

**TOWN OF OLD ORCHARD BEACH
TOWN COUNCIL WORKSHOP
Wednesday, June 11, 2014
TOWN HALL CHAMBERS
6:30 p.m.**

A Town Council Workshop of the Old Orchard Beach Town Council was held on Wednesday, June 11, 2014. Vice Chair Quinn opened the meeting at 6:35 p.m.

The following were in attendance:

**Vice Chair Bob Quinn
Councilor Jay Kelley
Councilor Joseph Thornton
Councilor Michael Tousignant
Town Manager Larry Mead
Assistant Town Manager V. Louise Reid
Finance Director Diana Asanza**

ABSENT: Chair Shawn O'Neill
Councilor Kenneth Blow
Councilor Malorie Pastor

Three Councilors were not present this evening; Chair O'Neill excused for late work assignment; Councilor Blow out of State; and Councilor Pastor ill. With those absences many issues discussed were asked to be continued at a further Budget discussion when the entire Council was present.

Fees

There was a considerable discussion on the setting of fees for Planning and Code licenses and permits. In discussion about ice cream trucks Vice Chair Quinn indicated he felt the increase in the new fee is too high. There was concern about the rationale about the increase since they do not have fixed costs and can be a real competitor for other local businesses. Councilor Tousignant indicated that perhaps more simple language in the ordinance would be helpful and that private businesses who want to have ice cream trucks in their private businesses should note that in their application. The Assistant Town Manager indicated that she felt that would only complicate the work of the Planning and Code Staff with another follow-up required for such permission. Councilor Kelley indicated that if they are in off-limit zones they shouldn't be there anyway. Councilors Tousignant and Kelley support \$350 cost but Councilors Thornton and Vice Chair Quinn did not so it would need to be considered by the full Council. In discussion of outdoor displays it was noted that there are three in town and it was felt by several on the Council that there are more than three and that a better understanding of the definition of outdoor displays is necessary. It was requested that the Planner find out the origin of the outdoor displays and get more information on specific standards related to them and get back to the Council on this. Chief Kelley gave some history on the defining of outdoor displays and indicated that back when there was a clean-up going on downtown, there were lots of businesses that had a variety of things outside their business which caused safety issues for the public in passing the businesses. This was a way to clean up the sidewalk situation. There was consensus to go with the seasonal and year-round rental increases that were proposed by the Town Manager. Discussion on the campgrounds included the fact that there are approximately 2,800 sites and that increasing the fees would not hit the

campground till the 2016 season. The fee increase would be approximately 500% increase.

Bank Fees

Many banks charge normal fees for various services such as requesting a deposit slip or counter check or notarizing a document. Bank fees generally constitute a major portion of the revenue for the bank, particularly for regional and local branches. Bank fees are usually nondeductible, except for annual custodial fees charged by the bank for IRA accounts. Even checks that are used for tax records are nondeductible, unless the checks are written from a money market account with limited check-writing privileges. The Finance Director indicated that there would be an increase in the bank fees from \$1,000 to \$3,500 to cover parking meters and armored car services.

Dispatch

There were concerns relative the choice between fiber-optic cable through Maine Fiber or microwave through Time Warner. If the Town decided to go with fiber-optic cable, which it was said is more reliable, faster and has more bandwidth, startup costs would be approximately \$140,000. The use of the internet in everyday life is vital particularly in an emergency situation. Both fiber optic and microwave connection are options for service. Because fiber optic cables are made of glass, fiber; optic cables are immune to most forms of interference. It is also more cost effective than microwave. Use of fiber optic is an emerging market whereas microwave has been in operation for many more years. Security issues are more prevalent with microwave than with fiber optic. Costs, however are also a consideration and relevant to the choice. Maine Fiber would charge \$84,000 build out amortized over a ten year period (monthly costs \$1,630 and an annual cost of \$19,560. Time Warner charges \$800 a month for annual costs of \$9,600. By choosing Maine Fiber, OOB is locked into a ten-year agreement. Time Warner is only a five-year agreement – we could then renegotiate the contract. For the first ten years with Maine Fiber, OOB will be paying over twice the monthly cost of the Time Warner service. Maine Fiber will entail a multi-month build out. Build outs are always a risk, as crews could encounter any type of weather related or other obstacles that would jeopardize the go-live timeline. Time Warner already has the infrastructure in place to support our project. They only require a 90-day notification to provide service. Time Warner guarantees service restoration of a Priority 1 outage within four hours. Maine Fiber is only a 24-hour service restoration guarantee. Time Warner also guarantees a 99.99% up-time. While the Town of Scarborough uses both Maine Fiber and Time Warner, the primary provider of Scarborough is Time Warner. They feel comfortable with the customer service levels they have received and have a responsive account team that works closely with us at this time. The preference of the majority of Council was to stay consistent and work with their primary provided for this critical project. The consensus was to add to the Police Service Contracts with dispatch budgeted in the amount of \$62,000.

