

Audited Financial Information and
Other Supplementary Material

Town of Old Orchard Beach, Maine

June 30, 2017



Proven Expertise and Integrity



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INDEPENDENT AUDITORS' REPORT

Town Council
Town of Old Orchard Beach
Old Orchard Beach, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Old Orchard Beach, Maine, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of Old Orchard Beach, Maine's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Old Orchard Beach, Maine as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension related information on pages 4 through 11 and 57 through 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Old Orchard Beach, Maine's basic financial statements. The Schedule of Revenues - Budget and Actual - General Fund, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Revenues - Budget and Actual - General Fund, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues - Budget and Actual - General Fund, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2017, on our consideration of the Town of Old Orchard Beach, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Old Orchard Beach, Maine's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
December 13, 2017

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

(UNAUDITED)

The following management's discussion and analysis of Town of Old Orchard Beach, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2017. Please read it in conjunction with the Town of Old Orchard Beach, Maine's financial statements.

Financial Statement Overview

The Town of Old Orchard Beach's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, pension-related schedules, and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the Town's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regards to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position – this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities – this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Both of the above mentioned financial statements have separate columns for the two different types of town activities. The types of activities presented for the Town of Old Orchard Beach are:

- *Governmental activities* – The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the Town's basic services are reported in governmental activities, which include general government, public works, sanitation, recreation, culture and agencies, education, health and welfare, other.
- *Business-type activities* – These activities are normally intended to recover all or a significant portion of their costs through user fees and/or charges to external users for goods and/or services. These activities for the Town of Old Orchard Beach include the Ballpark fund.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Old Orchard Beach, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Old Orchard Beach can be divided into two categories: governmental funds and proprietary funds.

Governmental funds: Most of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Town's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Town.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The Town of Old Orchard Beach presents two columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The Town's major governmental fund is the general fund. All other funds are shown as nonmajor and are combined in the "Nonmajor Funds" column on these statements.

The general fund is the only fund for which the Town legally adopted a budget. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

Proprietary Funds: The Town of Old Orchard Beach maintains one proprietary fund, the Ballpark fund. These funds are used to show activities that operate more like those of commercial enterprises. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. No reconciliation is needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Statement of Cash Flows - Proprietary Funds.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Contributions and Notes to Required Supplementary Information.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regards to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net position, and changes in net position of the Town's governmental and business-type activities. The Town's total net position for governmental funds was \$17.56 million compared to \$16.74 million in the prior year, an increase of \$823,844. For the business-type activities total net position was \$200,276 as compared to \$217,316 in the prior year, a decrease of \$17,040.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - was \$6.28 million at the end of this year for governmental activities and a deficit of \$21,237 for the business-type activities.

Table 1
Town of Old Orchard Beach, Maine
Net Position
June 30,

	Governmental Activities		Business-type Activities	
	2017	2016 (Restated)	2017	2016
Assets:				
Current and Other Assets	\$ 12,179,900	\$ 11,537,083	\$ (21,237)	\$ (21,237)
Capital Assets	20,971,805	20,725,386	221,513	238,553
Total Assets	33,151,705	32,262,469	200,276	217,316
Deferred Outflows of Resources	2,555,883	1,591,717	-	-
Liabilities:				
Current Liabilities	2,174,833	2,380,386	-	-
Long-Term Debt Outstanding	14,831,728	13,192,044	-	-
Total Liabilities	17,006,561	15,572,430	-	-
Deferred Inflows of Resources	1,137,537	1,542,110	-	-
Net Position:				
Net Investment in Capital Assets	10,813,392	10,668,609	221,513	238,553
Restricted	470,740	623,566	-	-
Unrestricted (deficit)	6,279,358	5,447,471	(21,237)	(21,237)
Total Net Position	\$ 17,563,490	\$ 16,739,646	\$ 200,276	\$ 217,316

Table 2
Town of Old Orchard Beach, Maine
Change in Net Position
For the Years Ended June 30,

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues				
<i>Program Revenues:</i>				
Charges for services	\$ 1,948,410	\$ 1,934,347	\$ -	\$ -
Operating grants and contributions	429,212	41,449	-	-
Capital grants and contributions	55,900	56,156	-	-
<i>General Revenues:</i>				
Taxes	26,207,096	25,049,925	-	-
Grants and contributions not restricted to specific programs	617,311	628,754	-	-
Investment income	48,449	39,695	-	-
Miscellaneous	57,538	46,292	-	-
Total Revenues	<u>29,363,916</u>	<u>27,796,618</u>	<u>-</u>	<u>-</u>
Expenses				
General government	4,574,742	4,415,884	-	-
Public works	2,022,970	1,860,541	-	-
Sanitation	2,188,601	2,044,377	-	-
Public safety	5,312,889	4,751,466	-	-
Recreation, culture and agencies	1,081,193	1,147,396	-	-
Health and welfare	77,962	61,277	-	-
Education	11,871,271	11,341,558	-	-
County tax	933,175	906,712	-	-
Tax abatements/overlay	3,709	33,084	-	-
Program expenses	16,272	-	-	-
Capital outlay	177,092	262,169	-	-
Interest on long-term debt	280,196	227,704	-	-
Enterprise funds	-	-	17,040	17,039
Total Expenses	<u>28,540,072</u>	<u>27,052,168</u>	<u>17,040</u>	<u>17,039</u>
Change in Net Position	823,844	744,450	(17,040)	(17,039)
Net Position - July 1, Restated	<u>16,739,646</u>	<u>15,995,196</u>	<u>217,316</u>	<u>234,355</u>
Net Position - June 30	<u>\$ 17,563,490</u>	<u>\$ 16,739,646</u>	<u>\$ 200,276</u>	<u>\$ 217,316</u>

Revenues and Expenses

Revenues for the Town's governmental activities increased by \$1,597,902, while total expenses increased by \$1,518,508. The biggest increases in expenses were in public safety, education and capital outlay while the biggest increase in revenues was in tax revenue.

Expenses for the Town's proprietary funds were consistent, as the only item of expense was depreciation.

Financial Analysis of the Town's Fund Statements

Governmental funds: The financial reporting focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information may be useful in assessing the Town's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's financial position at the end of the year, and the net resources available for spending.

Table 3
Town of Old Orchard Beach, Maine
Fund Balances - Governmental Funds
June 30,

	2017	2016
Major Funds:		
General Fund:		
Nonspendable	\$ 74,052	\$ 59,544
Assigned	550,000	550,000
Unassigned	6,035,970	5,172,555
Total Major Funds	\$ 6,660,022	\$ 5,782,099
Nonmajor Funds:		
Special revenue funds:		
Restricted	\$ 18,037	\$ 12,206
Committed	1,141,094	1,040,507
Unassigned	(17,631)	(9,085)
Capital projects funds:		
Restricted	452,703	611,360
Committed	1,744,212	1,474,695
Assigned	2,526	2,526
Unassigned	(159,144)	(4,275)
Total Nonmajor Funds	\$ 3,181,797	\$ 3,127,934

The general fund total fund balance increased by \$877,923 from the prior fiscal year. The nonmajor funds total fund balances increased by \$53,863 from the prior fiscal

year. The general fund increased due to certain revenue categories being over budget. The increase in nonmajor funds was primarily due to charges for services.

Proprietary funds: The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The ballpark fund had an operating loss of \$17,040.

Budgetary Highlights

There were significant differences between the original and final budget for the general fund. These differences were budget adjustments done by the Town for special town meetings or adjustments between departments as well as use of assigned fund balance.

The general fund actual revenues exceeded budget by \$587,817. This was primarily due to greater than expected revenues received on taxes, licenses and permits and intergovernmental revenues.

The general fund actual expenditures were under the budget by \$1,119,749. All expenditure categories finished within or were under budget with the exception of sanitation.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2017, the net book value of capital assets recorded by the Town increased by \$229,379. The increase was due to current year additions and depreciation expense. Refer to Note 4 of Notes to Financial Statements for additional information.

Table 4
Town of Old Orchard Beach, Maine
Capital Assets (Net of Depreciation)
June 30,

	<u>2017</u>	<u>2016</u>
Land and improvements	\$ 856,917	\$ 873,957
Buildings and improvements	7,026,440	6,847,344
Machinery and equipment	1,434,776	1,407,203
Vehicles	2,825,051	2,582,820
Infrastructure	8,229,073	8,431,554
Construction in progress	<u>821,061</u>	<u>821,061</u>
Total	<u>\$ 21,193,318</u>	<u>\$ 20,963,939</u>

Debt

At June 30, 2017, the Town had \$9.3 million in bonds outstanding versus \$9.7 million last year, a decrease of 4.0%. Other obligations include capital leases payable, accrued landfill costs, accrued vacation and sick time, net pension liability and accrued other post-employment benefits. Refer to Note 5 of Notes to Financial Statements for more detailed information.

Economic Factors and Next Year's Budgets and Rates

The Town has steadily maintained a sufficient unassigned fund balance to sustain government operations for a period of approximately two months, while also maintaining significant reserve accounts for future capital and program needs.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Finance Department at 1 Portland Road, Old Orchard Beach, Maine 04064.

TOWN OF OLD ORCHARD BEACH, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 7,474,342	\$ -	\$ 7,474,342
Investments	2,893,699	-	2,893,699
Accounts receivable (net of allowance for uncollectibles):			
Taxes	469,750	-	469,750
Tax liens	1,096,720	-	1,096,720
Other	150,100	-	150,100
Inventory	72,332	-	72,332
Prepaid items	1,720	-	1,720
Internal balances	21,237	(21,237)	-
Total current assets	<u>12,179,900</u>	<u>(21,237)</u>	<u>12,158,663</u>
Noncurrent assets:			
Capital assets:			
Land and other assets not being depreciated	1,456,465	-	1,456,465
Buildings, vehicles, machinery and equipment and infrastructure, net of accumulated depreciation	19,515,340	221,513	19,736,853
Total noncurrent assets	<u>20,971,805</u>	<u>221,513</u>	<u>21,193,318</u>
TOTAL ASSETS	<u>33,151,705</u>	<u>200,276</u>	<u>33,351,981</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	2,555,883	-	2,555,883
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>2,555,883</u>	<u>-</u>	<u>2,555,883</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 35,707,588</u>	<u>\$ 200,276</u>	<u>\$ 35,907,864</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 237,968	\$ -	\$ 237,968
Due to other governments	9,563	-	9,563
Accrued expenses	261,849	-	261,849
Other liabilities	495,758	-	495,758
Current portion of long-term obligations	1,169,695	-	1,169,695
Total current liabilities	<u>2,174,833</u>	<u>-</u>	<u>2,174,833</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	8,397,380	-	8,397,380
Capital leases	597,338	-	597,338
Accrued landfill costs	66,000	-	66,000
Accrued compensated absences	1,130,588	-	1,130,588
Net pension liability	4,361,763	-	4,361,763
Other postemployment benefits liability	278,659	-	278,659
Total noncurrent liabilities	<u>14,831,728</u>	<u>-</u>	<u>14,831,728</u>
TOTAL LIABILITIES	<u>17,006,561</u>	<u>-</u>	<u>17,006,561</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	1,137,537	-	1,137,537
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,137,537</u>	<u>-</u>	<u>1,137,537</u>
NET POSITION			
Net investment in capital assets	10,813,392	221,513	11,034,905
Restricted	470,740	-	470,740
Unrestricted (deficit)	6,279,358	(21,237)	6,258,121
TOTAL NET POSITION	<u>17,563,490</u>	<u>200,276</u>	<u>17,763,766</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 35,707,588</u>	<u>\$ 200,276</u>	<u>\$ 35,907,864</u>

See accompanying independent auditors' report and notes to financial statements.

