

**TOWN OF OLD ORCHARD BEACH
TOWN COUNCIL WORKSHOP
Tuesday, May 20, 2014
TOWN HALL CHAMBERS
Following Town Council Meeting**

A Town Council Workshop of the Old Orchard Beach Town Council was held on Tuesday, May 20, 2014. Chair O'Neill opened the meeting at 8:45 p.m.

The following were in attendance:

**Chair Shawn O'Neill
Vice Chair Bob Quinn
Councilor Malorie Pastor
Councilor Kenneth Blow
Councilor Jay Kelley
Town Manager Larry Mead
Assistant Town Manager, V. Louise Reid
Finance Director Diana Asanza
Michael Gray, Chair of the Finance Committee**

**Absent: Councilor Joseph Thornton
Councilor Michael Tousignant**

The workshop this evening is to consider the CIP budgets for each of the departments under consideration.

A Capital Improvement Plan, of CIP, is a short-range plan, usually four to ten years, which identifies capital projects and equipment purchases, provides a planning schedule, and identifies options for financing the plan. Essentially, the plan provides a link between a municipality, school district, parks and recreation department and/or other local government entities and a comprehensive and strategic plans and the entity's annual budget. There are many benefits in having a good CIP plan which includes allowing for a systematic evaluation of all potential projects at the same time; the ability to stabilize debt and consolidate projects to reduce borrowing costs; serve as a public relations and economic development tool; assists in focusing on preserving a governmental entity's infrastructure while ensuring the efficient use of public funds; and presents an opportunity to foster cooperation among departments and an ability to inform other units of government of the entity's priorities. Usually the CIP will include a listing of the capital projects or equipment to be purchased; the projects ranked in order of preference; the plan for financing the projects; a timetable for the construction or completion of the project; justification for the project; and an explanation of expenses for the project.

At a recent meeting of the Finance Committee it was noted that the Finance Committee took seriously the task of preparing the CIP budget not only for FY15 but also projecting a budget plan for the next five years. According to Mike Gray, Chair of the Finance Committee: "Given the scope of the work they felt that their plan met the immediate needs of the Town while deferring expenses that may need more discussion from the Town Council and the Department Heads. The capital needs in the Town are many and affect almost every department. They felt that the overall focus should be on the short term (i.e., FY15) and needed to accentuate the immediate infrastructural needs for the Town. While the Finance Committee understood the CIP expenses related to other areas and are important, they felt those expenses could be

deferred with a relative amount of ease since we are still experiencing such uncertainty within the labor market, housing market, and overall economy. The uncertainty in the economy has affected funding at all levels of government and there is an acute awareness that we need to be able to fund all CIP activities with our own property tax base. The Town is still in the midst of updating its Comprehensive Plan. There are many benefits in having a good CIP plan which includes allowing for a systematic evaluation of all potential projects at the same time; the ability to stabilize debt and consolidate projects to reduce borrowing costs; serve as a public relations and economic development tool; assists in focusing on preserving a governmental entity's infrastructure while ensuring the efficient use of public funds; and presents an opportunity to foster cooperation among departments and an ability to inform other units of government of the entity's priorities. Usually the CIP will include a listing of the capital projects or equipment to be purchased; the projects ranked in order of preference; the plan for financing the projects; a timetable for the construction or completion of the project; justification for the project; and an explanation of expenses for the project.

The Chair thanked Finance Committee Chair, Michael Gray, and his members for their interest and commitment to reviewing and recommending to the Council recommendations relative to the CIP budget. His presentation is below:

Town Hall

Window Replacement – We understand that this will not replace all of the windows in the building, but also understand that there is a desperate need for replacements windows throughout the building.

o Approved 5-0

Fire Department

Fire Gear – We understand that there is a need to keep fire equipment and gear in very good condition and that some of our gear is nearing the end of its useful life. This item will continue a process that we started in FY '14 to make needed replacements to older equipment.

o Approved 5-0

Lifeguard Jet Ski & Trailer – While we understand that the safety of the public using our beach is of paramount importance, we also feel that there are too many questions about what a jet ski will mean in terms of training, storage, and environmental concerns for us to recommend moving this item forward. We encourage further discussion on this item.

o Denied 0-5

Public Safety Complex Code Improvements – This item was presented to the Committee as a “remodel”. The Committee feels that a true remodel of the Public Safety Complex may need to be done, but that it should be part of a larger project that would involve any and all necessary upgrades to the facility. That being said, we understand that this building is heavily used and is one of our older buildings and may need improvements to bring it closer to current code requirements. Given the modest request, this seems like an appropriate expense. The dissenting vote would like to see us wait to spend money until we have a long-range plan for the facility.

o Approved 4-1

The Council expressed concern with where the Administration was going with updating the building. The question was asked if we were just throwing money away by allocating

\$15,000 in CIP, and \$10,000 in the operating budget without know what the violations are and not really knowing what issues are pushing for these two different requests.

