

**TOWN OF OLD ORCHARD BEACH
TOWN COUNCIL WORKSHOP
SATURDAY, MARCH 21, 2009
9:30 a.m. to 4:00 p.m.
TOWN HALL CHAMBERS**

A Town Council budget Workshop was held on Saturday, March 21, 2009 at 9:30 a.m. at the Town Hall Chamber. The following were in attendance.

Present:

**Chair Sharri MacDonald
Vice Chair Robin Dayton
Councilor Laura Bolduc
Councilor Mike Tousignant
Councilor Shawn O'Neill
Town Manager Steve Gunty
Assistant Town Manager V. Louise Reid
Finance Director Jill Eastman
Public Works Director Mary Ann Conroy
Waste Water Superintendent Chris White**

The purpose of the Workshop was to consider a Brief Revenue Overview; Brief Staffing Overview; 20151 – Public Works; 20163 – Solid Waste; 20164 – Comfort Station; 20161 – Waste Water Treatment Plant; 20201-20205– CIP & Bonded Projects (Rotary Roundabout Discussion).

Discussion began with consideration of revenues with an explanation about the various revenue accounts. Questions were asked about the revenue from the Recreation funds and the explanation was that recreation programs are self funded and not charged to tax dollars as explained on page 47 of the Town's audit report. They are not funded in the General Fund. Questions were raised on other entitlements including grants, special accounts such dog fees, drug funds, rescue billing, etc. All revenues outside the General Fund are reflected as special revenues. Discussion of transfer into the sew fund. The question was asked of the Waste Water Superintendent if he agreed to these funds being used as designated by the Town Manager. He agreed and the Town Manager explained that if this fund had not been designated for this type of funding we would have been down \$435,000 in revenue sources. Sewer impact fees are charged to the developer and have not been used before. The bonding that was approved last year were in large measure for sewer related projects. A request was made for a listing of the reserved accounts in a one page document. According to the Finance Director they would include rescue call fees fund, special dog fund, police grant/drug funds, sewer special revenue funds and Smithwheel Impact Fees fund. Also requested was a listing of the use of undesignated fund balance to reduce the impact on the tax rate for FY02 through FY10 proposed. The Finance Director discussed the TIF fund which had been completed with this being the 20th year. It has a negative impact on both revenues and expense being zeroed out.

It should be noted that a collaborative package for capital projects on a town wide basis, as well as funding options to match these requests has been prepared by the Town staff. The Town of OOB CIP FY10 list depicts priorities by Department for the next fiscal year. The Capital Improvement List provides a short description of each program and project. Specific programs have been identified as annual expenses by category on a town wide

basis. In addition, specific projects have been identified and prioritized for the next five years. The Town of OOB Long-term Debt Schedule shows the current principal and interest payments as well as columns added for additional long-term debt as recommended by town staff.

Discussions continued on perhaps consideration of zero based budgeting with the understanding it is a little late in the budget process to consider this. An enormous amount of discussion related to budgeting being less than actually spent accounts in the last budget year and the need to be more current in estimating actual expenditures when a new budget is developed. The general consensus was that there was no interest in increasing the tax rate and that budget cuts would be necessary to balance this budget.

Discussion of expenditures included the need for at least a consensus on whether to have the Tops in Blue Concert for Recreation. Discussion involved where to have it, ballpark, pavilion, park, school, etc. and which priorities are involved for instance Candidates night over Tops in Blue or fireworks versus the ballpark, etc. A request was made to see a listing of trucks and vehicles and it was noted that it was contained in the budget book. The need for interchange use between departments was a consideration as well with the understanding that the two vehicles used by Planning, Code and Assessing, if used by public works would make constrict the scheduling of Planning, Code and Assessing. Questions were asked about facilities studies and the need for this particularly as it regards the maintenance of our properties. Suggested request to get a bid for painting of the outside of the Town Hall building. The costs for maintaining what previous councils have approved such as the Memorial Park, the Milliken Street parking lot, upgrades of our many properties and the need to factor in increased needs and budgetary requirements in the years ahead. The suggestion was made several times for the need of control of overages. The Council also asked for a wish list for maintenance of town hall issues and the suggestion that there was not enough money funded for facilities management. The Council also asked for a list of dollars left in accounts and was told this appears on the monthly finance reports. Discussion came up on the comprehensive plan and the amount of money being provided to prepare for the development of the new comprehensive plan including the need for a committee to be set up in the fall.

