

**TOWN OF OLD ORCHARD BEACH  
TOWN COUNCIL WORKSHOP  
Thursday, May 26, 2016  
TOWN HALL CHAMBERS  
following Special Town Council Meeting**

**A Town Council Workshop of the Old Orchard Beach Town Council was held on Thursday, May 26, 2016. Vice Chair Thornton opened the meeting at 7:00 p.m.**

**The following were in attendance:**

**Vice Chair Joseph Thornton  
Councilor Kenneth Blow  
Councilor Jay Kelley  
Councilor Michael Tousignant  
Town Manager Larry Mead  
Assistant Town Manager V. Louise Reid  
Finance Director Diana Asanza  
Police Chief Dana Kelley  
Interim Fire Chief William Farley  
Waste Water Superintendent Chris White  
Guy Fontaine - Ballpark**

**ABSENT: Chair Shawn O'Neill**

**The Workshop this evening will address the CIP budgets and also revisits which includes the Fire Department (adding ranks – new Lieutenants over Battalion Chief; and Operating Supplies); Police Department (full time police officer/permanent or temporary and (increasing 20131-50450 by \$4,500 for the sealing and restriping of the parking lot); Waste Water Department – (purchase of the F550 and lowering the cost from \$45,000 versus \$50,000); Ballpark – (issues regarding the CIP – major CIP amount versus bonding); and Town Hall Building – roof repair and tower repair.)**

### **FIRE DEPARTMENT**

**The Fire Department (adding ranks – new Lieutenants over Battalion Chief; and Operating Supplies). Under the employee wages was a suggestion for four Lieutenants which would allow the Fire Department to have an officer on duty that is qualified and critical. He noted that last year there were 48 occurrences where an unqualified firefighter was assigned as officer-in-charge. The recommendation included a Battalion Chief. A battalion chief is the rank and title of a subordinate fire chief or commanding officer in the firefighting command structure. The title of Battalion Chief is usually synonymous with firefighting in this country. A Battalion Chief commands a firefighting battalion, similar to a military battalion.**

**In discussing CIP – the Fire Engine Lease Projection is currently included in the FY17 budget. The alternative would be pay first payment in FY17 in the amount of \$59,280 and additional interest if deferred to FY18 is \$13,750 more in interest payments. Operating Supplies will have \$12,000 added to Account 20138-50501 based on hospital no longer supplying EMS supplies. It would cost \$8,000 to add ranks of Battalion Chief and four new Lieutenants - \$4,000 stipend for**

the Battalion Chief. It was indicated that this should wait until the appointment of a new Fire Chief. The cost of the Lieutenants was \$4,000. Addition of \$20,000 for supplies and ranks. Noted that the hospitals no longer going to provide the supplies for ambulances.

## POLICE DEPARTMENT

Police Department (full time police officer/permanent or temporary and (increasing 20131-50450 by \$4,500 for the sealing and restriping of the parking lot). It was noted that one of the 15 patrol division is an officer assigned to the Maine Drug Enforcement Agency for which payment is made back to the municipality. The concern was that if we hire a new officer and pays him or her with the salary that we are saving from the assignment at the Maine Drug Enforcement Agency, that when that position ends, we would then have an additional salary and benefits required. There was discussion as to whether this was acceptable. Some on the Council felt that the additional officer was needed and urged the Council to budget for same. The other argument was that it was taking a chance that the Maine Drug Enforcement Agency position would be ongoing.

Discussion included an increase in building repairs – Account Number 20131-50450 by \$4,500 to include sealing and restriping the parking lot. Discussion at length on the hiring of a permanent full time patrol officer. The consensus of the Council was to do this.

A total of \$4,500 was added to building repair.

## WASTE WATER DEPARTMENT

Waste Water Department – purchase of the F550 and lowering the cost from \$45,000 versus \$50,000). The Superintendent provided to the Council a listing of the current fleet which included Vehicle 2006 F -250 diesel whose purpose is administrative, and back up service vehicles which is in need of minor body work repair. Vehicle 2006F-550 diesel whose purpose is the crane, plow and tow and is in acceptable condition; Vehicle 1997 F-350 diesel whose purpose is sanding, plowing and towing.- vehicle needs extensive body work, some mechanical repair and tires, inspection sticker expires in June, vehicle is not suitable for out-of-town travel vehicle has deteriorated due to use as sander and no available wash station at the Waste Water Facility; and Vehicle 1998 Mack Pod Truck Diesel – purpose is hauling debris and material and parts on this are hard to find, may need repair, truck serves a single purpose, leftover from the compost operation. He then proposed the fleet as follows: Vehicle 2006F-250 diesel whose purpose would be plowing, towing; the truck bed would be replaced by the flat bed, needs minor body work; Vehicle 2006 F-550 diesel – purpose is crane, plowing, towing; Vehicle 2016 F-250 gas – administrative, back up to service vehicles; option to purchase truck using connection fee funds; Vehicle 2016 F-550 diesel with hook/lift system – purpose is sanding, plowing, towing, hauling, debris/material (Hydraulic dump body) – bodies can be removed for cleaning, equipment storage building will give staff a wash down area to better maintain vehicles, option to purpose truck using connection fee funds.

