

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

MONDAY, JUNE 13, 2016 AT 7:00 P.M.

MINUTES

1. Roll Call

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

2. Approval of Minutes of May 9, 2016

Moved by Tom Perry and seconded by Sam Kunz. All voted in favor, 7-0.

3. Agenda Review

Motion by Tom Perry and seconded by Sam Kunz to move “Future Agenda Items/Items of Concern, Public Petitions and Public Comments” to be taken up before the “Executive Session”. All voted in favor, 7-0.

4. Presentation of Boston Post Cane

**Order 16- 86 Order, awarding the Boston Post Cane Award to Pauline Nadeau Butler,
Orono’s Oldest Citizen.**

Moved by Tom Perry and seconded by Sam Kunz. All voted in favor, 7-0.

Council Chair Cindy Mehnert read background information on Pauline Nadeau Butler and Council presented her with the Boston Post Cane Award. She is Orono’s 16th recipient. Ms. Butler noted that she was honored to have family and friends with her this evening as she received the award. She acknowledged that her grandmother received the same title (Orono’s 2nd recipient) at 100 years old and lived to be 106 years old.

5. Public Hearings

- a. To consider a Class I – Malt, Spirituous & Vinous Liquor License, Special Amusement Permit for Music, Dancing and Entertainment and Victualer’s License for The Bear’s Den, Memorial Union, University of Maine.**

Public hearing a. opened at 7:10 p.m. Economic Development Director Dave Milan reported that all inspections have been completed and State licenses are current. Staff recommends approval of the licenses. No public comments were made. Public hearing a. closed at 7:11 p.m.

b. To consider a Class I – Malt, Spirituous & Vinous Liquor License, Special Amusement Permit for Music, Dancing and Entertainment and Victualer’s License for Wells Commons, University of Maine.

Public hearing b. opened at 7:11 p.m. Dave Milan reported that all inspections have been completed and State licenses are current. Staff recommends approval of the licenses. No public comments were made. Public hearing b. closed at 7:12 p.m.

c. To consider a Victualer’s License for Orono Trampoline Park, 6 Stillwater Avenue.

Public hearing c. opened at 7:12 p.m. Ms. Mehnert continued the public hearing to the July 11, 2016 Council Meeting due to the business not being ready for inspection.

d. To consider Victualer’s Licenses for: American Legion, Burger King, Dysart’s Travel Stop, The Store/Ampersand, Thai Kitchen and Wendy’s.

Public hearing d. opened at 7:13 p.m. Dave Milan reported that all inspections have been completed and State licenses are current. Staff recommends approval of the licenses. No public comments were made. Ms. Mehnert noted that Order 16-90 has been amended within the consent agenda. Public hearing d. closed at 7:14 p.m.

e. To discuss the 2016-2017 Municipal, Capital and WPCF budgets.

Public hearing e. opened at 7:15 p.m. Town Manager Sophie Wilson presented a Powerpoint presentation on the FY2016-2017 Municipal, Capital and WPCF budgets. Ms. Wilson noted that Council action on the budget will be considered at the Special Council Meeting to be held on June 27, 2016 at 7 p.m., after final review at the June 20, 2016 Council Committee Meeting. *(See the presentation attached)*

Public Comments

Susan Whitmore commented that more funds should be going to education than infrastructure. Ms. Wilson noted that the education budget is overseen by the school board. She noted that increases to the educational budget have exceeded the town’s infrastructure budget.

Fredrica Smith supported an increase of a 1/4th time library staff position (an increase of \$5,175 per year) due to the workload and service the library provides to the community.

Belle Ryder provided an email from Jeremy Chubbuck which stated that the proposed 8-9% increase in taxes is not acceptable.

Stuart Dexter supported the comment made by Mr. Chubbuck regarding the taxes being too high. He noted that Orono’s tax rate was the highest of 20 communities last year. Mr. Dexter commented that Forest Avenue is the worst road in Orono and the purchase of three cruisers in one year is too much. He commented that the school budget’s \$.5M increase is very high and suggested the town cut its budget by \$.5M.

