

**TOWN OF ORONO  
COUNCIL MEETING  
COUNCIL CHAMBER - MUNICIPAL BUILDING**

**MONDAY, MARCH 14, 2016 AT 7:00 P.M.**

**MINUTES**

**1. Roll Call**

Present: Council Chair Cindy Mehnert, Sam Kunz, Tom Spitz, Geoff Gordon, and Town Manager Sophie Wilson. Absent: Judy Sullivan, Tom Perry and Mark Haggerty.

**2. Agenda Review**

Motion by Sam Kunz and seconded by Geoff Gordon to add Order 16-41 to the agenda. All voted in favor, 4-0.

**3. Approval of Minutes of February 8, 2016 and February 18, 2016**

Moved by Geoff Gordon and seconded by Sam Kunz. All voted in favor, 4-0.

**4. Public Hearings**

- a. To consider a contract zone request by Starr Properties LLC., to change the Shoreland zoning of the property located at 5 College Avenue, Tax Map 19-4 Lot 66 from Limited Commercial (LC) to General Development (GD) to allow for the placement of a gazebo/pavilion to within 40 feet of the high water mark of the Stillwater River.**

Public hearing a. opened at 7:06 p.m. Planner Evan Richert stated that Starr Properties LLC is requesting a limited zoning change to construct a gazebo to enhance her special events business. The property is currently zoned Limited Commercial (LC) which restricts structures within 75' of the waterfront (high water mark). A Contract Zone agreement changing the zone to General Development reduces the waterfront setback to 25'. This agreement would enable the applicant to place the gazebo at the best location (40' setback). Mr. Richert stated that the neighbors were notified and a Planning Board review and public hearing were held. Mr. Richert noted that the nearby sewer easement was reviewed by the WPCF Superintendent Joe Madigan. He stated the Planning Board determined it was an appropriate use and voted in support of the request. No public comments were made. Public hearing a. closed at 7:10 p.m.

Ms. Mehnert noted that the contract zone request is a land use issue which requires a 10-day wait between the public hearing and vote; therefore, it will not be voted on until the April 11, 2015 Council meeting.

**b. To consider adoption of the Amendments to the March 2009 Addendum to the Town Comprehensive Plan Regarding the Low Density Residential District. This district encompasses a section of Orono along Stillwater Ave. and west along Forest Ave. about 1.5 miles from I-95.**

Public hearing b. opened at 7:11 p.m. Planner Evan Richert and Comprehensive Plan Committee Chair Phil Ruck presented a Powerpoint presentation of the amendments to the Comprehensive Plan regarding the Low Density Residential (LDR) District. *(See the presentation attached.)*

Public Comments

Susan Whitmore commented that she is concerned about mixed uses being allowed in the same district (residential uses and mineral extraction).

Meg Fergusson stated that Maxfield Drive is a transitional growth area with 15 houses, children and well water. She expressed the desire to eliminate mineral extraction as an allowed use, but commented that the language is reasonable.

Daniel LaPointe spoke of his family's longstanding right to use their land for mineral extraction. He expressed concerns about the amendments to the LDR District being a direct assault on his property rights.

Mr. Friess of Maxfield Drive expressed concerns for his family (children) and well water by allowing mineral extraction to occur in the LDR District.

Another resident of Maxfield Drive stated that he would not have purchased a home in the area if he had known that mineral extraction was allowed.

A resident of Stillwater Avenue, expressed concerns about not being able to harvest wood off his property. Mr. Richert noted that mixed uses were allowed. Ms. Mehnert clarified that no changes to wood production were being proposed (harvesting wood was allowed).

Public hearing b. closed at 7:50 p.m.

**5. Acknowledgments by Council Members**

Sam Kunz acknowledged everyone who ran for office in the Municipal and RSU#26 Election. He congratulated Tom Spitz, Clint Relyea and Michelle Smith for winning the election. Mr. Kunz also acknowledged the State Warden Service and Orono Police and Fire Departments for their recent search and rescue efforts.

Cindy Mehnert also congratulated Tom Spitz, Clint Relyea and Michelle Smith and noted that they would be sworn into office on Monday, March 21, 2016 at 7:30 p.m.

**6. Unfinished Business - None**

## 7. Consent Agenda

**Order 16-35 Order, setting April 11, 2016 at 7:00 p.m. as the date for a public hearing to consider the following:**

- a. **An ordinance amendment to the Land Use Ordinance Section 18-31 Definitions, Section 18-61 Administration and Enforcement, and Section 18-131 Home Occupations to include standards for “home office”, “home workshop” and “home business” and an amendment to Section 18-106(e) Schedule of Uses to include these three categories.**
- b. **An ordinance amendment to the Land Use Ordinance Section 18-31 Definitions and Section 18-140 Signs defining and allowing “light pole” signs in certain locations.**
- c. **An ordinance amendment to the Land Use Ordinance Section 18-31 Definitions to define “house guests” and add a reference to this definition under the definition of “family”.**
- d. **An ordinance amendment to the Land Use Ordinance Section 18-136 concerning land area and sewer and water supply systems required in clustered developments.**

**Order 16-36 Order, committing a true list of sewerage service assessments to Jessie Daniels, Treasurer, in the amount of \$136,502.44.**

Moved by Geoff Gordon and seconded by Sam Kunz to approve the consent agenda. All voted in favor, 4-0.

## 8. New Business

**Order 16-37 Order, appointing Leo Kenney as the RSU#26 Director to fill a vacancy until the Municipal Election in 2017.**

Moved by Sam Kunz and seconded by Geoff Gordon. All voted in favor, 4-0.

Ms. Wilson provided background on the RSU#26 Board vacancy. She stated that Shari Kinnison resigned from her position as a Director on January 19, 2016 which created an immediate vacancy on the RSU 26 School Board. While Shari indicated her intent to allow the remaining year on her term to be filled by the voters during the March 8, 2016 municipal election, there was insufficient time to hold the required nomination process and absentee balloting prior to Election Day. Thus, pursuant to State Law the Council is responsible for appointing an individual to fill the vacant seat until the next Municipal Election, March 2017.

She further stated that in late January, the Council Committee directed staff to advertise an application period which would allow interested community members to apply for the open seat

on the RSU Board. The Town received three applications, one of which was later withdrawn by the applicant. On March 10, 2015, the Council Committee interviewed Fran Neubauer and Leo Kenney. The Committee discussed the candidates, noted that both had skills and dedication that would serve the community well. Following discussion, the Committee recommended Leo Kenney to the position.

Cindy Mehnert extended her appreciation to both Leo Kenney and Fran Neubauer for their interest in the position.