A recent update to the Town Manager indicated that they had the truck evaluated and were told it will need \$2,000 in mechanical/body repairs and Waste Water would also need to replace the flat bed at \$5,000. The body repairs are simply patches to get another year out of it. So with \$7000 they would get another year of use. If the F-550 revisits were not approved they will try to get the work done on this year's budget. The request for the F-550 with the hook/lift system would come up again next year if it is not approved this year.

F550 not recommended lease. If added debt service budget would increase by \$25,000. F350 - \$50,000 requested, but \$45,000 recommended. Total increase \$25,000 if recommending F550.

There was consensus to add \$25,000 to the least budget for F550.

### BALLPARK

Ballpark – (issues regarding the CIP – major CIP amount versus bonding).

The value of going out to bond for this would mean that all the issues that they are dealing with at the present time are being dealt with today rather than doing a few things each year and never being completely completed. A bond functions like a loan. Often the interest on them is less than the interest rate at the bank if borrowing money. The ability to borrow large sums of money at low interest rates gives companies the ability to invest in growth, infrastructure, and other projects. Issuing bonds also gives companies or municipalities greater freedom to operate as they see fit – free from restrictions that are often attached to bank loans. With bonds, companies that need to raise money for a project can continue to issue bonds as long as they can find investors willing to act as lenders. The issuance of new bonds has no effect on ownership of the company or municipality or how the municipality is operated.

### TOWN HALL

Town Hall Building – roof repair and tower repair. and Town Hall Building – roof repair and tower repair. Repairs to the tower and the need for a new roof required much discussion with the Council. Both need to be done and the questions raised included should they be done at the same time; can they be done by the same company and the answer is no – could the two companies work together so that only was price for the rental of the sky lift would be necessary. The consensus was not to put this off but perhaps to consider moving forward with both projects. The Town Manager called McLaughlin Company who previously did the siding on the Town Hall building and they suggested.....

Tower Repair and Roof Repair Discussion.

Town Hall	\$150,000	
Towers	225,000	
Engineering	25,000	
Total		\$400,000

FY17 Debt Service currently at \$1,426,905 (does not including WWTF F550 lease - \$110,000 at \$25,000 annually for five years.) New Debt service with additional \$400,000 bond = \$1,444,905. This is an increase of \$18,000. Spring 2017 bond issues Town Hall Tower and Roof add to FY17: Approximately \$16,000 to \$18,000 for FY17 and starting FY18 - \$36,000 (15 years) - \$47,000 (ten years annually.) 1<sup>st</sup> year interest only for ten year bond - \$4,000 plus \$12,000 issuance costs. FY18 - \$46,500 annually. 1<sup>st</sup> year interest only for 15 year bond = \$6,000 plus \$12,000 issuance costs. FY 18 - \$36,000 annually. New debt service with additional \$400,000 bond = \$1,444,905. Debt Service – consensus to add \$18,000 for FY18 and reduce CIP by \$105,000 with a net reduction of \$87,000.

## RSU23

Voters at the June polls will weigh in on a \$13.4 million dollar Regional School Unit 23 budget proposal which is higher than originally proposed. The School Board approved a \$13.3 million dollar budget proposal, and the proposal then went to a town meeting style vote before residents who attended the public meeting on May 17<sup>th</sup>. The proposed budget is now about 5.5% more than last year's budget. The proposed budget, along with the town budget, would increase the mil rate by .56 cents. The proposed tax increase would be offset in the State Homestead exemption and would raise annual taxes on a \$200,000 home by about \$46. If the budget passes the board has the final say on how the money is spent. The thought behind the increase in funds voted was to help pay off the district's negative fund balance which is about \$600,000. The negative fund balance includes about \$256,000 of debt still left from when Dayton and Saco left the RSU as well as about \$120,000 or expenses for the food service program which had been running in the red for two years. It also includes \$228,000 to cover benefits costs for teacher contracts through the end of the contract year which is August, instead of the end of the fiscal year which is July. The budget calls for the elimination of two full-time teachers, two part-time teachers, and a part-time educational technician from Loranger Memorial and Jameson schools, plus a full time computer teacher and part time art teacher from the High School. It would also cut two special education teachers and three special educational technicians across the district and make reductions in custodial and guidance departments. The budget would also consolidate some positions. The principal of Loranger Memorial and Jameson Schools would assume the duties of the IT director, and the high school principal position would be combined with the superintendent position. A high school athletic director position would be combined with a teaching position and an athletic director position at Loranger Memorial would be an added stipend position for a staff member.

