

**FINANCE COMMITTEE
LEWISTON, MAINE**

**Minutes of
February 6, 2012**

PRESENT: Michael Marcotte, Paul Robinson, Stavros Mendros and Councilor Mark Cayer.

ABSENT: Second Council seat vacant pending Special Election on February 7, 2012.

OTHERS PRESENT: Fire Chief Paul LeClair, Asst. Fire Chief Bruce McKay, Public Works Director David Jones, Finance Director Heather Hunter and Director of Budget/ Purchasing Norman Beuparlant.

Meeting was called to order at 5:15 p.m. by Norman Beuparlant.

On motion of Mr. Cayer, seconded by Mr. Robinson it was

VOTED:

(005-2012) To nominate and elect Mr. Mendros as Chairman of the Finance Committee for the ensuing year. With no other nomination, the vote was taken

VOTE: 4-0

At this time, the Clerk turned the meeting over to Mr. Mendros.

On motion of Mr. Marcotte, seconded by Mr. Robinson it was

VOTED:

(006-2012) To approve the minutes of the previous meeting dated January 23, 2012 and to accept and place them on file as presented by the Clerk.

**VOTE: 3-0-1
Mr. Cayer abstained**

At this time, the Committee considered adoption of "Rules of the Finance Committee" for the ensuing year. Mr. Mendros noted that Section A Sub-section 4 did not reflect the most recent amendment where additional language had been voted on to require two (2) bids when in excess of \$100,000 and over budget.

On motion of Mr. Cayer, seconded by Mr. Robinson, it was

VOTED:

(007-2012) To adopt the Rules as presented pending review by the Clerk with regard to the additional language in Section A-4.

RULES OF THE FINANCE COMMITTEE

Regular Meetings:

- A. Time: The Finance Committee shall hold regular meetings twice monthly on **Mondays at 5:15 p.m.**
- B. Place: All regular meetings of the Finance Committee shall be held in the Administrative Conference Room of City Hall.

Special Meetings:

All special meetings shall be called in accordance with Chapter 2, Section 2-183 {c} of the Revised Code of Ordinances.

Parliamentary Procedure:

“ROBERT’S RULES OF ORDER” shall be regarded by the Finance Committee as the proper authority for parliamentary procedure in conduct of its meetings for the ensuing year.

Majority Vote:

All motions must be passed by a majority of the members (three) in order to constitute action on any matter.

Authorization for Contract Awards, Amendments and Change Orders:

The Committee authorizes the Purchasing Director, after consulting the Finance Director, to approve contracts, contract amendments or change orders for the purchase of goods and services under the following conditions:

A. Contracts

1. The Purchasing Agent is authorized to award the annual fuel bids as the sole exception to the award process.
2. The bid, once awarded, will be forwarded to the Committee for its ratification at the next regular meeting with appropriate documentation and reasoning for the award.
3. All other bids shall be brought to the Finance Committee for award.
4. When the amount of the contract recommended exceeds \$100,000, and is over budget, no less than two (2) competitive bids must be submitted for review by the Finance Committee, unless a Waiver of Competition has been authorized by the Committee or an emergency has been declared as provided for in the Purchasing Policy.

B. Amendments or Change Orders

1. When the amendment or change order is necessary to insure that the contract for goods or services is not delayed and that adequate funding is in place and no extenuating circumstances exist.
2. The amount of the amendment or change order is no more than ten (10%) percent of the contract price, with an upset limit of \$10,000 for any single amendment/change order.
3. All amendments/change orders approved shall be forwarded to the Committee, for their ratification, at the next regular meeting.
4. Should the amendment or change order amount exceed Section 2 level of authorization, a special meeting of the Finance Committee shall be called by the Chairman or ranking member of the Committee if the Chairman is not available.

Suspension of Rules:

Any of the foregoing rules may be suspended, amended or repealed providing a majority of three (3) of the members vote therefore.

