

**TOWN OF OLD ORCHARD BEACH
TOWN COUNCIL MEETING
Tuesday, June 17, 2014
TOWN HALL CHAMBERS
7:00 p.m.**

A Town Council Meeting of the Old Orchard Beach Town Council was held on Tuesday, June 17, 2014. Chair O'Neill opened the meeting at 7:04 p.m.

The following were in attendance:

**Chair Shawn O'Neill
Vice Chair Bob Quinn
Councilor Malorie Pastor
Councilor Joseph Thornton
Councilor Jay Kelley
Councilor Kenneth Blow
Councilor Michael Tousignant
Town Manager Larry Mead
Assistant Town Manager V. Louise Reid
Finance Director Diana Asanza**

**Pledge to the Flag
Roll Call**

CHAIR: We have a request to add an Emergency Item.

MOTION: Councilor Thornton motioned and Councilor Tousignant seconded to Add Agenda Item Number 6220 – Discussion with Action: Approve the Line Item Transfer in the amount of \$10,000 from Account Number 20131-50106 – Police Department – Fulltime Wages with a balance of \$91,469.07 to Account Number 20131-50104 – Seasonal Reserves with a balance of \$11,591.84.

VOTE: Unanimous.

ACKNOWLEDGEMENTS:

ASSISTANT TOWN MANAGER: Life is very precarious. One never knows what a day will bring. With that thought Jim Bouchard lived every day of his life with enthusiasm and commitment to give back. During experiences like this we realize how much our family and friends mean to us. We cherish every moment we have with them. Chief Dana Kelley would like to honor Jim this evening.

CHIEF KELLEY: It is with great sadness that we acknowledge the passing of James Thomas Bouchard, known to us all as "Jim." Jim was an active VIPS volunteer with the Old Orchard Beach Police Department. In the early 90's, Jim was one of the first Neighborhood Watch volunteers in the town of Old Orchard Beach and instrumental in establishing Neighborhood Watch throughout the entire community. His efforts and support over the years not only sustained the program but his efforts contributed to its growth. In addition, Jim was an active long standing member of the Community Watch Council (CWC), an organization in support of the community while working in partnership with the Police Department. Jim also attended the police department's Citizen's Police Academy. Over the years, Jim's contributions to the

community while supporting the police department have had an enormous impact on the community and individuals. Jim will be deeply missed and remembered as a sincere and deeply committed citizen volunteer. Visiting hours are at the Dennett, Craig and Pate Funeral Home in Saco on Thursday, June 19, 2014 from 4:00 p.m. to 8:00 p.m. The funeral will be at St. Margaret's Church on Friday, June 20th at 10:00 a.m. Our deepest sympathy goes out to his wife Nancy and his children at this difficult time.

COUNCILOR THORNTON: Congratulations to members of the Corvette Car Show Committee and particularly to Councilor Michael Tousignant who spear-headed this great visit to our community. The turnout was phenomenal and even the weather cooperated greatly. Thanks to all who put in the hard work and effort and thanks Mike for your vision in promoting this event. Thanks also to those who assisted at the polls and thanks to our Town Clerk and her staff.

COUNCILOR PASTOR: We are pleased this evening to welcome two new business owners to our community and they are on the agenda under business licenses:

**BRYAN MURPHY DBA/STONEHENGE HARDSCAPES
165 PORTLAND AVENUE**

**JEFFREY SMITH OF ESCAPE MASSAGE CENTERS
155 SACO AVENUE**

Welcome and we wish you great success in your new businesses.

CHAIR: The RSU 23 will have its Regional Budget Meeting on Monday, June 30, 2014 at the High School at 6:00 p.m. The various cost factors of the school budget will be discussed. The Budget Validation Referendum will be held at the High School gymnasium on Tuesday, July 15, 2014. Polls will be open from 8:00 a.m. to 8:00 p.m. We encourage all citizens to attend these two important meetings.

ACCEPTANCE OF MINUTES:

Special Town Council Minutes of May 27, 2014; Town Council Budget Workshop of May 27, 2014; Town Council Minutes of June 3, 2014; Administrative Review Board Minutes of May 19, 2014; Administrative Review Board Minutes of May 20, 2014; and Administrative Review Board Minutes of May 27, 2014.

MOTION: Vice Chair Quinn motioned and Councilor Kelley seconded to Accept the Minutes as read.

VOTE: Unanimous.

TOWN MANAGER: He reported on a business known as The Webfoot: (324-15-1), 1 Temple Avenue, Ocean Park, Unlicensed 23 seasonal rental.

The business owners did not show at a recent Administrative Board Review Meeting nor respond to the certified mail delivery. The issues at the Webfoot have been ongoing for several years with little success in the business owners addressing the issues brought forward and their lack of appearance at this meeting was considered another sign of their inability to address or want to address the issues being brought forward. The matter of this unlicensed business included code issues that needed to be addressed and some were addressed except

for issues such as the upgrade of the fire alarm system were are vital to the safety of the occupants. It has been difficult in the past to inspect the facility and to reach the applicants to set up times to go to the establishment. Over the past few years every effort has been made to work with the business owners providing conditional licenses. In reviewing the files these issues go back to 2010 with promises to move forward but then issues not being addressed.

