

City of Biddeford
Finance Committee
June 04, 2019 5:00 PM Council Chambers

- 1. Call to order**
- 2. Approval of the Minutes**
 - 2.1. May 21, 2019 Finance Committee Meeting Minutes
[5-21-2019 Finance Committee Minutes.rtf](#)
- 3. Signing of the expenditure warrant**
- 4. Discussion/Approval**
 - 4.1. Review of Proposed Increase in Wastewater Rates for FY20
[6-04-2019 Sewer User Rates FY20-ORDER.docx](#)
[6-04-2019 Wastewater Rates-Backup docs.pdf](#)
- 5. Other Business**
- 6. Adjournment**

City of Biddeford
Finance Committee Meeting Minutes
May 21, 2019

The meeting was called to order at 5:00 pm by Councilor Mike Ready.

Present: Chair, Council President John McCurry, Mayor Alan Casavant, Councilor Stephen St. Cyr, Councilor Mike Ready, City Manager James Bennett, Finance Director Cheryl Fournier, and City Clerk Carmen Morris.

Adjustment to the Agenda

No adjustments to the agenda.

Approval of Minutes

Motion by Councilor Ready to approve the Minutes of May 7, 2019 as printed, seconded by Councilor St. Cyr.

Vote: unanimous.

Motion carried 4-0.

The expenditure warrant was available for review and signature.

Discussion/Approval

Approval/Tax-Exempt Lease/Purchase of Equipment

Motion by Councilor Ready to approve the Tax-Exempt Lease for the purchase of equipment, seconded by Councilor St. Cyr.

Finance Director, Cheryl Fournier, presented the item. The recommendation is to approve the USbancorp bid for tax-exempt leasing.

Vote: unanimous.

Motion carried 4-0.

Authorization/Agreement to Trade Crushing/Reclaim for Gravel/Petit Construction

Motion by Councilor Ready to authorize an agreement to trade crushing/reclaim for gravel with Petit Construction, seconded by Councilor St. Cyr.

Public Works Director, Jeff Demers, presented the item. They came up with the idea of exploring a trade for crushing and gravel as a cost-saving measure.

Vote: unanimous.

Motion carried 4-0.

Other Business

End of FY19 Budget Projections

Finance Director, Cheryl Fournier, provided the Committee with the FY19 Budget Projections.

Councilor Ready asked about the \$600,000 carry-forward and if it was designated for anything. The City Manager explained that any unfinished CIP projects will be funded with this carry-forward money. There may be some other individual items funded from this money. Jim reminded the Committee that the final carry-forward items will be brought before the Council in August or September for final approval.

Public Safety underage of revenues – Resource Officer grant money that has not come in.
Public Works underage of revenues – certain fees that had been budgeted for but had not been implemented.

Councilor St. Cyr asked for one or two lines for each line that is over budget. He specifically asked about the Police Department overage. Cheryl explained it was partly due to the asbestos removal at the PD; the wage increase for the Opioid position was not budgeted; overtime costs; and a couple other items. Also, the asset forfeiture money that the City has been awarded has not yet been received.

Councilor McCurry asked about dividing the carry-forward of \$657,966.00 into thirds as follows:

1. Fund some extra CIP items.
2. Increase the Undesignated Fund Balance.
3. Put some back towards the General Budget to offset taxes.

The Committee agreed that they would like to have a discussion and possible recommendation on how to allocate the carry-forward amount of \$657,966.00.

Councilor St. Cyr asked about the possibility of increasing pool beach parking fees and mooring fees. He would like this item on the next Finance Committee Agenda, including what neighboring communities charge for their fees and when the last time fees were increased. Jim suggested that Staff gather this information for all permitting and licensing fees.

The City Manager noted that the assessment ratio will not be at 100% this year. The City is currently at 89% due to the fact that the community's values have gone up so fast.

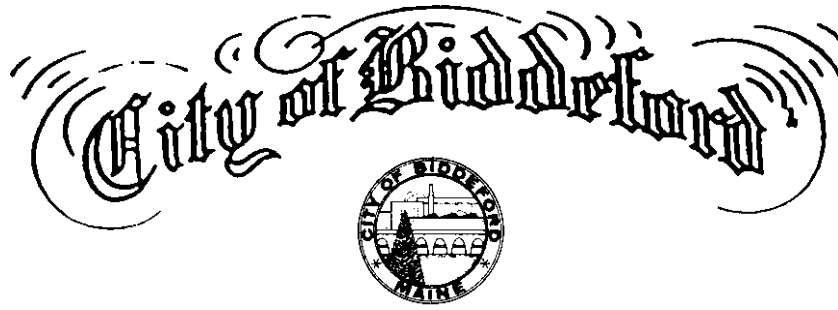
Staff is working on how to fairly allocate out the 7.5% in sewer rate increase.

Motion to adjourn made by Councilor Ready, seconded by Councilor St. Cyr.

Vote: unanimous.

Motion carried 4-0.

Adjourned at 5:47 pm.



