

**TOWN OF OLD ORCHARD BEACH  
TOWN COUNCIL WORKSHOP  
WEDNESDAY, APRIL 7, 2010  
HIGH SCHOOL CAFETERIA**

**A Town Council Meeting of the Old Orchard Beach Town Council was held on Tuesday, April 6, 2010 at the Old Orchard Beach High School Cafeteria. Chair MacDonald opened the meeting at 7:00 p.m.**

**The following were in attendance:**

**Chair Sharri MacDonald  
Vice Chair Michael Tousignant  
Councilor Laura Bolduc  
Councilor Robin Dayton  
Town Manager Jack Turcotte  
Assistant Town Manager Louise Reid  
Waste Water Superintendent Chris White**

**Absent: Councilor Shawn O'Neill**

**The workshop began with discussion on revenue sources.**

- 1. Increase the parking per hour costs. – INTEREST SHOWN**
- 2. Pay to Throw for Trash. – INTEREST SHOWN**
- 3. Overnight parking leased for the season to businesses for over flow parking.  
- INTEREST SHOWN**
- 4. Sewer User Fees. – INTEREST SHOWN**
- 5. Sewer Impact Fees. – INTEREST SHOWN**
- 6. Sell Tax Acquired Property – NEEDS TO GO TO REFERENDUM**
- 7. Increase Ambulance fees. – REQUEST INFORMATION ON PRESENT  
RATES  
AND ALSO ON USING A COLLECTION AGENCY**
- 8. Contract out to a Collection Agency for non payment of ambulance bills. –  
POSSIBLE INTEREST**
- 9. Surplus Property Sale. – EASY EFFORT**
- 10. More Direct Billable Hours for Town personnel. - COMPLEXITY**
- 11. Increase in Special Event Fees or Restructure Fees. – DISCUSSED NO  
WAIVING OF FEES**

**12. Portable Vendor Fees. - QUESTIONABLE**

**13. Storm Water Fees as in the City of Lewiston – FURTHER INFORMATION**

General fee review – looking to increase when appropriate. It would be helpful to know what other communities charge in the various areas indicated. Municipal Revenue can increase with good planning and common sense objectives. It is obvious that revenue needs to be based on values of fairness in provision of services. Revenue is the calculation or estimation of periodic income based on a particular standard accounting practices or the rules established by the municipality. It is obvious that with the economic situation as it is today, more revenue sources need to be developed. Since performance is measured to the extent to which its asset inflows (revenue) compares with its asset outflows (expenses).

Superintendent Chris White detailed his responsibility for the maintenance and operation of the pollution control facilities and the eight remote pump stations for which he is responsible. He spoke about the Maintenance and operations department whose staff is required to have a working knowledge of each staff member's general duties. He spoke about the need for being on call and the cost factors related to additional overtime. He indicated that with the facility treating over 500 million gallons of wastewater and processing over 1,200 tons of solids on an annual basis, his staff is required to know the responsibilities they have to the federal and state laws that are put in place to protect the Towns water system. The Superintendent did ask for a full time employee to supplement his department and address possible retirement issues but was denied at this time. He referred to his request which is not in the budget for the hiring of another employee on the beginning stage of wages as there are a few individuals in his operation who are getting to the retirement age and might decide to retire. The Superintendent answered questions on upcoming projects including the West Grand Pump Station, the comprehensive facility study (CFS) and the supervisory and control and data acquisition known as the SCADA project. It appears that SCADA may have already saved some funding.

Some time was spent on the subject of Sewer User Fees and Sewer Impact Fees. A community that has a single large industrial user that requires sewer system capacity above and beyond the residential demand; that industrial user funds its share (often more) of the system through property taxes and/or sewer user fees. This is done so that the residential users are not left to pay for infrastructure and operating costs that otherwise would not be necessary. Skowhegan is a great example. As part of their operating costs, Sappi Paper Mill funds a large part of the sewer operations and infrastructure. Therefore, the Town feels no need to convert to a true sewer user fee since Sappi is essentially as good as any government grant. Even if the community was to convert to a user fee, due to being subsidized by Sappi the actual individual residential fee would be very low and probably would not make them eligible for a large grant. OOB on the other hand does not have any

industrial activity to help bear the costs. It does have a large commercial base that has a very short retail season. The facility and system is designed for the higher flows, even though they occur for a short period during the year. The two largest commercial sectors are hotels and campgrounds. Hotels tend to have a higher property value while campgrounds have a very low property value. My last tally indicated that there are 2,500 campground sites and the same amount of hotel rooms. What's the difference? Campgrounds pay about one third of the property taxes compared to hotels. From an assessing point of view this makes sense since campgrounds have few structures. From a wastewater point of view it makes very little sense since structure value has very little to do with water usage. The town of OOB also provides public bathrooms at no cost for those that want to enjoy the beach. What is the monetary contribution of the beach to this department? Nothing...you cannot invoice the beach. We also have some issues on the residential side. OOB also has a disproportionate number of cabins, mobile homes, apartments and converted summer homes compared to other communities. Typically these places do not have a high property value and pose the same problem as do most commercial sectors. Finally we have single family homes and condominiums. If you pay \$3,000 a year in property taxes and the contribution to WW is 10%, then you are essentially paying an annual sewer user fee of \$300. If you were to charge the campgrounds, motels, mobile homes, apartments, car washes, food establishments and other commercial users the same amount for the same use you would see a significant increase in revenue. Keep in mind that \$300 is below the average of surrounding communities.

#### Billing Methods

1. A fee system based on actual usage will require the annual purchase of water records, administrative costs and a computer program to 'digest' the information. Very few communities charge only according to actual usage, most have some sort of minimum charge in addition to an actual usage charge. This would be considered a hybrid system since it incorporates both actual and estimated usage. Some fee systems based on actual usage invoice according to the previous years usage to avoid revenue shortfalls and allows residents and commercial owners to predict their annual costs. This especially helpful in seasonal communities.
2. A fee system based on estimated usage is much less complicated and will not require the up front and annual costs of a system based on actual usage. Although much more equitable than the current fee system, it is not as fair and equitable as a system based partially on actual usage.

The Superintendent indicated that a fee system based solely on usage would not work. You would either have to go to a hybrid system or a fee system based entirely on estimated usage.

Councilor Dayton asked about buying water records in order to establish a sewer user fee. This is a good question and certainly possible, but the Superintendent did not recommend the investment unless you commit to the fee system based on actual usage. Residents and commercial property owners could estimate a sewer user fee based on charges they receive from Biddeford Saco Water Company. In the end, operating costs are more important than water usage.

**The Council praised the Superintendent for his fiscal responsibility and the way he runs his department. His budget was presented to the Council without suggested changes.**

**Some of the other questions that were raised this evening included:**

- **How much is the back hoe used at Public Works. It was indicated that it has been leased for seven years;**
- **In discussion about the parking meter fees it was suggested that we call other Towns to see what they charge.**
- **Request by Council to schedule a meeting with the Railroad people.**
- **What would the revenue be if we were to rent parking spaces at Milliken Street Parking Lot.**
- **What would the connection fee be. It was anticipated to be approximately \$3,300.**
- **Discussion about possible collection agency handling outstanding ambulance billing.**

**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 true copy of the original Minutes of the Town Council Workshop of April 7, 2010.**

**Louise Reid**