

# **FINANCE COMMITTEE LEWISTON, MAINE**

## **Minutes of April 14, 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 5:16 p.m. by Chairman Marcotte.

Purchasing Director noted that the minutes of the special meeting would be presented at the next Finance Committee meeting of April 28, 2014.

At this time, the Purchasing Director requested that Item 4 regarding authorization of Task Order with Gorrill Palmer Consulting be removed from the agenda to allow the Engineering Division to follow up on construction management services with John Turner Consulting. Item 4 was removed from the agenda by consensus.

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

**VOTED:**

**(021-2014)** To award Bid 2014-010 Crack Sealing to Coastal Road Repair, Cumberland, Maine, at their unit bid price of \$14.74 per gallon.

**VOTE: 5-0**

On recommendation of the Purchasing Director and on motion of Mr. Peters, seconded by Councilor Christ it was

**VOTED:**

**(022-2014)** To award Bid 2014-017 Jepson Brook Sewer Separation Phase V to Longchamps & Sons, Lisbon, Maine, low bidder at their total bid price of \$745,850.50 based on estimated quantities.

**VOTE: 5-0**

## FINANCE COMMITTEE MINUTES

April 14, 2014

At this time, the Committee considered the draft recommendation to the City Council regarding the reinstatement of funds for the replacement of Engine 6.

### **Background:**

The Finance Committee met on April 7, 2014 to begin its review of the FY 2015 Proposed Budget. In attendance of the meeting were Finance Director Heather Hunter, Budget/Purchasing Director Norman Beauparlant, Fire Chief Paul LeClair and Mr. Denis Theriault, citizen of Lewiston.

Before taking up operational budget items, the Committee voiced concern that the replacement of Engine 6 which had been proposed for replacement funding as part of the FY 2015 Capital Improvement Plan had been pushed to FY 2016. Following discussion with the Fire Chief, the Committee decided that a separate recommendation for adding the apparatus back would be appropriate and would consider such recommendation at its meeting of April 14, 2014.

At its meeting on April 14, 2014, discussion was continued regarding the replacement of Engine6:

### **Basis for Recommendation:**

The City of Lewiston has six (6) fire trucks in the fleet. If we schedule a purchase in 2015, it will have been five (5) years since the last replacement. Following this replacement schedule, it would take twenty-five (25) years to cycle through replacing the oldest unit, longer than almost any other fleet item in the City. The City of Lewiston is experiencing business growth along the Sabattus Street corridor, particularly two small box retail stores and can expect this activity to produce more development.

Due to last year's fires, Lewiston insurance rates have seen serious increases. Demonstrating our commitment to a responsible fleet replacement schedule and communicating that commitment to area insurance companies could mean lower fire insurance rates for Lewiston property owners.

Delaying the replacement of Engine 6 would push the replacement of other units in our aging fleet. The City of Lewiston is unlikely to replace a pair of units as it did in 2004 due to the ever increasing cost of a truck. Engine 4 would become the reserve unit, replacing the 1988 E-One Engine 6 which has become nearly useless. Interest rates are bound to rise, causing greater debt service payments for a unit purchased a year or two out into the future. And, we can expect that same inflation to aggravate fire truck purchase prices along the way as well.

The current Administration recommendation stands at \$1.830 million, well below our prudent debt reduction policy. Reinstating \$575,000 to keep our fire apparatus well balanced at a time when we have seen some devastating apartment fires would be sensible.

## FINANCE COMMITTEE MINUTES

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

**VOTED:**

**(023-2014)** To recommend to the City Council that the replacement of Engine 6 be reinstated into the FY 2015 LCIP Bond authorization to allow for the replacement during FY 2015 at an estimated cost of \$575,000.

**VOTE: 5-0**

The Committee considered the draft recommendation with regard to the Proposed FY 2015 Municipal Budget.

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

**VOTED:**

**(024-2014)** After careful review of the FY 2015 City Administrator proposed budget, the Finance Committee recommends that the City Council continue their budget deliberations and consider the risks associated with ever increasing levels of taxation on a population who's capacity to carry that expense is growing more feeble with each passing year.

Each year the Finance Committee provides this warning to the Mayor, City Council and Administrator, only to sense that the recommendation is not heeded; and therefore, we find ourselves in the bind we are facing in this budget season.

The Committee also expresses concern about the rate structure in each of the Enterprise Funds as Water, Sewer and Storm Water impacts the personal budgets of Lewiston residents as much as the General Fund does with its mil rate and tax structure.

While City officials may have a vision to create a more livable City, that vision will not be possible until we control our spending habits. Increasing taxes due to and continued spending will not be positive signs to attract the new permanent residents we might wish to attract in order to make the vision a reality. While an argument might be made that "if you build it they will come", you also run the significant risk of losing those current residents who can no longer afford the vision or cannot carry the load in hopes of others joining later.

Lastly, we offer two recommendations to the elected officials of this City. First, you must have the foresight to reduce that tax burden and look at all options for doing business including outsourcing, shared services with other communities and combined departments and divisions. It may even be time to consider a merger of services with other communities. Secondly, you must hold elected and appointed officials at all levels of government to the same standard. Gone are the days when economic development was a sure thing. We must account for every dollar spent and every dollar collected at all levels of government. We have a spending problem at all levels of government and until our elected leaders can recognize and take steps to change that habit, the cost will fall more than ever upon the homeowners of this City.

**VOTE: 5-0**

**FINANCE COMMITTEE MINUTES**

**April 14, 2014**

At this time, the Purchasing Director advised the Committee that the Charter requires that every three (3) years proposals be solicited for the City's Financial Audit.

The Purchasing Director indicated that the Finance Committee makes the recommendation to the City Council and that the three year contract is awarded by the City Council.

The Purchasing Director requested two members of the Committee to serve on the Selection Review Committee. Chairman Marcotte and Councilor Christ agreed to serve.

**VOTED:**

To adjourn at 5:53 p.m.

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Norman Beuparlant  
Clerk  
Finance Committee