

**TOWN OF OLD ORCHARD BEACH  
TOWN COUNCIL MEETING  
Tuesday, April 16, 2019  
TOWN HALL CHAMBERS  
6:30 p.m.**

A Town Council Meeting of the Old Orchard Beach Town Council was held on Tuesday, April 16, 2019. Chair Thornton opened the meeting at 6:30 p.m.

The following were in attendance:

Chair Joseph Thornton  
Councilor Kenneth Blow  
Councilor Jay Kelley  
Town Manager Larry Mead

Absent: Vice Chair Shawn O'Neill  
Councilor Michael Tousignant  
Assistant Town Manager V. Louise Reid (took Minutes from Filing)

**ACCEPTANCE OF MINUTES:** Town Council Minutes of April 2, 2019.

**MOTION:** Councilor Blow motioned and Councilor Kelley seconded to Accept the Minutes as read.

**VOTE:** Unanimous.

**GOOD AND WELFARE:**

**PUBLIC HEARING BUSINESS LICENSES AND APPROVAL:**

**CHAIR:** I open this Public Hearing at 6:35 p.m.

Bryan Albert DBA/Grilled Cheeze Pleez, LLC (306-6-1), 2 Old Orchard Street, Victualers with Preparation—no alcohol; Anca Gooje DBA/Salty Air Suites (313-2-12), 13 Bay Avenue, three year round rental units; George Kerr DBA/Old Orchard Beach Associates LLC (205-6-7), 5 Milliken Street, Seasonal Parking Lot; Anthony Barbano DBA/The Sand Bar (307-1-1), 25 West Grand Avenue, Seasonal Parking Lot; Anthony Barbano DBA/The Sand Bar Café and Takeout (307-1-2), 25 West Grand Avenue, Victualers with Preparation—no alcohol; David Doubleday (323-10-17), 32 Randall Avenue, Seasonal Single Family Rental.

**CHAIR:** I close this Public Haring at 6:37 p.m.

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

**VOTE:** Unanimous.

**PUBLIC HEARING AMUSEMENT PERMITS AND APPROVAL:**

**CHAIR:** I open this Public Hearing at 6:37 p.m.

**Anthony Guidice, New England Restaurant Group, Inc, DBA/Pirates Patio & Galley(304-2-9), 2 Walnut Street, Acoustic, amplified music, dancing and karaoke – Noon to 8 p.m., Inside and Outside; Michael Harris, Surfs Up LLC DBA/Surf-6 (306-2-9-A), 2 Cortland Street, acoustical and amplified music– 11 a.m. to 10 p.m., Inside and Outside; and Patio Pub Inc. DBA/Pier Patio Pub (306-6-1-J), 2 Old Orchard Street, Bands, Amp, DJ, Solo, Comedy, 11 a.m. to 1 a.m., Inside and Outside.**

**CHAIR:** I close this Public Hearing at 6:38 p.m.

**TOWN MANAGER’S REPORT:**

**The Town Manager read into the Minutes a letter regarding the Local Option Tax.**

**March 27, 2019**

**Honorable Ben Chipman, Senate Chair Joint Committee on Taxation  
Honorable Brian Tipping, House Chair Joint Committee on Taxation**

**Senator Chipman, Representative Tipping and Members of the Taxation Committee:**

I am writing in support of LD1110, An Act to Establish a Local Option for Sales Tax.

I am confident that each of you when traveling has encountered 1% or more added to hotel or restaurant tabs by the City or County of jurisdiction. I am positive that this marginal increase was in no respect a factor in your choice of destination. I am equally confident that an additional penny on the dollar will not cause you or me to decide not to return or revisit that destination. The reality is that very few of us would give that 1% charge a second thought. It is just the cost of doing business and one that travelers are very accustomed to.

As one of Maine’s most popular and longest established resort destinations Old Orchard Beach must support infrastructure (wastewater, sewer, stormwater) and services (police, fire and rescue, lifeguards) to meet the needs of a peak summer population that far exceeds the year round population of 8,800. The peak summer service population in OOB exceeds 50,000, or almost 6 times the census number.