Discussion of personnel issues involved the recommendations provided by the Town Manager in the reduction of hours of a full time Recreation position to part time; the moving of the Finance Clerk to Recreation full time with still remaining as the backup to the General Assistance Director; full time new position for someone with accounting credentials as back up to the Finance Director; and the moving of the Voter Registrar back into the Town Clerk's office as Deputy Clerk for four days a week with necessary time for voter responsibilities. The Council discussed seasonal salary accounts and asked for the total cost of salary and benefits as compared to just salaries so that employees know what they are actually getting. Summer reserves were cut 25% from 40 to 30 with a \$50,000 change in the Police budget. The Council was informed that the Town Manager and the Assistant Town Manager had met with every employee who would be affected with these changes. The Council also came up about the use of

volunteers, particularly family members. The request was made again for job descriptions of the position seeing to be replaced or changes.

The questioning of staffing levels and the request for five, ten or twenty-five year historical listing was requested. The consensus was that a five year historical listing would be sufficient. Discussion also continued about the 80/20 time designation for the Voter Registrar/Deputy Town Clerk. Discussion continued on cross training and it was indicated that this is already being done in several departments. The question of explanations of a temporary replacing a current full time person who is on disability and the rules required for disability payments. In addition mention was made of the COBRA payments which are to be subsidized as a result of the stimulus legislation. Ordinarily employees eligible to participate in COBRA may continue their health insurance at their own cost for a period of up to 18 months after their termination. Under the new legislation, 65% of the COBRA costs may be subsidized as long as the employee does not earn more than \$125,000 as an individual or \$250,000 as a married couple filing jointly in the year the subsidy is received. The Town Manager indicated he plans in the future to provide a trend monitoring system – a graphical picture of our finances.

The possible cost of a new police station was also discussed and various opinions on the ability to use local labor as well as whether a police station could be built for under a two million dollars.

It was noted that no performance raises or COLA would be provided this year to non-union employees and that in the negotiations between Waste Water and Public Works that would be a consideration for them as well. In addition the question was asked that Fire, Police and Dispatch who were given raises as a result of the last contract need to address the issue of their salary increases.

The Public Works Director presented her budget considerations. She described her organization chart and provided to the council the overview service map which includes streets/sidewalks, parks/beach, transfer/recycling, storm/sewer, fleet facility and construction/technical. The Council made it clear that they wish to readdress the sidewalk issue. Some of the area discussion indicating additional funds brought to the town as a result of Federal, State and other grant programs including FEMA - \$500,000 total reimbursement complete; EEC Sidewalk - \$113,800; Staples Sidewalk - \$66,000; Roundabout - \$3,400,000; and Saco Avenue Sidewalks – \$400,000; for a total of \$4,679,800. The question was asked about what happens if you have to return a grant – what are the repercussions. Discussion of the Hazard Waste Day concluded that further discussion is necessary as to whether we will pay for the advertising and combine with the two other communities or do it on our own only for our own town hall. Mr. John Bird spoke up about having it in the three communities give citizens more options.

Questions were raised about rental of equipment and discussion included the suggestion that it only be on an emergency basis. Training allowances need to be looked at in the coming budget and particularly stipulations regarding once they have received this training the time element when they can leave their positions

without paying back those fees. Questions were asked about using funding for one project at the expense of another such as Cottage Street. It was clear that the Council felt no matter what the Cottage Street issue needs to be addressed because it has been postponed long enough. The Council asked for a listing of projects, when they start; where they are at the moment; and when they can be completed. In the discussion about the beach questions came up about the need for the trash barrels to be emptied on a more active basis. She provided a scenario for both summer, winter, spring and fall maintenance scheduling and requirements. She spoke about the Street Paving Program, Street openings, and Storm water Management. One of the other requests was the separation of contracts and service contracts (i.e., groundkeeping, etc.)