PILOT – Payment in Lieu of Taxes

Questions were asked about the increase in the payment in lieu of taxes revenue for FY14. It was found that the municipal appropriation was higher than the previous year; therefore because the way the PILOT formula was set up causes the payment to increase. Two corrections were made and to date revenue for PILOT is \$27,279.52 which is more in line with the FY13 and FY12. The FY15 projected revenue of \$25,000 is realistic.

Septic Dumping Fee

Questions relative to septic fee dumping costs were asked. For houses which cannot be connected with a municipal sewage treatment plant, having a septic system as a drainage mechanism is inevitable. The septic plant consists of two parts. One is the tank and the other is the leach field which is a soil-based absorbing system. The waste dumped in, collects at the bottom, where it is decomposed by bacterial degradation action. There are some solid waste products dumped into septic tanks, which do not sink and get decomposed. Such solid waste can go on accumulating and flowing into the leach field and clogging it. This can cost a lot of money in repairs and clearing. Septic tank pumping is a time-consuming and labor intensive job. A typical pumping procedure may last about four to five hours. Septic is charged at ten cents per gallon. That is the industry standard to cover costs of treating septic but there is no profit. If the hauler is pumping out a holding tank, there is no charge. A holding tank would be used to capture large solids that would normally be discharged to public sewer, before they enter public sewer. Some properties that have private pump stations use holding tanks to avoid clogging up their own pump stations. The Town also has a verbal agreement with BBI to accept up to 16,000 gallons of car wash water monthly at three cents per gallon. This would also be referred to as "grey water". This agreement goes way back to 2003. Before BBI was having the bulk of their septic hauled off, we were taking 300,000 to 500,000 gallons of septic per year. The Waste Water Facility does not have the equipment or infrastructure to properly handle that amount of septic. Septic that contains portable toilet water is toxic to our systems and always created process control problems. Septic also causes odors. If BBI started bringing the bulk of their septic to the Waste Water we would see an increase in operating costs and odor complaints. Almost all Waste Water Plants our size removes grit, textiles and solids contained in septic and influent prior to entering the treatment system. This is commonly called a "head works" building. The OOB Waste Water Facility does not have a "head works" building and instead uses grinders and pumps to process the grit, textiles and solids contained in the waste stream through the treatment system. Estimates for a "head works" building were included in the 2009 comprehensive Waste Water Facility study.

The charges are as follows:

- Septic is charged at ten cents per gallon. Ten cents is the industry standard to cover costs of treating septic, but there is no profit.
- We also have a verbal agreement with BBI to accept up to 16,000 gallons of car wash water monthly at three cents per gallon. This would also be referred to as 'grey water'. This agreement goes way back to Jim Thomas.
- Ten dollars per slip for an administrative fee. Each load requires a slip. This applies to all loads, regardless as to whether or not it is septic, car wash water and 'grey water'.

Contingency

Contingency refers to costs that will probably occur but with some uncertainty about the amount. The term is not used as a catchall. The contingency allowance is designed to cover items of cost which are not known exactly at the time of the estimate but which will occur in the future. Contingency is included in budgets as a control account. As risks occur on a project and money is needed to pay for them, the contingency can be transferred to the appropriate account that needs it. The transfer and its reason are recorded. There was discussion on lowering contingency to \$175,000 and look at using it for wage adjustments.

Salary and Wages

In discussing the contingency it was lowered to \$175,000 and the Town Manager recommended that some of it be used for wage adjustments, approximately \$50,000. Non-union has not been in line with union increases although health insurance has been kept at 15% versus 20% for union. The Town Manager specifically explained the situation in the Planning and Code Officer where an employee takes minutes three or four times a month and gets compensatory time which means the office staff is short of hands during the week. Some of this funding could be used to hire a part time non benefit person to take minutes thus allowing the full time individual to be on site during the five day week. Adding \$10,000 to Code/Planning budget would allow this to happen. Councilor Tousignant was the only one that did not support this. The consensus was for \$50,000 be appropriated for the above.

RSU Budget

Discussion continued on the recent failure of the \$12.5 million dollar RSU budget which garnered initial approval from residents in a public meeting vote last month but failed at the poles on Tuesday, June 10, 2014 with a 490-514 vote. The proposed budget would have raised the mill rate by \$1.20. The proposed budget, if passed, would have been the first budget for Old Orchard Beach as the only municipality in RSU23 now that Dayton and Saco are leaving the RSU. The Town last had a standalone school district before the RSU formed in 2009. It has been indicated by the School that many residents don't realize that being a standalone district is going to cost more than being part of a regional one. By State statute, the budget that was voted down earlier this week will be in effect for the upcoming fiscal year until a new budget proposal is adopted by residents at a public budget meeting. The school transition team will set a time for an upcoming meeting to work on a new budget proposal. A new budget proposal will have to be approved by the school board, then by residents at a public meeting, and then receive final approval at a town-wide referendum before it can go into effect. It is hoped that there will be a referendum before the end of July so that the Town can set the tax rate and the district can move along with an operating budget. The Town Manager encouraged the Council to consider the RSU budget as is until there is a new vote on the school budget because the Council has not control over the amount being requested.