Examples of seasonal municipal costs include:

<b>Seasonal Police Reserves Wages</b>	<b>\$300,000</b>
<b>Lifeguards Budget</b>	<b>\$170,000</b>
<b>Downtown cleaning/maintenance</b>	<b>\$215,000</b>
<b>Daily Beach cleaning/grooming</b>	<b>\$ 75,000</b>

Examples of infrastructure and equipment costs directly related to seasonal population include:

Replace second ambulance (FY20)	\$ 200,000
Replace beach rake/tractor (FY20)	\$ 150,000
Upgrade Wastewater facility(FY21 bond)	\$15,000,000
Downtown infrastructure/lighting update (FY23)	\$ 2,000,000

Adopting a 1% meals/lodging tax would ensure that tens of thousands of OOB visitors will directly help to pay for the significant additional infrastructure and services required to make their visit safe and enjoyable.

Today you have the opportunity to take a step forward for Maine by giving people the choice to adopt through referendum a local option sales tax to be used for meeting community needs. LD1110 would allow each community to craft a local option tax that is right for it. In Old Orchard Beach this will make a tremendous difference in addressing infrastructure needs! The most appropriate approach in OOB would be to limit the tax to meals and lodging since together they comprise over 80% of OOB taxable sales. A 1% meals/lodging tax would generate over \$800,000 annually, funding that would logically be directed to infrastructure and equipment needs, and not add further to the Town's \$15.30 tax rate.

Help Maine communities meet urgent service and infrastructure needs if they choose to by enacting a local option sales tax is the right choice for this committee and this legislature. Please support LD1110.

**NEW BUSINESS:**

# 7357 Discussion with Action: Accept, with regret, the resignation of Richard Greenlee and appoint Roger Stevens as a regular member of the Conservation Commission, term to expire 12/31/2019.

MOTION: Chair Thornton motioned and Councilor Blow seconded to Accept, with regret the resignation of Richard Greenlee and Appoint Robert Stevens as a Regular Member of Conservation Commission, term to expire 12/31/2019.

VOTE: Unanimous.

# 7358 Discussion with Action: Convey foreclosed property identified as 10 Little River Rd, Parcel Number 00201-00003-00004 to owners of record, Melissa & Cathleen Cunningham Allen, for the total amount of \$21,030.46 in outstanding taxes and accumulated interest, due on the effective date of conveyance, including FY2017, FY2018, FY2019, and FY2020 taxes, plus any legal costs incurred by the Town of Old Orchard Beach.

MOTION: Councilor Blow motioned and Councilor Kelley seconded to Convey foreclosed property identified as 10 Little River Rd, Parcel Number 00201-00003-00004 to owners of record, Melissa & Cathleen Cunningham Allen, for the total amount of \$21,030.46 in outstanding taxes and accumulated interest, due on the effective date of conveyance including FY2017, FY2018, FY2019, and FY2020 taxes, plus any legal costs incurred by the Town of Old Orchard Beach.

VOTE: Unanimous.

**# 7359 Discussion with Action: Approve the Special Event Permit application for Thornton Academy to hold their annual bonfire on the beach at the end of Colby Avenue on Friday, May 31<sup>st</sup>, 2019, with a rain date of Saturday, June 1<sup>st</sup>, 2019.**

**MOTION: Councilor Kelley motioned and Councilor Blow seconded to Approve the Special Event Permit as read.**

**VOTE: Unanimous.**

**# 7360 Discussion with Action: Approve the Special Event Permit application for Michelle Lee to hold her wedding on the beach at the end of Oceana Avenue on Saturday, June 8<sup>th</sup>, 2019. Set-up will start at 10 a.m. (chairs and awning) and wedding at 11 a.m. Rain date will be the day before, Friday, June 7<sup>th</sup>, 2019, starting at 6 p.m.**

**MOTION: Councilor Kelley motioned and Councilor Blow seconded to Approve the Special Event Permit as read.**

**VOTE: Unanimous.**

**# 7361 Discussion with Action: Approve the Liquor License Renewals for Pirates Patio and Galley (304-2-9), 2 Walnut Street, m-v-s in a Restaurant; David Cluff DBA/Duffy's Tavern and Grill OOB LLC (208-1-6), 168 Saco Avenue, m-v-s in a Restaurant; Michael Harris, Surfs Up LLC DBA/Surf-6 (306-2-9-A), 2 Cortland Street, m-v-s in a Restaurant/Lounge; Richard Payette DBA The Landmark Restaurant (306-5-6), 28 East Grand Avenue, m-v-s in a Restaurant; Patio Pub Inc. DBA/Pier Patio Pub (306-6-1-J), 2 Old Orchard Street, m-v-s in a Restaurant/Lounge.**  
**Chair Joseph Thornton**

