

**MINUTES
SPECIAL COUNCIL MEETING #11-05
TOWN HALL COUNCIL CHAMBERS
MAY 24, 2005**

CHAIRPERSON'S CALL TO ORDER

PRESENT ABSENT EXCUSED

Thomas Rumpf, P.O. Box. 819, S. Freeport	x
John Arsenault, Prout Road	x
Charlotte Bishop, Maquoit Drive	x
Rich DeGrandpre, Timber Ridge Road	x
Frederick White, 45 Pleasant Hill Road	x
James Cassida, 5 Timber Ridge Road	x
Genie Beaulieu, P.O. Box 74	x

FIRST ORDER OF BUSINESS: To waive the reading of the Minutes of Meeting #10-2005 held on May 17, 2005 and accept the Minutes as printed.

Chair Rumpf referred to page 2, Item #58-05 and suggested that the wording in the third sentence be changed to make it clearer: "The Council needs to determine whether it should honor the pledge it made a year ago and renewed earlier this year to dedicate any increase in state education aid to tax relief or whether it should *modify that pledge*." On page 8, Other Business, Under the Report from the Community Center Fundraising Committee, "Bob" should have been identified as *Bob Stevens*. Other Councilors concurred.

MOVED AND SECONDED: To waive the reading of the Minutes of Meeting #10-2005 held on May 17, 2005 and accept the Minutes as amended. (Arsenault & White) **VOTE:** (7 Ayes).

SECOND ORDER OF BUSINESS: Announcements

None

THIRD ORDER OF BUSINESS: Public Comment Period – 30 Minutes
(Non-Agenda Items Only)

Chair Rumpf moved on since there were no public comments.

FOURTH ORDER OF BUSINESS: To take action on the following items of business as read by the Council Chairperson.

ITEM #61-05 To consider action relative to the Regional Vocational Budget as approved by the Cooperative Board for fiscal year 2005-2006.

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BE IT ORDERED: That the Regional Vocational Budget as approved by the Cooperative Board for the year 2005-2006 be approved in the amount of \$1,761,904 that \$270,018 be appropriated as Freeport's local share.

ITEM #62-05 To consider action relative to the Regional Vocational Budget as approved by the Cooperative Board for Adult Education for fiscal year 2005-2006.

BE IT ORDERED: That the Regional Vocational Budget as approved by the Cooperative Board for Adult Education for the year 2005-2006 be approved in the amount of \$51,000 and that \$4,328 be appropriated as Freeport's local share.

ITEM #63-05 To consider action relative to funding public education from Kindergarten to Grade 12 for fiscal year 2006.

BE IT ORDERED: That \$8,624,266 be appropriated as the municipal contribution for the total cost of funding public education from Kindergarten to Grade 12 as described in the Essential Programs and Services Funding Act in accordance with MSRA Title 2-A, Section 15688.

ITEM #64-05 To consider action relative to funding annual payments on school debt service for fiscal year 2006.

BE IT ORDERED: That \$839,433 be appropriated for the annual payment on debt service previously approved by the legislative body for non-state funded school construction projects, non-state funded portions of school construction projects and minor capital projects in addition to the funds appropriated as the local share of the school administrative units contribution to the total cost of public education from Kindergarten to Grade 12.

ITEM #65-05 To consider action relative to appropriating additional local funds for public education from Kindergarten to Grade 12 for fiscal year 2006.

BE IT ORDERED: That ~~\$2,288,369~~ \$2,328,369 be appropriated in additional local funds for public education for Kindergarten to Grade 12.

ITEM #66-05 To consider action relative to authorizing the School Committee to expend funds for fiscal year beginning July 1 2005 and ending June 30, 2006.

BE IT ORDERED: That the Freeport School Committee is authorized to expend ~~\$14,215,966~~ \$14,289,966 for the fiscal year beginning July 1, 2005 and ending June 30, 2006 from the school administrative units contributions to the total cost of funding public education from Kindergarten to Grade 12 as described in the Essential Programs and Services Funding Act, non-state funded school construction projects, additional local funds for school purposes under the MRSA, Title 20-A, Section 15690, unexpended balances, tuition receipts, state subsidy and other receipts for the support of schools.

ITEM #67-05 To consider action relative to funding Adult Education for fiscal year 2006.

BE IT ORDERED: That \$81,116 be appropriated for Adult Education.

ITEM #68-05 To consider action relative to the acceptance of State Funds for fiscal year 2006.

BE IT ORDERED: That the following categories of State Funds be accepted for fiscal year 2006.

