

**TOWN OF OLD ORCHARD BEACH  
TOWN COUNCIL WORKSHOP  
Wednesday, May 2, 2012  
TOWN HALL CHAMBERS  
7:00 p.m.**

**A Town Council Workshop of the Old Orchard Beach Town Council was held on Wednesday, May 2, 2012. Chair Quinn opened the meeting at 7:03p.m.**

**The following were in attendance:**

**Chair Bob Quinn  
Vice Chair Michael Tousignant  
Councilor Sharri MacDonald  
Councilor Robin Dayton  
Councilor Michael Coleman  
Town Manager Mark Pearson  
Assistant Town Manager V. Louise Reid  
Finance Director Catherine Saltz  
Jason Webber – Recreation Director  
Dan Blaney – Director – Harmon Museum  
Al Shutz – Transit Committee  
Members of the Finance Committee**

**The Town Council Chair announced that the Workshop this evening will consider the budget proposals for the Fire Department, Recreation Department, Harmon Museum, Transit Committee budget, and Agencies and anything else remaining from prior workshops.**

**The Finance Director began with a discussion of the recent update from Moody's Investors Service has affirmed the Aa3 underlying rating on the Town of Old Orchard Beach's \$11.6 million of outstanding rated general obligation bonds. The bonds are secured by the Town's general obligation limited tax pledge as debt service is subject to LD 1 levy limitations. The Aa3 rating reflects the Town's medium-sized tax base, low debt burden, and satisfactory financial position. This merits to a stable tax base; new commercial and residential development; and low debt burden. The challenges include narrowed financial operations due to structurally imbalanced operations; and aggressive budget assumptions in recent fiscal years. The tax base expansion that provides for revenue growth and structurally balanced operations that grow fund balance and cash positions. The rating, however, could go down if the tax base declines and there is a negative impact on property tax revenues; and structurally imbalanced operations result in declines to reserves. The principal methodology used in this rating was General Obligation Bonds issued by the U.S. Local Governments published in October 2009. It should be noted that this rating is lower than that previously established for the General Obligation Bonds.**

**Fire Department**

**A continuation of discussion on the Fire Department included issues from the past budget discussions. The following was discussed:**

## **FIRE DEPARTMENT BUDGET NOTES**

- Increased clothing allowance a/c #50230 for lifeguards from \$1,500 to \$3,000
- Decreased service contracts a/c #50310 from \$11,000 to \$9,500
- Increased Operating Equipment Repairs a/c #50452 from \$3,000 to \$4,000 b/c we need to recertify the SCVA bottles (used for breathing air when entering a structure)
- Overall Budget over FY'12 increasing by 1.39%

**Compensation for UNION employees includes the following: (16 FTE's) (includes 4 part-time EMT equivalent positions)**

- A 2% raise –the contract will still be in effect in 2013
- A health club reimbursement in total of \$5,200 or \$400 per person
- Clothing allowance of \$7,300
- Holiday pay of \$33,000
- Maine State Retirement System contribution of 6.3%
- Health insurance contribution of 80% of premium
- Dental Insurance contribution of 50% of premium
- IPP contribution 100% of premium up to 55% of base wage
- Supplemental life insurance policy of \$50,000 per employee
- These employees get paid accrued sick time up to a maximum of 1,440 hours upon termination of employment. An employee in this department accrues up to 3,120 hours of sick time, which is over 2,000 hours more than other departments, and a payout of 1,000 hours OR a cost of \$25,000 per employee above all other Union employees.

**Compensation for NON-union employees includes the following (7 FTE's)**

- A 2% raise based on current wages(w/o wages increase for 7/1/11)
- ICMA 5% contribution OR 4.4% for Maine State Retirement
- Health insurance contribution of 88% of premium
- Dental insurance contribution of 50% of premium
- IPP contribution 100% of premium up to 55% of base wage
- These employees can get paid 50% of their accrued sick time up to a maximum of 480 hours upon termination of employment, and they earn a maximum of 960 hours.
- ON-call Force: Total stipends of \$45,000 includes (\$40,000 of wages): varies by level of experience and rank. Covers 25-30 people, an average as \$1,500-\$1,800 for officers, and other staff \$1300-\$1400 per person- year round

### **Seasonal Staff:**

**The proposed budget includes**

- EMTs: @ \$12.00 per hour for a total cost of \$27,000 includes \$24,000 of wages- which is 2 part-time people June 15-Sept 15, at 24 hour shifts for approx. 90 days= 2,160 hours approximately
- Lifeguards: This seasonal staff costs approximately \$130,000 includes (\$115,000 for wages) for 35 staff

