

**FINANCE COMMITTEE
LEWISTON, MAINE**

**Minutes of
February 12, 2018**

PRESENT: Councilor Michael Marcotte, Robert Reed, Matthew Shaw, Michael Lachance and Councilor James Lysen.

OTHERS PRESENT: Director of Public Buildings Michael Paradis, City Engineer Richard Burnham, Deputy City Administrator Denis D'Auteuil, Economic & Community Development Director Lincoln Jeffers, L/A Lead Program Manager Travis Mills, Asst. Finance Director Ralph Lenfestey and Purchasing Agent Allen Ward.

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

On motion of Councilor Marcotte, seconded by Councilor Lysen it was

VOTED:

(015-2018) To approve the minutes of the previous meeting dated January 22, 2018 as presented and to accept and place them on file as presented by the Clerk.

VOTE: 5-0

On recommendation of the Asst. Finance Director and on motion of Councilor Lysen, seconded by Councilor Marcotte, it was

VOTED:

(016-2017) To authorize a Waiver of Competition for services with the City's Lead Grant Partners Community Concepts and Healthy Androscoggin.

VOTE: 1-4

Councilor Marcotte, Mr. Lachance, Mr. Shaw and Mr. Reed opposed

It was recommended by the Committee that these services should be bid out.

On recommendation of the Asst. Finance Director and on motion of Councilor Lysen, seconded by Mr. Lachance it was

VOTED:

(017-2018) To award Bid 2018-006 for Armory Lighting Upgrades to Mountain View Electric, Sabattus, Maine, at their total bid price prior to rebates of \$40,222.

VOTE: 5-0

FINANCE COMMITTEE MINUTES

February 12, 2018

On recommendation of the Asst. Finance Director and on motion of Mr. Lachance, seconded by Mr. Shaw it was

VOTED:

(018-2018) To award Bid 2018-003 for a Downtown Parking Meter Study to Walker Consultants, Boston, MA, at their bid price of \$40,270.10.

VOTE: 5-0

On recommendation of the Asst. Finance Director and on motion of Councilor Lysen, seconded by Councilor Marcotte it was

VOTED:

(019-2018) To authorize the Task Order to the contract with Gorrill-Palmer, who holds the contract for civil site and survey services, to complete the professional design services related to the Stetson Road MeDOT Improvement Project at an amount not to exceed \$98,000 with the City's 10% portion being \$9,800.

VOTE: 5-0

On motion of Mr. Lachance, seconded by Councilor Lysen it was voted to send the following recommendation to the City Council for the FY 2019 LCIP:

VOTED:

(020-2018) The Finance Committee has reviewed the Fiscal Year 2019 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 budgetary process. If projects as requested are approved, including the Administrator's recommendation and School Department recommendations, the proposed FY19 bond authorization amount would significantly exceed the 80% bond issue authorization limitation as established by City Ordinance (Chapter 2, Article II, Section 2-34: Council action on bond authorization).

As a committee serving this council and the citizens of Lewiston we recommend the focus be placed on the overall systemic view rather than a listing of each item that highlights our concern. Given some council members are new to the process we think this a prudent manner of presentation.

On Debt

We are grateful for the past few years of debt reduction however, a review of the past 10 years shows that while we might see several years reduction, all it takes is one year of significant bonding to wipe out any gains, thus destroying the original intent of the 2008-2009 City Council who began the concept of mandated debt reduction. On the city side, we saw jumps in FY 07 & FY11, and in FY 13 & FY18 on the School side, even after considering the state reimbursement portions. Add those to the constantly growing Lewiston utility debt and we remain concerned

that the residential taxpayer will not be able to stay in their home and that potential business development might look elsewhere to establish a presence.

Fund Balances

We appreciate the city reviewing fund balances and believe that excessive Fund Balance is as much a concern as it is a safety net. The Finance Committee recommends a Fund Balance floor of 10%, given a balance of as little as 8.33% calculates to 30 days of reserve. City administration should be able to provide a breakdown of the past 5 years of the fund balance in days held to show the true loss in sitting on this money as opposed to using it to maintain our streets our complete other projects affecting the livability of our citizens

Fire Stations & Schools

We are aware that the city needs major improvements to the Central Fire Station as well as a need for three new substations throughout the city. When you combine this with the potential request of a Performing Arts Center at the High School that would receive no state reimbursement, we have a potential new debt on these alone to approach \$50 Million dollars or more. We recommend working more with the architects and designers to find ways to reduce the cost and develop structures that meet the essential needs instead of designing based on a wish list or the best of the best.

On Housing

We renew our call to create additional staffing within Code Enforcement to ensure that multi-family rentals meet all required codes and provide a safe environment for the tenants. Creating a licensing and inspection fee as a requirement of offering units for rental should pay for itself annually and guarantee that we have housing stock that is desirable and safe. The council will need to consider the number of units in a property before inspection is required (4 seems to be a common threshold) and whether owner-occupied premises would have a different requirement or licensing application.

On Roads

The Finance Committee also asks that the city ensure that any project approved for the LCIP be done in the year anticipated unless delays are unavoidable. If delays are only due to city staff not having enough time to complete the work, we suggest contracting with others to ensure the work is completed on time. Delaying highway's projects and road repairs could lead to higher costs than budgeted should the petroleum market or other factors change. Some foresight or planning of staffing for our needs and ability will lead to better outcomes and more timely completions. The council would benefit greatly from seeing a timeline of each project, and the staffing required in planning and implementation stages so that we can have a clear picture of when outside assistance will be required in advance. As an example, the city engineering staff might not be able to accommodate all road project design given the short season, thus an outside firm might be contracted to take on some of that load.

FINANCE COMMITTEE MINUTES

February 12, 2018

Prudent Choices

Despite all this, the economic outlook seems to indicate that borrowing more in the present time as opposed to delaying might save this city a significant amount of interest paid out, thus we ask the city financial staff to provide you with the options of both financing or delaying based on the projected bond market for the next 2-3 years. This might seem contrary to our other points on having to rein in spending and be cautious, but a combination of ensuring that we only get what we can afford to and doing so when the market gives us the most favorable conditions will bode Lewiston well over the next 10 years or more.

We look forward to being a resource to the city on any of these issues and are open to assisting with any further discussion.

VOTE: 5-0

VOTED:

To adjourn at 6:54 p.m.

Allen Ward
Clerk
Finance Committee