

SPECIAL MEETING MINUTES
City Council of the City of Bath, Maine
Wednesday, June 13, 2007 6:00 pm
Council Chambers, Bath City Hall

Present: Councilors Hinds, Omo, Rogers, Eosco, Winglass and Chairman Wyman
Present by Telephone: Councilor Pagurko
Excused: Councilors Mulligan and Verville

Also in attendance was the City Manager, William Giroux, Acting City Solicitor, Michael Therriault and City Clerk, Mary White.

Chairman Wyman led the Pledge of Allegiance and City Clerk White called the Roll.

Motion by Councilor Winglass, second by Councilor Hinds to add the following item to the agenda. All in favor.

Chairman Wyman read the following Order: (6:01 PM)

Order
Establishing School Budget Component

BE IT ORDERED BY THE CITY COUNCIL OF THE CITY OF BATH, PURSUANT TO SECTION 609 (D) OF THE CHARTER OF THE CITY OF BATH THAT THE SCHOOL BUDGET COMPONENT, EXCLUSIVE OF THE SCHOOL BUDGET CAPITAL IMPROVEMENT BUDGET, IS SPECIFIED AS AN APPROPRIATION IN THE TOTAL AMOUNT OF \$17,554,303.00.

Motion by Councilor Pagurko, second by Councilor Omo to put this item on the floor for discussion.

VOTE:

Yeas: 6

Nays: 0

Order Passed Unanimously. 6-0

The following two items were taken out of order on the agenda.

IV. Resolution: Adoption of the School Department Budget component for the fiscal period beginning July 1, 2007 and extending to June 30, 2008 (6:02PM)

RESOLUTION
2007/2008

Be It Resolved By The City Council of The City of Bath, That:

Article I: VOTED: State/Local EPS Funding Allocation. That the City of Bath appropriate \$12,445,923 for the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act and that the City of Bath raise \$6,144,696 as the City'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 in accordance with the Maine Revised Statutes, Title 20-A, section 15688.

Explanation: The municipality'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 the municipality must raise in order to receive the full amount of state dollars.

Administration	\$2,269,576.00
Secondary Instruction	\$3,646,859.00
Middle School Instruction	\$1,911,878.00
Elementary Instruction	\$2,623,663.00
Special Education	\$2,171,447.00
Athletic and Co-Curricular	\$455,443.00
Support Services	\$1,423,521.00
Operation & Maintenance	\$1,732,436.00
Transportation	\$273,477.00
Debt Service	\$1,046,003.00
Food Service	\$0.00
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Sub Total	\$17,554,303.00
Capital Improvement	\$0.00
Grand Total	\$17,554,303.00

Article II: VOTED: Appropriation for Non-State Funded School Construction Debt Service (as required by Maine Revised Statutes, Title 20-A, § 15690 (2A)): To see what sum the municipality/district will raise and appropriate for the annual payments 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 unit's contribution to the total cost of funding public education from kindergarten to grade 12.

Recommend \$534,385

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 that are not approved for state subsidy. The bonding of this long-term debt was approved by the voters or other legislative body.

- Morse High School/Bath Regional Vocational Center Renovation Bond 1996
- Bath Middle School Renovation Bond 2001
- Bath Middle School Revolving Renovation Loan 2001

Article III: VOTED: Additional Local Funds. That the City of Bath raise and appropriate \$962,395 in additional local funds, which exceeds the State's Essential Programs and Services funding model by \$517,277.

The Bath Board of Education recommends \$962,395 for the following reasons:

Explanation: The additional local funds are those locally raised funds over and above the City'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 and the non-state-funded portion of school construction projects that will help achieve the City's budget for educational programs.

The Essential Programs and Services model does not adequately recognize and fiscally support programs that Bath has long regarded as vital to this community such as athletics, adequate teacher salaries, facility maintenance, professional development and substitute teachers. Therefore, the Bath Board of Education recommends exceeding EPS by \$517,277.

Article IV: VOTED: Total School Budget Summary. That the City of Bath authorize the Bath Board of Education to expend \$17,554,303 for the fiscal year beginning July 1, 2007, and ending June 30, 2008, from the City'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, non-state-funded school construction projects, additional local funds for school purposes under the Maine Revised Statutes, Title 20-A, section 15690, unexpended balances, tuition receipts, state subsidy and other receipts for the support of schools.

NOTE: A. Total amount being raised and appropriated locally is \$7,641,476 against a total Budget of \$17,554,303.

B. This budget does not include the estimated amount of \$1,914,000 in employer share of teacher retirement cost that is paid directly by the State of Maine.

Motion by Councilor Omo, second by Councilor Hinds to waive the reading of this Resolution. All in favor.

VOTE:

Yeas: 6

Nays: 0

Order Passed Unanimously. 6-0

V. Resolution: Approve and appropriate, for the purposes indicated in accordance with the School Special Purpose Funds (6:04 PM)

Chairman Wyman read the following Resolution:

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BATH, MAINE, THAT, THE CITY OF BATH'S PORTION OF THE SCHOOL DEPARTMENT'S BUDGET OF SPECIAL PURPOSE FUNDS AS REALLOCATED AND/OR APPROPRIATED FOR THE FISCAL YEAR COMMENCING ON JULY 1, 2007 AND TERMINATING ON JUNE 30, 2008, BE AND IS ADOPTED FOR THE PURPOSE OF FUNDING THE ACCOUNTS ATTACHED TO THIS RESOLUTION AS EXHIBIT "D".