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### Overtime

- Average cost of 29% of overall wages-budgeted at \$177,000
- Incurred for standard work weeks of 2 hrs PT per person due to a 42 hour workweek.
- Used to cover sick time, vacation time, and other absences
- 1 day on, 2 days off, 1 day on, 4 days off, 3 man minimum per shift creates a 42 hour workweek for 12 full-time staff
- Coverage for employees who are out on workers compensation- keep in mind that under the union contract any employee who is out on workers compensation still receives their full paycheck (after the workers comp payment)

### Expenses:

1. Workers Compensation: has been added to this department's budget this year. The rate per \$100 of salary is \$4.89 for fire union staff, and \$.26 for the non-union staff. The total cost is \$42,000 in this budget.
2. All other expenses(except contracts): based on current year actual and review of prior year actual-estimated
3. Hydrant Expense : The largest expense (except compensation) for this department is for the Hydrant rental. Rates on this contract are set by the PUC- we do not have control on this.
  - *The budget for FY'13 is estimated at \$127,000,which is a decrease of \$10,000 over FY'12*

### Staff

The Administrative Division consists of the Fire Chief and the Administrative/Rescue Billing Clerk.

The Fire Chief is responsible party for the management of all call force, rescue and career personnel and routine operations, the maintenance of safety programs, the maintenance of the public safety complex, ambulances and fire apparatus, ambulance billing, federal and state directives compliance, inspections, equipment, records management, payroll and training.

The Administrative/Rescue Billing Clerk is responsible for processing of ambulance bills and receivables for that billing. She also assists me with administrative correspondence.

### Fire Suppression/Prevention/EMS Division

This division consists of 12 career fire/EMS personnel, 30 call force personnel responding to an average of 2000 EMS/fire calls per year. The objectives are to protect lives and property from fire/rescue emergencies including but not limited to structure fires, hazardous materials releases, water rescues, explosions, medical emergencies, motor vehicle accidents, water removal, and electrical problems, open burning permits, etc. The personnel also are assigned non-emergency functions such as maintenance of the complex, grounds, vehicles, tools and equipment. They conduct fire prevention and safety inspections, fire education programs, and train on a regular schedule in order to maintain skills, duties, responsibilities and mandated compliances of the job.

There are 4 career (fulltime) captains and 8 firefighter/paramedics.

There are 2 Call force captains, 4 Lieutenants, 4 crew leaders, 15 call men, and 8 fire-police personnel. These are all integral to carrying out our public safety mission.

There is also a staff of 20 part-time emergency medical technicians who staff the ambulance with a career firefighter/paramedic. They are responsible for patient care.

The lifeguard division of public safety also falls under the supervision and direction of the Administrative staff during the summer season. There is one captain and several assistant captains who are responsible for staffing, scheduling, training of lifeguards during the summer season.

#### Services/Responsibilities of your departments

Municipal fire protection, fire suppression, fire prevention, emergency medical service, emergency management, surf rescue

#### Grant Sources

FEMA, HOMELAND SECURITY, MMA

#### Internal Funding Sources

Ambulance Billing

#### External Funding Sources

Private Donations

#### Projects

Completely Remodel Public Safety Complex

Purchase replacement cardiac monitor

Purchase training mannequin by donations

#### Budget account description

The following Employee Salary lines (if applicable) to this Department are described under the compensation section of the budget:

50101 Department Head Salary (see separate discussion on compensation)

50106 Full-time employee wages (see separate discussion on compensation)

50107 Part- time employee wages-Hourly wages for part-time EMS (ambulance) personnel

50113 Holiday Wages-Fulltime employees routinely work holidays due to scheduling. This is in lieu of time off.

50121 Annual Stipend Call Force- This is an annual stipend for our on-call firefighting staff.

50103/50108-Seasonal Employees

Lifeguards are seasonal.

We staff a second ambulance in the summer due to increased calls from our existing part-time staff.

50111 – Overtime wages

Union Contract requirement of minimum 3 people on duty.