**Order 16-38 Order, accepting the FY2015 Audited Financial Statements and Independent Audit Report.**

Moved by Sam Kunz and seconded by Tom Spitz. All voted in favor, 4-0.

Finance Director Jessie Daniels stated that the Council Finance Committee met with the Town Auditor in February to review the FY15 audited financial statements. Mr. Daniels presented an overview of the presentation given by the Town Auditors from Runyon Kersteen Ouellette. (*See attached.*)

Daniel LaPointe asked questions about the Planning Office and Town Planner position. Ms. Wilson provided details and noted that the Town Planner position is a contractual position approved by Council.

**Order 16-39 Order, authorizing the Town Manager to fund OTO Fiber Corporation, in the amount of \$5,000, to be drawn from the Downtown Transit-Oriented TIF District.**

Moved by Sam Kunz and seconded by Tom Spitz. All voted in favor, 4-0.

Assistant Town Manager and OTO Fiber Corporation President, Belle Ryder stated that Old Town-Orono Fiber Corporation is up and running and explained that funding is needed (separate from the feasibility study funds allocated in the FY16 budget and NBRC grant match). All three entities that make up the Corporation (Old Town, Orono, and the University of Maine System) have been asked to contribute \$5,000 each towards general operating and legal expenses related to the Corporation start up and NBRC grant acceptance. Staff has reviewed the Downtown and Transit Oriented TIF District Development Program and advises that this is an eligible use of TIF revenue.

**Order 16-40 Order, awarding a contract for Cemetery Mowing Services to Black Bear Lawn Care of Bangor in the amount of \$24,680.**

Moved by Sam Kunz and seconded by Tom Spitz. All voted in favor, 4-0.

Ms. Ryder stated that staff responded to the on-going concerns related to mowing of the cemetery grounds by terminating the Town's contract with the vendor. She noted that staff advertised a request for proposals (RFP) for cemetery mowing services that clearly defined the

Town's expectation for the quality of the service. Three companies responded; however, one had previously performed this service for the Town in a manner that resulted in a decision not to offer an extension as provided for in the contract and the other two did not have the municipal cemetery maintenance experience needed. The Council Committee authorized staff to reject all of the bids and contact vendors with cemetery maintenance experience and staffing adequate to manage this service at the level that the Town expected. Black Bear Lawn Care submitted a proposal to provide the service for \$24,680 for the year.

Ms. Mehnert asked if the Town had used Black Bear Lawn Care's services before. Ms. Ryder indicated that they had not, but their services have been used by the schools and Mount Hope Cemetery.

## **9. Future Agenda Items/Items of Concern**

Sam Kunz stated that he would like to discuss park benches on Mill Street at a future meeting.

## **10. Public Petitions - None**

## **11. Public Comments**

Daniel LaPointe acknowledged Public Works Director Rob Yerxa's outstanding service to the community. He noted concerns about what certain departments and groups contribute to the community. He also asked about the OTO Fiber Corporation.

Susan Whitmore wished everyone a Happy St. Patrick's day.

### **Order 16-41 Order, appointing Fredrica Smith to the Board of Assessment Review to fill an unexpired 3-year term until April 2018.**

Moved by Sam Kunz and seconded by Tom Spitz. All voted in favor, 4-0.

Ms. Mehnert noted that there is a vacancy on the Board of Assessment Review and Fredrica Smith has stepped forward to apply for the seat.

Ms. Wilson stated that Ms. Smith has served on many national and local boards and committees and is known for her impartial review and reports. Ms. Wilson noted that this is a board that needs to operate with full membership.

## **12. Executive Session**

### **a. (MSRS, Title 1, Chapter 13, Section 405(6)(D)) To prepare for negotiations with the International Association of Firefighters, AFL-CIO Local 3106 and the Maine Association of Police, Orono Unit.**

At 8:21 p.m., Geoff Gordon motioned and Tom Spitz seconded to move into Executive Session for the purpose of preparing for negotiations with the International Association of Firefighters,

AFL-CIO Local 3106 and the Maine Association of Police, Orono Unit. All voted in favor, 4-0.

At 9:15 p.m., Sam Kunz motioned and Geoff Gordon seconded to return to regular session. All voted in favor, 4-0.

### **13. Adjournment**

At 9:16 p.m., Geoff Gordon moved and Tom Spitz seconded to adjourn. All voted in favor, 4-0.

Minutes are not verbatim. A tape-recorded version is available in the Town Office.

Respectfully submitted,

Nancy W. Ward  
Administrative Assistant

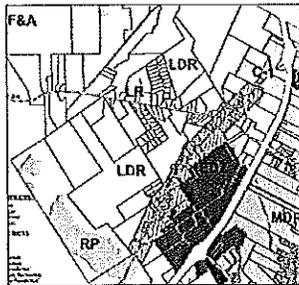
## LDR District: Proposed Amendment of Comprehensive Plan

Public Hearing  
March 14, 2016

## The Council's Charge

- Review current land uses in the LDR District
- Provide guidance on the future function, character & boundaries of the LDR District
- Review prohibition on locating "newer mobile homes" in the F&A District east of I-95

## The Low Density Residential District



## Timeline

- Sept – Dec 2014 – Comp Plan Committee met monthly to review, take public comment
- Jan 2015 – Public Hearing by Comp Plan Committee
- Feb 2015 – Comp Plan Committee made recommendations to Council
- Fall 2015 – Council reviewed recommendations
- Tonight – Council conducting own public hearing

## Timeline, cont'd

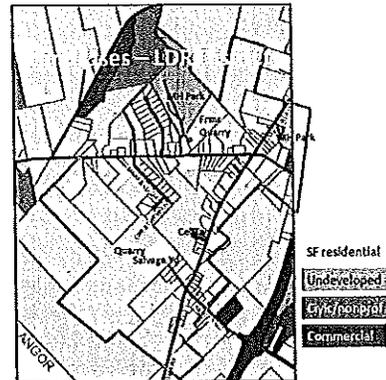
- If Council adopts the recommendations, next step is to draft amendments to the Land Use Ordinance to implement them.

## 2007-09 Background

- LDR District created in 2007-2009
- Carved out of the Forestry & Agriculture District
- About 1,500 acres west of I-95
- Mix of rural, extraction, small commercial, and residential uses

### 2007-09 Background, cont'd.

- "Rural" uses include rural production – commercial forestry, mineral extraction, portable sawmills, agriculture, etc.
- Wanted to accommodate the suburban residential growth in the area; also wanted to respect long-time rural uses



### Recommendations

- Future function and character of LDR District
  - Continue as a hybrid zoning district
  - Recognize potential for conflict between rural production uses and homes. Address through strengthened review procedure and performance standards
- Boundaries of the LDR District
  - Keep existing boundaries

### Recommendations, cont'd

- Reinstate "conditional uses" as part of the Land Use Ordinance
  - Used in most other towns' ordinances we reviewed
  - Definition of a "conditional use":  
Generally appropriate for the zoning district but may have external impacts that need more careful consideration and possible conditions attached to reduce the impacts.

