

**FINANCE COMMITTEE  
LEWISTON, MAINE**

**Minutes of  
February 4, 2013**

**PRESENT:** Michael Marcotte, Robert Reed, Stavros Mendros, Councilor Doreen Christ and Councilor Mark Cayer.

**OTHERS PRESENT:** Finance Director Heather Hunter, Public Works Director David Jones and Director of Budget/ Purchasing Norman Beauparlant.

Meeting was called to order at 5:15 p.m. by Chairman Mendros.

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

**VOTED:**

**(007-2013)** To approve the minutes of the previous meeting dated January 14, 2013 and to accept and place them on file as presented by the Clerk.

**VOTE: 5-0**

At this time, the Committee began its discussion with regard to the FY 2014 Lewiston Capital Improvement Program (LCIP). After some discussion, Mr. Reed suggested tabling discussion to allow time to print copies of proposed language and to take up agenda items 4 and 5 and then come back to discussion of the LCIP. All members consented to tabling until later.

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

**VOTED:**

**(008-2013)** To award Bid 2013-001 on the King Avenue and Fair Street Water Main Replacement to Pratt & Sons, Mechanic Falls, Maine, low bidder at their bid price of \$431,775.

**VOTE: 5-0**

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

### **VOTED:**

**(009-2013)** To authorize two (2) contract close out Change Orders as follows:

- Change Order #5 to the contract with Pike Industries on the Route 196 Resurfacing Project (MDOT PIN #: 19112.00 and PIN #: 19124.00) in the credit amount of \$10,889.01; and
- Change Order #3 to the contract with Pike Industries on the Russell Street Resurfacing Project (MDOT PIN #: 18116.00) in the credit amount of \$6,800.97.

**VOTE: 5-0**

At this time, the Committee returned to the discussion of the LCIP. Mr. Marcotte, Mr. Reed and Mr. Mendros suggested additional language to be included in the recommendation from the Committee to the City Council.

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

### **VOTED:**

**(010-2013)** The Finance Committee has reviewed the Fiscal Year 2014 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 FY14 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).

The purpose of the 80% limit is to aggressively reduce our inflated proposed debt while minimizing the impact on the current year. To routinely override the limit will dissolve any gradual gains. To that end and with last year's significant increase, we urge the Council to hold the line this year.

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 and the 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.

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The Finance Committee remains concerned over the heavy long term debt load shouldered by the property taxpayers of this city. These concerns are further exacerbated by the potential reductions in municipal revenue sharing and other changes at both the state and federal government level.

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.

We encourage City management to be prudent in spending of funds and focus on core services and those items deemed necessary at this time. Exceptions should be made where continued use of existing property would be more expensive in terms of operations and maintenance than the cost of purchasing new.

**VOTE: 5-0**

**VOTED:**

To adjourn at 6:15 p.m.

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Norman Beauparlant  
Clerk  
Finance Committee