PUBLIC HEARING:

Shall We Amend the Code of Ordinances, Section 42-202, Horses and Horse-drawn Vehicles, changing the dates from October 15th to May 1st to October 1st to March 31st?

CHAIR: I open this Public Hearing at 7:14 p.m.

BACKGROUND:

From: Kim McLaughlin, Town Clerk
Re: Horse Permits

The Town of Old Orchard Beach and the Town of Scarborough adopted an ordinance in 2009 (Town of OOB on 10/20/09) authorizing a joint permit for horse riders to use both beaches.

Prior to 2009, the Town of Old Orchard Beach had a horse permit ordinance that allowed riders on our beach only at a cost of \$10 for five consecutive days. During the 2007 year, the horse permit revenue was \$140.00 (part of this revenue was two people purchasing permits for a 30-day period), and the revenue for 2008 was \$20.00.

When we amended the Horse Permit ordinance to join with Scarborough, we also amended the time frame to October 15th to May 1st, which was already part of Scarborough's Ordinance.

Since our joint ordinance began with Scarborough, the Town of Old Orchard Beach has benefited financially, and the horse riders have benefited as well, having the use of the beach in Old Orchard Beach, as well as Scarborough.

Revenue Breakdown:

2010 \$1,540 from Scarborough/\$110 to Scarborough, net proceeds: \$1,430
2011 \$1,540 from Scarborough/\$200 to Scarborough, net proceeds: \$1,340
2012 \$1,680 from Scarborough/\$90 to Scarborough, net proceeds: \$1,590
2013 \$1,900 from Scarborough/\$200 to Scarborough, net proceeds: \$1,700
2014 \$1,630 from Scarborough/\$190 to Scarborough, net proceeds: \$1,440

REVENUE FROM SCARBOROUGH SALES OF HORSE PERMITS 2010-2014:
\$7,500

Subtract \$247.30 Town of OOB share of printing permits 2009

Subtract \$140.31 Town of OOB share of printing permits 2014

TOTAL REVENUE 2010-2014: \$7,393.01

On May 7th, 2014, the Scarborough Town Council amended the permit dates on their ordinance. The dates were October 15th to May 1st and are now October 1st to March 31st. This amendment was approved due to Piping Plover nesting in April. Applicants were given an additional 15 days in the fall, and the month of April was deleted in the spring. The Beach Management Agreement the Old Orchard Beach Town Council agreed to on May 6th, 2014, for the years 2014-2016, states the agreement is in effect annually from April 1st to August 31st. Because we have a joint ordinance with Scarborough, and to conform with our Beach Management Agreement, it is important that we amend our ordinance to be concurrent with the Scarborough Town Ordinance.

**NOTICE OF PUBLIC HEARING
MUNICIPAL OFFICERS OF THE TOWN OF
OLD ORCHARD BEACH**

The Municipal Officers of the Town of Old Orchard Beach, Maine hereby give Public Notice that there will be a Public Hearing held at the Town Hall, Council Chambers, on June 17, 2014, at 7:00 p.m. to consider the following:

**AMENDMENTS TO CHAPTER 14 (ANIMALS)
AND CHAPTER 42 (PARKS AND RECREATION)
OF THE CODE OF ORDINANCES,
TOWN OF OLD ORCHARD BEACH, MAINE**

BE IT HEREBY ORDAINED by the Town Council of the Town of Old Orchard Beach, Maine, in Town Council assembled, that the Code of Ordinances of the Town of Old Orchard Beach is amended as follows:

Section 42-202 Horses and horse-drawn vehicles.

- (a) *Procedure for Obtaining a Permit.* A rider seeking a permit to bring a horse onto the beach must apply in writing to the Town Clerk of the Town of Old Orchard Beach or the Town Clerk of the Town of Scarborough, using forms supplied by such clerk. The application must be accompanied by identification issued by a government agency and by the application fee required by the Schedule of License, Permit and Application Fees in the municipality where the application is made. If the applicant is a minor, the application must be signed by a parent or guardian, who must supply the required identification (the minor need not supply identification). Along with the permit, the Town Clerk shall also issue a permit number tag, designed to be worn by the rider and visible at a distance, which shall contain the permit number in numerals at least two and half (2 ½) inches high, the name of the permit holder and the name of the issuing municipality, and may contain such other information concerning the permit as the Clerk deems appropriate. A permit issued by either municipality shall be valid in both municipalities. Permits are valid only between **October 15th 1st** and **May 1st March 31st**. All permits, whenever issued, expire on May 1st. The Town Clerk who issues the permit may suspend or revoke the permit if the

rider violates any provision of this Section 42-202 and may decline to issue a subsequent permit to a rider who has violated any provision of this Section 42-202.

(b) *Regulation of Horses on the Beach.*

(1) Horses are allowed on the beach only from ~~October 15th~~ 1st through ~~May 4st~~ March 31st.

Per Order of the Municipal Officers this 3rd day of June, 2014.

CHAIR: I close this Public Hearing at 7:15 p.m.