### Recommendations, cont'd

- Conditional uses: In LDR District could include, for example:
  - Kennels
  - Mineral extraction
  - Recycling centers
  - Camper trailer parks
  - Artisan manufacturing in new/expanded buildings

### Recommendations, cont'd

- Mineral Extraction:
  - Currently automatically permitted; would be one of the conditional uses in the LDR District
  - Limit area of expansion covered by a single permit (e.g., 30,000 sq. ft.)
  - Streamlined process for subsequent phases if conditions of approval met
  - Strengthened performance standards

### Recommendations, cont'd

- Performance standards address, for example,
  - Reduction of noise from crushing & screening
  - Control of dust & debris
  - Pre-blast survey consistent with DEP standard
  - Communications with neighborhood residents
  - Limits on hours of operation and trucking
  - Buffers between operations and residential properties

### "Newer" Mobile Homes

- "Newer" mobile homes defined in state law – built after national building codes governed their construction
- Comprehensive Plan Committee recommends allowing in the F&A District east of I-95 as well as west of I-95
  - F&A land area east of I-95 is limited
  - F&A minimum lot size and frontage limit potential number of individual dwellings
  - Town has design standards (pitched roof, permanent foundation, residential siding)
  - Affordable form of housing

# TOWN OF ORONO

## FINANCIAL OVERVIEW

Presented by:

Casey Leonard and Josh Kochis  
*RUNYON KERSTEEN OUELLETTE*

Recently, the Town of Orono completed the financial audit process. We are pleased to report that the Town received an unmodified opinion, which means the financial statements are fairly stated in all material respects. Further, the Town reported no significant deficiencies or material weaknesses related to its internal controls. The remainder of this publication is dedicated to providing you with the financial results for fiscal year 2015. We hope you find this information useful and understandable. Finally, we wish to express our appreciation to all those who were so helpful to us during the audit process. It truly is a pleasure working with your staff.

### INSIDE

2. General Fund – Assets
3. General Fund – Liabilities and Deferred Inflows of Resources
4. General Fund – Fund Balance
5. General Fund – Revenues
6. General Fund – Expenditures
7. Property Tax Collection Rates
8. General Fund – Revenues Pie Chart
9. General Fund – Expenditures Pie Chart
10. Unassigned Fund Balance as a Percentage of Budget, FY 2013-2015
11. Unassigned Fund Balance as a Percentage of Budget, As Compared to Other Municipalities, FY 2015
12. Debt Service as a Percentage of Budget, As Compared to Other Municipalities, FY 2015

### About this presentation

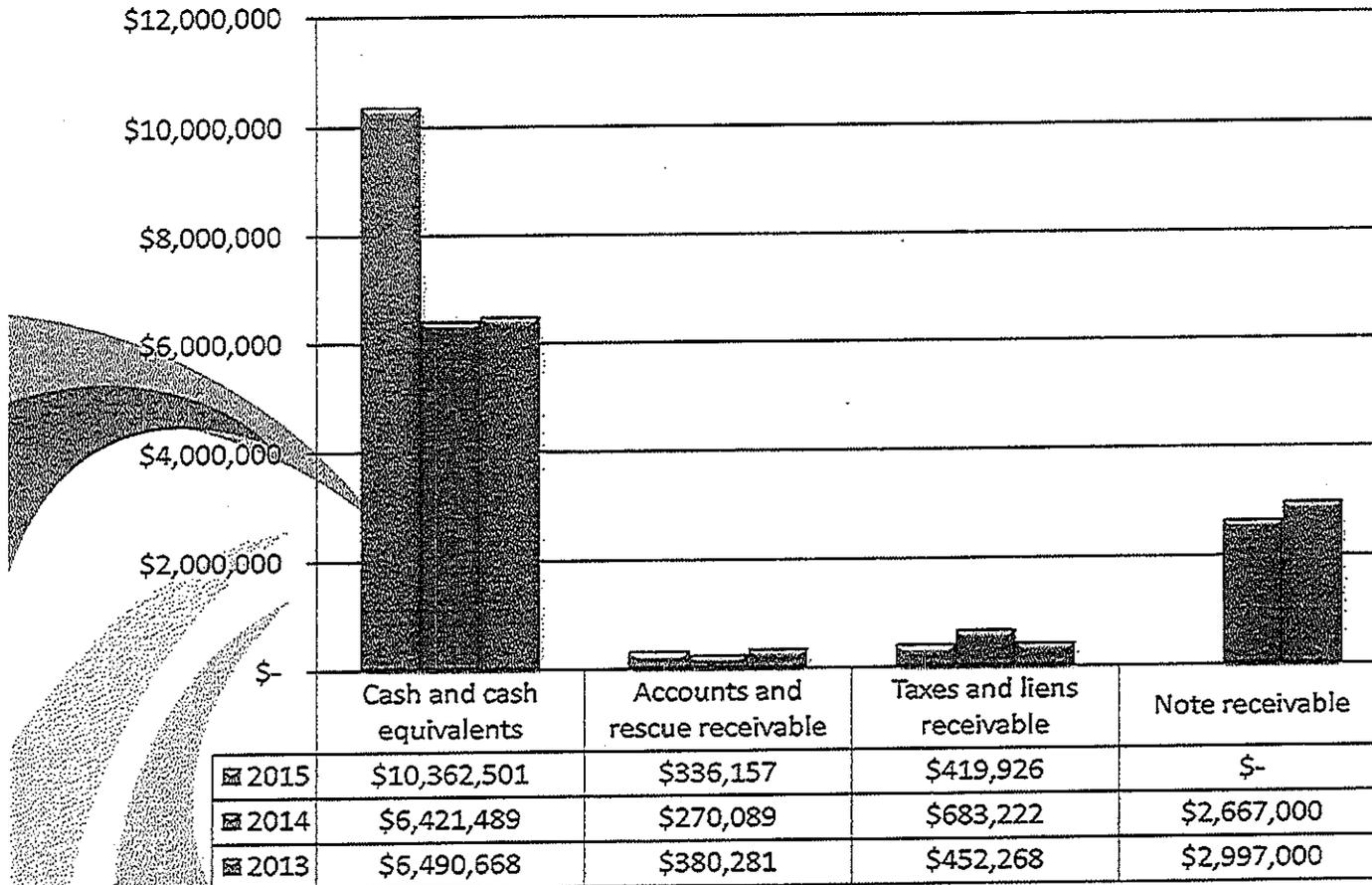
This presentation is intended as a tool to assist the Town Council and management in understanding its financial operating results. The information contained in this publication should be read in conjunction with the audited financial statements and related disclosures and should not be used for any other purposes without the expressed consent of *RUNYON KERSTEEN OUELLETTE*.