STATEMENT B

TOWN OF OLD ORCHARD BEACH, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business- type Activities	Total
Governmental activities:							
General government	\$ 4,574,742	\$ 371,701	\$ -	\$ -	\$ (4,203,041)	\$ -	\$ (4,203,041)
Public works	2,022,970	-	-	55,900	(1,967,070)	-	(1,967,070)
Sanitation	2,188,601	204,191	-	-	(1,984,410)	-	(1,984,410)
Public safety	5,312,889	518,437	429,212	-	(4,365,240)	-	(4,365,240)
Recreation, culture and agencies	1,081,193	854,081	-	-	(227,112)	-	(227,112)
Health and welfare	77,962	-	-	-	(77,962)	-	(77,962)
Education	11,871,271	-	-	-	(11,871,271)	-	(11,871,271)
County tax	933,175	-	-	-	(933,175)	-	(933,175)
Tax abatements/overlay	3,709	-	-	-	(3,709)	-	(3,709)
Program expenses	16,272	-	-	-	(16,272)	-	(16,272)
Capital outlay	177,092	-	-	-	(177,092)	-	(177,092)
Interest on long-term debt	310,800	-	-	-	(310,800)	-	(310,800)
Total governmental activities	28,570,676	1,948,410	429,212	55,900	(26,137,154)	-	(26,137,154)
Business-type activities:							
Ballpark	17,040	-	-	-	-	(17,040)	(17,040)
Total business-type activities	17,040	-	-	-	-	(17,040)	(17,040)
Total government	\$ 28,587,716	\$ 1,948,410	\$ 429,212	\$ 55,900	(26,137,154)	(17,040)	(26,154,194)

STATEMENT B (CONTINUED)
TOWN OF OLD ORCHARD BEACH, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	Governmental Activities	Business- type Activities	Total
Changes in net position:			
Net (expense) revenue	(26,137,154)	(17,040)	(26,154,194)
General revenues:			
Taxes:			
Property taxes, levied for general purposes	24,532,820	-	24,532,820
Excise taxes	1,674,276	-	1,674,276
Grants and contributions not restricted to specific programs	647,915	-	647,915
Investment income	48,449	-	48,449
Miscellaneous	57,538	-	57,538
Total general revenues	<u>26,960,998</u>	<u>-</u>	<u>26,960,998</u>
Change in net position	823,844	(17,040)	806,804
NET POSITION - JULY 1, RESTATED	<u>16,739,646</u>	<u>217,316</u>	<u>16,956,962</u>
NET POSITION - JUNE 30	<u>\$ 17,563,490</u>	<u>\$ 200,276</u>	<u>\$ 17,763,766</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF OLD ORCHARD BEACH, MAINE
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2017

STATEMENT C

	General Fund	Nonmajor Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 7,474,342	\$ -	\$ 7,474,342
Investments	2,893,699	-	2,893,699
Accounts receivable (net of allowance for uncollectibles):			
Taxes	469,750	-	469,750
Tax liens	1,096,720	-	1,096,720
Other	66,730	83,370	150,100
Inventory	72,332	-	72,332
Prepaid items	1,720	-	1,720
Due from other funds	196,524	3,353,504	3,550,028
TOTAL ASSETS	\$ 12,271,817	\$ 3,436,874	\$ 15,708,691
LIABILITIES			
Accounts payable	\$ 158,178	\$ 79,790	\$ 237,968
Accrued payroll and related liabilities	199,322	-	199,322
Due to other governments	9,563	-	9,563
Other liabilities	495,758	-	495,758
Due to other funds	3,353,504	175,287	3,528,791
TOTAL LIABILITIES	4,216,325	255,077	4,471,402
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	1,395,470	-	1,395,470
TOTAL DEFERRED INFLOWS OF RESOURCES	1,395,470	-	1,395,470
FUND BALANCES			
Nonspendable	74,052	-	74,052
Restricted	-	470,740	470,740
Committed	-	2,885,306	2,885,306
Assigned	550,000	2,526	552,526
Unassigned	6,035,970	(176,775)	5,859,195
TOTAL FUND BALANCES	6,660,022	3,181,797	9,841,819
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 12,271,817	\$ 3,436,874	\$ 15,708,691

See accompanying independent auditors' report and notes to financial statements.

STATEMENT D

TOWN OF OLD ORCHARD BEACH, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 9,841,819
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	20,971,805
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	1,395,470
Deferred outflows of resources are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Deferred outflows related to pensions	2,555,883
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(9,327,960)
Capital leases	(830,453)
Accrued interest	(62,527)
Accrued landfill expenses	(72,000)
Accrued compensated absences	(1,130,588)
Net pension liability	(4,361,763)
Other post employment benefits	(278,659)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	<u>(1,137,537)</u>
Net position of governmental activities	<u><u>\$ 17,563,490</u></u>

See accompanying independent auditors' report and notes to financial statements.

STATEMENT E

TOWN OF OLD ORCHARD BEACH, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	General Fund	Nonmajor Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 26,132,856	\$ -	\$ 26,132,856
Licenses and permits	1,013,177	-	1,013,177
Intergovernmental	1,092,769	40,258	1,133,027
Other charges for services	-	935,233	935,233
Investment income	48,449	-	48,449
Unclassified	20,151	37,387	57,538
TOTAL REVENUES	28,307,402	1,012,878	29,320,280
EXPENDITURES			
Current:			
General government	4,183,561	30,604	4,214,165
Public works	1,442,199	-	1,442,199
Sanitation	1,743,000	-	1,743,000
Public safety	4,823,825	19,310	4,843,135
Recreation, culture and agencies	683,842	321,503	1,005,345
Health and welfare	77,962	-	77,962
Education	11,871,271	-	11,871,271
County tax	933,175	-	933,175
Tax abatements/ overlay	3,709	-	3,709
Program expenses	-	16,272	16,272
Debt service:			
Principal	788,590	-	788,590
Interest	296,857	-	296,857
Equipment replacement	252,652	-	252,652
Capital outlay	-	1,300,162	1,300,162
TOTAL EXPENDITURES	27,100,643	1,687,851	28,788,494
EXCESS REVENUES OVER (UNDER) EXPENDITURES	1,206,759	(674,973)	531,786
OTHER FINANCING SOURCES (USES)			
Proceeds from long term debt	-	400,000	400,000
Transfers in	833,000	1,153,836	1,986,836
Transfers (out)	(1,161,836)	(825,000)	(1,986,836)
TOTAL OTHER FINANCING SOURCES (USES)	(328,836)	728,836	400,000
NET CHANGE IN FUND BALANCES	877,923	53,863	931,786
FUND BALANCES - JULY 1	5,782,099	3,127,934	8,910,033
FUND BALANCES - JUNE 30	\$ 6,660,022	\$ 3,181,797	\$ 9,841,819

See accompanying independent auditors' report and notes to financial statements.

TOWN OF OLD ORCHARD BEACH, MAINE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2017

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 931,786</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:	
Capital asset acquisitions	1,925,616
Capital asset disposals (net)	(59,668)
Depreciation expense	<u>(1,619,529)</u>
	<u>246,419</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported.	
Taxes and liens receivable	<u>74,240</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds.	
	<u>964,166</u>
Debt proceeds provide current financial resources to governmental funds, but long-term liabilities in the Statement of Net Position.	
	<u>(1,186,876)</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	
	<u>1,085,240</u>
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds.	
	<u>404,573</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued interest	16,661
Accrued landfill costs	6,000
Accrued compensated absences	(46,927)
Net pension liability	(1,602,957)
Other post employment benefits	<u>(37,877)</u>
Change in net position of governmental activities (Statement B)	<u>\$ 854,448</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF OLD ORCHARD BEACH, MAINE
BALANCE SHEET – PROPRIETARY FUNDS
JUNE 30, 2017

STATEMENT G

	<u>Enterprise Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ -
Total current assets	<u>-</u>
Noncurrent assets:	
Capital assets:	
Land improvements	992,050
Machinery and equipment	1,200
Less: accumulated depreciation	<u>(771,737)</u>
Net capital assets	<u>221,513</u>
Total noncurrent assets	<u>221,513</u>
 TOTAL ASSETS	 <u>\$ 221,513</u>
 LIABILITIES AND NET POSITION	
Current liabilities:	
Due to other funds	\$ 21,237
Total current liabilities	<u>21,237</u>
 TOTAL LIABILITIES	 <u>21,237</u>
 NET POSITION	
Net investment in capital assets	221,513
Unrestricted	<u>(21,237)</u>
TOTAL NET POSITION	<u>200,276</u>
 TOTAL LIABILITIES AND NET POSITION	 <u>\$ 221,513</u>

See accompanying independent auditors' report and notes to financial statements.
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TOWN OF OLD ORCHARD BEACH, MAINE

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017

	Enterprise Fund
OPERATING REVENUES	
Charges for services	\$ -
TOTAL OPERATING REVENUES	-
OPERATING EXPENSES	
Depreciation	17,040
TOTAL OPERATING EXPENSES	17,040
OPERATING INCOME (LOSS)	(17,040)
NONOPERATING INCOME (EXPENSE)	
Investment income	-
Interest expense	-
TOTAL NONOPERATING INCOME (EXPENSE)	-
CHANGE IN NET POSITION	(17,040)
NET POSITION - JULY 1	217,316
NET POSITION - JUNE 30	\$ 200,276

See accompanying independent auditors' report and notes to financial statements.

TOWN OF OLD ORCHARD BEACH, MAINE
 STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017

STATEMENT I

	Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ -
Other receipts	-
Payments to employees	-
Payments to suppliers	-
Net cash provided (used) by operating activities	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Interest payments on bond payable	-
Payments for purchases of capital assets	-
Principal payments on bond payable	-
Proceeds from new bond	-
Net cash provided (used) by capital and related financing activities	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-
CASH AND CASH EQUIVALENTS - JULY 1	-
CASH AND CASH EQUIVALENTS - JUNE 30	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss) and other financing	\$ (17,040)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation and expense	17,040
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ -

See accompanying independent auditors' report and notes to financial statements.

