

**TOWN OF OLD ORCHARD BEACH
TOWN COUNCIL & SCHOOL BOARD WORKSHOP
March 18, 2009**

Chair Sharri MacDonald honored the request of the School Board to meet with them on issues of financial matters relative to schools including reviewing data related to the current status of the 2009-2010 school budget and a strategy to address budget concerns. School Board Chair, Deborah Evans, called the School and Town Council Workshop to order at 7:15 p.m. The following were in attendance:

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**Chair Sharri MacDonald
Councilor Robin Dayton
Councilor Mike Tousignant
Councilor Laura Bolduc
Town Manager Stephen Gunty
Assistant Town Manager V. Louise Reid
Superintendent of Schools Jack Turcotte
School Chair Deborah Evans
School Vice Chair Kay Dutton
School Board Member Gary Curtis
School Board Member Jim Boisvert
Dick Descoteaux
Jay Kelley
Mike Pulsifer
Rick DeFusco
Lloyd Crocker
Barbara Roberge
Sandra Lord**

Absent: Councilor Shawn O'Neill

Also present were two members of the press – Liz Gotthelf and Gillian Graham.

Superintendent of Schools, Jack Turcotte, introduced the purpose of the workshop and thanked the Town Council for their willingness to join in this Workshop on important issues of the School. He provided those attending a historical scenario of the financial difficulties experience over the past year. Shortfalls in the current year's school budget necessitated the discussion this evening on possible remedies to the fiscal difficulties being faced. Last December when the State subsidies were curtailed and budget shortfalls were discovered, the Superintendent indicated he issues a spending freeze for the school system. Since then the school subsidies which were originally cut have been restored, and the spending freeze resulted in \$93,000 of savings for the 2008-2009 school year. Still the current budget year has run short about \$142,500 partly due to the \$198,500 in unbudgeted costs for bus fuel, heating fuel, course reimbursement and equipment repairs. It is also due to \$37,000 in revenue shortfalls.

The Superintendent proposed using funds from Town reserve accounts that are designated for school use. The Town has \$524,000 in reserves that include \$354,000 of funds budgeted for teacher summer salaries. It was explained that the funding could cover the \$37,000 revenue deficit if needed. He indicated that they are still waiting to see if they could get reimbursement from the State Department of Health and Human Services to cover this cost. Money from the Town funds cannot be transferred to the expenditure side of the budget without a vote by public referendum. Superintendent Turcotte indicated, however, that there is nothing in the law that could prevent the Town from paying the fuel invoice of \$124,000 and future anticipated fuel bill of about \$44,000. Although Superintendent Turcotte indicated that having such debt is not good practice, he was encouraged to not beat himself up over this funding situation because the Town barely budgeted enough money for fuel.

It was also pointed out that all payouts from the reserve must be first approved by the Town Council before the school department spends it. There was general consensus from Councilors at the meeting. It was indicated that the next Town Council meeting will have an agenda item with the money designated to pay the bill. Any money in the reserve funds will be forward to the Regional School Union 23 on July and money will be given back to the Town over the next three years. Another option would be for the Town to undesignated the \$524,000 of school reserve accounts and use the money for other General Fund purposes or to offset the future RSU assessment with that money. There were some Councilors who indicated they preferred a zero balance going into the RSU in July.

The School Committee also indicated there are some projects that could be funded by the additional money such as a new roof for Loranger Middle School, new bleachers and repairs to the tennis courts. Further discussion will be held in the future as what to do with the remaining funds.

The Superintendent provided a review of the 2008-2009 School Budget:

At a joint meeting of the Board and Council, the following figures were provided indicating a \$91,980 shortfall in revenue. They also predicted an expenditure shortfall of \$199,477 shortfall. It was also mentioned that the start up costs are not included in these figures. Current budget as of March 10, 2009 including anticipated expenditures (shortfall) of \$198,544 (not including the RSU start up costs) including \$14,838 bus fuel, \$159,932 heating oil, \$13,774 course reimbursement, and \$10,000 repairs to equipment. Revenues are \$14,000 tuition funds, \$5,000 miscellaneous revenue and \$18,000 field trip reimbursement for a total revenue of \$37,000. Total anticipated revenue shortfall expenditures presented by the Superintendent included \$37,000 revenue less the expenditures of \$198,544 leaving a shortfall of \$235,544. The Superintendent did indicate that since December full funding of a portion of our State Subsidy (\$54,000) has been receiving as well as a decrease in anticipated overdraft in bus fuel due to lower pump prices. In explaining the school freeze that was established before Christmas he indicated an anticipated savings of \$47,000 (Jameson - \$10,000; Loranger - \$26,000; and Old Orchard Beach High School - \$11,000.) Staffing adjustments were also done including \$25,000 for Special Education Administrator position that was not refilled; \$15,000 for a Jameson Ed Tech; and Changed in the High School staff in the amount of \$6,000; for a

total of \$46,000. Total savings since December resulted in the curtailment of spending in the amount of \$93,000.

Finally in summing up funding he indicated that the Town of Old Orchard Beach would fund overdrawn accounts in the amount of \$235,544 minus savings resulting from the budget freeze in the amount of \$93,000 leaving the amount of \$142,544 needed from the Town of Old Orchard Beach.

It was requested that the unpaid fuel bill should be paid as soon as possible on an emergency warrant; a reminder that there are no RSU start up costs including in the calculations that were provided; and be aware that there could be a school budget end-of-year balance because there was no curtailment or anticipated freeze savings in the operation of the Maintenance Budget at the time of the freeze. There was apparently \$30,000 in the operating/maintenance account and the same is true for technology purchases and repair accounts where there is approximately \$8,000 left.

The School Board and Town Council Workshop ended at 9:09 p.m.

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 Workshop held on March 18, 2009.

V. Louise Reid