Please contact us at 207-773-2986 or 1-800-486-1784  
20 Long Creek Drive, South Portland, ME 04106



# TOWN OF ORONO

## GENERAL FUND - ASSETS



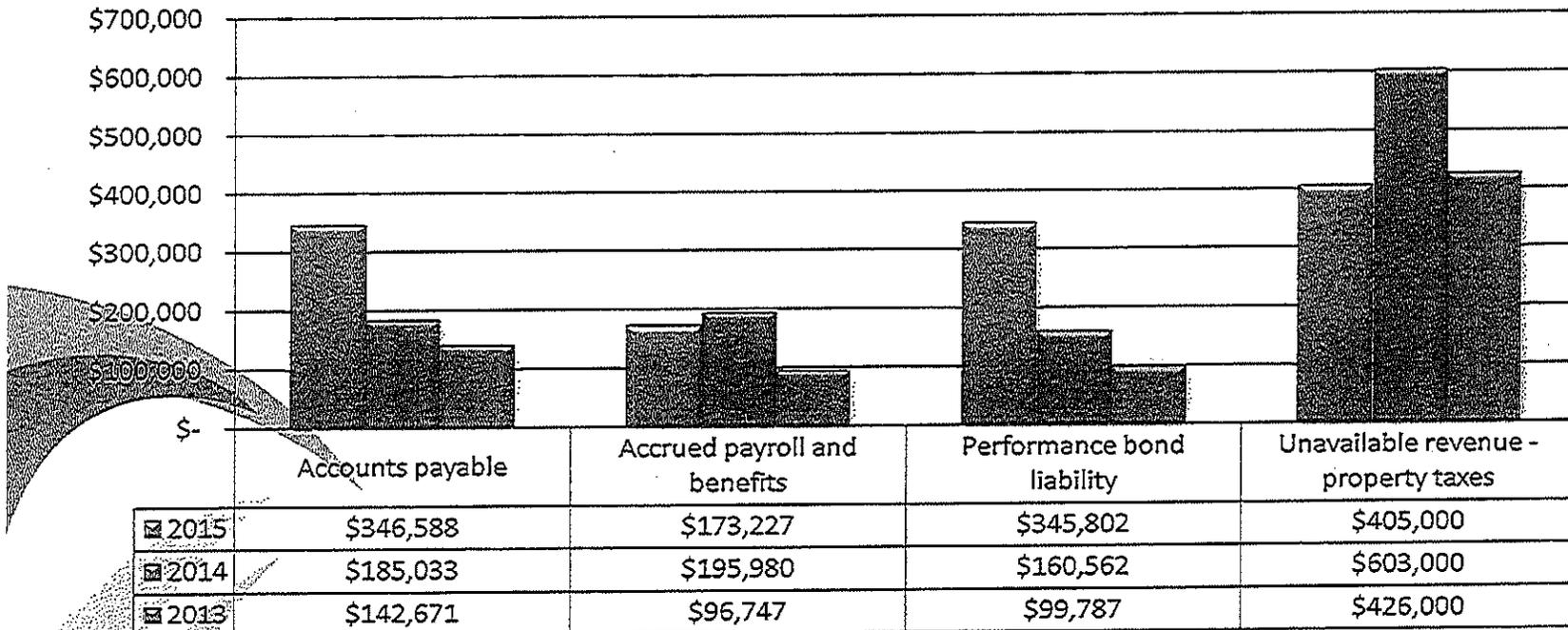
*Observations:*

- The 2015 cash and cash equivalents balance (which is net of interfund loan activity) increased by approximately \$3.9m.
- Accounts and rescue receivables are net of allowances and change as a result of the timing of receipts at year end.
- Outstanding taxes and liens decreased by approximately \$263k and is consistent with the decrease in unavailable revenue – property taxes. The decrease is primarily due to a higher collection rate on current year taxes, as well as prior year tax liens.
- The note receivable that was due from OEDC was paid in full in the current year as the related building was sold.