A complete copy of Exhibit "D" is on file in the Bath City Clerk's Office with the agenda materials for the June 13, 2007 Council Meeting.

Motion by Councilor Hinds, second by Councilor Pagurko to put the item on the floor for discussion.

VOTE:

Yeas: 6

Nays: 0

Order Passed Unanimously. 6-0

I. Resolution: MRSA 401(a) Plan Contribution (6:07 PM)

Chairman Wyman read the following Resolution.

**RESOLUTION AMENDING AUTHORIZATION OF
M.S.R. 401(a) PLAN**

WHEREAS, the City Council of the City of Bath enacted a Resolution authorizing a M.S.R. 401(a) Plan in July of 2000; and

WHEREAS, the Resolution established the employer's discretionary contribution for participants who are not members of the Maine State Retirement System at 4%; and

WHEREAS, the City has recently been advised that, in order to meet applicable regulations, the contribution must be equal to the City's contribution rate for Maine State Retirement System employees.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Bath that the original Resolution authorizing the M.S.R. 401(a) Plan be amended as follows:

The City of Bath's discretionary contribution on behalf of the participants who are not members of the Maine State Retirement System defined benefit program shall be set at 6.2% of participant's compensation, retroactive back to the date of adoption of the original Resolution, July 19, 2000; and

BE IT FURTHER RESOLVED that the City make the payment of the additional compensation rate for affected employees from the adoption date through the date of this Resolution, to be funded from surplus contributions to the Maine State Retirement System; and

BE IT FURTHER RESOLVED that the contribution rate be fixed from this date forward at 6.2% unless and until that rate is changed by further Resolution of the City Council.

Motion by Councilor Pagurko, second by Councilor Omo to put this item on the floor for discussion.

VOTE:

Yeas: 6

Nays: 0

Order Passed Unanimously. 6-0

II. Accept Fund Balance Policy (6:10 PM)

Chairman Wyman read the following:

**CITY OF BATH
FUND BALANCE POLICY**

The City of Bath recognizes the importance of maintaining an appropriate level of Undesignated Fund Balance. After evaluation, the City’s operating characteristics, diversity of tax base, reliability of non-property tax revenue sources, working capital needs, impact on bond rating, City establishes the following goals regarding the Undesignated Fund Balance of the General Fund for the City of Bath, Maine.

The level of fund balance that the City strives to maintain as undesignated is an amount equal to two months (16.6 percent) of the City’s annual General Fund Revenue, as computed using the most current audited financial statement’s Income Statement.

Once the City achieves its goal of an appropriate level of Undesignated Fund Balance, any excess funds may be utilized for other municipal fiscal purposes, including, without limitation, additional capital improvement needs or tax rate stabilization or reduction purposes. For example, by utilizing excess fund balances for capital improvements, the City will reduce the need to incur long-term debt and will avoid creating an operating funding gap for subsequent fiscal years.

This policy has been adopted by the City to recognize the financial importance of a stable and sufficient level of the Undesignated Fund Balance. However, the City reserves the right to appropriate funds from the Undesignated Fund Balance for emergencies and other requirements the City believes to be in its best interest.

Motion by Councilor Pagurko, second by Councilor Hinds to put this on the floor for discussion.

VOTE:

Yeas: 6

Nays: 0

Order Passed Unanimously. 6-0

III. Approving Tabulation of Election Returns of the State of Maine Special Referendum Election and Special Municipal Election held Tuesday, June 12, 2007. (6:14 PM)

CITY OF BATH ELECTION TOTALS – June 12, 2007

WARDS MUNICIPAL	1	2	3	4	5	6	7	TOTAL
Bond Question One								
School Renovations YES	120	51	56	89	104	69	133	622
NO	26	21	13	18	31	22	41	172
TOTAL VOTERS PER WARD	146	72	71*	107	136*	92*	178*	802

* Discrepancy in totals due to blank and over voted ballots.

Total Voter Turnout 802

Total Registered Voters 7498

Percentage of Voter Turnout 11%

CITY OF BATH STATE SPECIAL REFERENDUM ELECTION TOTALS – June 12, 2007

WARDS STATE	1	2	3	4	5	6	7	TOTAL
Question 1:								
Road Bond YES	112	47	58	85	105	71	129	607
NO	30	25	13	22	30	21	45	186
Question 2:								
Sewer Bond YES	106	44	53	84	101	69	126	583
NO	37	27	18	22	34	22	48	208

Motion by Councilor Pagurko, second by Councilor Hinds to approve the election tabulations as presented. All in favor.

VI. Appointments of Andrew Winglass and Kyle Rogers to the Bath Economic Development Committee (6:15 PM)

Motion by Councilor Omo, second by Councilor Pagurko to appoint Andrew Winglass and Kyle Rogers to the BEDC. All in favor.

Motion by Councilor Pagurko to go into an Executive Session at 6:16 PM regarding a Personnel Matter per 1 MRSA §405(6)(C). Councilor Winglass seconded the motion. All in favor.

Motion by Councilor Winglass to come out of Executive Session at 6:45 PM. Councilor Pagurko seconded the motion. All in favor.

The meeting adjourned at 6:46 PM with a motion from Councilor Hinds and a second from Councilor Winglass. All in favor.

Attest:

Mary J. White, City Clerk