VOTE: 3-1
Mr. Marcotte opposed

On recommendation of the Purchasing Agent and on motion of Mr. Marcotte, seconded by Mr. Cayer it was

VOTED:

(008-2012) To award Bid 2012-001 for Fire Uniform Apparel on an item by item basis to the low bidder meeting specifications as follows:

Vendor	Item	Award Amount
Allen Uniform So. Portland ME	1, 2, 3 & 8	\$3,529.25
Wise Uniform Augusta ME	4 & 7	2,548.30
Coastal T-Shirt Auburn ME	5 & 6	2,852.00
	Total Award	\$8,929.55

VOTE: 4-0

On recommendation of the Purchasing Agent and on motion of Mr. Marcotte, seconded by Mr. Cayer it was

VOTED:

(009-2012) To award Bid 2012-002 for Fire Department Turnout Gear on an item by item basis as follows:

Vendor	Item	Award Amount
Industrial Protective Services Yarmouth ME	1, 2, 2A, 5 & 7	\$14,312.00
Falcon Performance Footwear Auburn ME	3	3,450.00
N.E. Emergency Apparatus Auburn ME	6	271.68
Bergeron Protective Clothing Epson NH	4	1,404.00
	Total Award	\$19,437.68

VOTE: 4-0

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

VOTED:

(010-2012) To approve Change Order #2 to the contract with Gendron & Gendron on the Lincoln Street and Locust Street Intersection Improvement Project (MDOT PIN: 16609.00) in the amount of \$10,048.32 as a credit to the contract price.

VOTE: 4-0

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

VOTED:

(011-2012) To ratify Change Order #2 to the contract with Gendron & Gendron on the Lincoln Street Reconstruction Project (MDOT PIN: 16614.00) in the amount of \$5,844.

VOTE: 4-0

FINANCE COMMITTEE MINUTES

February 6, 2012

At this time, the Committee discussed the FY 2013 LCIP as proposed by the City Administrator. After discussion with regard to the low interest rates at this time and with regard to the new bond issue limitation ordinance, the following action was taken.

On motion of Mr. Marcotte, seconded by Mr. Cayer it was

VOTED:

(012-2012) The following recommendation was adopted:

The Finance Committee has reviewed the Fiscal Year 2013 Lewiston Capital Improvement Program. The Finance Committee recognizes that this document is a long term planning tool utilized by the City Council and Administration, and that all projects are subject to the scrutiny of the budget process. If projects as requested are approved, including the Administrator's recommendation and School Department recommendations, the proposed FY 13 bond authorization amount would exceed the 80% bond issue authorization limitation as established by City Ordinance (Chapter 2, Article II, Section 2-34: Council action on bond authorization).

Further, the Committee expresses concern about the level of debt service carried in each of the Enterprise Funds as the rate and fee structures impact the personal budgets of Lewiston residents as much as the General Fund does with its mil rate and tax structure. The Committee therefore recommends that when the City Council is considering the projects listed in the LCIP during the budget review process, serious consideration be given to keeping new bonding within the 80% authorization limit.

The Committee also expresses concern about the recommendation for school side borrowing to be carried by the property taxpayers of the City of Lewiston. Therefore, we would recommend that City Ordinance (Chapter 2, Article II, Section 2-34: Council action on bond authorization) be revised to include provisions aimed at reducing debt separately in each category: municipal debt, school debt supported by the property tax, and Enterprise Fund debt.

The Committee recommends that the current process of refinancing outstanding debt at lower interest rates be continued. When such debt is refinanced, consideration should be given to using unallocated fund balance, to the extent that this balance is in excess of the amount required by policy, to reduce the outstanding principal amount, thus reducing future years' debt service payments and interest costs.

The Committee would also like to recognize the City's Management Team for its efforts to reduce (Municipal side) Lewiston City indebtedness over the course of this year's Five Year Capital Improvement Program.

VOTE: 4-0

VOTED:

To adjourn at 6:06 p.m.

Norman Beuparlant
Clerk
Finance Committee