

FINANCE COMMITTEE LEWISTON, MAINE

Minutes of
February 10, 2014

PRESENT: Michael Marcotte, Robert Reed, Nelson Peters, Councilor Doreen Christ and Councilor Leslie Dubois.

OTHERS PRESENT: Director of Budget/ Purchasing Norman Beauparlant.

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

On motion of Mr. Reed, seconded by Councilor Christ it was

VOTED:

(009-2014) To approve the minutes of the previous meeting dated January 27, 2014 and to accept and place them on file as presented by the Clerk.

VOTE: 5-0

Following discussion by the Committee and on motion of Councilor Christ, seconded by Mr. Reed the following action was taken by the Committee with regard to making recommendation to the City Council on the FY 2015 Lewiston Capital Improvement Plan (LCIP).

VOTED:

(010-2014)

The Finance Committee has reviewed the Fiscal Year 2015 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 FY15 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 heavy long term debt while minimizing the impact on the current year. Whereas the City of Lewiston overrode the limit by 188% just two short years ago, thereby dissolving any gradual gains, 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 wishes to commend the staff and administration of the City for the recent work in refinancing the outstanding debt as had been recommended in last year's LCIP review. We urge the City to continue those efforts as the opportunities present themselves. We also recommend the utilization of the unallocated balances in future bonds should first be used to reduce the principal outstanding before considering additional purchases not previously requested or indicated. We also ask that scrutiny be given to the amounts requested as we often see significant changes in estimates versus actual purchases, creating many of these unallocated fund balances.

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 5:31 p.m.

Norman Beauparlant
Clerk
Finance Committee