PUBLIC HEARING BUSINESS LICENSES AND APPROVAL:

CHAIR: I open this Public Hearing at 7:15 p.m.

Mike & Dana Duhamel (205-1-8), 30 Adelaide Road, one year round rental; Escape Massage Centers of New England Inc. dba/Escapes Massage Center (207-2-12), 155 Saco Avenue, Massage Establishment/Massage Therapist; Maureen & Steven Berry (301-3-1-103), 189 East Grand Avenue # 103, one year round rental; Wayne Smith & Jeffrey Davenport (314-8-7), 87 Seaview Avenue, one year round rental; Paul Meade (316-8-3), 13 Ocean Avenue, one year round rental; and Bryan Murphy dba/Stonehenge Hardscapes (103-6-4), 165 Portland Avenue, conditional license – 2013 taxes to be paid by June 12, 2014 and 2014 taxes to be paid in full by June 12, 2015, and remain current thereafter.

CHAIR: I close this Public Hearing at 7:16 p.m.

MOTION: Councilor Kelley motioned and Councilor Blow seconded to Approve the Business Licenses as read.

VOTE:

NEW BUSINESS:

The Finance Director prepared an update for the Council on changes made at the June 16th Workshop:

<u>Budget Change:</u>	<u>Account</u>	<u>New</u>	<u>Difference</u>
Non-Union increase of 2% (added to each Department wage lines, FICA, and retirement)		\$ 33,600	\$ 33,600
Reduced Contingency for Non-Union increases	20118-50350	141,000	(33,600)
Police Full Time Wages – new contract	20131-50106	1,279,432	26,000
Police Overtime-Wages	20131-50111	140,450	2,750
FICA – to cover Police Contract increase	20113-50107	480,997	2,200
Code/Planning – additional wages/clerical	20113-50107	40,598	10,000
Town Manager – Fire Works	20102-50722	10,000	10,000
Town Manager – General Legal Exp.	20102-50301	90,000	(10,000)
Grand Total			\$40,950

With changes previously made the grand total is (\$6,318).

CHAIR: The Town recently received AA+ Rating from Standard & Poor's for the General Obligation Library and Refunding Bond. In their credit rating assessment Standard and Poor's considered several factors of the Town, which included a strong economy with access to the broad and diverse economy of Portland; very strong budgetary flexibility and performance; with very strong management conditions with good financial practices; and a very strong debt and contingent liabilities position, driven mostly by a very low overall net debt burden as a percent of market value and rapid amortization schedule. The bond was awarded to Robert W. Baird & Co. at 2.265% true interest cost (TIC), with a premium of \$80,253.40. Based on this premium we will not have to use funds from the operating budget to offset issuance costs, which were projected at \$28,100. On the refinancing of the existing bond we will see a total savings of \$171,125 over the life of the bond (10 years) or an annual savings of \$17,113, which is a net present value benefit of 9.82%. Typically the benchmark is at least a 6% net present value benefit. We did very well with this one. With respect to the Library bond, if we had utilized the Maine Bond Bank option, our financial advisors were projecting an interest rate of 3.68% going through the Maine Bond Bank. Our issuance brought the Town an interest rate 1.4% lower than that, which is a substantial savings.

The Town Council is being asked to approve the nearly \$14.9 million municipal budget. This includes a nearly \$13.7 million dollar operating budget and a \$1.2 million capital improvement budget. The \$14.9 million dollar budget is about a \$600,000 increase from last year's municipal budget. Money to offset expenditures include a \$500,000 draw from the Town's undesignated fund; \$500,000 in rescue fees, and \$384,000 from a water and sewer bond approved by residents in 2008. The budget maintains the same capital improvement budget as approved last year. The Council reviewed the budget line by line and though it was an arduous talk, it was worthwhile. The Chair thanked the Town and the Finance Committee as well as staff for their work on the budget this year. The municipal budget does not include the school budget. As explained, the proposed school budget was voted down by residents earlier this month and a new school budget is being proposed to go before Council. It was thought that the estimated school budget would raise the mil rate an estimated \$1.25 from \$13.80 to \$15.05 according to the Town's Finance Director.

6204 Adoption of the FY 2015 Municipal Budget.

Chair Shawn O'Neill

CHAIR O'NEILL: First my appreciation to the Town Manager, the Finance Director, the staff and the Finance Committee for the united effort in bringing forth this budget.

COUNCILOR PASTOR: She recognized that this has been a very time-consuming and stressful experience but that the Council has worked together in a positive fashion to bring us to the point this evening where the budget is presented. She thanked her fellow Councilors for the opportunity and for the support from each of them.

MOTION: Councilor Kelley motioned and Councilor Blow seconded to Approve an FY15 Municipal Operating Budget Appropriation in the amount of \$13,689,141.

VOTE: Unanimous.

MOTION: Councilor Kelley motioned and Councilor Blow seconded to Approve the FY 15 Capital Improvement Program Budget Appropriation in the amount of \$1,209,008.

