



**TOWN COUNCIL
SPECIAL
MEETING MINUTES
MARCH 13, 2018 POSTPONED TO
MARCH 21, 2018**

Dale Crafts, At Large 2017
Normand Albert, At Large 2018
Kasie Kolbe, District 1 2018
Allen Ward, District 2 2018
Christopher Brunelle, At Large 2019
Mark Lunt, District 1 2019
Kris Crawford, District 2, 2019

CALL TO ORDER. The Chairman, Allen Ward, called the meeting to order and led the pledge of allegiance to the flag at 7:00 PM.

ROLL CALL. Members present were Councilor Brunelle, Albert, Crafts, Crawford, Kolbe, Larochelle, Lunt, and Ward. Also present were Diane Barnes, Town Manager; Traci Austin, School Committee Chairman; Kathi Yergin, School Committee Vice Chairman; Haley Redman, School Business Manager; Rick Green, Superintendent of Schools; and approximately three other citizens in the audience.

SCHOOL BUDGET PRESENTATION

OVERVIEW

Superintendent Green stated the 2018-2019 school budget, unlike prior years, includes several variables including the enacted figures from our ED-279. This budget currently would have an increase on the local taxes in the amount of \$654,893. The primary concern/challenge for this year is our ability to utilize unassigned funds to help build this budget. Dr. Green stated we are fortunate that the audit has been completed; however, he reminded everyone that there was an additional \$209,451 utilized from our unassigned fund balance last year to help offset costs. As of today, it doesn't appear we will be able to access the same amount for the next year as we only carried over \$5678 from 2016-2017. Another concern is the fact that the municipal tax rate calculations form included the use of \$200,000 in state school subsidy as revenue. Although that amount doesn't impact any of our subsidy report figures, because the original local tax amount that was approved by the voters in June was still raised through taxes, it will have an impact on the financial figures that will be used to set the tax rate for the next year.

BUDGET GOALS/FOCUS

Dr. Green stated the primary goal was to maintain our current student programs and services, which are currently included in this budget, including funds to hire a part time maintenance person. We also received multiple inquiries from members of the public who would like us to add an additional SRO position to our budget. Although preliminary conversations have occurred, this additional position is not included in these figures. As always, we will continue to look at our current programs and service to make sure that we are operating in the most efficient manner, and we will consider additional restructuring through attrition and needs that are addressed through our professional conversations.

The Governor's enacted budget has several funding changes that will impact our current and future funding. These prominent changes include:

- The increase in the local share for Maine State Retirement (MainePers) was .4% or a \$11,733 increase. As you know, this cost was shifted from the state to the local property taxes in 2013 and currently contributes to over \$368,692 of our total budget.
- While General Purpose Aid increased for the upcoming fiscal year, the primary source of this funding is still related to your local tax as the valuation and mil rate have increased (calculated mil rate 8.14-8.51).
- Recognizing 100 percent of EPS versus 97 percent, which increased total allocation by \$42 million.
- Changing the way CTE is funded to a program-based model and providing 100 percent funding from the state versus a state and local shared cost. Allocations for CTE Centers are going directly to the Centers and not to sending schools.

SUBSIDY COMPARISON REPORT

The attached comparison report shows a total increase for the 2018-2019 school year is \$837,647 with an increase in taxes of \$654,893.

ADDITIONAL AREAS OF POTENTIAL SAVINGS/COSTS (VARIABLES)

Anticipated/ Actual Resignations
Capital Reserve
Guaranteed Performance Service Contracts (Phase II)
LAA/LEA Negotiations (Tentative Agreements)
Regional Service Center (RSU #4)
Restructuring
Salaries/Benefits
 - Salaries (\$455,586)
 - Insurance 9% (\$234,335)
Special Education (Enrollment)
 - Local Entitlement
Unassigned Amount
Unanticipated Revenue

NOTABLE INCREASES, DECREASES AND TRANSFERS

- State Subsidy increased by \$371,191 compared to FY 17/18.
- Salaries for FY 18/19 are \$9,698,091 which is an increase of \$ 455,586.
- Health insurance is budgeted at 9% increase which is roughly an increase of \$234,335.
- Workers Comp Mod Rate increase from .95 to 1.58% which is about \$63,000 increase. This will impact budget for next 2 to 3 years.
- Water and Sewer rate increase; around 12%
- Adding a half time maintenance position - \$28,759
- Retirements and sick pay sell back
- Staff turnover and changes in insurance

COUNCILOR COMMENTS

Councilor Larochelle asked if the \$455,586 yearly increase in salaries would be added each year. Dr Green stated the increase was indeed a yearly increase.

Councilor Larochelle asked if the 9% increase in insurance costs had been confirmed. Dr Green stated that he had not received the insurance numbers yet. Dr Green said the rate has varied widely in past years so he budgeted for the max increase of 9%. Dr Green stated he should have the numbers by early April.

Dr Green stated that he would have more realistic numbers as soon as the agreement with the teachers union had been ratified.

Councilor Crawford asked if the Gartley Street School had met expectations. Dr Green stated they over budgeted revenue last year because they did not understand how time consuming it was to deal with Mainecare. Dr Green said some changes in staff had to be made as well. The Education Techs have to be trained BHP's and a new social worker was hired as well. Dr Green stated that we are fortunate to have the staff we have at the school.

Councilor Larochelle asked if the school board had recommended any changes at the school budget meeting. Dr Green said they wanted to look into what the cost would be to add an SRO officer at the school. Dr Green stated he had worked with Chief Hagan and they were looking into what it would cost and what we are able to do contractually. Dr Green said it comes down to what the insurance would be. Councilor Albert said there was some creative ideas mentioned at the meeting, such as offering an office space at the school for the officers to do their

paperwork as opposed to completing paperwork at town hall. Dr Green stated that was feasible. Dr Green stated the state is trying to pass a \$20million security renovation for schools as well.

Councilor Larochelle asked if the workers compensation rate was already a fixed number in the budget. Dr Green replied the rate was set and had gone up due to several ice injuries.

Councilor Larochelle stated the next meeting would with the School Committee would be on May 7th. Dr Green stated the two big variables left for the budget were the insurance rates and the negotiations with the teachers union.

ADJOURNMENT

VOTE (2018-61) Councilor Larochelle, seconded by Councilor Kolbe moved to adjourn at 7:42 p.m.

Order passed - Vote 6 - 0.

Michelle Rene Foss, Assistant Town Clerk
Date Approved _____