Rob Yerxa explained that Forest Avenue is a State road and competes for funding with other communities. He noted that in the future he hopes to have a funding partnership with the State, but in the interim he will shim coat the road to make it smooth.

Ms. Wilson stated that the schedule is to purchase two cruisers every other year and one on the off year. She noted that the town has no control over the RSU#26 budget. She commented that the town has cut its budget in the past to try to offset the school budget to the point of affecting Town services.

Belle Ryder explained the Old Town-Orono Fiber Corporation and its goal of bringing ultra high speed internet (broadband) to growth areas of the communities. She commented on it being an economic development tool. She encouraged the public to attend a focus group on this topic on June 22, 2016 at 6:00 p.m.

Ms. Sullivan asked for an explanation of where the increased tax base due to the new student housing has gone. Ms. Wilson confirmed the increase in taxes, but commented on the loss of State Revenue Sharing, added staffing costs in the police and fire department and the new Public Works garage and how it has balanced out the increase. Public hearing e. closed at 8:27 p.m.

f. To consider a Sewer Rate Increase for FY2017.

Public hearing f. opened at 8:28 p.m. Ms. Wilson stated that the proposed sewer rate increase for FY2017 is \$.06/100 c.f. to be implemented on January 1, 2017. No public comments were made. Public hearing f. closed at 8:29 p.m.

g. To review the Orono Village Center District Development Program.

Boundaries of District:

Said District shall include real and personal property located on land shown on Orono tax maps as follows: Tax Map 019-004, Lots 061, 062, 063, 065, 066, 067; Map 027-002, Lots 017, 018, 019, 020, 021, 047, 048, 050, 051, 052, 053, 054, 055, 056, 057, 058, 059, 060, 062, 063, 119, 120, 121, 122, 123, 124, 125, 126, 139, 140, 141, 142, 143, 144, 145, 146; Map 027-12, Lots 001, 002, 003, 004, 005, 006, 007, 008, 009, 010, 011, 012, 013, 014, 015, 016, 017, 018, 019, 020, 021, 022, 023, 024, 025, 026, 027, 028, 029, 030, 031, 032, 033, 034, 035 (maps on file in the Assessor's Office at the Municipal Building, 59 Main Street, Orono, ME 04473). The preceding map and lot numbers encompass an area generally described as follows: most properties abutting Route 2 from Harmaney Realty Limited Partnership occupied by Peoples United Bank to Murray's Campus Service, properties abutting Canal, Oak and Summer Streets, most properties abutting Mill Street from Route 2 to Byer Manufacturing, properties abutting the West side of Pleasant Street, most properties abutting Pine Street from Route 2 to Birch Street and 6 Myrtle Street.

Moved by Geoff Gordon and seconded by Tom Perry to waive the reading of the boundary description. All voted in favor, 7-0.

Public hearing g. opened at 8:30 p.m. Ms. Wilson stated that the Orono Village Association (which is inactive) has asked the Town to not assess a Village Tax this year. The amount of tax equates to

\$8,900/year. Ms. Wilson stated that a legal review has determined that it is best not to dissolve the Village Tax (for 3-5 years), but to assess zero dollars per thousand. This year's development plan states that the Town will not assess any money and the Downtown and Transit Oriented TIF Funds will allow the Town to do some of the projects that the village tax was doing. No public comments were made. Public hearing g. closed at 8:32 p.m.

h. Implementation assessments to be assessed against real and personal property for the municipal development district located in the downtown area, known as the Village Center Tax District.

Maximum Rate of Assessments to be Extended in Any One Year: \$0.00 per thousand dollars of assessed value as of April 1, 2016. This assessment will be levied for a one-year program commencing on July 1, 2016 and ending on June 30, 2017.

Public hearing h. opened at 8:33 p.m. No public comments were made. Public hearing h. closed at 8:34 p.m.

i. To accept comments on the Proposed FY2016-2017 Fee Schedule.

