal election by the affirmative vote of at least three members of the Town Council. Notwithstanding the foregoing, if a vacancy occurs for any reason other than recall during the first six months of a School Board member's term, such vacancy shall be filled for the unexpired term by that person who was a candidate for the School Board at the same election at which the School Board member whose office has become vacant was elected and who received the greatest number of votes among the unsuccessful candidates, and in the event that such person is unwilling or unable to serve, then the vacancy shall be filled as otherwise provided by this section.

Chair MacDonald thanked all those who attended and expressed appreciation for the efforts to communicate openly. She expressed appreciation to members of the School Board and the School Department for taking the time to be present and for the Superintendent's presentation this evening.

ADJOURNMENT

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 true copy of the original Minutes of the Town Council Workshop of December 3, 2008.

Louise Reid