1. Municipal Revenue Sharing
2. Local Road Assistance
3. State Aid to Education (including Federal pass-through funds and property pass-through funds and property tax relief)
4. Public Library State Aid per capita
5. Civil Emergency Funds (Emergency Management Assistance)
6. Snowmobile Registration Funds
7. Tree Growth Reimbursement
8. Veterans Exemption Reimbursement
9. Homestead Exemption Funds
10. State Grants or Other Funds (this category includes all funds received from the State that are not included in Items 1 through 10 above).

ITEM #69-05 To consider action relative to the proposed fiscal year 2006 Municipal Budget.

BE IT ORDERED: That the following appropriations be made to the several departments for purposes named, that the following revenues estimated be adopted, and that the following amounts be raised by taxation, said action for fiscal year July 1, 2005 to June 30, 2006 Municipal Budget.

APPROPRIATIONS

General Government	2,337,468	2,352,468
Protection & Enforcement	1,819,151	
Health & Welfare	84,831	
Public Works/Solid Waste	1,717,907	1,732,907
Library	346,076	
Unclassified	310,144	
Education/Community Education	12,991,877	13,065,877
Education- State Debt	384,656	
Debt Service - Local	1,878,242	
County Tax	736,850	
Human Service Agencies	61,100	46,100
Bustins Island	174,000	
Abatements	25,000	
Economic Development Corp.	80,000	

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Capital Reserves	<u>50,000</u>	
TOTAL APPROPRIATIONS	\$22,997,302	\$23,086,302

ESTIMATED REVENUES

Non-Property Tax/Tax	1,277,500	
Intergovernmental	1,071,650	
Charges for Services	325,900	
Licenses and Permits	162,450	
Fines and Forfeitures	38,500	
Miscellaneous	68,000	
Education/Community Education	<u>2,024,242</u>	2,058,242
Education – State Debt	384,656	
Education Tuition Carryover	<u>55,000</u>	

TOTAL ESTIMATED	\$5,407,898	
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Library Lease Proceeds	147,177	
Amount Transferred from		
Undesignated Funds	350,000	
Amount to be Raised by		
Taxation	<u>17,092,227</u>	17,112,227

TOTAL REVENUES	\$22,997,302	23,086,302
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ITEM #70-05	To consider action relative to the operating budget for Winslow Park for fiscal year 2006.
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BE IT ORDERED: That \$180,595 be approved for the Winslow Park budget from July 1, 2005 to June 30, 2006 and \$19,170 be approved for the Harb Cottage budget from July 1, 2005 to June 30, 2006.

ITEM #71-05	To consider action relative to adopting a Non-Emergency Transport (NET) Budget for fiscal year 2006
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BE IT ORDERED: That the Non-Emergency Transport budget in the amount of \$315,000 be approved for fiscal year 2006.

⇒ ⇒ ⇒ **BE IT ORDERED:** That Items 61-05 thru 71-05 be adopted as printed. (Cassida & Arsenault)

MOVED AND SECONDED: To amend 61-05 by adding language after Grade 12: *exceeds the State's essential programs and services funding model by*

*\$799,993. The School Committee recommends \$2,288,369 for the following reasons: to provide a complete education program to the students in Freeport public schools. (Cassida & Arsenault) **VOTE:** (7 Ayes).*

Chair Rumpf explained to members of the public Items 61-05-71-05. He explained what was discussed at last night's workshop with the School Committee and Municipal personnel.

MOVED AND SECONDED: To approve the following amendments:

ITEM #65-05 – Increase from \$2,288,369 to \$2,328, 369
ITEM #66-05 – Increase from \$14,215,966 to \$14,289,966
ITEM #69-05 – Increase Public Works/Solid Waste from \$1, 717,907 to \$1,732,907
Increase Community Education from \$12,991,887 to \$13,065,877
Increase General Government from \$2,337,468 to \$2,352,468
Decrease Human Service Agencies from \$61,100 to \$46,100
Increase Total Appropriations from \$22,997,302 to \$23,086,302
Estimated Revenues Intergovernmental Revenues - Increase Tree Growth from \$20,000 to \$35,000
Miscellaneous Income – Increase interest earnings from \$60,000 to \$80,000
Education/Community Education – increase from \$2,024,242 to \$2,058,242
Amount to be raised by taxation – increase from \$17,092,227 to \$17,112,227
Total Revenues increase from \$22,997,302 to \$ 23,086,302 (White & Arsenault)

Chair Rumpf explained the proposed amendments to members of the public and the pledge the Council made last year to provide property tax relief.