The Public Works Director also spoke about permitting and reporting functions which includes securing and administering appropriate permits, approvals and reporting to government agencies such as the Department of Environmental Protection, Inland Fisheries and Wildlife, Maine Department of Transportation and Federal Highway requirements. Annual permits are updated for the Storm water Management, Transfer Station, Landfill Testing and Storm water Management. The Council indicated that they will again revisit the Sidewalk Projects including the E. Emmons Cummings project. The other area that needs to be revisited is the Rotary Roundabout.

The Public Works Director has provided to the Council in their budget books the most clearly outlined programming possible for review and only complements the detail planning of her and her staff.

Superintendent Chris White detailed his responsibility for the maintenance and operation of the pollution control facilities and the eight remote pump stations for which he is responsible. He spoke about the Maintenance and operations department whose staff is required to have a working knowledge of each staff member's general duties. He spoke about the need for being on call and the cost factors related to additional overtime. He indicated that with the facility treating over 500 million gallons of wastewater and processing over 1,200 tons of solids on an annual basis, his staff is required to know the responsibilities they have to the federal and state laws that are put in place to protect the Towns water system. The Superintendent did ask for a full time employee to supplement his department and address possible retirement issues but was denied at this time.

The Superintendent answered questions on upcoming projects including the West Grand Pump Station, the comprehensive facility study (CFS) and the supervisory and control and data acquisition known as the SCADA project. He went on to explain that the West Grand Pump Station was approved by the Council in November of 2008 at an estimated cost of \$1.2 million dollars. Now in the design phase they expect construction to begin in the summer. The CFS is funded using past capital that we not expended. The study will give valuable information to the Town in reference to future design and construction costs. This study is expected to cost around \$100,000 and should be completed by the end of the summer. The SCADA project has since been turned over to the DEP in hopes it can be funded with the upcoming federal stimulus package. The funding source will determine the time of completion for this project. Once the CFS is complete this summer, it will highlight a number of issues at the wastewater facility. The Superintendent's My plan is to

develop a priority list in time for a June 2010 bond referendum. Even with approval, the actual construction would not be completed for at least two years from that very date. The scope of work will determine the final cost, but it is sure to be a large expenditure and will necessitate a rather large annual payment. Property taxes will be adversely affected and without a sewer user charge based on estimated or actual usage, the town will not be eligible for grant money from the USDA. That being said, there are many factors that go into grant eligibility and simply graduating to an approved funding method does not mean grants are guaranteed. Under the current system, the town will still be eligible for low interest SRF loans. He also indicated that although much time, energy and money has been spent acquiring information, there does not appear to be any momentum for a change in the funding method. He indicated that he considers the sewer user charge a “dead issue” and the town will fund the FY11 WW budget and any 2010 bonding using the current Ad Velorum system. It can be picked back up at any time as the information will remain relevant for a long time, but any new funding system will require a “test year” and may take some time to fully develop.

A question was raised about adding \$9,000 to the Wastewater line but was explained that there were the following items and that the purchase of a Ford F550 Truck for \$55,000 and \$24,000 for an automatic gate were removed:

Equipment Repair	\$74,100
Davit and Hoist	6,000
Pump Station Improvements	20,000
Loading Dock	8,000
Emergency Generator	30,000
Total	\$ 138,110

In reviewing the day’s discussion the following areas were mentioned for revisiting in the future by the Council:

Public Works Department

- Building Repairs
- Equipment Rentals
- Sidewalks
- Service Contracts – Grounds Maintenance

CIP

Town Hall Improvements

The Town Manger expressed his appreciation to the Council for taking the time to use microscopes and scalpels to our budget and recognizing as we all do that these are challenging times. Budgetary shortfalls and projected deficits bring concern to each of us. Declining revenues (sales tax, property taxes, licenses, etc.) are hurting while expenditures continue to rise. Fiscal assessments are needed

and a realignment of revenues and expenditures. A more sustainable financial base and the ability to provide quality services to residents is our goal. We recognize that we need to rein in spending and defer discretionary activities and perhaps implement an early freeze on spending. In good times and bad times organizations succeed or fail based on the way we all work together.

The Workshop concluded at 3:55 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 six (6) pages is a true copy of the original Minutes of the Town Council Workshop of March 21, 2009.

V. Louise Reid