## CIP

Do we increase contingency from \$120,000 based on contracts for negotiations.

Ballpark CIP – currently have \$20,000. The total for structural is \$225,000 and cosmetics is \$30,000. The Town Manager's intent was to put \$20,000 away for ten years to get the work done. It was agreed it should not be stretched out and that perhaps next year put away \$50,000. Guy Fontaine disagreed. The Town Manager states that the structural engineer clearly states that we are not in danger of losing the Ballpark – that it is structurally o.k. The question remains – where are we going with the Ballpark. It was felt that this needs to be decided once and for all. It was also indicated that baseball is not the staple of the ballpark. There was consensus to leave the CIP at \$20,000. \$50,000 was added to Contingency.

## Final Comments:

Bond \$400,000 Town Hall and add \$18,000 to debt for FY17.

Fire Department – add \$12,000 to operating supplies.

Add \$5,000 to the Fire Department for new hire of Chief.

Police – add \$4,500 to building repair.

WWTF – add \$25,000 for F550 truck lease.

Add \$50,000 to contingency

Total of \$114,500.

Reduce the Town Hall CIP by \$105,000.

Net increase of \$9,500.

Approve police position – Chief requests this for a three man minimum.

**Benefit Increases:**

Increase of four new firefighters, one new Police Officer and a new position in Planning.

**Costs of Health Insurance:**

FY14	3.48%	\$884,829
FY15	7.4%	\$941,566
FY16	5.8%	\$969,000 projected ending balance.
FY17	5%	\$1,123,143 - budgeted

For FY16 MDEA reimbursement started December 2015 – budgeted full benefit for twelve months but actually for six months we are reimbursed 100%. For FY17 budgeted as a revenue to offset expense \$100%.

**Cost of Retirement:**

**Maine PERS rate changes:**

<u>Plan</u>	<u>FY14</u>	<u>FY 15</u>	<u>Inc/Dec</u>	<u>FY16</u>	<u>Inc/Dec</u>	<u>FY17</u>	<u>Inc/Dec</u>	
AC	6.50%	7.80%	20.0%	8.90%	14.1%	9.50%	6.7%	27 Public Works/non Union
1C	12.80%	13.40%	4.7%	14.0%	4.5%	14.20%	1.4%	4 Police – non Union
2C	7.9%	8.30%	5.1%	8.90%	7.2%	9.10%	2.2%	17 Fire
3C	11.50%	12.00%	4.3%	11.90%	-0.8%	11.40%	-4.2%	16 Police –Non Union

64

No on revisits – Union contracts up for negotiation could mean an increase as follows:

Police \$30,000

Fire \$20,000

Fire Chief additional \$10,000 current salary.

Also Police looking at making current administrative Sgt. Elise Chard as a Captain (non-union) for cost of \$7,000.

Town Clerk full time wages need to increase approximately \$2,000.

Assessing increase wages by \$1,700 for Pam Given.

**The Potential increases are:**

Town Hall CIP - \$18,000 debt service – 20197-50395

Fire Dept. - \$12,000 Operating Supplies – 20138-50501

Fire Department - \$8,000 adding ranks – 20138-50106

Police Department - \$4,500 additional for building repair – 20131-50450

WWTF Department - \$25,000 for F550 Truck Lease – 20197-50330

Total - \$67,500

If Town Hall CIP - \$400,000 debt approved removed \$105,000 from CIP.

**The Vice Chair thanked all who had participated in the budget workshops and expressed his sense that they Town Council had done the very best in keeping within the suggested request from the Town Council and keeping in mind the need to consider the taxpayers as well.**

**The Workshop ended at 8:45 p.m.**

**Respectfully Submitted,**

**V. Louise Reid  
Town Council Secretary**

**I, V. Louise Reid, Secretary to the Town Council of Old Orchard Beach, Maine, do hereby certify that the foregoing document consisting of six (6) pages is a copy of the original Minutes of the Town Council Workshop of May 26, 2016.  
V. Louise Reid**