# TOWN OF ORONO

## GENERAL FUND – LIABILITIES AND DEFERRED INFLOWS OF RESOURCES



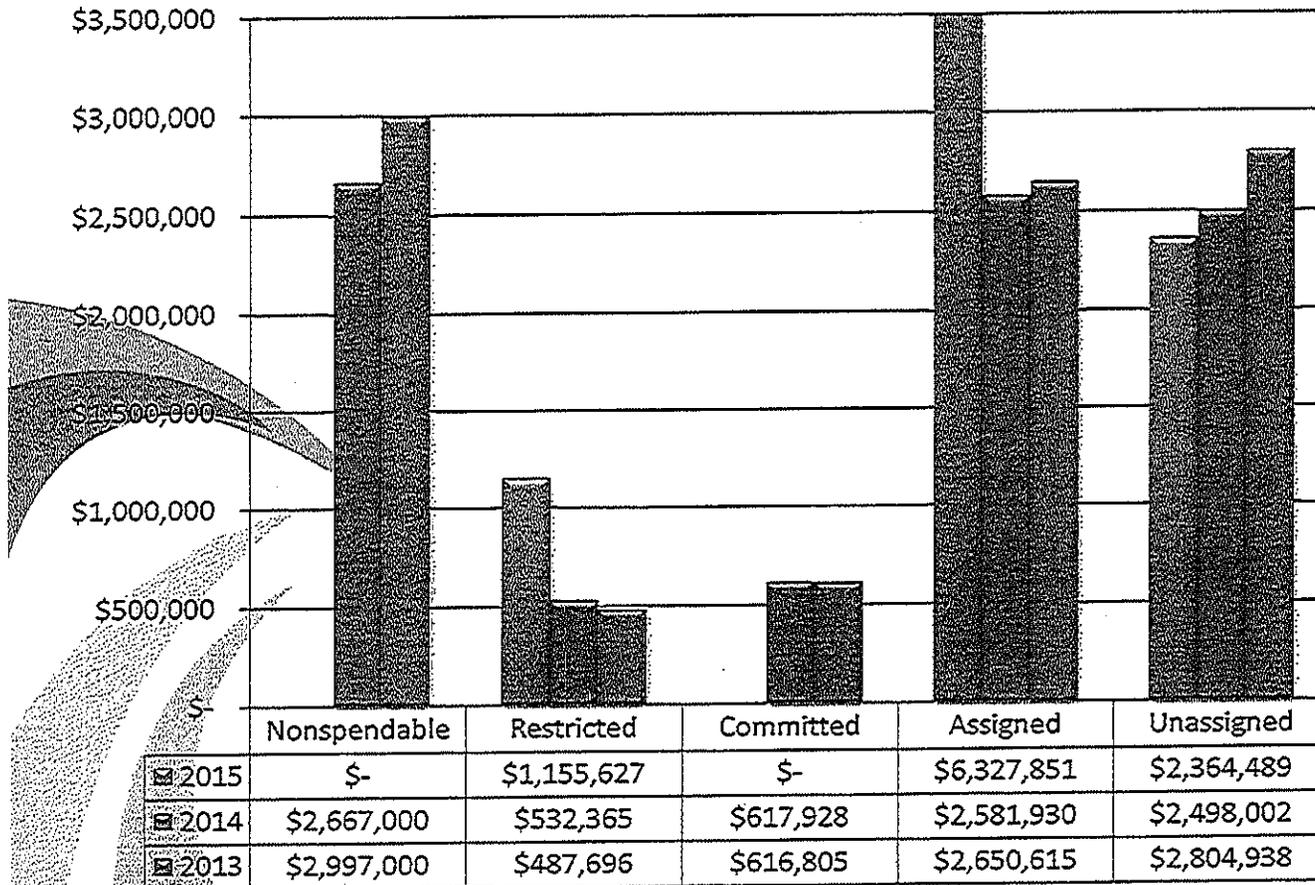
*Observations:*

- Changes in accounts payable and accrued payroll are a result of the timing of payments at year end. Accrued payroll represents wages earned prior to June 30, but paid in July.
- Unavailable revenue – property taxes represents taxes still unpaid 60 days after the end of the year. These amounts are not recognized as revenues in the current year per Generally Accepted Accounting Principles (GAAP).



# TOWN OF ORONO

## GENERAL FUND – FUND BALANCE



### Definitions and Observations:

- **Nonspendable fund balance** represents resources which cannot be spent because they are not in a spendable form. In prior years, this amount represented the long-term note receivable from OEDC, but that note was paid in full in the current year.
- **Restricted fund balance** comprises resources with constraints placed on their use externally imposed by creditors, grantors, contributors or laws or regulations of other governments.
- **Committed and assigned fund balance** represents resources that are constrained by the Town's intent to be used for specific purposes and changes annually based on the status of projects and appropriations.
- **Unassigned fund balance** is what remains after amounts are recognized in other categories and decreased by approximately \$134K from 2014 to 2015.

**Note:** Please refer to pages 40-41 of the notes to the basic financial statements for a complete listing of the amounts that comprise each type of fund balance shown above.



# TOWN OF ORONO

## GENERAL FUND - REVENUES

	Budget	Actual	Variance
Taxes	\$ 11,525,982	\$ 11,651,105	\$ 125,123
Intergovernmental	1,733,500	1,739,076	5,576
Licenses and permits	93,675	137,532	43,857
Interest Income	18,000	27,805	9,805
Charges for services	536,835	642,442	105,607
Other revenue	310,100	488,231	178,131
<b>Total revenues</b>	<b>14,218,092</b>	<b>14,686,191</b>	<b>468,099</b>
Issuance of bonds	-	2,280,000	2,280,000
Transfers in	151,325	147,825	(3,500)
Utilization of assigned balance	377,668	-	(377,668)
Utilization of unassigned balance	350,000	-	(350,000)
<b>Total revenues and other financing sources</b>	<b>\$ 15,097,085</b>	<b>\$ 17,114,016</b>	<b>2,016,931</b>

*Observations:*

Taxes were over budget primarily due to higher-than-expected excise taxes and interest and costs on taxes.

Licenses and permits were over budget primarily due to higher-than-expected demand for plumbing fees, as well as building permits and land use ordinance fees.

Charges for services were over budget primarily due to higher-than-expected fees related to ambulance services, recreation, and police special details.

Other revenues were over budget primarily due to higher-than-expected code enforcement penalties, as well as unbudgeted miscellaneous revenues.

Note: Please refer to Exhibit A-2 for a complete breakdown of the above listed revenues.



# TOWN OF ORONO

## GENERAL FUND - EXPENDITURES

	Budget	Actual	Variance
General government	\$ 1,402,916	\$ 1,338,980	\$ 63,936
Public services	828,907	773,083	55,824
Public safety	2,878,260	2,874,226	4,034
Public works	1,410,633	1,467,532	(56,899)
Education	5,814,358	5,814,358	-
County tax	495,096	495,096	-
Debt service	411,167	408,452	2,715
Capital expenditures	1,008,765	691,954	316,811
Total expenditures	14,250,102	13,863,581	386,421
Current refunding	-	2,226,817	(2,226,817)
Transfers out	846,983	846,983	-
<b>Total expenditures and other financing uses</b>	<b>\$ 15,097,085</b>	<b>\$ 16,937,481</b>	<b>\$ (1,840,396)</b>

### Observations:

General government expenditures were under budget primarily due to lower-than-expected costs related to contracted services, general assistance and insurances for unemployment and liability.

Public works expenditures were over budget primarily due to higher-than-expected costs related to winter maintenance such as salt, calcium chloride and diesel fuel, solid waste disposal tipping fees, and town garage vehicle repair parts and heating fuel.