TOWN OF OLD ORCHARD BEACH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Old Orchard Beach was incorporated under the laws of the State of Maine. The Town operates under the council-manager form of government and provides the following services: general government services, town services and public safety, public works, health and welfare, community services, planning and development, insurance and employee benefits, waste management, education, and other.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The Town's combined financial statements include all accounts and all operations of the Town. We have determined that the Town has no component units as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61.

Implementation of New Accounting Standards

During the year ended June 30, 2017, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 73, "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*". The objective of the Statement is to improve financial reporting by instituting a single framework for the presentation of information about pensions, thereby expanding the comparability of pension-related information reported by state and local governments. Management has determined that this Statement is not applicable.

Statement No. 74, "*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*". The objective of the Statement is to improve the disclosure of information about benefits other than pensions (other postemployment benefits or OPEB) included in financial statements of state and local governments. This Statement will improve financial reporting through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts that meet specified criteria. Management has determined the impact of this Statement is not material to the financial statements.

SCHEDULE A

TOWN OF OLD ORCHARD BEACH, MAINE

SCHEDULE OF REVENUES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
REVENUES					
General tax revenues:					
Property taxes	\$ 24,162,398	\$ -	\$ 24,162,398	\$ 24,060,714	\$ (101,684)
Excise taxes	1,379,000	-	1,379,000	1,674,276	295,276
Franchise taxes	200,000	-	200,000	206,896	6,896
Interest and penalties	134,000	-	134,000	190,970	56,970
Intergovernmental revenues:					
Municipal revenue sharing	357,300	-	357,300	359,858	2,558
Homestead exemption	205,000	3,688	208,688	192,633	(16,055)
DOT block grant	56,000	-	56,000	55,900	(100)
BETE reimbursement	3,700	-	3,700	3,254	(446)
Health/welfare intergovernmental	35,000	-	35,000	40,391	5,391
Grant income	152,000	72,499	224,499	429,212	204,713
Other intergovernmental	20,000	-	20,000	11,521	(8,479)
Licenses, permits and fees:					
Parking meters	330,000	-	330,000	393,725	63,725
Parking fines/ordiance violations	126,000	-	126,000	160,981	34,981
Business licenses	185,000	-	185,000	178,194	(6,806)
Building, plumbing, electrical permits	146,000	-	146,000	141,263	(4,737)
Town agent fees	25,000	-	25,000	26,566	1,566
Town clerk fees	18,000	-	18,000	17,578	(422)
Trash bag/septic	32,000	-	32,000	45,773	13,773
Parking lot permits	15,000	-	15,000	28,825	13,825
Planner fee	9,000	-	9,000	12,172	3,172
Street opening permits	8,000	-	8,000	8,100	100
Investment income:					
Investment income	20,000	-	20,000	48,449	28,449
Unclassified:					
Sale of town owned property	30,000	-	30,000	20,151	(9,849)
Transfers from other funds					
Special revenue funds	828,000	-	828,000	833,000	5,000
Total revenues	\$ 28,476,398	\$ 76,187	\$ 28,552,585	\$ 29,140,402	\$ 587,817

See accompanying independent auditor's report and notes to financial statements.

SCHEDULE B

TOWN OF OLD ORCHARD BEACH, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
General government					
Town council	\$ 43,820	\$ -	\$ 43,820	\$ 42,010	\$ 1,810
Administration	701,383	-	701,383	663,376	38,007
Tax collector	104,014	-	104,014	106,197	(2,183)
Finance director/treasurer	179,449	-	179,449	161,775	17,674
Assessor	126,640	9,350	135,990	135,277	713
Town clerk	140,375	-	140,375	130,242	10,133
Elections	32,400	-	32,400	25,892	6,508
Planning	131,808	-	131,808	127,647	4,161
Code enforcement	201,942	-	201,942	199,812	2,130
Building maintenance	78,015	-	78,015	76,889	1,126
Planning, zoning, registration boards	5,400	-	5,400	4,339	1,061
Contingency	170,000	(54,300)	115,700	-	115,700
Insurance	2,658,845	(109,350)	2,549,495	2,510,105	39,390
	<u>4,574,091</u>	<u>(154,300)</u>	<u>4,419,791</u>	<u>4,183,561</u>	<u>236,230</u>
Public works					
General	1,531,762	26,099	1,557,861	1,442,199	115,662
	<u>1,531,762</u>	<u>26,099</u>	<u>1,557,861</u>	<u>1,442,199</u>	<u>115,662</u>
Sanitation					
Treatment plant	1,075,049	32,413	1,107,462	1,088,389	19,073
Solid waste	617,000	-	617,000	654,611	(37,611)
	<u>1,692,049</u>	<u>32,413</u>	<u>1,724,462</u>	<u>1,743,000</u>	<u>(18,538)</u>

SCHEDULE B (CONTINUED)

TOWN OF OLD ORCHARD BEACH, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Public safety					
Police department	2,468,895	139,142	2,608,037	2,549,155	58,882
Parking Enforcement	90,350	-	90,350	80,558	9,792
Fire/rescue department	1,773,955	140,122	1,914,077	1,828,892	85,185
Street lights and traffic light expense	255,000	-	255,000	239,807	15,193
Lifeguards	150,000	(9,220)	140,780	125,413	15,367
	<u>4,738,200</u>	<u>270,044</u>	<u>5,008,244</u>	<u>4,823,825</u>	<u>184,419</u>
Recreation, culture and agencies					
Recreation	220,169	-	220,169	208,344	11,825
Libby Memorial Library	279,033	-	279,033	279,033	-
Transit District subsidy	125,000	-	125,000	125,000	-
Service agencies	12,500	-	12,500	12,500	-
Historical society	15,976	-	15,976	15,474	502
Parks maintenance expense	62,050	18,379	80,429	39,371	41,058
Conservation commission	13,240	-	13,240	4,120	9,120
	<u>727,968</u>	<u>18,379</u>	<u>746,347</u>	<u>683,842</u>	<u>62,505</u>
Health and welfare					
General assistance	79,280	-	79,280	77,962	1,318
	<u>79,280</u>	<u>-</u>	<u>79,280</u>	<u>77,962</u>	<u>1,318</u>

SCHEDULE B (CONTINUED)

TOWN OF OLD ORCHARD BEACH, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Education	11,871,521	-	11,871,521	11,871,271	250
County tax	933,204	-	933,204	933,175	29
Tax abatements/overlay	25,000	194,195	219,195	3,709	215,486
Debt service					
Equipment replacement	308,315	-	308,315	252,652	55,663
Principal	788,590	-	788,590	788,590	-
Interest	373,000	(31,000)	342,000	296,857	45,143
Transfers out	1,469,905	(31,000)	1,438,905	1,338,099	100,806
Special revenue funds	8,000	-	8,000	8,000	-
Capital projects funds	1,345,418	-	1,345,418	1,153,836	191,582
	1,353,418	-	1,353,418	1,161,836	191,582
Total	\$ 28,996,398	\$ 355,830	\$ 29,352,228	\$ 28,262,479	\$ 1,089,749

See accompanying independent auditor's report and notes to financial statements.

Town Council members thanked the auditing services for their service to the community. The Auditor indicated that the funds for the Town were being appropriately handled and fiscal responsibility a priority. The one recommendation to the Council was the elimination of the Enterprise Fund as it related to the Ballpark which basically the start-up of a new business and since the Ballpark has been a well-established operation for some time the Finance Director needs to set up a separate account for them as for other departmental operations.

ACKNOWLEDGEMENTS:

ASSISTANT TOWN MANAGER:

Thanks to all who participated in the Frozen 4 Miler for the benefit of the Camp Scholarships for the Recreation Department. Please put these dates on your calendar as there is a lot going on in Old Orchard Beach during this month: Collecting through this Friday – OOB 365 is conducting a backpack program for Loranger School by collecting food items that kids can cook for themselves recognizing that each week the School sends needy kids home with some food so they have some nutrition over the weekend. You can bring your canned and non-perishable goods to MacDonald's Garage by this Friday. This is a tremendously important effort and we ask for your help. In addition the Community Food Bank and the Community Animal Watch are also in need of product or financial donations as well. Your consideration is most appreciated. Monday, January 22 – BINGO AND DINE AT THE AMERICAN LEGION starting at 6:00 p.m. with benefit of food sales to the Women's Auxiliary and sponsored by OOB365. Saturday, January 27th at the Saco Elks Grange, 158 North Street in Saco – 9 a.m. to 2:00 p.m. Free Clothing Giveaway. They just had this event and it was so successful they are planning this second one. If you have donation of clothing call Beverly Russell at 229-0651 or Dawn Tarbox at 602-9423. Sunday, January 28 from 1:00 to 5:00 p.m. – the OOB 365 Community Dinner. This is something done every year which gives you a chance to enjoy the fellowship of family and friends and meet new friends and have a fabulous dinner including creative savory and sweet pies and an abundant amount of vegetables and their decadent dessert table. Please contact Sharri Macdonald which questions and possible donations for this great event held at the American Legion on Imperial Street. Saturday, February 3 – 6:30 – 8:30 at the Dunegrass Country Club – Father and Daughter Dance – Call 934-4513 extension 201 for further information. Tickets must be secured by January 31st. – Dessert Bar, Music, Photo Booth and Dancing. Saturday, February 10 – 7 to 11 p.m. – VALENTINE'S GREAT GATSBY PARTY. Again – Further information can be secured by calling 934-4513. WHO SAID OLD OLCHARD BEACH IS DEAD IN THE WINTER TIME. NO WAY.

GOOD AND WELFARE – No one spoke.

PUBLIC HEARING:

Shall We Amend the Town of Old Orchard Beach Code of Ordinances, Food Business Amendments to Chapter 78 (Zoning): 78-1 (Definitions); 78-717 (Downtown District 1, Permitted Uses, Primary Uses); 78-747 (Downtown District 2, Permitted Uses); 78-748 (Downtown District 2, Prohibited Uses); 78-1083 (Amusement Overlay District, Complimentary Uses); 78-1223 (Campground Overlay District, Accessory Uses); and 78-1382 (Buildings and Structures, Temporary Structures, Exemption)?

CHAIR: I open this public hearing at 6:55 p.m.

TO: Old Orchard Beach Town Council
Larry Mead, Town Manager
Louise Reid, Assistant Town Manager
FROM: Planning Staff
SUBJECT: Food Business Ordinance Amendments Summary
DATE: 20 December 2017

Jeffrey Hinderliter, the Planner, was asked to give a description of this Ordinance Amendment and he included much of the material listed below:

On 2 August 2017, the Council enacted a moratorium on mobile food businesses. The moratorium was enacted in response to concerns associated with food trucks and how mobile food businesses are regulated. As part of the moratorium, the Council determined the Town's existing ordinances do not adequately regulate food trucks or other mobile food businesses to prevent serious public harm from commercial development and expressed the intent to limit licensing of food trucks and other mobile food businesses. The Council requested the PB study the appropriate amending of land use ordinances regarding the regulation of mobile food businesses and develop land use regulations concerning food trucks and other mobile food businesses.

