

**TOWN OF OLD ORCHARD BEACH  
TOWN COUNCIL MEETING  
Tuesday, May 27, 2014  
TOWN HALL CHAMBERS  
6:30 p.m.**

A Town Council Workshop of the Old Orchard Beach Town Council was held on Tuesday, May 27, 2014. Chair O'Neill opened the meeting at 7:25 p.m.

The following were in attendance:

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

The workshop this evening is to consider Waste Water Department, Revenues; and to begin the process of revisiting the items previously discussion in former workshops.

**Waste Water Department**

- **50106 Full-time employee wages - \$260,000  
\$280,003 – not including contingency for promotions and step raises.**
  
- **50111 Overtime wages - \$32,000 – revisit and reduce to \$28,000  
\$25,787 including \$15,000 for unscheduled overtime, call-ins and project management.**

**Seasonal Help – The Wastewater Superintendent asked that \$3,200 for four months of seasonal work be included in the budget (May through August) – 20 hours per week at \$10 per hour.**

***There was adequate discussion on the subject of the salary lines and the overtime wages. The changes were made because of approval of a new contract. Some of the increase in wages was offset in decreases in the other salary lines; some may reflect step increases. Salaries are incentive based and this could have some bearing on those changes. One line is higher and one line is lower. At a previous workshop it was consensus to reduce the Overtime Wages (Line 50111) from \$32,000 to \$28,000, a reduction of \$4,000 and to Revisit all four lines of the wages once the Union contract is brought forward.***

➤ 50112 Standby wages

Standby wages for two staff members to be on call each week totals \$450 per week.

Standby - \$24,900.

The department has two staff members on call on a rotating basis at all times. Overtime is incurred for weekend duty, equipment break downs, power failures and heavy rain events.

At this Workshop the salary lines were changed;

Account 50106 - \$279,989 – Full Time Employees

Account 50108 - \$3,000 – Part Time Employees

Account 50111 - \$25,000 - Overtime

Account 50112 - \$26,000 – Standby Wages

Wage total including Department Head is \$403,025.

➤ 50452 Operating equipment repairs - \$40,000

The budget line is dedicated to the repair and replacement of WWTF and PS equipment under \$1,000. A comprehensive pump replacement program has held these costs down. Equipment repair and replacement requests that are over \$1,000 will be taken out of the Equipment Replacement fund.

At the last workshop the Council questioned whether the \$40,000 for repairs could be lowered but again this evening the Waste Water Superintendent requested that it remain intact.

## Fire Department

In discussing the hydrant rental it was confirmed that the change should be made to \$138,500.

## Revenue

A municipality's capacity to generate revenue is determined by the revenue-raising authority granted to it under State law. Municipal budgets must be balanced. Municipal budgeting processes are somewhat revenue driven because municipalities cannot budget expenses that will exceed the available revenue; at that time, certain governmental expenses cannot be avoided and revenues must be adjusted where possible to fund services demanded by citizens and businesses as well as to comply with State and Federal mandates. Municipal elected officials have the challenging task of balancing revenue sources in a manner that provides sufficient funds for municipal services while maintaining equity among taxpayers. Municipal revenue sources are often divided into two categories: general fund

revenues and enterprise funds. The majority of general fund revenues come through taxation.

Discussion continued on revenue sources for budget consideration. The Town continues to experience significant reductions in State revenue sharing which has declined from \$800,000 a few years ago to \$380,000 in FY14 with the very real prospect that it will shrink to less than \$100,000 in FY15. This is particularly unfair for a resort community such as Old Orchard Beach, which sends significant sales tax revenue to the State with little or no return on this revenue. The need to maintain and replace the Town's infrastructure which is directly related to its status as a major resort destination, increases, even as our share of the State sales tax revenue shrinks each year. The Town's commitment is made up of three major components; the municipal budget, the school assessment, and the County assessments. The Town Council has only control over the municipal budget which accounts for fewer than 50% of the total tax levy. The Council has been provided information on FY15 commitments with the view that this will assist everyone in budget guidance. The information spans the fiscal years from FY10 through FY12. It breaks out the major expenditure categories, broad revenue sources, the municipal commitment (tax levy), the total property tax commitment (tax levy), the assessed valuation, and the mill rate. The net municipal commitment is the component that is referenced in the Charter's directive to provide a budget limit figure. In the current fiscal year that figure is \$10,185.828. The variable that will affect that total include changes in expenditures, changes in revenues, and use of fund balance. Clearly staff goal is to control expenditures, increase revenues, and minimize the use of fund balance, while striving to deliver quality services to residents and taxpayers. Staff has been directed to identify their essential budget needs to maximize non-property tax revenues, including service fees and to strive for efficiencies whenever possible in order to reduce budget expenditures.

The Planner appeared and presented business licenses and permit recommended increases in the coming year. A great deal of time was spent discussing the figures related to increases in areas such as Re-inspection fees, Auto Body repair, Automotive Graveyard, Body Piercing (Commercial Establishment and Commercial Body Piercer), Boxing and Wrestling Shows, Campgrounds, Recreational Vehicle Sales, Car Wash, Amusement Devices, Dog Kennels, Function halls, Games of Skill, Gasoline Pumps, Ice cream Trucks, Innholders, Logging Houses, Hotels, Motels, and Seasonal Rentals, Junk Dealers, Laundromat/dry cleaning, Massage establishments, Miniature golf courses, Outdoor Displays, Parking Lots, Personal Services, Rental of Merchandise, Retail, Riding Stables, Service Stations, Tow Trucks, Used Car Lots, Vehicles for Hire, Vending Machines, Victualers, Year round rentals, Auctions, Bottle Clubs, Tattoo Establishments, Planning Department Fees, Hook-up fees for Mobile Homes, Solid Waste Flow Control Ordinance, Conversion of Seasonal Structures, Existing Structures, Sign Applications, Certificate of Occupancy. Discussion did not get to Business Fees.

Consensus was not in support of the Certificate of Occupancy. There seemed to be consensus that fees needed to be raised to bring them to the level of, or in reach of other communities. Council agreed to proposed increases for Business Licenses with an overall projected increase in the amount of \$40,000.

**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 four (4) pages is a copy of the original Minutes of the Town Council Workshop of May 27, 2014.**

**V. Louise Reid**