Vacations, Sick Leave, Personal days, Funeral leave

**Callback of fulltime personnel to aid at incidents  
Long term absence replacement.  
Outside trainings required by State, Federal standards and to maintain EMS certifications.  
Special circumstances such as delivering vehicles to**

**The following Employee benefits (if applicable) to this Department are described under the compensation section of the budget:**

**50123-Car Allowance  
50124-In lieu of Health Insurance  
50128-Physical Fitness Incentive  
50201-FICA & Medicare-ER Share  
50202-MSR-Employer Share  
50210-Health Insurance-Employer  
50211-Dental Insurance-Employer  
50212-IPP Insurance-Employer  
50213-Life Insurance-Employer  
NEW- Workers Compensation  
50220-Health Club-Employer  
50230-Clothing Allowance**

**50251 – Conferences /Training**

**This line is used to pay for recertification of career EMS personnel, career & call force personnel to attend outside training and instructor costs of visiting instructors. Advanced life support classes, pediatric advanced life support, paramedic and intermediate recertification, firefighter 1 classes, advanced firefighting classes, water rescue classes**

**50252 Travel/food/lodging**

**This line is for tolls, or other incidental costs associated with traveling to fire or EMS trainings.**

**50256 Dues/memberships/licenses**

**This line funds the annual Maine EMS ambulance licensing fees, Maine and International Fire Chief's annual dues, industry magazine subscriptions, York County Firefighters Assn dues.**

**50257 Physical Examinations (under Town Manager Budget)**

**All interior qualified fire personnel must undergo a respiratory evaluation each year in order to wear a respirator at incidents which are immediate dangers to life and health by OSHA & Maine Bureau of Labor Standard mandates. These evaluations are done by "Work Well" services at SMMC by a physician and staff. EMS personnel must undergo physical evaluations to wear respirators to prevent infectious disease exposure.**

**50258 Employment Testing (under Town Manager Budget)**

**This line is for purchases of in-house testing supplies and respiratory equipment for fire and EMS personnel as mandated by OSHA & BLS regulations.**

**50310 Service contracts**

**This line is for contractual agreements: Ortivus Rescue Billing Software Support,**

**IMC Reporting Software Support, Image Trend Software Support, Cardiac Monitor Maintenance; Advantage Gas Cylinder Lease, SCBA Cylinder and Pak Maintenance.**

**50313 Equipment Testing**

**The funds in this line are used for: annual mandated testing of the aerial apparatus, Annual SCBA compressor testing, annual fire apparatus testing, annual fire extinguisher testing,**

**Annual fire apparatus pump testing**

**50335 Hydrant Rental**

**The Town pays Biddeford & Saco Water Company rental fees set by the Public Utilities Commission for use of their hydrants in Town.**

**50400 Electricity costs**

**Cost of electricity for Public Safety Complex (fire station).**

**50401 Water**

**Cost of water for Public Safety Complex (fire station).**

**50402 Phones, cell phones and pagers**

**This line funds costs of cell phones located in ambulances and fire apparatus. These are used to contact the local hospitals or State Fire Marshall's office**

**50405 Heating Fuel**

**Cost of propane for Public Safety Complex (fire station).**

**50450 Building repairs**

**Repairs to the Public Safety Complex (fire station) like broken windows, doors, door controllers, locks, plumbing repairs, etc.**

**50452 Operating equipment repairs**

**This line is used for repairs and replacement parts for 10 mobile radios, 25 portable radios, 55 monitor alert radio pagers, hand lights, ambulance stretchers, firefighting equipment such as saws, nozzles, ladders, gear repairs, thermal imaging cameras, self-contained breathing apparatus repairs, power tools, ambulance equipment such as cardiac monitor wires, suction devices, patient oxygen measuring devices, etc.**

**50453 Vehicle Repairs/Tires/oil**

**This line is used for all vehicle preventative maintenance, annual pump servicing, oil changes, tires, inspections, batteries and repairs to 4 fire apparatus, 3 service trucks, 2 ambulances, 1 ATV, 1 boat, and 1 traffic vehicle,**

**50500 Admin/office supplies**

**General office supplies for administration, fire prevention/investigation, and computer component replacements, copier and fax cartridges, file cabinets, record keeping supplies, etc.**

**50501 Operating supplies/equipment**

**This budget line is used to purchase all other necessary items not designated to perform the daily mission of the department. Quantities and needs change with the nature of the job. Some examples are as noted.**

**Rescue (ambulance)** Medical supplies such as gloves, bandages, oxygen (we use a lot), medications (hospital provides most), cardiac monitor pads, patient stabilization kits, stretchers, suction kits, IV kits, emesis pails, bag/valve/mask, intubations tubes, thermometers, band aids, oxygen cannulas, trauma bags, respirators, blood pressure cuffs, stethoscopes, diabetic monitoring equipment & supplies, patient restraints, portable oxygen cylinders, etc.