CIP

Police Department

The Finance Committee recommended:

- 2 Vehicles, one with a new computer – We understand that police vehicles need to be among our top performing and most reliable vehicles as a Town. That being said, the Committee would generally like a better idea of what we have for an overall fleet of vehicles and a better understanding of when these need to be replaced. We would also like to assist in the development of a comprehensive plan for all of our Town-owned vehicles and how they may be passed on from department to department as they get older but before they reach the end of their useful life. The committee was in agreement that one police vehicle should be purchased, but was split on purchasing a second vehicle for these reasons.

During discussions this evening about the two vehicles, Vice Chair Quinn agreed to one vehicle but not two; Councilors Thornton, Kelley and Tousignant agreed with the two vehicles and it was recommended that this be revisited by the entire Council.

Public Works Department

The Finance Committee recommended four to one the refurbishing of the Town Square:

- Refurbish Town Square – We understand that this project encompasses improvements to our Town Square and includes purchasing and installing awnings, umbrellas, and other fixtures to make the area more attractive and provide some needed protection from the elements. The dissenting vote feels that this could be financed through grants and should not fall on the taxpayers.

Aluminum umbrellas are designed to deflect the heat, creating an inviting cool canopy underneath. Panels overlap as a protection from rain, while their channel-rib construction keeps them flexible in high winds. The anodized aluminum pole is constructed with T-casting support arms and a radius tube. This configuration provides an excellent stabilizer in windy conditions. It is possible to choose from alternating colors. Four umbrellas would cost \$754.20 a piece or \$3,016.80 total. He also spoke about the portable tables all pre-drilled for surface mounting options. The cost per table is \$1,255 each for a total of \$3,766 for three. The ADA Table is \$1,295 for the one that would be requested. There are three seater benches at a cost of \$1,275 each for a total of \$3,825 for three. The Sun Shelter with bench is \$1,750 for one for a total of \$3,500. Miscellaneous concrete, hardware, etc. would be approximately \$500. The Electrical work would cost approximately \$3,000. The entire project would be \$18,901.80 not including the freight/shipping of purchases.

Councilor Thornton supported this project; Councilors Tousignant and Kelley did not and it was recommended the item be revisited by the Town Council.

New Public Works Garage

Previously in discussion of the CIP – the Town Public Works suggestion of building a new garage for the storage of trucks, equipment, etc. is something in the five year plan the Public Works Director is promoting. Particularly with the assuming of work on fire trucks and school busses, this type of facility is needed; ability to wash vehicles and other equipment to maintain the operational responsibilities of Public Works. The suggestion for bonding for this project was also recommended. In thinking about \$450,000 for the renovation of the building and if we were to bond for ten years, the approximate debt for the first year would be about \$15,000. There was concern about whether the building should be attached or separate. Again the discussion of the intersection at Union Avenue was brought up and Vice Chair Quinn asked if there was any remaining money for this and the Town Manager indicated \$113,000. He indicated we need to appropriate the funds or we will have to spend the money without getting anything. It is costing more because budgets came from the State and it was put out to bid in the winter to begin in the spring. The number came from the Maine Department of Transportation and PACTS which is 25% of the costs. The State goes out to bid but we have no control over that but must work together with them on the timing of the project. If we don't complete we pay about \$100,000 for the project. We did receive around \$22,000 for the property but it was credited to the general fund years back and is now part of the fund balance. The request was made to revisit the CIP budget

for the Public Works Department. It was noted also that the Finance Committee would be making its recommendations accordingly.

This evening this item was discussed again at length but because the entire Council was not present, it was recommended that the entire Council take part in the discussion at a further workshop.

Conservation Commission:

The Finance Committee agreed that the Eastern Trail Connector were all in agreement that there is a wonderful opportunity to encourage citizens to use the Eastern Trail and also encourage those using the trail to visit our Town. The Council also acknowledged the worth of the project. The Finance Committee was at once in full support of the project, but split of its funding through the taxpayers. The dissenting votes would like to see this funded through grants and private donations. The Vice Chair recommended that the Eastern Trail be cut in half to \$27,500 but Councilors Tousignant and Kelley did not support and it was recommended that this go back to the entire Council as well.

JEROME BEGART: He questioned the absences of the three Councilors and their responsibility to be here.

Vice Chair Quinn thanked those in attendance.

ADJOURNMENT:

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 copy of the original Minutes of the Town Council Workshop of June 11, 2014.

V. Louise Reid