**MOTION: Councilor Kelley motioned and Councilor Blow seconded to Approve the Special Event Permit as read.**

**VOTE: Unanimous.**

**ADJOURNMENT:**

**MOTION: Councilor Kelley motioned and Councilor Blow seconded to Adjourn the Town Council Meeting.**

**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 five (5 ) pages is a copy of the original Minutes of the Town Council Meeting of April 16, 2019.  
V. Louise Reid

**A Budget Workshop will follow the Town Council Meeting addressing budget items relative to Transit District Subsidy Expense (Shuttlebus); Town Manager; Town Hall Maintenance; Finance; Tax; General Assistance; Insurance Expense and Employee Benefits; Revenue and Fees, Town Council, Debt Service, and CIP.**

**TOWN OF OLD ORCHARD BEACH  
TOWN COUNCIL MEETING  
Tuesday, April 16, 2019  
TOWN HALL CHAMBERS  
6:30 p.m.**

A Town Council Workshop of the Old Orchard Beach Town Council was held on Tuesday, April 16, 2019. Chair Thornton opened the meeting at 6:50 p.m.

The following were in attendance:

Chair Joseph Thornton  
Councilor Kenneth Blow  
Councilor Jay Kelley  
Town Manager Larry Mead  
Director - Shuttlebus  
Anthony Scavuzzo – Director of Shuttlebus  
Perian Carpenter – Shuttlebus  
Rod Carpenter – Shuttlebus  
Dan Blaney – Harmon Museum Director  
Stan Quinlan – Harmon Museum  
Finance Director – Diana Asanza

**Absent:** Vice Chair Shawn O’Neill  
Councilor Michael Tousignant  
Assistant Town Manager V. Louise Reid (Minutes from Tape)

The Budget Meeting this evening included Budget discussions on the Transit District Subsidy Expense (Shuttlebus), Town Manager, Town Hall Maintenance, Finance, Tax, General Assistance, Insurance Expense and Employee Benefits, Revenue and Fees, Town Council, Debt Service and CIP.

**SHUTTLEBUS:**

In the discussion of Items of the Shuttlebus Budget, it has requested an increase in the subsidy of \$25,000 which is a 17.8% increase. The total amount for the Shuttlebus was \$165,000. There were numerous reasons for the need including Health insurance increase of almost 20%; implementation of the pulse system. The addition of two new local service loops requiring more drivers, fuel, repair, etc. with more buses on the road daily. Consultant estimates of approximately \$300,000 additional expense. They estimate fares of \$25,000 and grant revenue of \$175,000, requiring them to raise \$100,000 from advertising and contract stops. They have applied for a grant to cover 80% of the cost of two new coaches for the Zoom runs. Their current vehicles are old with high mileage and increasing cost repairs. They must come up with 20% (\$260,000) as the local match. The six year capital plan submitted to PACTS calls for two new trolleys to begin replacement of the aging fleet; once again with a local 20% match required. All trolleys are scheduled to be replaced over the next four years. As of December 31<sup>st</sup> the fare revenue had covered 20% of total operating costs, about average for a service like Shuttlebus. Federal and State grants (including those earned but not received) covered 51%. Ads, stops and other service contributions covered 10%. That left 19% to be covered for operations by municipal contributions. In addition, municipal contributions are their primary source for local match in capital expenditures. Years of

focusing on the operating deficits rather than the updating of fleet vehicles has left a significant infrastructure deficit that must be addressed over time, with annual replacement of some vehicles necessary each year. They pursue all available grant sources but local funds are almost always required to leverage these sources. One of the peer transit system in the area, South Portland Transit, is currently subsidized from the South Portland General Fund for approximately \$650,000. Their system has about the same number of buses out as Shuttlebus has but Shuttlebus' service area is much larger, with a current total parent municipal contribution of only \$375,000. The giant of the area, Metro (Portland) serves routes in Portland, Westbrook and Falmouth and connects out to Gorham and to the mall area in South Portland. Their member municipalities contribute according to the route miles within each municipality. The current annual levels are: Portland \$2.78 million; Westbrook \$633,000; and Falmouth with limited route miles- \$164,000. The enabling agreement requires that all three municipalities contribute the same amount. One municipality not accepting the request penalizes the service by three times that amount. For these reasons Shuttlebus was asking for a contribution from each of the parent municipalities of \$140,000, an increase from the fiscal year 2018 amount of \$125,000 each. That level was in effect for three years, despite the increase in the costs. What they can do with what they get makes the benefit to the municipalities, their residents, businesses and employers a substantial bargain, even at the new requested level.