Public hearing i. opened at 8:34 p.m. Ms. Wilson highlighted the changes in the FY16-17 Fee Schedule. She noted that the greatest change is with Overnight Parking Permits. There will no longer be monthly passes, but instead 6-month passes at \$200 or the yearly passes at \$350. No public comments were made. Public hearing i. closed at 8:36 p.m.

j. To consider a Contract Zone Request by Aaron Stupakewicz, d/b/a Thai Kitchen to change the zoning of 12 & 14 Park Street, Tax Map 19-4 Lots 99 & 100 from MDR & HDR to C-2 to allow for a take-out restaurant.

Public hearing j. opened at 8:37 p.m.

Mr. Richert provided background for the Contract Zone Request by Aaron Stupakewicz, d/b/a Thai Kitchen to change the zoning of 12 & 14 Park Street, Tax Map 19-4 Lots 99 & 100 from MDR & HDR to C-2 to allow for a take-out restaurant. He described the two lots and the conditions of the agreement: the restaurant cannot be part of a franchise (no more than two additional locations); limitations on signage; and limitations on traffic and parking.

Roberta Bradson expressed concerns about business growth on Park Street becoming the next Stillwater Avenue and affecting Mill Street businesses. Mr. Richert addressed the concerns about expansion and described the limitations of growth.

Susan Whitmore expressed concerns about employee harassment at the business.

Lois Soule spoke in favor of Mr. Stupakewicz's business and expressed that she feels it is adding to property values. She was pleased to hear that parking concerns have been addressed.

Steve Ribble, of Context by Design and representing Mr. Stupakewicz, stated that they have been working to accommodate all perspectives and make this project a win-win for everyone. He noted the controls that are in place. Public hearing j. closed at 8:54 p.m.

k. A proposed Land Use Ordinance Amendment to define “House Guest” and add a reference to this definition under the definition of “Family”.

Public hearing k. opened at 8:55 p.m.

Mr. Richert stated that this amendment is the first in a series that will address the concerns of the Comprehensive Plan to balance the desire for student population in neighborhoods without student housing overpowering the neighborhoods and losing the families. He noted that this definition will help with enforcing the number of persons living in a dwelling unit by defining House Guest. He noted that this is one incremental step in addressing this concern.

Stuart Dexter asked questions of the definition of House Guest. Mr. Wilson explained the number of days a House Guest is allowed to stay within the definition of the ordinance. Mr. Dexter asked whether landlords have paid their Rental Registration Fees. Ms. Wilson confirmed that landlords have paid their fees and explained the Code Enforcement process. Public hearing k. closed at 9:02 p.m.

6. Acknowledgments by Council Members

Tom Perry acknowledged the Boston Post Cane search process and commented on how pleased he was that Ms. Pauline Butler was awarded the Boston Post Cane. He also acknowledged the University of Maine Alumni magazine which had an essay on positive changes that have occurred in downtown Orono and that several of the business owners are UMaine graduates.

Sam Kunz encouraged everyone to attend Stillwater Artsapalooza in downtown Orono this Saturday night starting at 6:00 p.m.

Geoff Gordon acknowledged the efforts of the Town’s Senior Staff in assisting the Town Manager in putting together the FY17 Town budget.

Tom Spitz echoed Mr. Gordon’s comments on the budget process. He congratulated all the recent graduates of Orono High School and the sports teams.

Cindy Mehnert echoes Mr. Gordon’s comments and thanked everyone involved in the budget process. Ms. Mehnert reminded everyone that there is a Primary and RSU#26 Referendum Election tomorrow. Ms. Mehnert thanked Town Clerk Shelly Crosby on behalf of the Town and Mrs. Butler’s family for her efforts in seeking out the Boston Post Cane recipient.

