

**TOWN OF OLD ORCHARD BEACH
SPECIAL TOWN COUNCIL MEETING
FRIDAY, JUNE 28, 2012 - 6:00 P.M.
TOWN HALL CHAMBERS**

A Special Town Council Meeting of the Old Orchard Beach Town Council was held on Friday, June 28, 2012 in the Town Hall Chamber. The Chair opened the meeting at 6:02 p.m.

Chair Shawn O'Neill
Vice Chair Bob Quinn
Council Kenneth Blow
Councilor Roxanne Frenette
Councilor Jay Kelley
Councilor Malorie Pastor
Councilor Joseph Thornton
Interim Town Manager Robert Peabody, Jr.
Assistant Town Manager V. Louise Reid

CHAIR O'NEILL: The Chair welcomed those in the audience and those viewing to this important meeting in which the budget will be approved. He thanked the Council for two weeks of extensive deliberation on the budget, reviewing every department, and for their commitment to bringing us to this point in time.

MOTION: Councilor Blow motioned and Councilor Pastor seconded to add the following three Emergency Items Pursuant to Charter Section 404.1 to add the following Emergency Items pursuant to Charter Section 404.1: At the beginning of the meeting and before New Business, the following Business License:

Discussion with Action: Approve the Liquor License Renewal for Alouette OOB Oceanfront Resorts Inc., dba/Alouette Beach Café/Resort (303-1-11), 91 East Grand Avenue, m-v in a Hotel.

Following Agenda Item Number 5965 will be Agenda Item 5976:

Discussion with Action: Approve the transfer of the Telco Site Lease Agreement Revenue in the amount of \$7,626.27 from Undesignated General Fund balance to the Ballpark Fund.

Following Agenda Item Number 5976 will be Agenda Item Number 5977:

Discussion with Action: Approve the transfer of the Efficiency Maine EFI Rebate for the Waste Water Treatment Facility Upgrade Project from Rebate Revenue, Account Number 25140-40521, in the amount of \$71,427.30 to the Waste Water CIP Fund 530.

VOTE: Unanimous.

PUBLIC HEARING: APPROVAL BUSINESS LICENSES

CHAIR: I open this Public Hearing at 6:09 p.m.

Discussion with Action: Approve the Liquor License Renewal for Alouette OOB Oceanfront Resorts Inc., dba/Alouette Beach Café/Resort (303-1-11), 91 East Grand Avenue, m-v in a Hotel.

CHAIR O'NEILL: I close this Public Hearing at 6:11.

MOTION: Councilor Blow motioned and Councilor Frenette seconded to Approve the Business License as read.

VOTE: Unanimous.

NEW BUSINESS:

#5958 Discussion with Action: Adoption of the FY 2010 Municipal Budget.

CHAIR O'NEILL: Gross appropriations increased by \$871,768 or 6.5%. Items contributing to the increase included a replacement ambulance with cardiac monitor; a new position in the Finance Office and a Police Officer; increase in Library contribution; increase in Health/Insurance Benefits costs; and normal operational cost increases. Projected revenues increased by \$244,581 or 6.38%. The Town lost \$232,867 or 38% in Revenue sharing in the adopted State budget. \$500,000 is being used from the Undesignated Fund balance to stabilize the tax rate. The resulting Net Appropriation increased by \$267,188 or 2.7%.

FY13 \$	FY14 \$	Difference \$	% Inc/Dec.
County Tax	816,997.00	67,188.00	8.22%
Employer Benefits	1,961,242.00	2,167,125.00	10.50%
Revenue Sharing	612,906.00	(232,857.00)	-37.99%

Prior Year Use of Fund Balance	
2013 Proposed	\$ 500,000.00
2012	
2011	1,058,416.00
2010	1,847,100.00
2009	1,694,958.00
2008	1,427,986.00
2007	100,000.00

The Maine Department of Education stated that the RSU23 subsidy allocation will be greater than expected by \$682,843. Legal Counsel has indicated that the best approach for adjusting our current budget as affirmed by the voters at the recent referendum would be to pass along the additional subsidy to the municipalities to offset the taxpayer's bills for the coming year. They will be conducting a special meeting with the item by the board to adjust tax assessments from the RSU to the Towns in accordance with the adjusted subsidy amounts.