### **TOWN MANAGER'S**

In the discussion of the Town Manager's budget, the budget increased \$20,089 or 2.5%.

The Town Manager's Salary increased 2% or \$2,400 per the Manager's Employment Agreement. The Full and Part Time wages increased 2.9% or \$6,085 due to a 3% COLA for non-union employees and previously authorized FY19 wage adjustments. Dues, Memberships and Licenses decreased \$4,350 because membership dues are no longer assess for PACTS or the Sea Level Action Work Group. The amount requested was \$11,500.

Legal expense decreased \$15,000 to reflect the FY18 and fY19 year to date expenditures. User License Expenses increased \$25,600. The Council has already approved an update to the Vision assessing software for FY20 in the amount of \$22,500. In addition the annual fee for the MUNIS Financial support software increased \$3,000. The amount requested was \$77,600. Computer Support Expenses increased \$15,000 to provide additional IT support to staff. The amount requested was \$100,000.

Bank Fees Expenses decreased \$1,000 because the cost related to processing parking meter cash receipts was transferred to the Parking Budget. Miscellaneous Expense increased \$10,000 to reflect actual FY18 expenses and to support a number of activities including the Community Friendly Connection Program, the Memorial Day Parade, the Annual Halloween Event, and the annual J-1 Welcome and Orientation.

GIS Expense decreased \$6,900 because assessing related cost was transferred to the Assessing Budget. Computer System Upgrade Expense decreased \$12,900 because there are fewer scheduled upgrades in FY20.

### **TOWN HALL MAINTENANCE**

The Service Contract Expense related to the Building increased \$950 due to the minor increases in several service contracts, including the sprinkler system inspections and pest control services.

## **FINANCE**

Department Head and Full Time Wages increased \$3,374 or 2.1% to reflect a 3% COLA for non-union employees and previously approved collective bargaining and FY19 wage adjustments.

## **TAXATION**

The Department Head and Full Time wages increase of \$3,923 or 4% as previously approved through the collective bargaining agreement and the Computer Support Expenses increased \$2,775 due to an increase in the license for required motor vehicle registration software.

## **GENERAL ASSISTANCE**

There were no significant change in the expense line although the budget was down (\$558) or (-2.5%).

## **INSURANCE**

Health Insurance increased \$83,250 or 7.7% (Up \$121,250 or 4.2%) due to anticipated increases in premiums in the second half of \$FY20. The requested appropriation is \$1,170,000.

Worker's Compensation increased \$14,000 or 4.7% and the appropriation was \$310,000.

General Liability Insurance increased \$10,000 or 3.5^ and the requested appropriation is \$293,000.

## **Non-Property Tax Revenue and Transfers**

Non-property tax revenue reduced the tax rate by \$2.90 - \$5,069.505 – down (\$20,354) or (-4%). It should be noted that the major Revenue Drivers include Vehicle Excise, use of Unassigned Fund Balance, use of Rescue Fees Fund Balance, State Revenue Sharing, Parking Fees, Homestead Reimbursement, Interest on Taxes and Investments, Building Permits, Business Licenses, Cable Franchise Fee, Parking Violations, Bond proceed Transfers and MDEA Reimbursement.

## **Debt Service**

The Equipment Lease Expense increased \$153,200 to finance by lease a dump truck – 1-Ton, ¾ Ton, Beach Rake and Tractor and loader/backhoe for Public works and an Ambulance for Fire. Principal Payments decreased \$61,515 because FY19 was the last year of payments on a 2011 General Obligation Bond. Interest Expense decreased by \$14,400 due to the maturing of prior bond issuances. Interest Expense decreased by \$14,400 due to the maturing prior bond issuances. Deb Service was up \$77,285 or 4.4%.



**CIP**

There was discussion of the Old Orchard Beach Town Hall Tower Repairs which have been needed for years. Cost of the North Tower and the South Tower was discussed and will be further discussed during the CIP Budget discussion.

The Budget Hearing was closed at 8:16 p.m.

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 Meeting of April 16, 2019.

V. Louise Reid