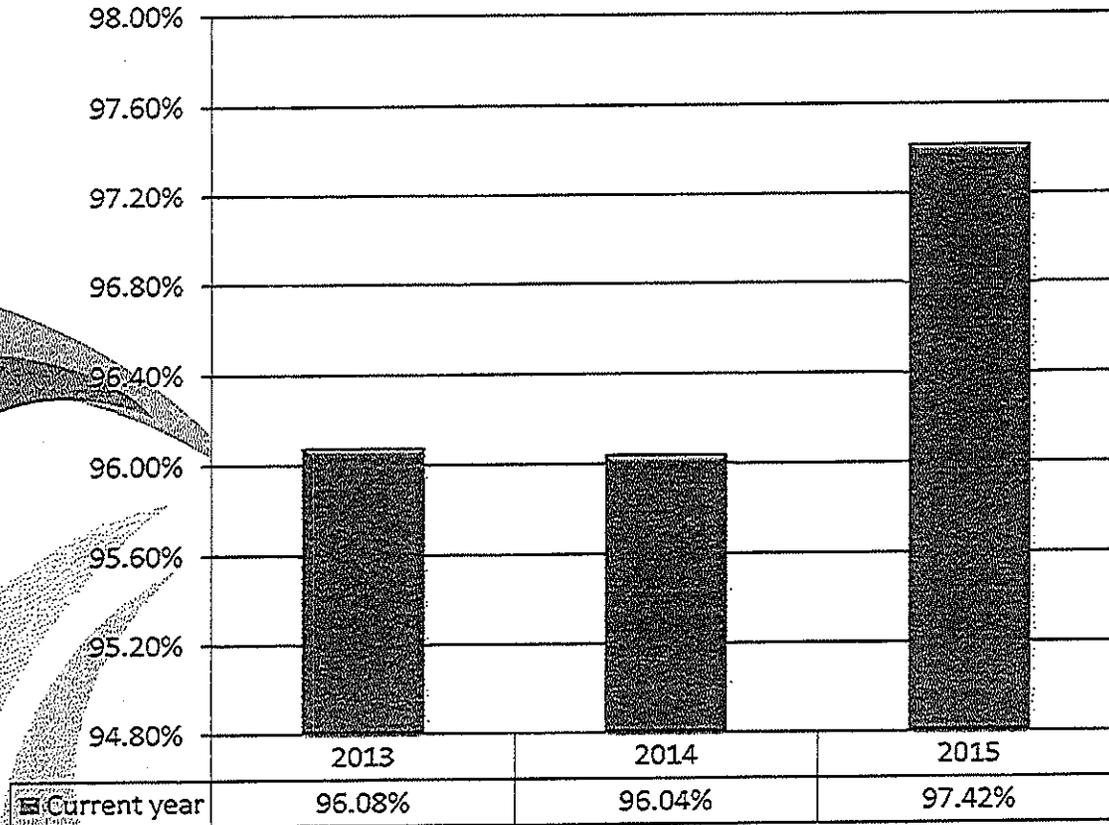
Capital expenditures were under budget due to the budgeting of multi-year projects which were not completed in the current year. Unspent amounts have been carried forward to the next year.



Note: Please refer to Exhibit A-2 for a complete breakdown of the above listed expenditures.

# TOWN OF ORONO

## PROPERTY TAX COLLECTION RATES



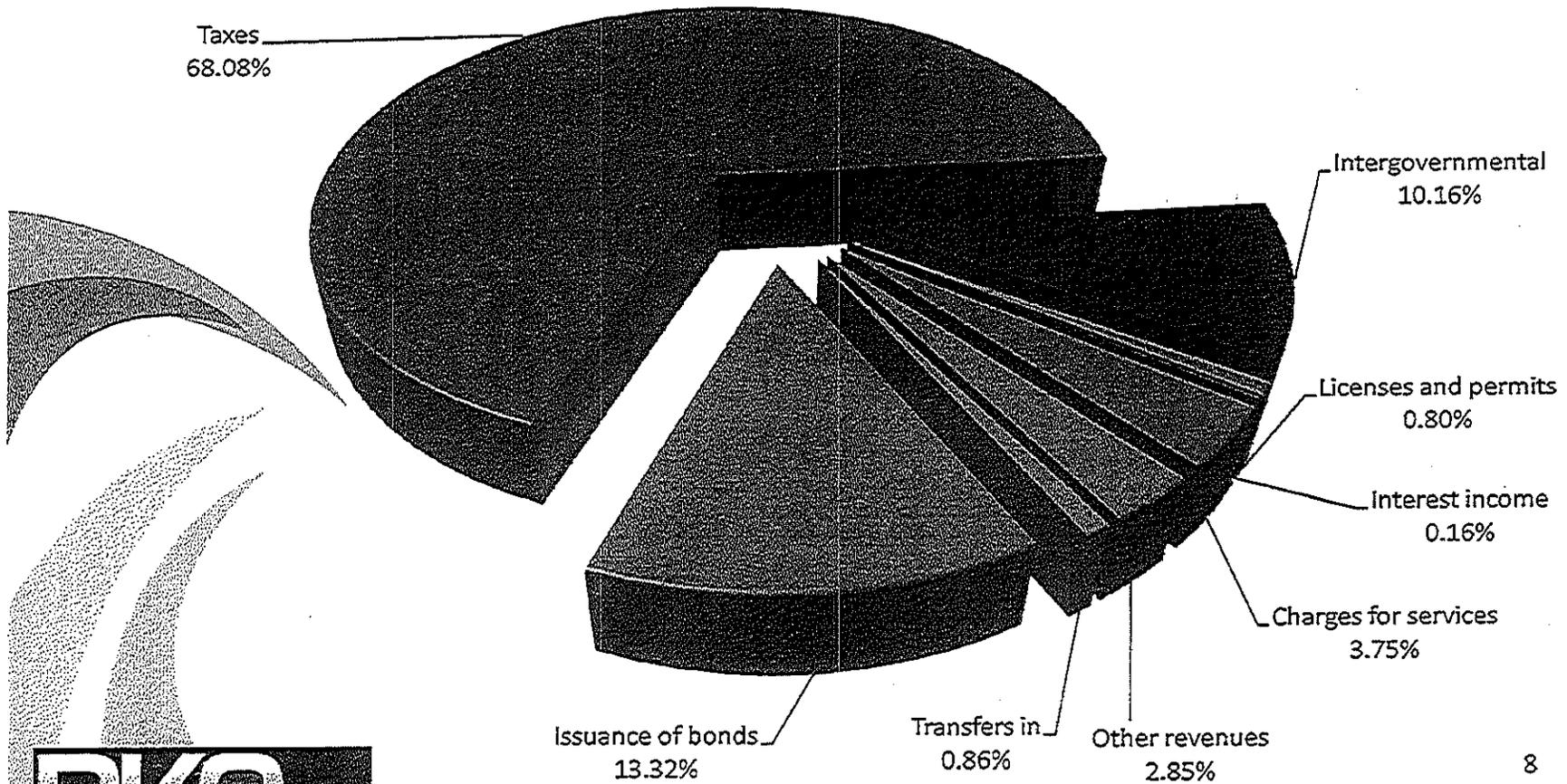
*Observations:*

- The collection of current-year taxes remained consistent from 2013 to 2014 but increased by 1.38% in 2015.



