

# FINANCE COMMITTEE LEWISTON, MAINE

## Minutes of April 24, 2017

**PRESENT:** Paul Robinson, Robert Reed, Matthew Shaw and Councilor Michael Lachance.

**ABSENT:** Councilor James Lysen with notification

**OTHERS PRESENT:** City Engineer Richard Burnham, Water/Sewer & Electrical Deputy Director Kevin Gagne and Director of Budget/ Purchasing Norman Beauparlant.

Meeting was called to order at 5:30 p.m. by the Chairman.

On motion of Councilor Lachance, seconded by Mr. Shaw it was

**VOTED:**

**(034-2017)** To approve the minutes of the previous meeting dated April 10, 2017 as presented and to accept and place them on file as presented by the Clerk.

**VOTE: 4-0**

On motion of Mr. Shaw, seconded by Councilor Lachance, it was

**VOTED:**

**(035-2017)** To accept and place on file the Finance Committee FY 2018 Budget recommendation as presented to the City Council at their meeting of April 18, 2017 as follows:

As required by Lewiston City Charter, the Finance Committee has reviewed the FY18 Lewiston Municipal Budget and provides our recommendation and concerns at this time.

The Finance Committee again takes this opportunity to remind the Council of our previous recommendation regarding the LCIP and how it will affect this budget. Past and continued recommendations against bonding salaries of staff and consulting fees should be discontinued as they do not meet the definition of long term capital expenses. While borrowing in the manner might help the budget in any one year by deferring some costs it does so at the expense of future year budgets when more debt and interest will be incurred. Penny wise and pound foolish should not be our motto.

We appreciate the City Administrator's spending down of the unreserved surplus fund but still believe it could still be reduced further. 8-10% would allow the City to maintain services with no interruption or change for more than 30 days while other solutions could be considered and cuts could be made if necessary. It would behoove the City Council to understand all aspects including any history of the fund and what circumstances could trigger its need in the near future. While a lower reserved amount COULD result in less favorable borrowing terms in the short term it might actually improve our ability to borrow long term if we are able to use the funds to reduce the need for current borrowing.

## FINANCE COMMITTEE MINUTES

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We remained concerned with the current bidding system as it appears to favor the bidder more than it does the City. While there is likely little that can change, a system which allows the bidders to know in advance how much money you can devote to an item or service might not provide for you the best bid. Much like storm water separation projects which come in pieces not as an entire project, the City may wish to aggregate the costs of multiple items in a single department list instead of listing each individually to ensure competitive bidding and the best pricing for Lewiston. These comments are not a condemnation of any individual bidder who we have or may work with but instead an observation of an area that could be exploited.

We are pleased to see the City is now developing a standard to inspect and license multi-family properties and recommend this continue with Code Enforcement and Fire Department involvement. Our housing stock is aging and we must protect our residents. Allowing for a small fee to the property owner to offset those costs is an effective way to manage the program. You may also wish to consider two fee schedules and code/licensing standards to reflect the difference between owner occupied and non-owner occupied units.

We do NOT recommend any cuts in staffing other than open positions which might be reworked into the job descriptions of other already on staff. We do however recommend that any further negotiations with the various unions set more realistic targets that equal what the private citizens sees in their daily lives. Finding a metric such as Social Security COLA's and looking to what private employers require their employees to pay as a share of insurance and other benefits seems fair given the struggle many are undertaking in their private lives.

Lastly, our recommendations are developed knowing we are not yet clear on state funding amounts and/or programs which could affect the final budget. For example the schools have indicated some uncertainty in portions of their funding and by rule any budget they produce cannot be changed later should they need additional funding from the taxpayers (it can be decreased but not increased) thus it is likely we would see "worse-case scenario" budget. Should that occur we strongly urge the City Council and the School Committee to understand those portions and ensure that should the local match end up being less that the overage in the budget not then be spent on other items or needs that were not included in the original budget but instead, returned directly to the taxpayer by decreasing the property tax due.

**VOTE: 4-0**

On recommendation of the Purchasing Director and on motion of Mr. Robinson, seconded by Mr. Shaw, it was

**VOTED:**

**(036-2017)** To authorize the Task Order with CDM Smith to assist with corrective action plan and implementation of a computerized maintenance management system at a fee not to exceed \$275,000 as described in Task Order #5 to the Master Service Agreement.

**VOTE: 4-0**

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On recommendation of the Purchasing Director and on motion of Mr. Shaw, seconded by Mr. Robinson, it was

**VOTED:**

**(037-2017)** To authorize Change Order #1 to the contract with Pike Industries to allow for additional resurfacing on Main Street between Riverside Street and Mountain Avenue in the amount of \$44,000.

**VOTE: 4-0**

**VOTED:**

To adjourn at 5:47 p.m.

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Norman Beauparlant  
Clerk  
Finance Committee