Old Orchard Beach's new tax assessment will be \$20, 162,776.00.

MICHAEL GRAY: As Chair of the Finance Committee I would like to express my appreciation to the Town Council for the very professional manner in which they have dealt with the budget process and in a very short time. They have committed enormous time to this. I would also recommend that we lease for the purchase of the Ambulance and would be glad to assist in showing why this is the best cost factor in the purchase. He again emphasized that the budget is an inherited issue. For the past several years the mil rate stayed level and the way we did that was by not funding capital projects. He said he was pleased to see that capital projects had been funded this time.

CHAIR O'NEILL: I would also like to thank the Finance Committee for the excellent job they have done in bringing forth information on School Unit 23 budget. The Council unanimously approved a nearly \$14.3 municipal budget, which goes into effect, July 1, 2013. It was estimated that the residents will see an estimated 37 to 40 cent mil rate increase from the municipal budget and the Town's share of the Regional RSU 23 Budget. The municipal budget adds one and a half positions to the Police Department and a new position in the Finance Department. The Town's health benefits cost was up about ten percent from last year and the Town's county tax bill was up \$67,000 from last year. The Town also saw a decrease of about \$232,000 in State revenue. The Chair indicated that he felt the Town had taken some big hits in funding. The Town will use \$500,000 from its undesignated fund to offset taxes and the remaining balance is still higher than the minimum Town policy of 12% of operating costs. Also offsetting taxes was nearly \$112,000 surplus funds from the RSU23 which would be voted on the following Monday evening. He also thanks again the Finance Director for her dedication to this process as well. The capital spending for the new fiscal year stands at \$1.2 million and includes projects at the public works facility, for the town's waste water facility, for the Town itself and for the Harmon Museum. The actual amount of the increase to the tax rate will not be finalized until later this summer when the Assessor determines the Town's overall valuation. The current tax rate is \$13.44 per \$1,000 of valuation. It is tentatively projected to be \$13.88 per \$1,000 of valuation.

MOTION: Councilor Pastor motioned and Councilor Blow seconded to Adopt the FY2014 Municipal Budget comprising Gross Appropriations totaling \$14,280,034, projected non-property tax revenues totaling \$4,090,743 yielding Net Appropriation of \$10,189,291 to be raised from property taxes, subject to final determination of the RSU23 budget by the RSU23 Board.

VOTE: Unanimous.

5959 Discussion with Action: Set due dates of 09/18/2013 and 03/12/2014 for taxes for FY 2014.

MOTION: Councilor Frenette motioned and Councilor Kelley seconded to set due dates of 09/18/2013 and 03/12/2014 for taxes for 2014.

VOTE: Unanimous.

5960 Discussion with Action: Set interest rate of 7% for delinquent taxes.

TOWN MANAGER: Municipalities may, by vote determine the rate of interest that shall apply to taxes that become delinquent during taxable year 2014 until those taxes are paid in full. The maximum rate of interest that can be charged per 36 M.R.S.A. Section 505(4) since that rate is at least 2% lower than the rate set by the Treasurer for the previous year, the maximum rate allowed per 36 M.R.S.A. Section 505(4-A) is 9.00 percent.

MOTION: Councilor Kelley motioned and Councilor Blow seconded to set interest rate of 7% for delinquent taxes.

VOTE: Unanimous.

5961 Discussion with Action: Authorize the Tax Collector and Treasurer to Accept Prepayments of Taxes before Commitment, at an interest rate of 0%, pursuant to 36 M.R.S.A., Section 506.

MOTION: Councilor Blow motioned and Councilor Pastor seconded to Authorize the Tax Collector and Treasurer to Accept Prepayments of Taxes before Commitment, at an interest rate of 0%, pursuant to 36 M.R.S.A., Section 506.

VOTE: Unanimous.

5962 Discussion with Action: Set % for Sewer Rate for FY 2014 to Reflect the Percentage of the Tax Bill Used for the Operation of the Waste Water Treatment Plant.