**Fire:** Firefighting turnout gear, gloves, helmets, goggles, boots, hoods, flash lights, radios, monitor pagers, cameras, axes, nozzles, hose, accountability tags, SCBA packs, SCBA masks, hand tools, power tools, generators, smoke ejectors, ladders, ropes, extrication tools, saws, pry bars, computers, gas meters, hose wrenches, adapters, pike poles, batteries, fire extinguishers, water rescue equipment, salvage covers, salvage tools, rescue belts, water cans, fire line tape, foam, etc.

**Lifeguards:** This line provides for operating supplies and equipment for individual guards such as rescue torpedoes, whistles, ropes, goggles, rescue boards, etc.

#### **50502 Printing & Copying**

Printed training materials, maps, standard operating guides, letterhead, envelopes for rescue billing, printer supplies, rescue billing forms, etc.

#### **50510 Vehicle/Equipment fuel**

Fuel for all department vehicles.

#### **50517 Fire Prevention**

This line is used for materials used in presenting fire prevention and education programs for school students and elderly residents

#### **50846 Capital equipment replacement and repair (formerly CIP)**

Remodel Public Safety Complex (fire station), Purchase new Cardiac Monitor, replace 10 sets of Firefighting Gear, Reprogram radios and purchase new radio equipment to utilize new radio frequency.

The Council basically reviewed each area of the remaining budget and the Finance Director indicated that increases or decreases were reflected based on the actual as of the end of March and considering the remaining three months projections. There was discussion on the standardization of the hiring process and this coming under the Town Manager's Office since the Town Manager is responsible for the hiring process. Employment testing and medical testing fall in this category. As in other discussions the question of dental increases was raised but the Finance Director explained that this is all relevant to the type of coverage and some paying and some not taking the benefit. A chart indicating the department hierarchy was provided to the Council which clearly indicated the structure of the positions as well as defining the various responsibilities of the position.

#### **Harmon Museum**

Dan Blaney, Archivist and Director of the Museum presented his budget to the Council. The Museum holds all the historical records and all kinds of interesting paraphernalia concerning our community. The history of the Town is as deep as the soft sand that lines our seven mile beach. Earliest records date back to 1653, making the beautiful coastal destination 356 years old. Settled in 1657 by Thomas Rogers as "Garden by the Sea," for many years there were old

apple orchards which were landmarks for sailors, thus the name “Old Orchard Beach.” This historic museum contains so much of our history including information on the great fire of 1907 that destroyed the entire beachfront; the destruction of the end of the Pier in 1909; the 1920 and 1930 era of the “big bands, and of course lots about the Lindbergh daring flight to our community. The ability to store much of the material is a problem because of limited space.

This year the salary line stayed the same in the amount of \$4,600. Last year the Council approved an additional amount of money for the hiring a more qualified curator for the Museum. The curator, or keeping of the cultural heritage institution, is a content specialist responsible for the institution’s collections. The curator makes decisions regarding what objects to collect, oversees their care and documentation, and is the only paid staff member in the organization. The budget stays the same for this line for the coming year.

Changes to the budget this year included a reduction of \$2,500 in the building repair. The repair of the roof has been completed this year. There was a decrease of \$600 in service contracts and an increase of \$228 in the cost of postage. The addition of \$550 in the telephone/internet cost is as a result of this in other years being charged to the Town’s budget line and not Harmon Museum.

Questions were raised about the need for the heat to be on all year long when they are only open during the winter months one day a week. It was explained that over 3000 hours of volunteer service is given to the Museum and people have the need to work in the building. Primary reason for heat remaining on 24/7 is the care and keeping of the artifacts in the Museum. Discussion continued on possible solar upgrades to the Museum; replacement of windows; and other means of up-keeping an old building. The question of the need for window replacement and the painting of sides of the building were discussed at length and questions of whether some of these needs should be considered under the area of CIP. There needs to be a distinction between emergency repairs and non-emergency repairs. Again the question needs to be asked in the upgrading of property – “does it add value to the facility?”

Changes to the budget included a change from \$14,700 from the Building repair to \$4,000; a reduction in the Service Contracts of \$600 to \$300; Postage was increased from \$72.00 to \$300; and the phone and internet was increased by \$550 to \$800 because previously it had been charged to the Town Hall Phone Account.