MOVED AND SECONDED: To table the original order and the amendments. (DeGrandpre & Beaulieu) **VOTE:** (7 Ayes).

MOVED AND SECONDED: To take up an item not on the printed agenda, i.e. the property tax relief policy which was adopted on June 1, 2004. (Beaulieu & DeGrandpre) **VOTE:** (7 Ayes).

Chair Rumpf noted that difficult as it is, he believes it is appropriate and within the spirit of the original referendum and legislation if this policy is modified so that at least, at a minimum, 90% of any additional funding would be returned to the taxpayers in a form of tax relief.

Councilor Beaulieu pointed out that this is not the pledge the Council gave to the voters and from her perspective, it is lying to the taxpayers in the worse way for a politician to do. We tell them one thing but when it becomes unpleasant for the Council, we find ways to work around it. She feels uncomfortable at this point changing it. She feels that 100% should be returned to the taxpayers. Councilor DeGrandpre is willing to modify the commitment because he did not have a number when he made the pledge. He is not stuck on the 24 cents but agrees to provide substantial tax relief. Councilor Arsenault echoed what Councilor Beaulieu has stated. He believes the Council made a promise to the taxpayers and he interested in seeing how it falls out tonight. Councilor White noted that he is less concerned with the 100% versus delivering meaningful and appropriate tax relief and a year has gone by and some things have changed. He believes the path the Council is heading down is reasonable. It may be more unreasonable to stick to a pledge that is not totally in the best interest of Freeport citizens. Councilor Bishop noted that the Council would be doing the Town a disservice to keep fighting over the 24 cents or the 20 cents. 22 cents is the middle ground and it will help the situation. She doesn't believe that the 24 cents is meaningful tax relief

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but 22 cents is something that shows taxpayers that the Council is trying to reduce the tax rate. If it takes half the Council to come together and try to make it work, that is where she will be able to move. If the Municipal side wasn't getting any additional funds, she would not support this modification. In reality the school budget increased the budget by 31 cents and the Municipal side reduced it by 18 cents. Councilor Cassida noted that he is willing to try to help the School Committee and the Municipal departments get some of the things they have had to cut in order to meet the Council's original policy decision. It is reasonable to give back 90% to the taxpayers. Chair Rumpf pointed out that there is justification in the history of the referendum and it provides a floor below which he would not have been comfortable moving.

Councilor Beaulieu asked when the Council would be talking about the letter from School Committee. Chair Rumpf noted that the Schools have agreed to work with the Council and bring a budget that is no more than 4% above this year for next year. Councilor Beaulieu asked if the pledge would be signed by the Superintendent, every member of the School Committee, the Town Manager and the Chair of the Town Council to ensure that the pledge is valuable. Councilor Arsenault agreed that this commitment is needed for the taxpayers of the community.

Chris Leighton wanted to be sure he is clear that the Council is discussing 4%. He has not had an opportunity to discuss this with the entire School Committee since so much has happened quickly. If it can come in less, every effort will be made to bring it in. They will pledge to the 4% if there is an extraordinary circumstance clause included. 4% is not unreasonable and it will enable them to figure out their fate. They can begin tomorrow. He is not opposed to everyone signing the pledge and would welcome getting it in writing. He would like to see the whole Town Council sign the pledge as well.

MOVED AND SECONDED: That we amend the Property Tax Relief Policy to read: no less than 90% of any net increase in revenue made available by the State of Maine to the Town of Freeport as a result of property tax reform efforts outlined in "The School Finance and Comprehensive Tax Reform Act of 2003" and in LD 1924 "An Act to Reduce the Cost of Local Government Through Increased State Education Funding and Provide Property Tax Relief" shall be used exclusively to lower property taxes in Freeport. No less than 90% of any net increase in revenue so derived shall not be appropriated for additional or new municipal or school support. "Net increase" shall mean additional financial support, minus any reductions of payments currently received for public education or municipal operating budgets. This policy shall expire at the end of fiscal year 2009-2010. Amended May 24, 2005 (Cassida & White) **VOTE:** (6 Ayes) (1 Nay—Beaulieu).

MOVED AND SECONDED: To bring back to the table the proposed amendments to the FY'06 Budget adoption as proposed. (Bishop & Cassida) **VOTE:** (7 Ayes).

Councilor Beaulieu noted that she would be voting on these amendments and the budget, not because she supports it, but she wants to be in the majority so that if the pledge is not signed, she can bring it back to the table to have it reconsidered. Councilor Cassida asked Ms. Tomaszewski to explain where the additional funds on the school side were derived from. Ms. Tomaszewski explained that \$28,000 came from Medicaid and \$6,000 came from the State Agency Client money.