VOTE:

MOTION: Councilor Kelley motioned and Councilor Blow seconded to Approve the FY15 Non-Property Tax Revenue Budget Appropriation of \$3,138,200, and to also appropriate \$500,000 from the Undesignated Fund Balance; \$500,000 from the Rescue Fees Revenue Billing Fund; and \$384,000 from the 2008 Road, Water and Sewer Bond to reduce the Property Tax Commitment.

VOTE: Unanimous.

Comments on the budget were made by John Bird and Jerome Begart asking for defining of language in some of the motions. The Chair explained the budget process and the motions relative to the budget itself.

6205 Discussion with Action: Set due dates of 09/17/2014 and 03/11/2015 for taxes for FY 2015.

MOTION: Councilor Tousignant motioned and Councilor Thornton seconded to Set due dates of 09/17/2014 and 03/11/2015 for taxes for FY 2015.

VOTE: Unanimous.

6206 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: Vice Chair Quinn motioned and Councilor Thornton seconded to Set interest rate of 7% for delinquent taxes.

VOTE: Unanimous.

6207 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 Thornton 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.

6208 Discussion with Action: Authorize the Finance Director to Set the Percentage for Sewer Rate for FY2015 to Reflect the Percentage of the Tax Bill Used for the Operation of the Waste Water Treatment Plant after Approval of the Budget.

MOTION: Councilor Kelley motioned and Councilor Pastor seconded to Authorize the Finance Director to Set the Percentage for Sewer Rate for FY2015 to Reflect the Percentage of the Tax Bill Used for the Operation of the Waste Water Treatment Plant after Approval of the Budget.

VOTE: Unanimous.

FINANCIAL COMMITTEE CHAIR: I would recommend that we start the process of looking into a Sewer Fee before the next budget year.

6209 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 Councilor Pastor 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.

6210 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 Tousignant motioned and Councilor Thornton 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.

6211 Discussion with Action: Accept, with regret, the resignation of John Beatty, Jr., and George Aube's from the Ballpark Commission.

MOTION: Councilor Pastor motioned and Councilor Thornton seconded to Accept, with regret, the resignation of John Beatty, Jr., and George Aube's from the Ballpark Commission.

VOTE: Unanimous.

COUNCILOR KELLEY: He ask Guy Fontaine of the Ballpark Commission if there was a reason for the resignation of these gentlemen and was informed that they both had started new positions and it as difficult for them to commit to the Ballpark.

6212 Discussion with Action: Approve the installation of a crosswalk on Saco Avenue, between Central Park and Wildwood Lane.

BACKGROUND: A request was received from Miles Ranger of the Marvin Garden Motel/Pine View Lodge at 100 Atlantic Avenue to add a crosswalk crossing at the intersection of Saco Avenue Wildwood Lane to the north and Central Park Avenue to the south. It was noted that not only staff but citizens cross over that area at least 200 times a day. It was noted that 90% of their guests are international travelers and this addition would be of great benefit to their safety. It was preferred that the crosswalk be located coming across Saco Avenue from the west sides of Central Park Avenue and Wildwood Lane. In discussions with staff it was agreed that there is a serious safety concern here and the crosswalk would be a proactive measure.

MOTION: Councilor Tousignant motioned and Councilor Pastor seconded to Approve the installation of a crosswalk on Saco Avenue, between Central Park Avenue and Wildwood Lane.

VOTE: Unanimous.

#6213 Discussion with Action: Approve the Special Event Permit application for William Johnson to hold a family barbecue on the beach in front of 213 East Grand Avenue on Friday, July 4th, 2014, from 10 a.m. to 6 p.m.

MOTION: Vice Chair Quinn motioned and Councilor Thornton seconded to Approve the Special Event Permit application as read.

VOTE: Unanimous.

6214 Discussion with Action: Approve the Special Event Permit application for the Maniac Volleyball Club to hold their Volleyball Tournament on the beach, at the courts in front of Palace Playland, on Saturday, June 28th, Saturday, August 2nd, and Saturday, September 27th, 2014, from 9 a.m. to 9 p.m.

BACKGROUND: The Maniac Volleyball Club had originally asked for their Volleyball Tournament to be held on the beach, at the courts in front of Palace Playland, on Saturday, June 28th, Saturday, August 2nd, and Saturday, September 27th, 2014, from 9 a.m. to 9 p.m. The Department Heads in consultation with the Town Manager recommend Council approve only the September date because the June and August dates coincide with the period of heaviest use of the beach and the location is in the busiest area of the beach. Staff encourages holding these activities during off-peak periods.

BRIAN WELLS: Representing the Maniac Volleyball Club he explained the plans for three courts in front of Palace Playland and that he understood the concerns about the time frame being the busiest time of the season but he explained that from his experience the volleyball activity attracts positive attention.

Council members indicated they understood the concerns of the Town staff about this being the most active time of the year in the Town and on the beach but they all felt that this was an activity that would be attractive and bring considerable attention to the Town and that we should try it and see how it works out this summer.

MOTION: Councilor Tousignant motioned and Councilor Thornton seconded to Approve the Special Event Permit application for the Maniac Volleyball Club to hold their Volleyball Tournament on the beach, at the courts in front of Palace Playland, on Saturday, June 28, 2014; Saturday, August 2, 2014; and Saturday, September 27, 2014, from 9 a.m. to 9 p.m.