In response to the moratorium, planning staff drafted ordinance amendments for PB's consideration. Staff's initial approach was to create more comprehensive changes but we were reminded our scope has limits due to the moratorium language (e.g., limit licensing). So, the proposed ordinance amendments follow the guidance provided in the moratorium.

The first draft, presented at the October PB meeting, included the following amendments: Food Stands are now defined as Mobile Food Businesses (MFB); MFB's are no longer permissible in the DD1; MFB's are now permissible in the Campground Overlay; MFB's are only permissible in the Amusement and Campground Overlay Districts; and, MFB's are permissible anywhere as long as they're associated with events sponsored or authorized by the Town Council.

After review of draft 1, the PB recommended changes to the MFB definition- a breakdown of the specific types of mobile food businesses. Staff reconsidered draft 1 language and developed draft 2 which includes a breakdown of the MFB definition (into food cart, food truck, food stand) and a few other adjustment including a new term, take-out food business, to address businesses that provide take-out service with no on-site seating (e.g., Lisa's Pizza, Bill's, D&D). On 14 December the PB held a public hearing and voted in favor of a recommendation that the Council support the proposed amendments as presented in draft 2. Draft 2 is now presented to Council (Titled: "Council 1/2/2018").

Below is a summary of the amendments:

- Mobile food businesses are now defined more specifically as food cart, food truck, food stand and replace the food stand definition.
- Food cart, food trucks and food stands are proposed to be permissible in the Amusement Overlay (AO), Campground Overlay (CO), and for Council approved/sponsored events no matter where they are located.

- Food stands, as currently regulated, are permissible in the DD1, AO and (it appears) CO Districts. The proposed changes consolidate food stands into Food carts, trucks and stands. They will not be permissible in the DD1.
- Food cart, truck, stand definitions include language to ensure it's clear the uses are not permanent.
- Take-out food business is defined and a new land use. After removing the current food stand definition and use, we found businesses that primarily serve take-out from permanent structures without on-site seating (e.g., Lisa's Pizza, Bill's, D&D) lacked a definition and land use classification. It appears they are currently classified as food stands. Because the current food stand definition is proposed to change so that it regulates non-permanent structures and that these structures are proposed to be prohibited in the districts where Lisa's, etc. exist, it seemed appropriate that we develop a new land use. This new land use is identified as take-out food business.
- Take-out food businesses are proposed to be permissible uses in the DD1, DD2 and CO districts.

The ordinances amendments include 3 primary changes:

- Define and regulate food stands, food trucks and food carts as separate land uses to be allowed in the AO, CO and for Council approved/sponsored events no matter where they are located.
- Food stands, food trucks and food carts are not permissible in DD1. Current ordinances allow food stands in DD1.
- Take-out food businesses are defined and identified as a new uses allowed in the DD1, DD2 and AO.

One final note, if the amendments are approved, I expect the food carts and stands located by the Pier will be considered nonconforming uses no longer permissible in the DD1 and will be regulated as such. The ordinance amendments will not prevent them from continued operation- they have consistently operated over the years and will be allowed to continue. I'm not aware of other food carts, trucks or stands that have continuously operated.

**BELOW IS THE PLANNING STAFF MEMO
TO THE PLANNING BOARD:**

TO: Old Orchard Beach Planning Board
FROM: Planning Staff
SUBJECT: Mobile Food Business Ordinance Amendments Summary
DATE: 9 November 2017

On 2 August 2017, the Council enacted a moratorium on mobile food businesses. The moratorium was enacted in response to concerns associated with food trucks and how mobile food businesses are regulated. As part of the moratorium, the Council determined the Town's existing ordinances do not adequately regulate food trucks or other mobile food businesses to prevent serious public harm from commercial development and expressed the intent to limit licensing of food trucks and other mobile food businesses. The Council requested the PB study the appropriate amending of land use ordinances regarding the regulation of mobile food businesses and develop land use regulations concerning food trucks and other mobile food businesses.

In response to the moratorium, staff drafted ordinance amendments for PB's consideration. Staff's initial approach was to create more comprehensive changes but we

were reminded our scope has limits due to the moratorium language (e.g., limit licensing). So, the proposed ordinance amendments follow the guidance provided in the moratorium.

The first draft, presented at the October PB meeting, included the following amendments: Food Stands are now defined as Mobile Food Businesses (MFB); MFB's are no longer permissible in the DD1; MFB's are now permissible in the Campground Overlay; MFB's are only permissible in the Amusement and Campground Overlay Districts; and, MFB's are permissible anywhere as long as they're associated with events sponsored or authorized by the Town Council.

After review of the first draft, the PB recommended changes to the MFB definition- a breakdown of the specific types of mobile food businesses. Staff reconsidered draft 1 language and developed draft 2 which includes a breakdown of the MFB definition and a few other adjustment including a new term, take-out food business, to address businesses that provide take-out service with no on-site seating (e.g., Lisa's Pizza, Bill's, D&D). Below is a summary of the changes in draft 2:

- MFB is no longer defined. Mobile food businesses are now defined more specifically (food cart, food truck, food stand) and replace the MFB definition.
- Food cart, food trucks and food stands are permissible in the same locations as the formerly proposed MFB's were allowed (Amusement Overlay, Campground Overlay, Council approved/sponsored events).
- Food cart, truck, stand definitions include language to ensure it's clear the uses are not permanent.
- We currently define and regulate food stands. Draft 2 changes the definition (primarily by adding "non-permanent structures") and where they are and are not allowed.
- Take-out food business is defined and a new land use. After removing the current food stand definition and use and the proposed MFB definitions, we found businesses that primarily serve take-out from permanent structures without on-site seating (e.g., Lisa's Pizza, Bill's, D&D) lacked a definition and land use classification. It appears they are currently classified as food stands. Because the current food stand definition is proposed to change so that it regulates non-permanent structures and that these structures are proposed to be prohibited in the districts where Lisa's, etc. exist, it seemed appropriate that we develop a new land use. This new land use is identified as take-out food business.
- Take-out food businesses are proposed to be allowed uses in the DD1 and DD2 districts.

A few thoughts/comments:

- Is the PB ok with the revised definitions?
- Does the PB agree the "take-out food business" approach is an acceptable way to deal with businesses such as Lisa's, Bill's, D&D, etc.?
- If the amendments are approved, I expect the food carts and stands located by the Pier will be considered nonconforming uses no longer permissible in the DD1 and will be regulated as such. They have continued to operate over the years. I'm not aware of other food carts, trucks or stands that have continuously operated.
- Difficult to find the proper place in the ordinance to ensure MFB's can operate anywhere as long as they're associated with events sponsored or authorized by the Council. The seventh amendment attempts to do this. I found this was difficult because Ch. 78 regulates zoning and does not have a place that can conveniently fit standards that deal with Council approval of events.

Next steps. We are working under a moratorium which means our consideration has time limits. Moratorium expiration can be extended but we should ensure our work is complete within a reasonable amount of time. Proposed schedule:

- November: PB review second draft, schedule a public hearing (14 December).
- December: PB holds a public hearing and provide recommendations to Council.
- December/January: Council begin their review.

BACKGROUND

Below are comments concerning moratorium key points, current language, and current language interpretation. Remember, we are currently under a moratorium which means that although current ordinance language allows food stands, food stands and other mobile food businesses are not permissible anywhere in town until the Council provides a final ruling on the moratorium.

MORATORIUM KEY POINTS

The moratorium (attached with this memo) includes the following key points and PB responsibilities:

- The moratorium originally took effect on 2 August. It was renewed on 1 Oct and we expect will be renewed on 21 Nov. The Council can extend, repeal or modify the expiration date.
- The Council have “acted to limit the licensing of food trucks and mobile food businesses and further expressed the intent to limit licensing of food trucks and other mobile food businesses.”
- The “Town’s existing ordinances do not adequately regulate food trucks or other mobile food businesses to prevent serious public harm from commercial development.”
- A mobile food business is “any business not qualifying as a restaurant or convenience store and offering for sale foodstuffs to be consumed by the public off premises, as the term Food Stand is defined in Chapter 78 of the Code of Ordinances of the Town of Old Orchard Beach, and including, in addition to food stands, food trucks and food carts.”
- The PB is responsible for “studying the appropriate amending of land use ordinances regarding the regulation of mobile food businesses” and “developing land use regulations concerning food trucks and other mobile food businesses.”
- The PB’s scope has limits due to the moratorium language. Interpretation of this language shows the Council determined our current ordinances do not adequately regulate food trucks or other mobile food businesses and task us with developing standards that limit licensing of food trucks and other mobile food businesses to prevent harm to commercial development.
- Mobile Food Business as defined in the moratorium is not currently defined in our ordinances. It includes language in the currently defined term “Food Stand” and adds “and including, in addition to food stands, food trucks and food carts.”
- Ordinance changes will include amendments to Ch. 78; therefore, the PB will hold a public hearing and provide a recommendation to Council.
- Although the Council can extend the moratorium expiration date the PB should consider this a priority so we may complete our work as soon as possible. Due to the meeting dates and actions required by ordinance (public hearings, etc.) I expect we’ll need at least one 60 day extension.

CURRENT LANGUAGE

Below is the current ordinance language that is most closely related to food trucks and mobile food businesses.

Food Stand Definition

Food stand means any business not qualifying as a restaurant or a convenience store as defined in this section, and offering for sale foodstuffs to be consumed by the public off premises.

Food Stand Permissible Locations, Setbacks, Sales

Sec. 78-717. Permitted uses in the downtown district 1 (DD-1) shall be classified as follows:

(1) Primary uses. Primary uses are as follows:

g. Food stands (located between First Street/Milliken Street and the beach) with a minimum ten-foot setback from the front property line.

Sec. 78-1083. Permitted uses in the amusement overlay district (AO) shall be classified as follows:

(2) Complementary uses. Complementary uses are as follows:

d. Food stands with a minimum of a ten-foot setback from the front property line.

Sec. 50-246 (Streets, Sidewalks, and Other Public Places Ordinance). Outside Solicitation of Sales (Note: this may apply- see comments in Current Language Interpretation, below)

No person shall engage in the solicitation, sale or rental of any goods, wares or merchandise outside the enclosed portion of a building.

CURRENT LANGUAGE INTERPRETATION

In an attempt to determine whether a food truck or mobile food businesses are a permitted use in the DD1 and AO Zoning Districts and because there is no definition for food truck or mobile food business in the town's ordinances, it appears the use classification that is the best fit is "Food Stand." Chapter 78 ordinance defines a Food Stand as:

Any business not qualifying as a restaurant or convenience store as defined in this section, and offering for sale foodstuffs to be consumed by the public off premises.