7. Unfinished Business - None

8. Consent Agenda

- Order 16-87** Order, approving a Class I – Malt, Spirituous & Vinous Liquor License, Special Amusement Permit for Music, Dancing and Entertainment and Victualer’s License for The Bear’s Den, Memorial Union, University of Maine.
- Order 16-88** Order, approving a Class I – Malt, Spirituous & Vinous Liquor License, Special Amusement Permit for Music, Dancing and Entertainment and Victualer’s License for Wells Commons, University of Maine.
- Order 16-89** Order, approving a Victualer’s License for the American Legion.
- Order 16-90** Order, approving a Victualer’s License for Burger King conditioned upon the Town Manager certifying that the amounts the Town is legally able to collect have been paid in full.
- Order 16-91** Order, approving a Victualer’s License for Dysart’s Travel Stop.
- Order 16-92** Order, approving a Victualer’s License for The Store/Ampersand.
- Order 16-93** Order, approving a Victualer’s License for Thai Kitchen.
- Order 16-94** Order, approving a Victualer’s License for Wendy’s.
- Order 16-95** Order, appointing Jim Rose to the Trails Committee to fill an unexpired 2-year term until April 2017.
- Order 16-96** Order, authorizing the Town Manager to pay the Police Department CALEA On-site Fee of \$5,500 per the Agreement.
- Order 16-97** Order, committing a true list of sewerage service assessments to Jessie Daniels, Treasurer, in the amount of \$117,286.67.

Moved by Tom Spitz and seconded by Clint Relyea to approve the consent agenda. All voted in favor, 7-0.

9. New Business – None

10. Future Agenda Items/Items of Concern - None

11. Public Petitions - None

12. Public Comments

Susan Whitmore spoke of the recent drowning in the Stillwater River and offered her condolences to the family. She reminded everyone of the power of nature and the need for safety.

Ms. Wilson acknowledged the Town's Senior Staff and their efforts in putting together the FY17 budget.

13. Executive Session (MRS, Title 1, Chapter 13, Section 405(6)(D))

a. To Discuss Collective Bargaining Negotiations with International Association of Firefighters, AFL-CIO Local 3106

At 9:09 p.m., Tom Perry motioned and Tom Spitz seconded to move into Executive Session pursuant to MRS, Title 1, Chapter 13, Section 405(6)(D) to discuss Collective Bargaining Negotiations with International Association of Firefighters, AFL-CIO Local 3106. All voted in favor, 7-0.

At 10:09 p.m., Clint Relyea motioned and Tom Perry seconded to return to regular session. All voted in favor, 7-0.

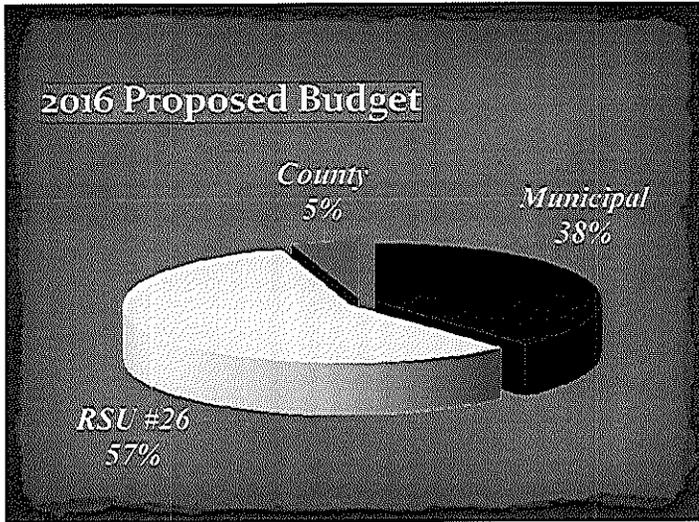
14. Adjournment

At 10:10 p.m., Tom Perry moved and Sam Kunz seconded to adjourn. All voted in favor, 7-0.