### Biddeford Saco Old Orchard Beach Transit System

The Director of the Shuttlebus, Al Shutz, and the Biddeford Finance Director, Curt Koehler who provides financial oversight to the Shuttlebus budget, made the following report. Over the years from fiscal 2004 through fiscal 2010, the Transit lost a collective \$1.5 million. For fiscal 2011, the change in net assets was +\$784,776, after an addition of \$1,256,000 for donated buses and trolleys. This translates to a loss from non-capital items of about \$471,000 for that year. The Transit Committee hired Al Schutz in September of 2010 and the members began to recognize the dire straits of the organization. Money had been borrowed from 2 sources to fund operational cash flow and that had been used up, while the agency’s bills were getting further behind in payment. I was approached, as Biddeford’s Finance Director, with the idea that my office take over the financial operation

and oversight of Transit. Al is a great operations manager and innovator, but had little experience with managing the financial side of the operation. My office began to track the revenues and expenditures on a monthly basis from exports of their QuickBooks database in October 2010, taking full control into the City's Munis system as of January 1, 2011. We also took over their payroll processing, which had been done by a third-party processor (at a cost) up to that point. At my suggestion, the City of Biddeford advanced a \$500,000 line of credit at a favorable interest rate of 3%, paid off the Transit's other debt and is keeping all bills current. The amount drawn on the line of credit was \$472,051 at June 30, 2011 and \$307,200 at March 31 2012. The City receives \$15,000 per year for its financial management. The members of the Transit Committee, to which Curt Koehler was appointed shortly after taking over the finances, along with Al and Anne in the Transit office, have spent numerous hours researching and refining the employee benefits package and other recurring costs to find savings and efficiencies. Rod, the Fleet Manager, undertook the first physical inventory of parts in stock in 16 years and is implementing a better inventory control, workflow and billing system. Through 9 months of the current fiscal year, Transit's operations show net operating income of about \$170,000, compared to a net operating loss of \$201,000 at the same point one year ago. We take this as a good sign that we are moving in the right direction. It is a long road still ahead of us, but, with the help of our parent municipalities we are confident we will get there. No changes were made to the Transit budget which remained at the amount of \$115,000.

#### 20174 – Service Agencies

The Agencies represented by their letters of request for funding provide a number of sources of assistance to citizens of Old Orchard Beach. Each organization has its own specific mission and in their letters presented to the council, a synopsis of their work and particularly the involvement with local residents is listed. Discussion with the Council and members of the audience and those representing the Agencies was strong support for the continuance of funding to those organizations and agencies which support the citizens of Old Orchard Beach. Although there was discussion by Councilor Coleman of concern that we are spending taxpayer money without really knowing the direction from the taxpayers he acknowledged that all these organizations bring great service to the community.

The following agencies have requested funding including the Methodist Church Food Pantry; Southern Maine Agency on Aging; Caring Unlimited; York County Child Abuse; American Red Cross; York County Community Action, Sexual Assault Response, Firefighters Halloween; Biddeford Free Clinic; CSI Counseling Services; Junior Achievement; Eastern Trail Management; Chamber of Commerce; Sexual Assault Response; Salvation Army; July 4<sup>th</sup> Fireworks; York County Child Abuse; York County Shelters; Home Health Visiting Nurses; Community Watch Council; VNA Home Health and Hospice, Southern Maine Parent Awareness; Kids to Grow Free; and Woodfords Family Services.

Some strong discussion continued on whether agencies should even be considered for assistance by the Town. It was noted for the record that the majority of the Council members agreed with the commitment of funds for agencies. The point was made clearly that many of these agencies assist the residents of our community and the request for funding was viewed favorably by the Council as a whole. Pastor Mike Gray and Major Norman Garcia spoke passionately about the needs of the citizens in Old Orchard where economically the pain of not

being able to provide for families is prevalent. Others who spoke in support of the agency donations were Allison Meyers, John Bird, Jerome Begart, Sheila Flathers, and each of the Councilors who expressed their opinion on the issue. The consensus was that donations would be provided to the agencies this year with next year more consideration being given to what is being funded; how to designate the money; more interaction from the agencies. Another consideration expressed was concern about what they pay their executives. There was concern also that along with food, heat, and other physical needs that the emotional and psychological issues also be addressed.

The Recreation Department budget was to be discussed but was moved to the next Workshop scheduled for Monday, May 7, 2012.

The Chair thanked everyone for coming and participating in the budget process.

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 ten (10) pages is a copy of the original Minutes of the Town Council Workshop Meeting of May 2, 2012.

**V. Louise Reid**