

TOWN OF WISCASSET  
BUDGET COMMITTEE MEETING MINUTES  
January 8 2009

The meeting was called to order at 6:30 PM at the Wiscasset Municipal Building.

Chair Steve Mehrl began the meeting by thanking Clerk Pamela Dunning for updating the Budget Committee's information on the new town website. The member's names and term dates are now on the site with the ordinance that governs the committee. The agendas and minutes from 2008 are also now on the site.

Committee members discussed that the community seems to be disconnected from the budget process. It was speculated that the public are just trusting the committee to do its job and are willing to learn the details from the newspapers.

Budget Committee members in attendance: Judith Colby, Sherri Dunbar, Pamela Dunning, Judy Flanagan, George Greene, Steve Mehrl and Greg Shea. Member absent was Richard Hanson. There is currently one vacant seat on the Committee.

Judith Colby moved to approve the agenda. Motion was seconded by Greg Shea. Motion passed 5-0.

Judy Flanagan moved to approve the minutes of the December 4, 2008 meeting as amended. Motion was seconded by Greg Shea. Motion passed 7-0.

Superintendent of Schools, Jay McIntire attended the meeting in order to inform the Budget Committee on the status of the new Regional School Union (RSU). Mr. McIntire took the floor to present his information.

Mr. McIntire first spoke of appreciating the improved communication that has been built between the school department and the Budget Committee in recent years. He stressed the importance of maintaining this level of communication during the process of becoming part of the new RSU.

The possible impact of the current recession in the country was explained. Wiscasset will probably see a reduction of \$91,000 from the state this year. The Department of Education Commissioner Susan Gendron was quoted as saying next year might be the same amount. Jim Rier of the Department of Education Management Information Systems team was quoted as saying that it could be 3 to 5 times that amount or \$450,000. There is really no way to predict the future.

This year the state budget was curtailed by \$27,000,000. Next year there will be approximately \$300,000,000 reduction. Schools are about 40% of the state budget.

Superintendent McIntire informed the committee that there is talk that the threat of the penalty for not joining an RSU may not be carried out. Wiscasset recently joined an RSU because voters were told that the state funds would be cut if we did not join. Voters were also told that the money withheld from noncompliant schools would be given to the schools that had complied.

The only way to get out of the RSU is if new referendum is passed that dissolves the mandate. It is possible that the citizen's referendum could be voted in March. At that point, Wiscasset would have 3 months to build a school budget. Any repeal of the law governing the RSU mandate would not be followed for 12 months.

Superintendent McIntire brought our attention to the spending freeze letter he had sent out to department heads. The items listed in the letter could result in up to \$200,000 in savings.

The new RSU will need to spend money to bring itself into existence. Wiscasset's share will be around \$20,000. This is based on the state's estimate of \$35 per student. Other expenses may arise. This was not included in the school budget this year.

Central office for the RSU will not be in Wiscasset. Wiscasset is at the end of the line of towns in the RSU. The central office should be closer to the center of the RSU area, probably Windsor. The Special Education Director is usually housed in the central office. That person also needs to be able to visit all schools at all times. No existing office within the RSU is adequate for the RSU's needs. A new office will probably have to be built.

There is no plan in place to make a smooth transition to the RSU.

There is a need to watch the revenue and expenditures closely. The school budget looks good currently except there is a \$180,000 expenditure that is scheduled for ¼ of the health insurance. When that amount is spent, the budget will not be so well in line.

Superintendent McIntire anticipates bringing this budget in without coming to the town for more money. He will do whatever it takes to make this work.

The cost sharing plan for the towns in the RSU is the total amount spent by each school and worked out to the percentage that each school spent of that total. This percentage of fiscal responsibility will hold steady for the first three years. There is a Tax Distribution Safety Net provision that reallocates the amount of money raised by each town. If a municipality needs to raise more than the amount required by cost sharing formula, the additional amount will be reallocated to the other municipalities. This is a very convoluted plan to cover additional expenditures.

The process for the RSU budget is similar to the school's for this year. Voters will be asked to vote on the amount of money approved at the last open town meeting.

The Budget Committee's place in the process is to keep the lines of communication open and to ensure that information reaches the voters. The Committee will also be able to meet with the RSU Board to help the RSU with the local issues and to focus on the local element.

There will be an educational summit held to practice the new meeting structure. That will be a good time to set priorities and help RSU members to focus together.

Wiscasset will have three seats on the RSU board. The three Wiscasset residents who are elected to the board will draw lots for the 1, 2, and 3 year terms.

If Mr. McIntire were to be hired as the Superintendent for the RSU, he would hypothetically be spending 40% of his time with the RSU and 60% in Wiscasset this year. He would have to hire more help in the Wiscasset office to allow work to be completed due to his absence. Executive decisions can be handled by less than a full time position if there is sufficient secretarial support in the office.

Budget Committee members asked how we can get involved in the process. Superintendent McIntire pointed out that if he is not hired as the superintendent, the person filling that position will know nothing about how Wiscasset is run. Budget Committee can work with the Superintendent to identify priorities for this town.

The RSU board members will have the authority to develop a budget, set school policy, set personnel policy, and anything else they need to do to get the RSU in place. School year 2010-11 will probably run in a modification of the way SADs are run. The RSU will have to negotiate 5 contracts within the first few months of their existence.

The Wiscasset School Committee is interested in getting the High School up to code and dealing with only critical items in the other two schools. It would cost \$1,700,000 for the High School, not counting rebuilding the science labs.

The question was raised if the architectural studies of the schools could be used to apply for some federal grant money to help pay for the work. Superintendent McIntire said you may need to invest in a larger study that encompassed the entire RSU to apply for that kind of money. There is a possibility that there is stimulus money that may be applied for to pay for some repairs and upgrades.

There will be a need to manage money more efficiently. The municipalities have different software to manage their budgets. Purchasing new software will allow

the RSU to track finances for the entire unit. The software will cost about \$40,000.

Superintendent McIntire summarized by saying there are so many things that are unknown. We need to just keep making good decisions day-to-day and keep our eyes on the horizon. It will be important to keep communication open and maintain the open relationships between the boards. Superintendent McIntire stressed that if anyone had any questions for him they need to contact him within the next six weeks or he will have no authority to act.

The Budget Committee would like to meet with the Selectmen and Ordinance Review Committee to update the ordinance that governs the Budget Committee. The current ordinance includes a timeline of meetings that does not fit into the way town business is handled.

Copies of the draft of the town and school audits were passed out. There was an article in the local papers about overdrafts in the town budget. This report was incorrect. The auditors neglected to send a cover letter stating that this was a draft of the audit. There was \$430,000 in revenues that were not applied. It appears to some members of the Committee that the auditors are managing the numbers. That is not in the code of conduct in accounting and is ethically wrong. Auditors can not adjust books to make the accounts balance.

There was a brief discussion about visiting the cost centers again this year. Department heads appreciate Budget Committee interest in the past and the visits enabled Committee members to make better informed decisions. Any members who wish to attend those tours may do so.

The next meeting of the committee was confirmed as 6:30 PM, January 22, 2009 at the Municipal Building.

Judith Colby moved to adjourn. Motion was seconded by Sherri Dunbar. Having no further business, meeting adjourned at 8:52 PM

Respectfully submitted by Pamela Dunning, Clerk