Respectfully submitted,

Nancy W. Ward
Administrative Assistant

TOWN OF BONO
Municipal Budget Presentation
 FY2016-2017
 June 13, 2016



Proposed Tax Rate Summary
 FY2017 vs. FY2016

• Municipal Budget	↑	\$358,831
• RSU #26 Assessment	↑	\$383,482
• Penobscot County Tax	↑	\$ 10,235
Net Change to Tax Commitment		
	↑	\$752,548 (7.28%)

- Municipal Budget Components**
- General Fund
 - Special Revenue Funds
 - Tax Increment Financing Funds
 - Capital Improvement Budget
 - Enterprise Funds (WPCF)

6/13/2016

2017 Municipal Budget

General Fund Expenditure Summary

• Operations	\$6,752,456	
• Capital & Reserve	896,684	
• Debt Obligation	538,022	Up a total of \$401,625 (or 5.12%) over FY16
• Self-Funded Programs	38,311	
• Contingency	20,000	
Total	\$8,245,473	

2017 Municipal Budget

General Fund Revenue Summary

• General Revenue	\$2,396,492	
• Self-Funded Programs	69,350	Down a total of \$134,156 (or -3.40%) from FY16
• Intergovernmental	897,550	
• Special Fund Reserves	11,500	
• Fund Balance Transfer	435,000	
Total	\$3,809,892	

2017 Municipal Budget

Net Summary - (General Fund)

• Operations	\$2,836,142	
• Capital & Reserve	896,684	Up a total of \$358,831 (or 9.17%) over FY16
• Debt Obligation	538,022	
Total	\$4,270,848	

Municipal Budget Highlights

General Fund Operations

Reorganizes Staffing, adding:

- 2 1/2 FTE Positions
 - Police Patrol Officer (1)
 - Finance Staff Accountant (1)
 - Facilities/Recreation (1/2)

Maintains Capital Investment

- Includes Funds for Fiber Infrastructure

Maintains Service Levels

Projected FY17 Tax Rate

\$24.80 per \$1,000 Taxable Valuation

- Municipal Services 9.55
- School Tax Assessment 14.05
- County Tax Assessment 1.21

Tax Rate Comparison

FY17 vs. FY16

**Increase of \$0.40/ \$1,000 Assessed
Taxable Valuation**

- Municipal Services \$0.31
- School Assessment \$0.13
- County Assessment \$0.04

FY17 Tax Rate Calculation

Tax Rate =

**Net Municipal, County & School Cost
Assessed Non-TIF District Valuation**

Assessed Valuation Impacts FY17

- New Construction Increases Valuation
 - Also Increases Demands on Municipal Services
 - Incremental Increases in Value Mitigated
Loss of \$1.2M in State Funding
- Homestead Exemption Program Change
 - Decreases Overall Assessed Valuation

Taxpayer Impact FY17 vs. FY16 Homestead Eligible Property

- \$165,000 Average Home Valuation
- FY16 Homestead Exemption of \$10,000
 - Annual Property Tax Bill - \$3,782
 - Town Portion \$1,430
 - School Portion \$2,158
 - County Portion \$ 194
- FY17 Homestead Exemption of \$15,000
 - Annual Property Tax Bill - \$3,720
 - Town Portion \$1,432
 - School Portion \$2,108
 - County Portion \$ 180

Taxpayer Impact FY17 vs. FY16 Non-Homestead Property

- \$165,000 Average Home Valuation
- FY16 Annual Property Tax Bill - \$4,026
 - Town Portion \$1,523
 - School Portion \$2,297
 - County Portion \$ 206
- FY17 Annual Property Tax Bill - \$4,092
 - Town Portion \$1,575
 - School Portion \$2,318
 - County Portion \$ 199

Capital Improvement FY2017 Work Plan & Budget

2017 Municipal Budget

Capital Budget Expenditure Summary

• Capital Equipment	\$ 687,134	
• Capital Infrastructure	1,270,000	<i>Up a total of \$1,055,496 (or 74.4%) over FY16</i>
• Capital Facilities	375,000	
• Capital Reserve	142,500	
Total	\$2,474,634	

2017 Municipal Budget

Capital Budget Revenue Summary

• General Taxes	\$896,684	<i>Draw on General Fund Taxes up a total of \$177,005 (or 24.6%) over FY16</i>
• Reserves	400,000	
• TIF Funds	570,000	
• Grants & Impact Fees	<u>607,950</u>	
Total	\$2,474,634	