Please see the comments above. The Town Manager indicated that costs could be reduced with electricity and water reduction costs.

Police Department

2 Vehicles, one with a new computer – We understand that police vehicles need to be among our top performing and 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.

o Approved 5-0

o Approved 3-2

The Council asked why there was a split vote and the Finance Chair indicated that they felt they needed a better understanding of the fleet and whether we really do need to replace two cars each year. The Town Manager said he took a look at the front line of vehicles and they are in dire need of new police cars and that the present fleet is well beyond the normal mileage of 80,000 to 90,000 where a new is needed. Councilor Blow wanted to make sure that if we get two new cars that we get rid of the two cars that need more repair than they are worth.

Wastewater Facility

Transfer Process Building PLC info to SCADA – We understand that this will make the process at the plant more efficient and will move all of the technical oversight of the plant onto one terminal. We also understand that the vast majority of this expense will be spent on labor and not on new computer licensing and/or hardware. It makes sense to tie all of our systems together into a uniform package.

o Approved 5-0

Replace small pump at West Grand pump station – We understand that the small pump at West Grand works in conjunction with larger pumps, but that this handles lighter flow more efficiently. But this pump is older and does not have a redundancy, nor does it have a backup. This item will replace this pump and allow the staff to rebuild it and keep it as a reserve pump.

o Approved 5-0

Replace pump at Halfway pump station – We understand that this pump is in a similar position as the one at West Grand pump station.

o Approved 5-0

Public Works: Stormwater

Rather than vote on individual items, the Committee chose to look at the entire budget as it compares to FY '14. With very little knowledge of the specific projects, it would appear that the overall amount is in line with previous years and also shows a solid planning process as we look forward to the overall 5-year plan

o Approved 5-0

Public Works: Sidewalks

Rather than vote on individual items, the Committee chose to look at the entire budget as it compares to FY '14. With very little knowledge of the specific projects, it would appear that the overall amount is in line with previous years and also shows a solid planning process as we look forward to the overall 5- year plan

That being said, there were some questions raised about the 1st Street project between Heath and Atlantic. We would encourage more discussion with between the Council and the Public Works Director around this specific project as it will be a significant change to that area.

o Approved 5-0

Public Works: Sewer

Rather than vote on individual items, the Committee chose to look at the entire budget as it compares to FY '14. With very little knowledge of the specific projects, it would appear that the overall amount is in line with previous years and also shows a solid planning process as we look forward to the overall 5-year plan

o Approved 5-0

Public Works: Road Maintenance

Rather than vote on individual items, the Committee chose to look at the entire budget as it compares to FY '14. There was a significant increase in this budget over FY '14, but it is explained by the inclusion of the signal project at Saco & EE Cummings for \$107,000. It is also noted that the budget for FY '14 was a bit lower than usual and that projections for the rest of the 5-year plan are closer to typical spending levels.

o Approved 5-0

Public Works: Equipment

The three items listed under this heading were in keeping with the Public Works Director's philosophy of fixing and refurbishing equipment as much as possible. The desire to purchase a new Bobcat Track Machine will actually save money as it replaces the need to rent that equipment at a cost of about \$30,000 per year as we have done for many years.

o Approved 5-0

Public Works: Other

Refurbish Town Square – We understand that this project encompasses improvements to our Town Square and include 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.

o Approved 4-1

The Council showed some reluctance to this as they wanted more information on how much an umbrella would cost and there were some who felt that umbrellas were not necessary at all since people come to go to the beach for the sun.

Ice Rink at the Ballpark – We understand that there has been discussion on this project behind the scenes over the years and that some municipalities have moved these types of

projects forward. While we appreciate the desire to make our Town more attractive and provide fun opportunities to our citizens and guests, there are too many questions around this type of project for us to be in support as a Committee. The dissenting vote feels that we need to set a precedent that we will support economic development and that this would be a good place to start that discussion.

o Denied 1-4

Veterans Memorial Park

Rebuild Tennis Courts – we understand that the tennis courts in Memorial Park are not just an eyesore, but that they also are a potential liability. The Committee is in full agreement that something needs to be done with them. Given the fact that there was grant money attached to the original building of the courts and that those funds would potentially need to be given back, we agree that this project should move forward. However, some Committee members feel that we should investigate the original wording of the grant that funded this project in anticipation of any changes that may be made during reconstruction.

o Approved 5-0

It was noted that the Tennis Court was originally paid for with a grant and we agreed to maintain it. The question was asked if we can change the use or get rid of it but this appears to be very difficult to do without paying back the grant funds. The Town Manager indicated that \$60,000 is a very low amount to spend on what the Public Works is planning on doing and since it can be done in house is a very big cost savings.