MOTION: Councilor Pastor motioned and Vice Chair Quinn seconded to

Authorize the Finance Director to Set 0% for Sewer Rate for FY 2011 to Reflect the Percentage of the Tax Bill Used for the Operation of the Waste Water Treatment Plant.

VOTE: Yea: Councilors Blow, Kelley, Pastor, Thornton, Vice Chair Quinn, Chair O'Neill
Nea: Councilor Frenette

5963 Discussion with Action: Authorize and Direct the Tax Collector and Treasurer, Pursuant to 36 M.R.S.A., Section 906, to Apply any Tax Payment Received from an Individual as Payment for any Property Tax Against Outstanding or Delinquent Taxes due on said Property in Chronological Order Beginning with the Oldest Unpaid Tax Bill Provided, However, that No Such Payment May Be Applied to any Tax for which an Abatement Application or Appeal is pending Unless Approved in Writing by the Taxpayer.

MOTION: Councilor Frenette motioned and Councilor Blow seconded to Authorize and Direct the Tax Collector and Treasurer, Pursuant to 36 M.R.S.A., Section 906, to Apply any Tax Payment Received from an Individual as Payment for any Property Tax Against Outstanding or Delinquent Taxes due on said Property in Chronological Order Beginning with the Oldest Unpaid Tax Bill Provided, However, that No Such Payment May Be Applied to any Tax for which an

Abatement Application or Appeal is pending Unless Approved in Writing by the Taxpayer.

VOTE: Unanimous.

5964 Discussion with Action: Authorize and Direct the Assessor to Prepare a Perfect List of All Taxes of the Municipality and to Commit the same to the Tax Collector.

MOTION: Councilor Blow motioned and Vice Chair Quinn seconded to Authorize and Direct the Assessor to Prepare a Perfect List of All Taxes of the Municipality and to Commit the same to the Tax Collector.

VOTE: Unanimous.

5965 Discussion with Action: To authorize the balance of \$111,654.00 from Account Number 20308-50950, FY2014 RSU Subsidy appropriation, to be carried forward to offset the FY2014 RSU Subsidy appropriation, Account Number 20308-50950.

MOTION: Councilor Kelley motioned and Vice Chair Quinn seconded to authorize the balance of \$111,654.00 from Account Number 20308-50950, FY2014 RSU Subsidy appropriation, to be carried forward to offset the FY2014 RSU Subsidy appropriation, Account Number 20308-50950.

VOTE: Unanimous.

5976 Discussion with Action: Approve the transfer of the Telco Site Lease Agreement Revenue in the amount of \$7,626.27 from Undesignated General Fund balance to the Ballpark Fund.

MOTION: Councilor Frenette motioned and Councilor Blow seconded to Approve the transfer of the Telco Site Lease Agreement Revenue in the amount of \$7,626.27 from Undesignated General Fund balance to the Ballpark Fund.

VOTE: Unanimous.

5977 Discussion with Action: Approve the transfer of the Efficiency Maine EFI Rebate for the Waste Water Treatment Facility Upgrade Project from Rebate Revenue, Account Number 25140-40521, in the amount of \$71,427.30 to the Waste Water CIP Fund 530.

CHAIR O'NEILL: In February of 2012 the Town applied for an Efficiency Maine grant as part of the Aeration Blower Upgrade. Consequently, Efficiency Maine approved a \$71,427.30 rebate which was received in May. Because the rebate was associated with a project at the Wastewater Department, the Superintendent is requesting that the rebate amount be deposited CIP Account #53002-50846.

MOTION: Vice Chair Quinn motioned and Councilor Frenette seconded to Approve the transfer of the Efficiency Maine EFI Rebate for the Waste Water Treatment Facility Upgrade Project from Rebate Revenue, Account Number 25140-40521, in the amount of \$71,427.30 to the Waste Water CIP Fund 530.

VOTE: Unanimous.

ADJOURNMENT:

MOTION: Councilor Thornton motioned and Councilor Frenette seconded to adjourn the meeting.

VOTE: Unanimous.

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 six (6) pages is a true copy of the original Minutes of the Special Town Council Meeting of June 28, 2013.

V. Louise Reid