The DD1 allows Food Stands in a specific area- between First Street and Milliken Street and the beach with a minimum 10 foot front property line setback (see attached map). The AO District allows Food Stands within the entirety of the district provided there is a 10 foot front property line setback (see attached map). Because the definition includes the language "any business not qualifying as a restaurant or convenience store" it has be interpreted by some that a food truck or mobile food business is permissible as a Food Stand as long as it's within the DD1 specific areas and AO, meets the 10' setback, and does not allow food to be consumed on premises which means food may be purchased on-site but it must be consumed off-site (per the definition of Food Stand).

Regarding Sec. 50-246, Outside Solicitation of Sales states: "No person shall engage in the solicitation, sale or rental of any goods, wares or merchandise outside the enclosed portion of a building." Food trucks and mobile food businesses are not buildings so sales will take place outside the enclosed portion of a building because a building does not

exist. Also, a food truck and mobile food business engages in sales. The problem lies in is food considered “goods, wares or merchandise.” I believe the closest fit is “goods” but unfortunately, goods are not defined in the ordinance. When a term is not defined in an ordinance it is common to use a dictionary. I used two dictionaries, Webster’s New World and Black’s Law, to find a definition for goods:

(Webster’s New World) goods: 1. personal property 2. wares 3. Fabric

(Black’s Law) goods: 1. Tangible or movable personal property other than money; esp., articles of trade or items of merchandise <goods and services>. *The sale of goods is governed by Article 2 of the UCC. 2. Things that have value whether tangible or not <the importance of social goods varies from society to society>.

Considering the above-mentioned definitions, I find the only way food may be defined as goods are in Black’s Law definition: “Things that have value whether tangible or not.” This standard may not apply but it has some relationship to our discussion.

Ch. 78, Food Business Amendments (Council 1/2/2018)

1. Chapter 78 – Zoning, Article I – In General, Section 78-1 – Definitions, shall be amended by adding the underscore language and deleting the ~~strikethrough~~ language as follows:

~~Food stand means any business not qualifying as a restaurant or a convenience store as defined in this section, and offering for sale foodstuffs to be consumed by the public off premises.~~

Food Cart means a non-permanent food and beverage service establishment that is a non- motorized vehicle self-propelled by the operator. This definition shall also include food and beverage service establishments pulled by a motorized vehicle.

Food Stand means a non-permanent structure used to sell prepared and/or pre-packaged food and beverages.

Food Truck means a motorized vehicle that is completely mobile from which prepared and/or pre-packaged food and beverages are sold. The term “food truck” shall not include ice cream trucks.

Take-Out Food Business means a permanent structure whose primary use is to prepare and sell food and beverages to be consumed away from its place of sale. The term “take-out food business” shall not include restaurants, convenience stores, ice cream trucks, food trucks, food stands, and food carts.

2. Chapter 78 – Zoning, Article VI – Districts, Division 2 – Downtown Business Districts, Subdivision III – Downtown District I, Section 78-717 – Permitted Uses, (1) Primary Uses, shall be amended by adding the underscore language and deleting the ~~strikethrough~~ language as follows:

g. Take-out food business

~~g. Food stands (located between First Street/Milliken Street and the beach) with a minimum ten-foot setback from the front property line.~~

3. Chapter 78 – Zoning, Article VI – Districts, Division 2 – Downtown Business Districts, Subdivision IV – Downtown District 2, Section 78-747 – Permitted Uses, shall be amended by adding the underscore language as follows:

s. Take-out food business

4. Chapter 78 – Zoning, Article VI – Districts, Division 2 – Downtown Business Districts, Subdivision IV – Downtown District 2, Section 78-748 – Prohibited Uses, shall be amended by adding the underscore language as follows:

(5) Food carts, food trucks, food stands, drinking establishments, and game arcades.

5. Chapter 78 – Zoning, Article VI – Districts, Division 15 – Amusement Overlay District, Section 78-1083 – Permitted Uses, (2) Complimentary Uses, shall be amended by adding the underscore language as follows:

d. Food carts, food trucks, and food stands with a minimum of a ten-foot setback from the front property line.

f. Take-out food business.

6. Chapter 78 – Zoning, Article VI – Districts, Division 18 – Campground Overlay District, Section 78-1223 – Accessory Uses, shall be amended by adding the underscore language as follows:

(12) Food carts, food trucks, and food stands serving only registered occupants, guests of registered occupants, and employees of the campground and not the general public.

7. Chapter 78 – Zoning, Article VIII – Performance Standards, Division 2 – Buildings and Structures, Section 78-1382 – Temporary structures, (b) Exemption, shall be amended by adding the underscore language and deleting the strikethrough language as follows:

(b) *Exemption.* Temporary construction trailers for approved construction projects, and temporary structures for events sponsored or otherwise authorized by the town council, ~~and these temporary structures which are otherwise permitted in the amusement overlay district (AO), and food carts, food trucks, and food stands which are permitted in the amusement~~ overlay district, campground overlay district and for events sponsored or otherwise authorized by the town council shall be exempt from subsection (a) of this section.

There was discussion both from the Council and the public including John Clutier and most acceptance of the ordinance change. This proposed ordinance change would limit food carts, food trucks and food stands to the Amusement Overlay and Campground Overlay districts. These mobile businesses could operate outside these districts only at Town Council approved Special Event permits. Campground Overlay districts are located at various locations in Town and have been created to establish areas for campgrounds. The Amusement Overlay district is in the downtown near the waterfront where the Palace Playland Amusement Park is located. Existing mobile food businesses located in front of the Pier which are not in the Amusement Overlay distribute would be grandfathered in should this ordinance be approved. To better define food establishments such as Lisa's Pizza and Pier Fries, which are carry-out businesses

with no seating located in permanent buildings, a new category of restaurants has been established called “take-out food businesses”. Under the proposed ordinance change, take-out food businesses would be allowed in the Amusement Overlay district as well as in the general downtown district. The Planner indicated that an enormous amount of study and research went into these changes.

CHAIR: I close this Public Hearing at 7:06 p.m.

PUBLIC HEARING:

Shall We Amend the Zoning Map to change Zoning district from Residential 1 district to the Downtown District 2 for lots located at 6-8 St. John Street (MBL: 206-24-32); and 10 St. John Street (MBL: 206-24-31); Owner: Neal Weinstein?

CHAIR: I open this Public Hearing at 7:07 p.m.

BACKGROUND:

TO: Old Orchard Beach Town Council
Larry Mead, Town Manager
Louise Reid, Assistant Town Manager
FROM: Planning Staff
DATE: 20 December 2017

SUBJECT: Zoning Map Amendment: Change zoning district from the Residential 1 District to the Downtown District 2 for lots located at 6-8 St. John’s St. (MBL: 206-24-32) and 10 St. John St. (MBL: 206-24-31). Lot Owner: Neal Weinstein

This purpose of this proposal is to amend the town zoning map by removing the Residential 1 District (R1) and replacing with the Downtown District 2 (DD2) for two lots located 6-8 and 10 St. John’s Street. (see attachment). The reason behind this amendment is the owner would like the increased density DD2 allows compared to R1.

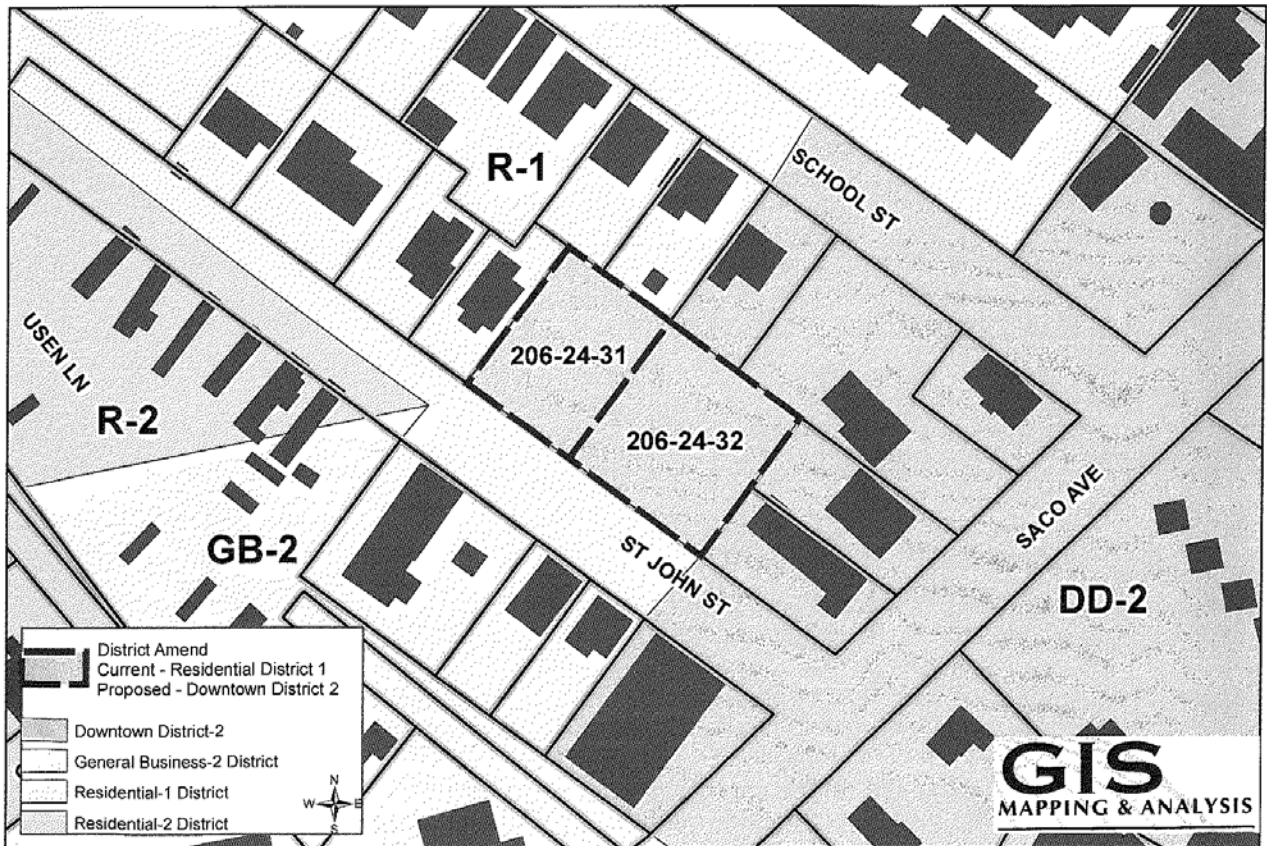
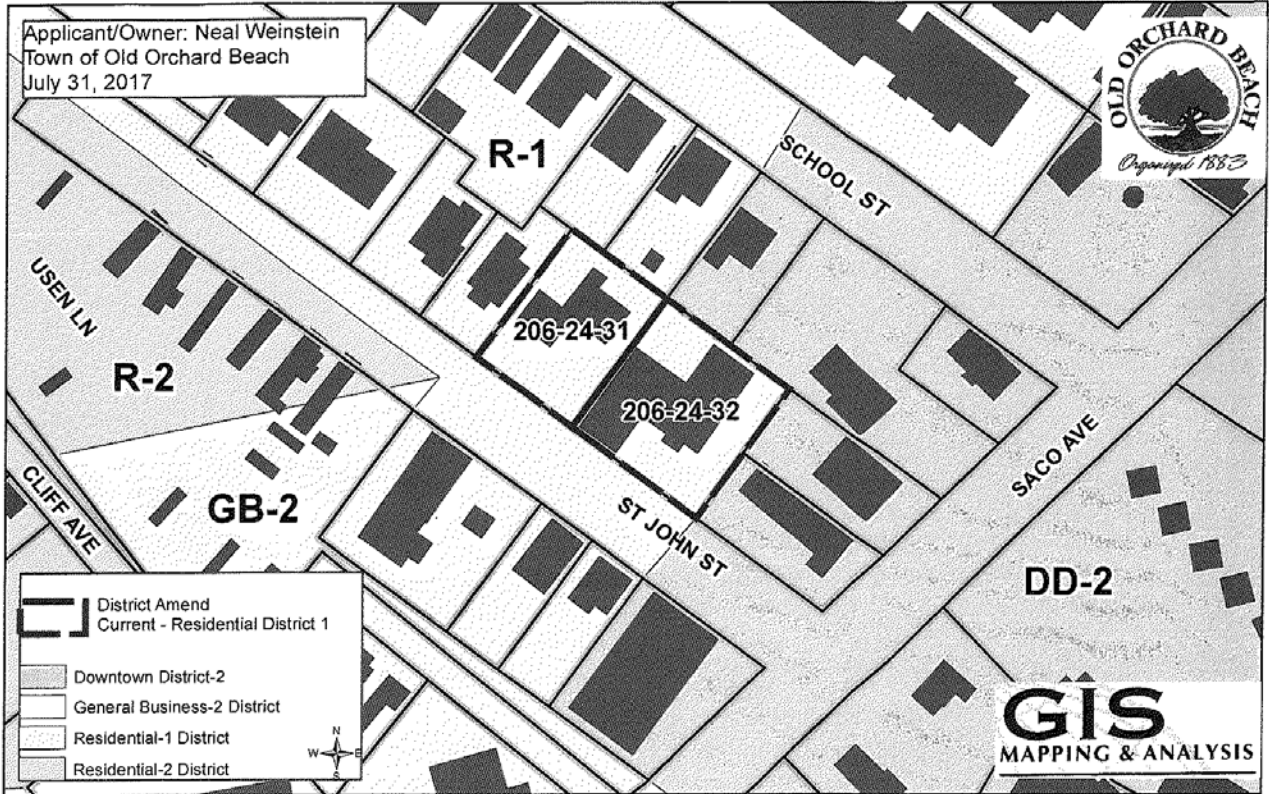
One of the primary tests associated with zoning district changes is its conformance with the comprehensive plan. Staff reviewed the Future Land Use Plans from both the currently adopted and draft comp plans and concludes that this proposal is in conformance with both plans. The current comp plan shows the subject area as B-2, which is basically the same as DD2 (maybe the B-2 name was changed to DD2). B-2 allows for a variety of retail, business and residential uses, including higher density residential- similar to DD2. The draft plan shows the subject area as Downtown Residential which will allow higher density for residential uses compared to the current R1 zoning.