VOTE: Unanimous.

6215 Discussion with Action: Accept the Town of Old Orchard Beach's Investment Policy.

BACKGROUND:

**TOWN OF OLD ORCHARD BEACH
Memorandum**

June 13, 2014

**To: Members of the Town Council
From: Larry Mead, Town Manager
Diana Asanza, Treasurer – Finance Director**

RE: PROPOSED INVESTMENT POLICY

In pursuing the recent bond rating for the sale of bonds for the library it was brought to staff's attention by the Town's financial advisor that it would be advantageous to the Town's credit rating to have the Council formally adopt an investment policy to provide structure to the Town's investments. During the review with the bond rating agency staff committed to bringing forward to the Town Council an investment policy for consideration.

The proposed investment policy does not change current practice. The approach on investments has been prudent and done according to state law. This policy will provide protection going forward that Town investments will continue to be directed in safe and secure securities and other investment vehicles.

**TOWN OF OLD ORCHARD BEACH
INVESTMENT POLICY**

STATEMENT OF PURPOSE:

The purpose of this document is to provide guidelines for the prudent investment of Town of Old Orchard Beach funds and to outline the policies needed to maximize the efficiency of the Town's cash management system. Responsibility for the development, maintenance, and implementation of the investment policy resides with the Town Treasurer – Finance Director. The Treasurer – Finance Director reports to the Town Manager. The Town's investment policy is established by the Town Council.

SCOPE:

All monies of the Town entrusted to the Treasurer – Finance Director as directed by the Town Manager shall be invested in accordance with the Maine State Statutes Title 30A, Sections 5706, and 5711-5719.

INVESTMENT OBJECTIVES:

The primary objectives, of the investment activities shall be, in priority order, safety, maintenance of liquidity, and income.

- I. Safety – Safety of principal and preservation of capital is the foremost objective of the investment program. The Treasurer – Finance Director shall seek to avoid capital losses for all investment transactions made. The portfolio shall be diversified to insure that potential losses on the individual securities do not exceed the income generated from the remainder of the portfolio. The Treasurer – Finance Director, acting as investment officer, will insure the safety of invested funds by limiting interest and credit rate risks.

Interest Rate Risk – The risk that the market value of the portfolio securities will fall due to a change in general interest rates. Interest rate risk will be mitigated by:

- Structuring the Town’s portfolio so that securities mature to meet the Town’s cash demands for ongoing operations, thereby precluding the need to sell securities on the open market prior to their maturity.
- Investing primarily in shorter-term securities.

Credit Risk – The risk of loss due to the failure of the security backer. Credit risk will be mitigated by:

- Limiting investments to the types of securities authorized by this policy.
- Using financial institutions which have been evaluated and qualified by the Treasurer – Finance Director using key quantitative and qualitative factors (see Appendix A).
- Diversifying the investment portfolio.

- II. Maintenance of Liquidity – An adequate percentage of the portfolio shall be maintained in liquid short-term securities, which can be converted to cash to meet operating requirements. The portfolio should be structured so that securities mature in a ladder form.

- III. Income – the objective of the portfolio should be designed to attain a market average rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. The Town’s portfolio management approach does not permit speculation based on anticipated interest rate movements. The Town’s approach is to buy investments with the intention of holding them until maturity. The Town shall not sell the securities prior to maturity unless:

- It will minimize the loss of principal
- A security swap would improve the yield in the portfolio
- The Town required funds due to cash flow needs.

The Town’s investment portfolio shall be designed with the objective of meeting all legal requirements set forth by Federal, State, and Local laws.

ETHICS AND CONFLICTS OF INTEREST:

The Treasurer – Finance Director and Town Manager shall avoid any transaction that might impair public confidence in the Town’s ability to govern effectively. Officers and employees involved in the investment process shall refrain from business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Town Council any material financial interest in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the Town’s portfolio. Employees and officers shall subordinate their personal investment transactions to those of the Town of Old Orchard Beach, particularly with regard to the time of purchase and sales.

DELEGATION OF AUTHORITY:

The ultimate responsibility for the investment program rests with the Town Council. The Treasurer – Finance Director and Town Manager will be responsible for all transactions undertaken and will establish a system of internal controls and standard operating procedures to secure Town Funds.

AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The Treasurer – Finance Director is responsible for evaluating each investment that the Town is considering for purchase, and will qualify and approve such investments in advance of investing funds. The credit analysis performed will analyze the safety and soundness of the issuing entity.

SUITABLE AND AUTHORIZED INVESTMENTS

The following investments, as permitted under applicable state and federal laws as well as Town ordinance, are specifically authorized for inclusion in the Town’s investment portfolios:

- United States Government bonds and instrumentalities – bonds and other direct obligations of the US.
- State bonds – “bonds and other direct obligations issued or guaranteed by any state or agency of the state, provided that the securities are rated within the 3 highest grades by any rating service approved by the Superintendent of Banking (30A, M.R.S.A., Section 5712, 4).
- Maine State bonds – “bonds and other direct obligations issued or guaranteed by this State, agency of this State, or any political subdivision of the State that is not in default...” (30A, M.R.S.A., Section 5712, 3).
- Dominion of Canada – “bonds and other direct obligations issued or guaranteed by the Dominion of Canada, any province , or political subdivision provided that the securities are rated within the 3 highest grades by any rating service approved by the Superintendent of Banking and payable to the Unites States.” (30A, M.R.S.A., Section 5212, 4).