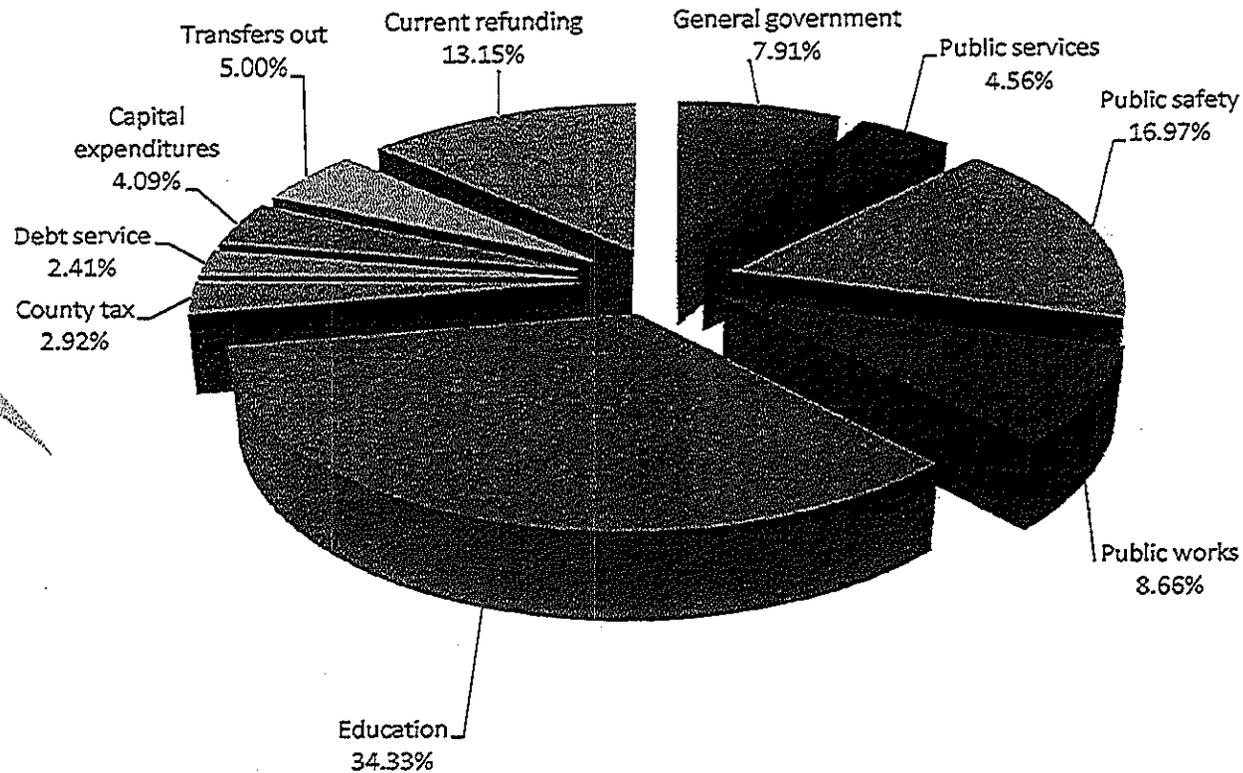
# TOWN OF ORONO

## GENERAL FUND – REVENUES PIE CHART



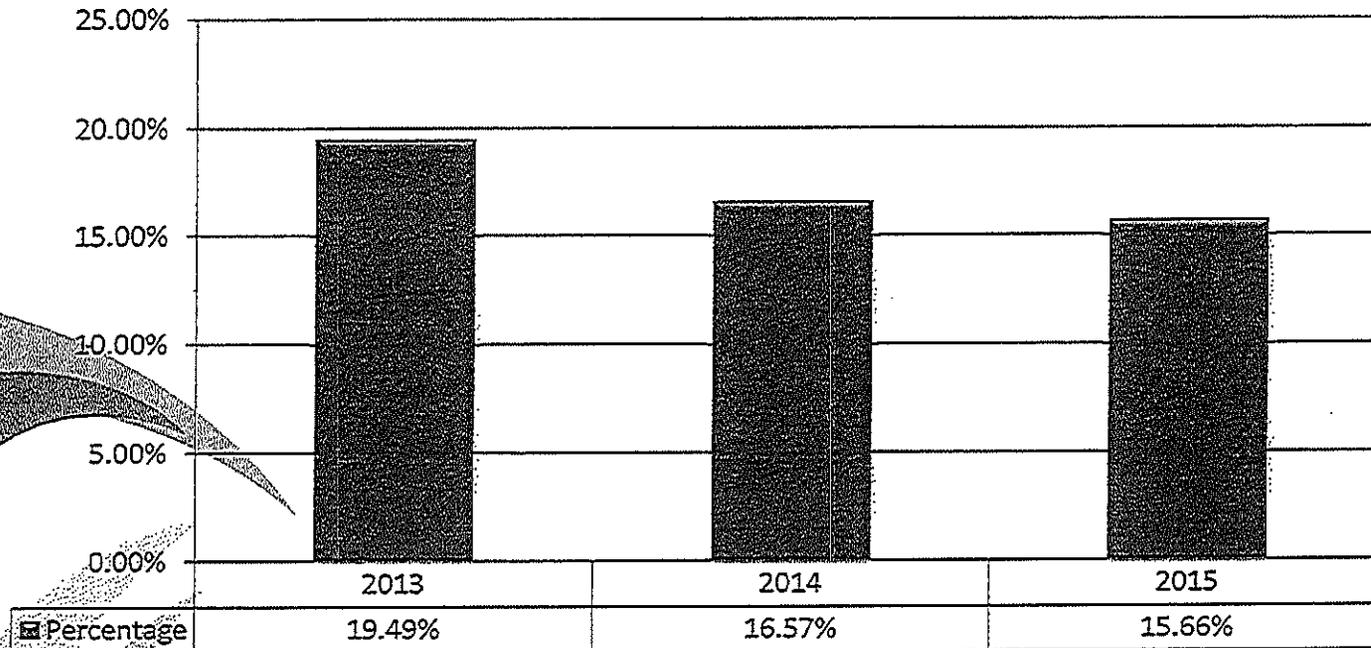
# TOWN OF ORONO

## GENERAL FUND – EXPENDITURES PIE CHART



# TOWN OF ORONO

## UNASSIGNED FUND BALANCE AS A PERCENTAGE OF BUDGET, FY 2013-2015



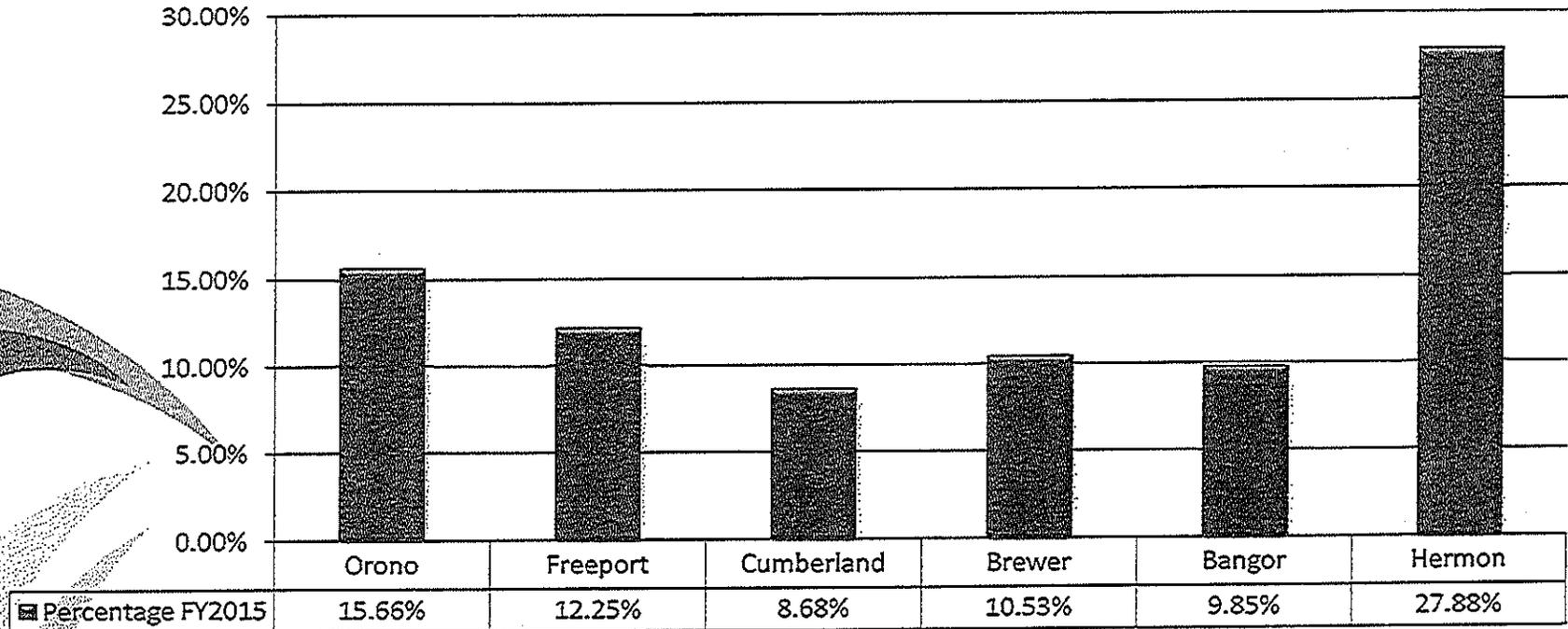
*Observations:*

- Fund balance provides working capital for the Town and enhances its credit worthiness.
- Credit agencies typically look for a minimum ratio of 20%. We generally recommend one to two months of expenditures, which equals 8.3% to 16.7%.