VOTE ON AMENDMENTS: (7 Ayes).

MOVED AND SECONDED: To amend 63-05 by adding the Explanation: The school administrative unit's contribution to the total cost of funding public

education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act is the amount of money determined by state law to be the minimum amount that a municipality must raise in order to receive the full amount of state dollars.

To amend 64-05 by adding the Explanation: Non-state-funded debt service is the amount of money needed for the annual payments on the municipality/district long-term debt for major capital school construction projects and minor capital renovation projects that are not approved for state subsidy. The voters or other legislative body previously approved the bonding of this long-term debt.

To amend 65-05 by adding the Explanation: The additional local funds are those locally raised funds over and above the school administrative unit's local contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act and local amounts raised for the annual debt service payment on non-state-funded school construction projects or the non-state-funded portion of a school construction project that will help achieve the Freeport budget for educational programs. (Bishop & DeGrandpre) VOTE: (7 Ayes)

Chair Rumpf noted that the Council is now on the original orders as amended which essentially would implement the proposed FY'06 proposed budget for the Town of Freeport. He summarized from his summary sheet for the public. The projected mill rate will be \$17.88, which is a 22-cent reduction from the current mill rate. Overall, it will be a 2% increase in the budget from last year.

Councilor DeGrandpre is committed to better understanding everyone's budget next year so that the budget process will be smoother. Councilor Arsenault pointed out that people have called and advised that it is difficult for them to follow the budget process. He hopes to take away the confusion for people next year.

ROLL CALL VOTE ON ORIGINAL ORDERS AS AMENDED: (7 Ayes).

Chair Rumpf asked Mr. Olmstead to work with the School Superintendent on the agreement regarding next year's budget. He will be happy to review it. Councilor Beaulieu asked Mr. Olmstead to add the agreement to the June 7 meeting so that the Council can sign it as an agenda item.

ITEM #72-05	To consider action relative to the establishment of a Freeport School System Endowment Fund.
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BE IT ORDERED: That a Freeport School System Endowment Fund be established.

BE IT FURTHER ORDERED: That the Freeport School Committee be authorized to manage the fund and be required to report annually to the Town Council, on the status of the fund.

Note: This item requested by Councilor Arsenault. (Arsenault & Beaulieu)

Councilor Arsenault explained the reasons for this proposal. He has since learned that there is already an effort underway by the Education Foundation of Freeport so he will withdraw his request. Anyone

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interested in contributing can make their contributions to the Education Foundation of Freeport. Elaine Tomaszewski explained that it is unnecessary to establish a second foundation but thanked Councilor Arsenault for his proposal. Sheila Nappi explained that the foundation was established in 2002 and they have awarded more than \$10,000 in grants to date. Discussion followed. Ms. Nappi asked residents that indicated \$30 or \$40 would not affect their finances at previous meetings to consider sending it to the Education Foundation of Freeport. Councilor Bishop suggested including brochures in a town-wide mailing that is sent out 3 or 4 times a year. Chair Rumpf encouraged residents to consider contributing to the Education Foundation of Freeport because they are doing good work and their contributions are tax deductible.

MOVED AND SECONDED: To table Item 72-05 indefinitely. (White & DeGrandpre) **VOTE:** (7 Ayes).

MOVED AND SECONDED: To take up an item not on the printed agenda regarding the Safer Grant Program. (White & Arsenault) **VOTE:** (7 Ayes).

BE IT ORDERED: That the Fire Chief be authorized to apply for one position under the National Safer Grant Program.

BE IT FURTHER ORDERED: That the Solid Waste Director be authorized to install one additional recycling silver bullet in the Flying Point area. (Arsenault & Bishop)

Councilor Beaulieu noted she will be voting against the Safer Grant because in 3-4 years, we will be buying a person and she is thinking of budgets. Councilor White thinks the Council should go ahead with the grant and will consider voting it down next year. Councilor DeGrandpre wants more answers on the grant process. Councilor Bishop pointed out that Freeport may not even get the grant. Discussion followed.

ROLL CALL VOTE: (6 Ayes) (1 Nay—Beaulieu).

Anyone with suggestions regarding the location for a silver bullet in the Flying Point area should contact the Town Manager or Recycling Director.

OTHER BUSINESS:

Councilor Arsenault noted that this is the first time in 23 years that the mill rate has been reduced.

MOVED AND SECONDED: To adjourn at 8:30 p.m. (DeGrandpre & Bishop) **VOTE:** (7 Ayes).

Respectfully Submitted,

Sharon Coffin, Council Secretary