- Short-term obligations – prime bankers’ acceptances and prime commercial paper.
- Corporate bonds – “bonds and other obligations of any United States or Canadian corporation, provided the securities are rated within the 3 highest grades by any rating service approved by the Superintendent of Financial Institutions.. Not more than 2% of the total assets of the permanent reserve fund, permanent trust fund, or other permanent fund being invested of anyone corporation” (30A, M.R.S.A., Section 5713,1).
- Maine Corporate bonds – “bonds and other obligations of any Maine corporation, actually conducting business in this State, for a period of 3 successful fiscal years, has earned or received an average net income of not less than 2 times the interest on the obligations. Not more than 20% of the total assets of the permanent reserve fund, permanent trust fund may be invested in these securities and not more than 2% in any one corporation” (30A, M.R.S.A., Section 5713, 2).
- Maine corporate stocks – “the stock of any Maine corporation, other than stock of a financial institution, conducting business in this State for at least 3 years and have received an average net income after taxes equivalent to at least 6% upon the entire outstanding issue of the stock. Not more than 10% of the deposits of the total assets of the permanent reserve fund, permanent trust fund, or other permanent fund being invested may be invested under this section in stocks of Maine corporations and not more than 1% in any one corporation. The fund shall be invested no more than 20% of the stock of any one corporation” (30A, M.R.S.A., Section 5713, 3).

The Town shall not acquire or hold stock and obligations described below in excess of 30% of the total assets of the reserve fund, permanent trust fund, or other permanent fund. The Town shall not acquire or hold stock of any one bank in excess of 5%, nor shall any such fund be invested in stock in excess of 10% of the capital stock of any one bank (30A, M.R.S.A., Section 5714, 2).

- “Debentures of any financial institution authorized to do business in the State of Maine incorporated under the laws of this State or the U.S. and of any financial institution holding company, provided that the holding company is registered under the United States Bank Holding Company Act of 1956 or the National Housing Act, Section 408” (30A, M.R.S.A., Section 5714, 1A).
- Stock – “capital stock, preferred stock, debentures, and acceptances of any insured bank not having an office in this State which has total capital reserves of at least \$50,000,000 and whose subsidiary banks have total capital reserves of at least \$50,000,000 provided that it is registered under the United States Bank Holding Company Act of 1956. Not more than 1% of the total assets of the permanent reserve fund, permanent trust fund, or other permanent fund may be invested” (30A, M.R.S.A., Section 5714, 1B).
- Capital Notes or debentures – “issued by any municipalities chartered under the laws of any state, or of the United States, or of the Commonwealth of Puerto Rico, notwithstanding the fact that these notes

or debentures may be subordinated to the claims of depositors or other creditors of the issuing institution. Not more than 1% of the total assets of the permanent reserve fund, permanent trust fund, or other permanent fund being invested may be so invested” (30A, M.R.S.A., Section 5714, 1C).

- Obligations – “issued, assumed, or guaranteed by the International Bank for Reconstruction and Development or the Inter-American Development Bank or the African Development Bank” (30A, M.R.S.A., Section 5714 1D).
- Repurchase Agreements – These investments are an agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement of the first party to repurchase the securities at a specified price or at a specified later date.
- Mutual Funds – An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments.
- Other stock investments – preferred stock of public utilities, bonds of nonprofit organizations, small business investment companies and Maine Capital Corporation.

COLLATERALIZATION

Collateralization is required on accounts and deposits and repurchase agreements. The collateral must be in an amount equal to the excess deposit and it may consist only of securities in which the municipality may invest. The Town or an independent third party with whom the Town has a current custodial agreement will always hold collateral.

DIVERSIFICATION

It is the policy of the Town to diversify its investment portfolio to avoid incurring unreasonable and avoidable risks or loss resulting from over concentration of assets in a specific maturity, specific issuer, or a specific class of securities, with the exception of U.S. Treasury Securities and authorized pools. No more than 75% of the Town’s total investment portfolio will be invested in a single security type or with a single financial institution except where such securities are fully collateralized through the United States Federal Reserve Bank.

MAXIMUM MATURITIES

The Town shall not invest in securities, which at the time of investment have a term of maturity in excess of five years without the approval from Town Council.

INTERNAL CONTROL

The Town’s independent auditors shall review annually the Town’s investment internal controls. The auditors will concentrate on; control of collusion, separation of duties, separating transaction authority from accounting and record keeping, custodial safekeeping, clear delegation of authority, specific limitations regarding

securities losses and remedial action, written confirmation of telephone transactions, code of ethics, and documentation of transactions.

PERFORMANCE STANDARDS

The Town's investment portfolio will be designed with the objective of exceeding the average Federal Funds rate. The objective is to maximize the Town's cash invested at all times.