The subject area abuts the DD2 so this proposal will extend the DD2 district (no leapfrog of lots or districts). Single-family is the current land use for both properties. One of the subject lots was at one time used as a church. Uses surrounding the subject area vary- businesses, campground, multi-unit residential, single-family residential. Public utilities serve both properties.

Because the proposal is a zoning map amendment, it requires a public hearing to be held by the Planning Board (PB) as well as a PB recommendation to the Council. The PB held a public hearing on 12 October 2017 and at the same meeting unanimously recommended that the Council adopt the map amendment. Note that amendments can be formally adopted only after a favorable vote of a majority of Council members.

There was information provided by the applicant for this change in the zoning, and Neil Weinstein spoke many times providing basically the same information that was provided to the Council prior to the meeting. Mr. and Mrs. Michael Turcotte spoke for some of the neighbors who could not attend with concerns about flooding issues and also the very poor and unsafe condition of the safe located near the property in discussion. It was felt that there were some unattended consequences and concerns as it related to the change and the Council recommended that the residents express their concerns to the Code and Planning Office so it could be referred to the Planning Board in the project process.'

CHAIR: I close this Public Hearing at 7:37 p.m.



BELOW ARE TWO LETTERS RECEIVED REGARDING THIS AGENDA ITEM:

January 12, 2018

Dear Town Council Members of OOB,

Please accept this letter as we are out of town at the time of this meeting, Tuesday January 16th 2018.

We live at 11 School Street in Old Orchard Beach. I have lived at this residence for twenty years.

We would like to bring up a few concerns that we have with the changing of 6-8 St. John Street from Residential 1 to Downtown District 2. This will result in the development of this land that has a dilapidated church and a rental property on it.

Some concerns are that the construction of this property will affect my property, especially with the change to the zoning and that there will be no easement that is needed for a District 2 property. The height of the structure is a concern that may not be able to be addressed, but I would like it to be known.

Water displacement has always been a concern over the years with that land including surrounding areas. If new construction occurs at this property, what would that entail for the surround properties?

Please be aware of concerns that we have discussed and know that we are concerned owners that will be effected by this zoning change and construction of this property. This property needs to be addressed due to the dilapidated church for safety reasons. Kids plays behind the church and people have disposed of inappropriate materials there.

Thank you,

Lou & Carole P. Smith
11 School Street
Old Orchard Beach, ME 04064

Town of Old Orchard Beach
Town Council Meeting

Subject #7083

Amend the Zoning Map to change Zoning district from Residential 1 district to the Downtown District 2 for lots located at 6-8 St. John Street.

Our property located at 28 Saco Avenue is adjacent to the back side of lots 6-8 St. John Street and we have concerns regarding the proposed Zoning change and the intended use by the Owner Neal Weinstein.

The use of the two properties at this time before the Zoning change are Residential District Zone 1 and is for one single family home on each lot, the same as my property and my neighbors. The change to Downtown District Zone 2 would allow for multifamily dwellings on each lot.

We have not seen any drawings or plot plans for this new development and do not know what the Owner Neal Weinstein is proposing to build.

We feel that this change should not be approved until we have more information.

The Zoning change should be contingent on providing a plot plan showing the location of the structures on the lots with side lines identified, a topography plan showing the lots elevations and water drainage, so that his new construction will not affect the water run-off from his property to the adjacent properties and a building plan showing the number of units, size and overall elevation of the new buildings.

These documents would be necessary to obtain a building permit and should be included by the Owner Neil Weinstein to go along with the request for the Zoning Change.

Sincerely

Ron & Sue Goode
28 Saco Ave
Old Orchard Beach. ME

e-mail rbgscg@cox.net
Cell 860-601-2298

BUSINESS LICENSES AND APPROVAL:

CHAIR: I open this Public Hearing at 7:07 p.m.

Michael Falzone (208-1-1-38), 180 Saco Avenue, Unit # 38 – one year round rental; and **James & Katherine Cocker** (315-9-13), 37 Seaview Avenue, one seasonal rental.

CHAIR: I close this Public Hearing at 7:08 p.m.

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

VOTE: Unanimous.

TOWN MANAGER’S REPORT:

The Town Manager has been working with the Public Works Director and Public Works Staff on putting together a proposal for significant infrastructure work in the Washington Avenue and Atlantic Avenue neighborhoods. The grant is administered by the State DECD using Federal Community Development Block Grant funds. Last year the Town Staff conducted a door-to-door survey in this area to assess whether the neighborhood qualified for funding based on income and demographic information. While there are infrastructure needs throughout this area we are targeting West Old Orchard Street, Fern Avenue, and the section of Washington Avenue adjacent to these two streets. The intent is to replace sewer lines and drainage infrastructure, and to replace sidewalks and curbing as well as road paving. We are also working with Maine Water to include water lines where appropriate. A letter of intent is due to DECD this week with final grant submittals due at the end of March. The Town Manager is also working with the Memorial Park Committee and with the Public Works staff on the proposal to develop a focal point within the Park to serve as a special place for reflecting on and honoring the service of our Veterans to the Town and to the country. The Committee is working with a well-regarded landscape architect with the intent of creating a very special place. It will be located in the same area where the Veterans Monument is currently. Attention is being paid to making the new area more accessible because currently many of our older Veterans have a difficult time getting to the existing monument because of grade changes. The designed plan is quite beautiful and the Committee will be presenting the proposal to the Council during the Budget process. He also noted that there is a parking ban in place and reminded folks to always be aware of them and that people can park in the Memorial Park and Milliken Street Parking lots as well. We were saddened to learn of the passing of Old Orchard Beach resident Fred Hoffmeister who died this past week at the age of 82. He has been a familiar figure in old Orchard Beach. He had a passion for music and was well known as the OOB Street Violinist for his impromptu solo performances in the downtown area for over twenty years. He was a very kind and independent person who will be sadly missed and fondly remembered. He is survived by his wife, Louise.

7091 Discussion with Action: Accept, with regret, the resignations of Owen Stoddard and Paul Weinstein from the Zoning Board of Appeals; and move Thomas Mourmouras from First Associate Member to Regular Member, term to expire 12/31/2019; Move Mikaela Nadeau from Second Associate to Regular Member, term to expire 12/31/2018; Appoint Rick Haskell as Deputy Electrical Inspector and Deputy Code Enforcement Officer, term to expires 7/1/18; Appoint William Berry as a Regular Member of the Finance Committee, term to expire 12/31/2019; and Move Barry Jackman from

Alternate Member to Regular Member of the Conservation Commission, term to expire 12/31/2020.

MOTION: Councilor Blow motioned and Councilor Kelley seconded to Discussion with Action: Accept, with regret, the resignations of Owen Stoddard and Paul Weinstein from the Zoning Board of Appeals; and move Thomas Mourmouras from First Associate Member to Regular Member, term to expire 12/31/2019; Move Mikaela Nadeau from Second Associate to Regular Member, term to expire 12/31/2018; Appoint Rick Haskell as Deputy Electrical Inspector and Deputy Code Enforcement Officer, term to expires 7/1/18; Appoint William Berry as a Regular Member of the Finance Committee, term to expire 12/31/2019; and Move Barry Jackman from Alternate Member to Regular Member of the Conservation Commission, term to expire 12/31/2020.

VOTE: Unanimous.