# TOWN OF ORONO

UNASSIGNED FUND BALANCE AS A PERCENTAGE OF BUDGET – AS COMPARED TO OTHER MUNICIPALITIES, FY2015

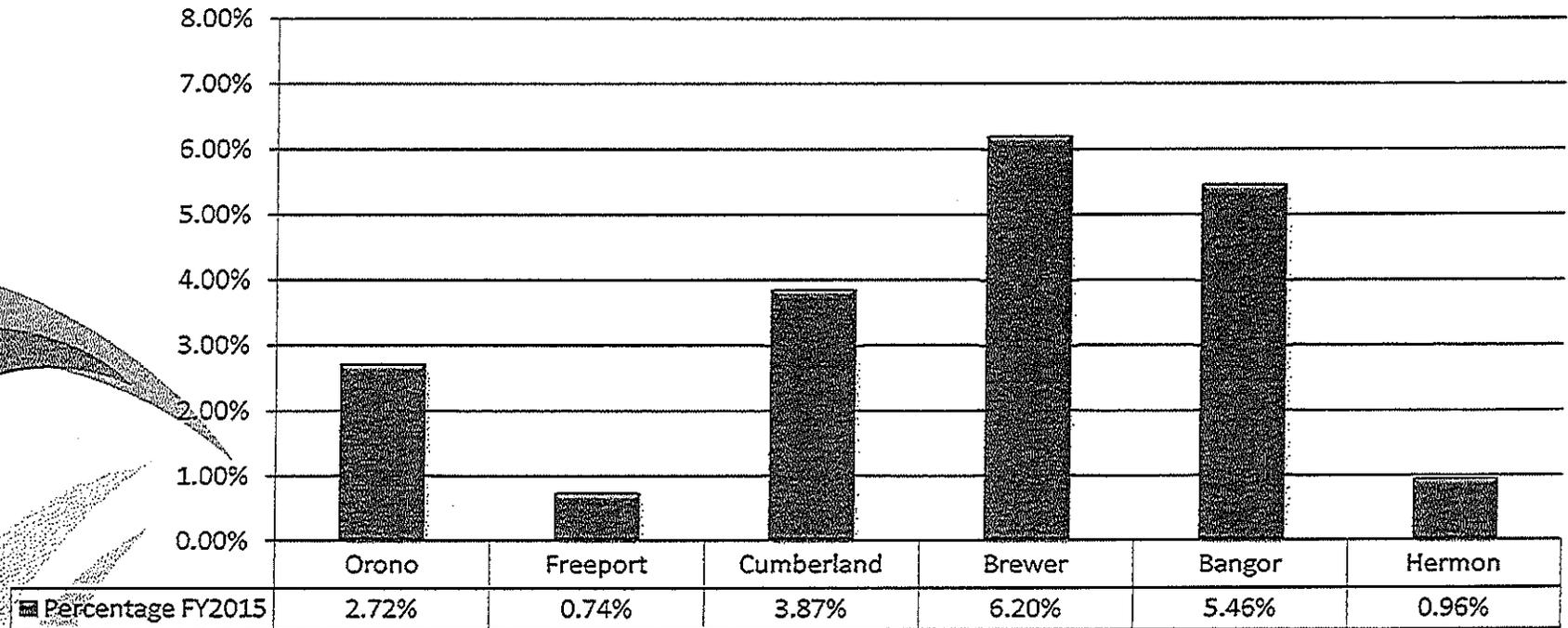


**Note:** The information necessary to calculate unassigned fund balance as a percentage of budget was extracted from audited financial statements as of June 30, 2015.



# TOWN OF ORONO

DEBT SERVICE AS A PERCENTAGE OF BUDGET— AS COMPARED TO OTHER MUNICIPALITIES, FY2015



**Note:** The information necessary to calculate debt service as a percentage of budget was extracted from audited financial statements as of June 30, 2015.