REPORTING

The Treasurer – Finance Director shall submit a quarterly investment report for all funds invested to the Town Manager and Town Council. The report shall include the following:

- Purpose of the report
- Type of investment
- Investments by institution
- Current Market Value
- Purchases or cost of securities
- Date of maturity
- Rate of interest
- Realized and unrealized gains or losses

LEGISLATIVE CHANGES

The Treasurer – Finance Director and Town Manager shall incorporate any State of Maine Legislative Actions that impact allowable investment type, maturities, or percentage of allocations.

PORTFOLIO PERFORMANCE

If the market value of the Town's investment portfolio for any funds drops below 5%, within 30 days the investment company will immediately notify the Treasurer – Finance Director and Town Manager by verbal communication. If the market value of the Town's portfolio falls below 10% within 30 days the investment company will notify the Treasurer – Finance Director and the Town Manager by written notification.

INVESTMENT POLICY ADOPTION

Any investment currently held by the Town that does not meet the guidelines of this policy is exempt.

The Town's investment policy shall be adopted by resolution of the Town Council. The policy shall be reviewed annually by the Treasurer – Finance Director. The Town Council will approve any changes to the investment policy.

APPENDIX A

KEY QUANTITATIVE AND QUALITATIVE FACTORS:

1. Securities issued by the US Treasury – must be rated AAA by Standard & Poor's or Moody's Investor Services.
2. US Government Agencies – must be rated AAA by Standard & Poor's or Moody's Investor Services.
3. US Government Sponsored Enterprises - must be rated AAA by Standard & Poor's or Moody's Investor Services.
4. Certificates of Deposit (limited to \$250,000 per institution) issued by:
 - Domestic commercial banks – must be FDIC insured
 - Savings and loan associations - must be FDIC insured
 - Trust companies - must be FDIC insured
 - Credit Unions (share certificates) - must be FDIC insured
5. Money Market accounts at federally insured domestic commercial banks, savings and loans associations, credit unions and trust companies – No limit on the deposit amount. Independent analysis on all depository institutions with deposits in excess of FDIC insurance limit of \$250,000 shall be reviewed on a quarterly basis. If the depository institution falls below its peer group average, the Treasurer – Finance Director shall take appropriate defensive action and inform the Town Council on a timely basis. Acceptable sources of independent third party analysis are:
 - Standard & Poor's
 - Moody's Investor Services
 - Keefe, Bruyette & Woods
 - Fitch Ratings
 - Veribanc Ratings
 - IDC Financial Publishing
 - Other independent rating services acceptable to the Town's Treasurer – Finance Director
6. Money Market accounts held in Brokerage Account – No limit on deposit amount provided brokerage account is insured by SIPC (Securities Investor Protection Corporation) and account are fully insured by an
7. independent insurance company such as Lloyds of London.

Any municipality that invests assets should have an investment policy. The Council reviewed this policy which documented and outlined the Town's overall strategy for investing including short and long term goals and the process by which investment decisions are made. Comments were made by John Bird, Jerome Begart and Councilor Tousignant who asked if this in any way took away from the authority of the Council to which the answer was "no." The Council recognized the need to make critical decisions when investing with both asset allocation and spending parameters. This Investment Policy provides to the Council the general investment goals and objectives of the Town on matters such as asset allocation, risk tolerance, and liquidity requirements.

MOTION: Councilor Tousignant motioned and Councilor Pastor seconded to Accept the Town of Old Orchard Beach's Investment Policy.

VOTE: Unanimous.

6216 Discussion with Action: Canvass and Certify the results of the RSU #23 Budget Validation Referendum and the Municipal Referendum Election held June 10, 2014.

June 11th, 2014

**TO: MEMBERS OF THE TOWN COUNCIL
FROM: KIM M. MCLAUGHLIN, TOWN CLERK
SUBJECT: CERTIFY AND CANVASS ELECTION RESULTS**

The results of the Regional School Unit #23 Budget Validation Referendum and the Municipal Referendum Election, which were held on June 10th, 2014 as declared by the Warden, David Huntington, is as follows:

Regional School Unit #23 Budget Validation Referendum

YES	490
NO	514****

**Municipal Referendum Election
Referendum Question #1**

YES	515****
NO	484

******Denotes the highest number of votes for the respective question and consequently the successful referendum result for that question.**

MOTION: Councilor Pastor motioned and Councilor Blow seconded to Canvass and Certify the result of the RSU #23 Budget Validation Referendum and the Municipal Referendum Election held June 10, 2014.

VOTE: Unanimous.

6217 Discussion with Action: Consider leasing a portion of the Milliken Street Parking Lot for exclusive use by the Grand Victorian Condominium Association for a three year period.

BACKGROUND:

During the original construction stages of the building of the Grand Victorian in the months of 2005, the issue of parking needs was raised. During that time there were discussions on leasing from the Town a portion of the Town's Milliken Street Parking Lot but nothing materialized. Consideration this evening of this possible three year lease would also contain the ability to cancel with a 90 day notice. The original \$15,000 for the year would be payable up front with the beginning of the lease period and then annually thereafter with the second year at \$17,500; and the third year at \$20,000. The Association would be responsible to have insurance annually and name the Town as additionally insured. The Association would be responsible for the cleaning and upkeep of the lot assuring a neat appearance at all times; plowing during the winter months; and construction and cost of a gate permitting access.