2017 Municipal Budget

Net Summary - (Capital Budget)

• Equipment	\$ 264,184
• Infrastructure	390,000
• Facilities	100,000
• Reserve	<u>142,500</u>
Total	\$896,684

Municipal Budget Highlights

Capital Projects - Equipment

- Fire Engine Debt Payment
- Fire Air Bottle & SCBA Debt Payment
- Ambulance & EMS Monitors
- Police Cruiser (1)
- Photocopier (Town Office)
- Public Works Vacuum Sweeper Truck
- Parks & Rec Truck
- Plow & Gate for Facilities Truck

Municipal Budget Highlights

Capital Projects - Infrastructure

- Penobscot Street Pavement
- Mill & Water Streets & Sidewalk
- Pine Street, Mill Street, Municipal Parking Lots
- Cemetery Roads & Retaining Wall
- Route 2/Rangeley Road Roundabout

Municipal Budget Highlights

Capital Projects - Facilities

- Orono Village Green
- Former Public Works Building Closure
- Municipal & Public Safety Building Boiler and Controls Replacement

Municipal Budget Highlights

Capital Projects - Reserves

- Capital Equipment Reserve
- Police Technology Reserve
- Public Works Facility Reserve
- Library Maintenance Reserve
- Major Maintenance Reserve
- Landfill Closure Reserve

Tax Increment Financing
Districts
FY2017 Budget

2017 Municipal Budget

IFB Funds - Summary Use

Projected Revenue	\$	952,396
Total Budgeted Expenses	\$	<u>1,323,672</u>
Net Retained in Funds	\$	(371,276)

2017 Municipal Budget

MF Fund Projects

- Economic Development Salaries & Benefits
- Community Events, Marketing and Promotion
- Downtown Infrastructure Improvements
- Black Bear Express Shuttle
- Credit Enhancement Agreements
- Debt Retirement for Bennoch Road Parking Lot & Pine Street Parking Lot Rehabilitation

Special Revenue Funds FY2017 Budget

2017 Municipal Budget

Special Revenue Fund Budget Summary

Appropriations to Funds	\$ 187,500
Usage of Funds	\$ 1,015,281
Net Increase/(Decrease)	(\$ 827,781)

2017 Municipal Budget

Special Revenue Fund Use

- Capital Equipment Reserve
- Safety Equipment Reserve
- Employee Benefit Reserve
- Public Works Garage Reserve
- Cemetery Perpetual Care Funds
- Bond Repayment Reserve (3 Godfrey Drive)

**Water Pollution Control
Facility
FY2017 Budget**

The Water Pollution Control Facility (WPCF) operates as a separate proprietary fund.

Its operation is funded through revenue derived from user fees, operations, and grants...

Not through the property taxes.

WPCF Budget Highlights

Maintains Current Service Level

Continued Capital Expenditure &
Reserve Appropriations

Proposes Increase in Sewer Use Funds

WPCF – Expense Summary

- Operations \$ 856,409
- Reserve Appropriations \$ 195,757
- Debt \$ 418,794
- Total Operating Budget \$1,470,960

- Capital Budget Expense \$ 337,000

Grand Total \$1,807,960

WPCF Expenses – FY17 v. FY16

- Operating Budget ↓ \$(17,134)
- Capital Debt ↓ 5,550
- Capital Reserve Funding ↓ (17,655)
- Capital Budget ↓ (97,764)

TOTAL CHANGE: \$(127,053)

WPCF Capital Projects

- Relining/Repair of Collection System
 - Along Stillwater Interceptor
 - North Main Avenue (Pond to Pierce)
 - Charles Street
 - Miscellaneous Sewer Infrastructure Repair

Sewer User Fees – Proposed Increase

	<u>Consumption Rate/100 cu ft</u>	<u>Minimum Charge/Qtr</u>
2013	\$4.54	\$54.48
2014	\$4.54	\$54.48
2015	\$4.54	\$54.48
2016	\$4.54	\$54.48
2017	\$4.60	\$55.20

• Sewer rate increase in FY17

Questions?