7092 Discussion with Action: Act on Order adopting and certifying the results of the Washington Avenue Neighborhood Income Survey to be submitted to the Department of Economic and Community Development with an application for a Community Development Block Grant for infrastructure improvements.

BACKGROUND:

Staff is submitting a preliminary letter of intent to seek funding through the State's Community Development Block Grant program (CDBG) for infrastructure improvements in the Washington Avenue neighborhood. The improvements would address deficiencies in sewer, drainage, sidewalks, curbing and pavement infrastructure. In preparation for seeking this grant funding the Town last year conducted a door-to-door survey of this neighborhood to obtain documentation regarding whether the target area qualifies under the income requirements for CDBG funding. The survey process was directed by the Town Manager and conducted by staff and volunteers. Under the CDBG program rules in order for the Town to submit a letter of intent the Council must take action to adopt the survey results and certify that the results are true and complete to the best of your knowledge.

MOTION: Councilor Kelley motioned and Councilor Blow second to Act on Order adopting and certifying the results of the Washington Avenue Neighborhood Income Survey to be submitted to the Department of Economic and Community Development with an application for a Community Development Block Grant for infrastructure improvements.

VOTE: Unanimous.

7093 Discussion with Action: Amend the Town Council Policy on Parking Permits, 07-01, by Amending the \$75 parking permit, allowing parking at parking meters and pay stations for four hours only, and two hours on Old Orchard Street, and allowing parking after Town Hall business hours in the front Town Hall parking lot and the rear lot across from Town Hall and Veteran's Square.

MOTION: Councilor Blow motioned and Councilor Kelley seconded to Amend the Town Council Policy on Parking Permits, 07-01, by amending the \$75 parking permit, allowing parking at parking meters and pay stations for four hours only, and two hours on Old Orchard Street, and allowing parking after Town Hall business hours in the front Town Hall parking lot and the rear lot across from Town Hall and Veteran's Square.

VOTE: Unanimous.

BACKGROUND:

**TOWN OF OLD ORCHARD BEACH
Town Council Policy 07-01
Parking Permits**

The Town Council has established the following policy for the issuance of and charges for Municipal Parking permits.

Resident Parking Permits (municipal lots): Permits for parking in Municipal Parking lots may be issued only to Town residents. The cost for a Municipal Parking Permit for the Milliken Street and Memorial Park Municipal Lots, inclusive, will cost \$50.00 per permit. There will be a limit of two (2) Municipal Parking Permits per Household. Permits for individual lots may not be purchased separately.

Resident Eligibility: Only the following shall be considered residents who are eligible for Municipal Parking permits:

- (1) Individuals who register their car in Old Orchard Beach, who presently live in Town.
- (2) Individuals who register their car in Old Orchard Beach and who pay real estate taxes.
- (3) Individuals who pay real estate taxes, and who live in their homes for the summer season.

Resident Parking Permits (including parking meters and pay stations): Permits for parking in Municipal Parking lots and parking meters and pay stations may be issued only to Town residents. The cost for a Municipal Parking Permit for the municipal lots located on Milliken Street, and Memorial Park, the rear parking lot across from Town Hall, the front parking lot of Town Hall and parking in Veteran's Square Municipal Lots, as well as all parking meters and pay stations on public property will cost \$75.00 per permit. There will be a limit of two (2) Municipal Parking Permits per household. Parking at meters and pay stations will be limited to two (2) hours on Old Orchard Street and four (4) hours at all other parking meters and pay stations. Parking in the rear parking lot of Town Hall, the front parking lot of Town Hall and in Veteran's Square is limited to after Town Hall business hours.

Resident Permits are limited to a total of (2) permits.

Resident Eligibility for the Resident Parking Permit including all parking meters:

- (1) Individuals who register their car in Old Orchard Beach, who presently live in Town.
- (2) Individuals who register their car in Old Orchard Beach and who pay real estate taxes.
- (3) Individuals that pay real estate taxes and live in their homes year-round.

Non-Resident Parking Permits: All individuals who do not qualify for a municipal resident parking permit may purchase a non-resident parking permit for \$150. There will be a maximum of 100 Non-Resident Parking Permits, and they will be available at a first-come, first-served basis. These permits will authorize parking in the Milliken Street Municipal Parking Lot only, and are not valid for July 3rd, July 4th or July 5th [amended this section 2/7/12].

Overnight Parking Permits: There will be a maximum of 30 parking permits for overnight parking in the Milliken Street parking lot only, at a cost of \$300 per permit, available on a first-come, first-served basis. [amended this section 10/21/14]

Employee and Staff Permits: Staff permits may be issued, at no cost, to Town employees, Staff and Town Councilors for parking in the Employees parking area and Veterans Square area.

Permits: Permits shall be in the form of hang tags to be affixed to the rear view mirror. All **stickers permits** for which a fee is charged shall be issued by the Town Clerk's Office. The Municipal Parking Permits, Non-Resident Parking Permits, and overnight permits are valid from the Friday before Memorial Day through Labor Day of each year. Colors of the **stickers permits** are to be determined by the Town Clerk. **Stickers Permits** shall be numbered consecutively. Staff parking stickers shall be issued by the Town Manager's office and shall be valid only while the individual is employed. [amended this section 10/21/14].

Permits Not Transferable: Permits issued under this policy are personal and not transferable. If the Town Clerk determines that a permit has been sold or otherwise transferred, the Clerk shall immediately void the permit and the permit fee shall be forfeited to the Town. This provision does not prevent the temporary use of a permit by a member of the permit holder's household or a guest of the permit holder [with the written permission of the permit holder]. (Amended by adding this section 9/18/07).

General Information: Stickers/permits do not allow overnight parking in any location, except the overnight parking permits. All Permits are non-replaceable. [amended this section 10/21/14].

NOTE: Parking Meters and Pay Stations shall be considered the same for the purposes of this policy.

Adopted: February 6, 2007
Amended: September 18, 2007
Amended: February 7, 2012
Amended: October 21, 2014
Amended: March 7, 2017

7094 Discussion with Action: Set the Public Hearing date of Tuesday, February 6th, 2018 to Amend the Town of Old Orchard Beach Code of Ordinances, Section 54-114 (Milliken Street parking lot); 54-115 (Memorial Park parking lot); and 54-187 Town Hall, adding paid parking for the Town Hall lots, and clarifying parking permits for the Milliken Street and Memorial Park parking lots.

MOTION: Councilor Tousignant motioned and Councilor Kelley seconded to Set the Public Hearing date of Tuesday, February 6th, 2018 to amend the Town of Old Orchard

lot. This ordinance will be enforced between the Friday before Memorial Day and Labor Day.

(b)

Memorial Park parking lot will have two designated handicap spaces.

(c)

Memorial Park parking lot will have five free one-hour parking spaces for use of visitors to Memorial Park and the Dog park only.

(d)

No parking shall be allowed between the hours of 2:00 a.m. and 6:00 a.m. unless authorized by Town of OOB Police Department.

(e)

Any vehicle in violation of subsection (a) of this section, the owner or operator shall be subject to a **fine of \$25.00, as described in Section 54-37, Penalty.**

(f)

Any vehicle in violation of subsection (d) of this section, the owner or operator shall be subject to a fine **of \$30.00, as described in Section 54-37, Penalty.**

(g)

Any vehicle in violation of subsection (c) of this section, the owner or operator shall be subject to a fine **of \$25.00, as described in Section 54-37, Penalty.**

(h)

Parking fee to be determined by the chief of police or his/her authorized representative at not more than \$20.00 per day or an hourly rate of \$2.00 per hour.

Sec. 54-187-Restrictions and Prohibitions.

Town hall. Upper lot and lower lot parking areas shall be limited to town hall business, Monday, Wednesday, Thursday and Friday from 8:00 a.m. to 4:00 p.m. and Tuesdays until 6:00 p.m. After town hall business hours, the lower lot parking area, the adjacent town-owned parking lot located at Veteran's Square (19 Imperial St. MBL: 205-3-3) and the upper lot parking area shall be limited to town hall business only, **paid parking** or by town-issued permit. The police chief or his designee has the right to reserve spaces for meetings being held at town hall. Parking restrictions during town hall business hours are in effect year round. Parking restrictions after town hall business hours are in effect the Friday before Memorial Day until Labor Day.

Per Order of the Municipal Officers this 16th day of January, 2018.

A True Copy

Attest:

7095

Discussion with Action: Act on Order authorizing the Town Manager to Enter into an Agreement with Stantec Services to plan and implement a program for invasive species control and salt water marsh plantings in Ocean Park marshes, in the amount of \$39,000, to be funded through the Department of Environmental Protection Grant for wetlands Restoration, Account Number 20149-50797 – Wetlands Restoration Grant Expense Account, with a balance of \$40,000.

BACKGROUND:

All expenditures related to this order will be funded with state grant funds. There is no local match required. At the September 19 Council meeting the Council accepted a grant from the Department of Environmental Protection in the amount of \$40,000. The grant was written and submitted by the Conservation Commission and will be used to mitigate the invasive species phragmites, which if left uncontrolled, choke out desirable vegetation and eventually destroy the salt-water marshes. The marshes are a critical natural resource that provide storage capacity for stormwater and lower the risk of flooding during storm events and extreme high tides. The services to be provided by Stantec affect three separate marsh areas in Ocean Park. Services include treatment and removal of phragmites vegetation, preparation of a restoration plan for each marsh site, implementation of the restoration plan through plantings of native species, and a follow-up program one year later to target remaining phragmites vegetation and to assess the viability of the new plantings.

MOTION: Councilor Blow motioned and Vice Chair O'Neill seconded to Act on Order authorizing the Town Manager to Enter into an Agreement with Stantec Services to plan and implement a program for invasive species control and salt water marsh plantings in Ocean Park marshes, in the amount of \$39,000, to be funded through the Department of Environmental Protection Grant for wetlands Restoration, Account Number 20149-50797 – Wetlands Restoration Grant Expense Account, with a balance of \$40,000.

VOTE: Unanimous.



Stantec Consulting Services Inc.
30 Park Drive, Topsham ME 04086-1737

September 13, 2017

Attention: Larry Mead
Town Manager
Town of Old Orchard Beach
One Portland Avenue
Old Orchard Beach, ME 04064

Reference: Proposal for Herbicide Applications and Salt Marsh Planting to Control *Phragmites australis*, Ocean Park Marshes, Old Orchard Beach, Maine

Dear Larry,

Thank you for the opportunity to present this proposal. This letter outlines the invasive species control and wetland restoration services that Stantec Consulting Services Inc. (Stantec) will perform on approximately 32,000 square feet of land dominated by common reed (*Phragmites australis*) currently found at 3 marshes in the Ocean Park area of Old Orchard Beach. These marsh sites are located at the Jordan Park, Ancona, and Randal Park marshes and are the focus of a Wetlands Restoration Project associated with a grant awarded to the Town of Old Orchard Beach (Town) by the Maine Department of Environmental Protection (MDEP) on 8 September 2017. Stantec assisted the Town in assessing the sites, developing a restoration strategy, and preparing the grant application. Stantec understands that the grant agreement between the DEP and the Town specifies that the *Phragmites* control and subsequent marsh restoration work will be performed substantially as outlined in the grant application submitted by the Town in June 2017.