PETER SMAHA: Speaking for the Association he indicated that they would be willing to do anything including security cameras to see that the parking issues are deal with; safety and security assured; plowing and cleaning of the location; and attention to the condition of the parking lot.

The Town Council discussed the issues of parking that went beyond even this agenda item including making parking available to business owners and their staff. Councilor Tousignant spoke at length as did Ricki Letowt, a business owner, about the need for parking for workers of various businesses within Old Orchard Beach. Chair O'Neill indicated that this has been an ongoing issue and that a workshop needs to be held. He did ask that the Town Manager have department heads address this issue and present something to the Council for review in the coming week or so.

MOTION: Councilor Pastor motioned and Councilor Tousignant seconded to Approve the leasing of a portion of the Milliken Street Parking Lot for exclusive use by the Grand Victorian Condominium Association for a period to be negotiated by the Town Manager.

VOTE: Unanimous.

6218 Discussion with Action: Approve the Special Event Permit application for OOB365 to hold "Smokin' at the Ballpark BBQ Fest", including smokers and grills, on Saturday and Sunday, June 21st and 22nd, 2014, from 8 a.m. to 8 p.m., to include alcohol service by Jimmy the Greek. Request for a banner at the intersection of Saco Avenue/E. Emerson Cummings Boulevard from June 16th-22nd, 2014; and a request to waive the fee.

MOTION: Councilor Tousignant motioned and Councilor Kelley seconded to Approve the Special Event Permit as read with the understanding that a liquor permit and also insurance indicating the Town as additional insured be provided to the Town Clerk before the event.

The Chair thanked OOB 365 for providing this event which is always a good time for those attending.

VOTE: Unanimous.

6219 Discussion with Action: Approval of the Old Orchard Beach Patrolmen's Association – Maine Association of Police Union Contract, effective July 1, 2013 Through June 30, 2016.

The Town Manager gave an update on the Police Union contract which is on the agenda tomorrow evening for approval by the Council. With those changes the amount of \$26,000 was added to Account Number 20131-50106 – Full-Time Wages; and \$2,750 to Account Number 20131-50111 – Overtime Wages. It was noted that the retirement account would stay the same. For 2014 the Police retro pay will be taken from Contingency for FY14 in the amount of \$25,500 and \$2,700.

MOTION: Councilor Kelley motioned and Councilor Tousignant seconded to Approve the Old Orchard Beach Patrolmen's Association – Maine Association of Police Union Contract, effective July 1, 2013 through June 30, 2016.

VOTE: Unanimous.

6220 Discussion with Action: Approve the Line Item Transfer in the amount of \$10,000 from Account Number 20131-50106 – Police Department – Fulltime Wages with a balance of \$91,469.07 to Account Number 20131-50104 – Seasonal Reserves with a balance of \$11,591.84.

CHIEF KELLEY: Because fewer than expected Reserve Officers returned this year, and last, we have been working the few we do have an exceptional amount of hours to cover the needed shifts, including overtime. We have also had to provide an additional 40-80 hours of training to certify several returning officers for cruiser duty that was not anticipated when the budget was prepared. We have been making adjustments in the schedule and the budget throughout the year to try to stay within the budget, but with fewer and fewer officers applying, the overtime and training costs have been higher than anticipated.

MOTION: Councilor Pastor motioned and Councilor Tousignant seconded to Approve the Line Item Transfer in the amount of \$10,000 from Account Number 20131-50106 – Police Department – Fulltime Wages with a balance of \$91,469.07 to Account Number 20131-50104 – Seasonal Reserves with a balance of \$11,591.84.

VOTE: Unanimous.

GOOD AND WELFARE:

There was continued discussion of parking issues by the Council with suggestions by those in the audience. Ricki Letowt, again reminded the Council that there is a great need for parking for business owners and their workers and that consideration should be given immediately to the discussion of this item. Jerome Begart again reminded the Council the policies need to come before the Council on a yearly basis; that they needed to be reminded that as stewards of the citizens they needed to make changes, update, delete and be aware of any new issues that need to be submitted as policies.

Chief Kelley addressed a concern by Councilor Pastor about the pornographic type of materials being displayed publicly in the front of businesses on Old Orchard Street and the disgust this raises. It is not the type of business we want in Old Orchard. The Chair also indicated that we are not interested in this type of business in our community. Chief Kelley who was in the audience spoke about ordinance and what can be done and what can't be done and assured the Council that he would personally address these issues immediately. He indicated that it is something that we address every year and that he will take immediate action to address the issues.

ADJOURNMENT:

MOTION: Councilor Tousignant motioned and Councilor Thornton seconded to adjourn the Town Council Meeting at 8:30 p.m.

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 twenty (20) pages is a copy of the original Minutes of the Town Council Meeting of June 17, 2014.

V. Louise Reid