Conservation Commission

Eastern Trail Connector – We are 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. We also are all in agreement that financial support should be given to this project. Where the Committee is not in agreement is the source of that financial support. The 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.

o Approved 3-2

The Council would like to know if we can do this in phases and not all the \$55,000 in one year. The Public Works Director Indicated that it can be done on the less expensive side if we do not build a retaining wall on a portion of the trail. Without the retaining wall \$20,000 will be enough for what needs to be done. The Public Works Director is to get the number and report back. The Town Manager indicated that he enthusiastically supports the Eastern Trail proposal and sees it as an economic development investment because Old Orchard Beach is a resort community and today's visitors want to have options for outdoor activities, especially walking and biking. This proposal connects downtown with the Eastern trail.

BOND ISSUE and the SEWER RESERVE FUND

The Committee was presented with an option for a bond to support three projects. We were also presented with an option to use the Sewer Reserve Fund to support the building of a new Maintenance Building at the Wastewater Treatment Facility. As the Committee deliberated, we would recommend moving forward in the following way:

Comprehensive Wastewater Treatment Facility – The Committee supports this project, but not in the way that it has been presented. To date, we have heard varying details about

what needs to be done and how much it will cost. Even the current proposal of \$10.5M is only being projected as one part of a larger project. Before we can support this much needed project, we would like to see an unflinching account of exactly what needs to be done and how much it will cost. We strongly recommend that the Town Council work in conjunction with the Finance Committee, the Administration, and the Wastewater Treatment Director to develop an overall plan for the facility.

o Denied 0-5

Replace the dewatering system and expand the process building – Unlike the overall plan for the WWTF, this item is needed and has the potential to save us money. Our current equipment does not dewater our waste product to a desired level. In FY '16, we will more than likely see an increase in the expected cost per ton of our semi-solid waste from the facility as we will be negotiating a new contract that year. The ability to further dewater our waste product will help to defray costs associated with any increase.

o Approved 5-0

The Town Manager indicated this would be a good project in which to move forward but more research is necessary to finalize the project costs and bring back the information to the Council at a later date. It would cost to have a review in order to get a more accurate cost projection. Vice Chair Quinn commented on the approach to utilize sewer funds to pay debt service for this project and why not pay costs of the project from the sewer reserve and bond less? The Town Manager indicated he would look further into these issues.

Add 3-Bay Addition & renovate Existing Garage at Public Works – Given the relatively small cost associated with this project and the fact that these facilities could help elongate the useful life of the Public Works equipment, the Committee felt that this is a worthwhile investment.

o Approved 5-0

New Maintenance Building for Wastewater Treatment – The WWT Director in conjunction with the Finance Director informed the Committee that they would like to take this project off from the list for consideration in order to move the funding to a new designation. (See below.)

o Denied 0-5

If the Council is in agreement with the Committee's four recommendations above, we would further recommend that the Council consider a funding idea brought forward by the Town Manager and Finance Director.

o The dewatering system is projected at \$2,070,000

o The Public Works garage is projected at \$450,000

We recommend proposing a BOND to the voters for the cost of the dewatering system

o We further recommend that we use available funds in the Sewer Reserve Fund (currently approximately \$490,000) to make payments for the first few years of the bond to defray costs to the taxpayers

We recommend that we borrow the funds necessary to finance the Public Works garage

o As this project is under \$500K, it is not necessary for this project to go out to the voters.

LEASES

New Bus for the Recreation Department – The Recreation Department currently owns an older full-sized bus that it uses frequently. The bus is near the end of its useful life and needs to be replaced. To defray expenses over a few years, the Recreation Department

Director would like to enter into a lease-to-own agreement to purchase a new recreation bus.

o Approved 5-0

The discussion on the Public Works Building and the Recreation bus were not clearly discussed. There was concern about the school budget and what can be done with the CIP budget this year.

The Chair thanked all who participated in the discussion this evening and in particular the work of the Finance Committee and the encouragement to continue with a ten year plan.

ADJOURNMENT:

The Chair thanked those in attendance.

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 seven (7) pages is a copy of the original Minutes of the Town Council Workshop of May 20, 2014.

V. Louise Reid