The scope of this proposal closely follows the work that was proposed in the grant application. Bryan Emerson of our office visited the 3 marsh sites in the summer of 2017, and our understanding of the project and described tasks are based on that site visits and the list of work tasks presented in the grant application. If this approach does not meet your project needs, or if we have misunderstood your requirements, please contact Bryan.

SCOPE OF SERVICES

Task 1 – Herbicide Application

Stantec will provide a commercial herbicide applicator and one assistant applicator licensed by the Maine Board of Pesticides Control (BPC) for up to 5 days to perform the herbicide application treatments to control the approximately 32,000 square feet of common reed at the 3 marsh sites as identified by Stantec in our earlier site visit, and as shown on the attached Figure 1. Stantec will first prepare and submit to DEP the required Permit By Rule (PBR) application for clearing vegetation in a wetland environment, which requires 2-weeks for approval prior to treatment.

Once the PBR is approved, Stantec will conduct the treatments at each of the sites. The individual common reed stalks will be cut at approximately waist height, and herbicide will be applied to the cut stalks (i.e., the "clip-and-drip" method). The cut stalks and flower heads will be placed in trash

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Larry Mead
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Reference: Proposal for Herbicide Applications and Salt Marsh Planting to Control *Phragmites australis*, Ocean Park Marshes, Old Orchard Beach, Maine

bags so they can be hauled off-site for disposal. We assume that the Town will dispose of the bags of cut stalks and that Stantec is not responsible for disposal. Stantec also assumes that the Town will coordinate and provide volunteers to assist with cutting and bagging of flower heads. The common reed will be treated with a solution of Rodeo® (active ingredient: glyphosate) and water. Glyphosate is a non-selective, systemic herbicide that is readily adsorbed to soil particles, which prevents it from excessive leaching or from being taken up from the soil by non-target species. Rodeo is approved by the State of Maine and the U.S. Environmental Protection Agency (USEPA) for use in aquatic environments and has been found to be effective in the treatment of common reed. The cost for Stantec to provide the Rodeo for the project is included in this proposal. To provide optimal control of the common reed, the herbicide application should be performed in early to mid-August when the plants have reached near maximum height but prior to the production of seeds.

Stantec will post notification signs before application activities commence. These signs will describe the date and time of application, re-entry precautions, and the name and phone number of the proper contact person. These signs will remain in place for at least 2 days following the completion of the application. Herbicide applications will be performed according to applicable laws and regulations put forth by the BPC, the MDEP, and the USEPA.

To prepare this proposal, Stantec assumes that we will provide 2 licensed applicators for up to 5 days. We also assume that the Town will provide at least 4 to 6 volunteers to assist with the cutting and bagging of the common reed. This proposal does not include costs for Stantec to haul the bags of common reed away from the site and dispose of them at a proper facility.

Stantec is licensed as a Spray Contracting Firm by the State of Maine Board of Pesticides Control (BPC) and employs a sufficient number of Master and Operator applicators to actively supervise and conduct an herbicide application program in accordance with applicable state and federal laws and regulations.

Task 2 – Restoration Plan Development

Stantec will evaluate the treatment sites at the time of the herbicide application to determine the best options for salt marsh restoration plantings. In particular, Stantec will assess the soils, hydrology, and surrounding natural vegetation in relation to approximate surface elevations and tidal zones (i.e., high marsh versus low marsh) and tidal influence to determine the appropriate plant species and approximate area (square footage) of restoration plantings. Stantec will identify the appropriate planting area boundaries using a Global Positioning System (GPS) receiver, and will use that information in the preparation of a restoration plan for each site to guide the restoration work. The plan will include overall restoration goals, recommended plant species, sizes and numbers to be installed at each site, restoration methods, and maps showing the planting areas.

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Reference: Proposal for Herbicide Applications and Salt Marsh Planting to Control *Phragmites australis*, Ocean Park Marshes, Old Orchard Beach, Maine

Task 3 – Restoration Implementation

Stantec will implement the salt marsh restoration plan (outlined under Task 2) following treatment and removal of the common reed stands. In accordance with the restoration plan, restoration will include preparing the sites and planting native species where necessary to jump start recolonization of the area by native species. Based on our familiarity of the sites from prior site visits, we anticipate that plants will include both saltwater cordgrass (*Spartina alterniflora*) and native smooth cordgrass (*Spartina patens*) seedlings to promote a more diverse assemblage of salt-tolerant species. Other saltmarsh species will be considered, depending on availability of the above cordgrass species and the conditions at each site as evaluated after treatment. It is assumed that significant earthwork will not be required prior to planting, and that only minor changes to the planting medium using hand tools will be required. We assume that approximately 10,000 seedlings will be planted; the cost of the plants and their installation is included in this task. We also assume that the Town will provide 4 to 6 volunteers over a 2-day period to assist with the soil preparation and seedling planting at the 3 marsh restoration sites. Stantec will work with and observe the volunteers regarding proper soil preparation and planting methods.

Task 4 – Invasive Plant Follow-Up Control

Stantec will return to the treatment/restoration sites in the early- to mid-summer of the year following the initial treatment and restoration work to evaluate the success of the initial herbicide treatments and restoration plantings. At that time, Stantec will perform additional clip-and-drip herbicide applications to treat any residual common reed plants following the same methods described in Task 1. Stantec does not anticipate that the Town will need to provide volunteer help with bagging and removing common reed plants, though we will let the Town know ahead of time if such help is needed. We assume that, as in Task 1, the Town will assist in hauling bags of common reed away from the site and will dispose of them at a proper facility. During this second year of herbicide application, Stantec will also preliminarily assess the recruitment of the planted seedlings described in Task 3 above. If poor planting success is noted, Stantec will alert the Town to the potential need for replanting. Costs for any replanting efforts or additional restoration implementation are not included in this proposal.

SCHEDULE

Stantec anticipates that Task 1 will be completed in early to mid-August 2018, with Tasks 2 and 3 to follow in August and September 2018. Task 4 will be completed in the summer of 2019.

TERMS AND CONDITIONS

Stantec will perform the work described in this proposal on a time-and-expense basis in accordance with our Professional Services Terms and Conditions, which are attached to this proposal. We anticipate that Tasks 1 through 4 can be completed for a cost of \$39,000. This cost

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**Reference: Proposal for Herbicide Applications and Salt Marsh Planting to Control *Phragmites australis*,
Ocean Park Marshes, Old Orchard Beach, Maine**

estimate is valid for 30 days. We will not perform any work that would result in exceeding the estimated cost without your prior authorization.

Invoices, correspondence, and reports will be directed to:

Larry Mead
Town Manager
Town of Old Orchard Beach
One Portland Avenue
Old Orchard Beach, ME 04064
Phone: (207) 934-5714
Email: lmead@oobmaine.com

If you wish to proceed with this effort, please sign and return this proposal at your earliest convenience. Please call with any questions. We look forward to working with you on this project.

Regards,

STANTEC CONSULTING SERVICES INC.

Bryan Emerson
Associate, Wetland Scientist
Phone: (207) 406-5462
bryan.emerson@stantec.com

Joy Prescott
Senior Associate
Phone: (207) 406-5508
joy.prescott@stantec.com

Attachments: Figure 1. Approximate Phragmites Control Area
Professional Services Terms and Conditions

By signing this proposal, the Town of Old Orchard Beach, Maine, authorizes Stantec to proceed with the services herein described and the Client acknowledges that it has read and agrees to be bound by the attached Professional Services Terms and Conditions.

Proposal Accepted: _____ **Date:** _____
Authorized Representative Signature

Authorized Representative Printed Name and Title

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September 13, 2017
Larry Mead
Attachments

Reference: **Proposal for Herbicide Applications and Salt Marsh Planting to Control *Phragmites australis*, Ocean Park Marshes, Old Orchard Beach, Maine**

Figure 1. Approximate Common Reed (Phragmites) Control Areas



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7096 Discussion with Action: Approve the Special Event Permit application for OOB365 and Chase Walker to hold an event for Wings 4 Wishes, with 25 +/- planes landing on the beach on the north side of the pier. Set up on Friday, September 21st, event date/takedown is Saturday, September 22nd, and the requested rain date is Sunday, September 23rd, 2018. Request for a banner in the Square from the Friday before Labor Day weekend, until the day of the event. Applicant to meet with Department heads no later than June 1st, 2018. Insurance, listing the Town of Old Orchard Beach as additionally insured, to be provided to the Town Clerk's Office at least one month prior to the event.

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

VOTE: Unanimous.

7097 Discussion with Action: Approve the Special Event Permit application for the Recreation Department to hold their annual Frozen 4-miler Road Race on Sunday, January 14th, snow date January 21st, 2018; Sunday, January 13th, snow date January 20th, 2019; and Sunday, January 12th, snow date January 19th, 2020; starting at 12:35 p.m. and ending at 1:35 p.m.; two Old Orchard Beach Police Officers required.

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

VOTE: Unanimous.

7098 Discussion with Action: Approve the Special Event Permit for OOB365 to hold a "Fostering Family Fun Festival" on Saturday, May 19th, 2018, in Veteran's Memorial Park; set-up 8 a.m. to 11 a.m., event from 11 a.m. to 5 p.m. Two days' notice to Public Works prior to any tents being secured to the ground.

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

VOTE: Unanimous.

7099 Executive Session: Teamsters Local Union No. 340 for the General Government Employees Union Contract, pursuant to 1 M.R.S.A., Section 405(6)(D). (Note: This item discusses Labor Negotiations, and the Council anticipates that the discussion portion will occur in Executive Session.)

MOTION: Vice Chair O'Neill motioned and Councilor Tousignant seconded to enter into Executive Session: Teamsters Local Union No. 340 for the General Government Employees Union Contract, pursuant to 1 M.R.S.A., Section 405(6)(D). (Note: This item discusses Labor Negotiations, and the Council anticipates that the discussion portion will occur in Executive Session.)

VOTE: Unanimous.

MOTION: Councilor Blow motioned and Councilor Tousignant seconded to exit the Executive Session: Teamsters Local Union No. 340 for the General Government Employees Union Contract, pursuant to 1 M.R.S.A., Section 405(6)(D). (Note: This item discusses Labor Negotiations, and the Council anticipates that the discussion portion will occur in Executive Session.)

ADJOURNMENT:

MOTION: Councilor Tousignant motioned and Councilor Blow seconded to Adjourn the Town Council Meeting at 8:10 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 fifty-five (55) pages is a copy of the original Minutes of the Town Council Meeting of January 16, 2018.

V. Louise Reid