2019.56

IN BOARD OF CITY COUNCIL..JUNE 4, 2019

WHEREAS, City ordinance declares it necessary and conducive to the protection of the public health, safety, welfare and convenience of the City to collect charges, referred to as sewer user fees, from all users who contribute wastewater to the City's treatment works; and,

WHEREAS, the sewer user fees are collected and deposited in a non-lapsing fund known as the "Sewer System Operation, Maintenance Replacement Fund and Debt Retirement Fund"; and,

WHEREAS, the proceeds of such fees so derived are used for the purpose of operating and maintaining the public wastewater treatment works and providing for future needs; and,

WHEREAS, the City Council is authorized to review and, if necessary, revise the sewer rates used as the basis for sewer fee billing; and,

WHEREAS, the last sewer rate increase occurred in fiscal year 2018;

WHEREAS, the fiscal year 2020 budget passed an increase of 7.5%,

WHEREAS, the staff recommends the following rate schedule, which includes a 6.5% increase for residential, and 9.4% increase for commercial.

NOW THEREFORE BE IT ORDERED, that the following rate structure be adopted:

Type	Frequency	Min Volume (cu. ft.)	Max Volume (cu. ft.)	Proposed Rate (per 100 cu. ft.)
Residential	Monthly	0	392	\$4.59
Residential	Monthly	393	1,666	\$6.25
Residential	Monthly	1,667	Unlimited	\$6.56
Residential	Quarterly	0	1,175	\$4.59
Residential	Quarterly	1,176	5,000	\$6.25
Residential	Quarterly	5,001	Unlimited	\$6.56
Commercial	Monthly	0	425	\$7.03
Commercial	Monthly	426	1,667	\$7.03
Commercial	Monthly	1,668	4,167	\$7.77
Commercial	Monthly	4,168	Unlimited	\$8.40
Commercial	Quarterly	0	1,275	\$7.03

Commercial	Quarterly	1,276	5,000	\$7.03
Commercial	Quarterly	5,001	12,500	\$7.77
Commercial	Quarterly	12,501	Unlimited	\$8.40



City of Biddeford

Finance Department - (207) 284-9333

205 Main Street, P O Box 586

Biddeford, ME 04005

Fax (207) 571-0667

Cheryl Fournier, Finance Director

May 24, 2019

To: Council and Finance Committee

From: Cheryl Fournier, Finance Director
Jeff Demers, Public Works Director

Re: Wastewater Rates

The submittal of the Wastewater budget included a 7.5% rate increase. The question was asked if residential and commercial could have different rate increases. Books 30 & 40 are residential and Books 50 & 60 are commercial. Separate rates are used for Residential and Commercial within the Munis system, which means, we can do a different percentage increase of the two types of accounts.

The current budget increase has all the rates increasing by 7.5%. Attached are two additional options. Option 1 will create a 5% increase on residential and 12.2% increase on commercial. Option 2 will create a 6.5% increase on residential and 9.4% increase on commercial. Both options will produce the budgeted revenue within plus or minus \$400.

Other options were discussed, but wouldn't be able to be fully vetted in enough time to have the rate increase go into effect on July 1, 2019. These options included changing the usage tiers and/or create additional categories. Maine Water designed the residential and commercial tiers and they seem to cover a broad range. Maine Water's research on the subject indicates that the current "book" numbers were created for the City, so they can be changed. Maine Water sends the monthly/quarterly flow detail correlated with the fee schedule in an electronic file. This summer an intern will be working in the Finance Department. One of the assignments will be to audit the wastewater tier system to help recommend changes to the wastewater rate schedules for possible consideration and implementation by FY2021.

Original Budget

Data	Increase
Residential	7.5%
Commercial	7.5%
Total	7.5%

\$	0.00	Difference from Original Budget
\$	(0.00)	Difference from Original Budget
\$	-	Difference from Original Budget

Table 1 - Current Rates

Code	Svc	Type	Frequency	MinVolume (100 CF)	MAXVolume (100 CF)	Current Rate	Current Min Charge	Proposed Budgeted Rate	Proposed Budgeted Min Charge	Increase
30ResidentialMon1	30 Residential	Mon	Mon	-	392		\$ 16.92	\$	\$ 18.19	\$0.27
30ResidentialMon2	30 Residential	Mon	Mon	393	1,666	\$ 5.87		\$ 6.31		\$0.44
30ResidentialMon3	30 Residential	Mon	Mon	1,667	1,000,000,000	\$ 6.16		\$ 6.63		\$0.46
40ResidentialQtr1	40 Residential	Qtr	Qtr	-	1,175		\$ 50.69	\$	\$ 54.49	\$3.80
40ResidentialQtr2	40 Residential	Qtr	Qtr	1,176	5,000	\$ 5.87		\$ 6.31		\$0.44
40ResidentialQtr3	40 Residential	Qtr	Qtr	5,001	1,000,000,000	\$ 6.16		\$ 6.63		\$0.46
50CommercialMon1	50 Commercial	Mon	Mon	-	425		\$ 27.32	\$	\$ 29.37	\$2.05
50CommercialMon2	50 Commercial	Mon	Mon	426	1,667	\$ 6.43		\$ 6.91		\$0.48
50CommercialMon3	50 Commercial	Mon	Mon	1,668	4,167	\$ 7.11		\$ 7.64		\$0.53
50CommercialMon4	50 Commercial	Mon	Mon	4,168	1,000,000,000	\$ 7.68		\$ 8.26		\$0.58
60CommercialQtr1	60 Commercial	Qtr	Qtr	-	1,275		\$ 81.95	\$	\$ 88.10	\$6.15
60CommercialQtr2	60 Commercial	Qtr	Qtr	1,276	5,000	\$ 6.43		\$ 6.91		\$0.48
60CommercialQtr3	60 Commercial	Qtr	Qtr	5,001	12,500	\$ 7.11		\$ 7.64		\$0.53
60CommercialQtr4	60 Commercial	Qtr	Qtr	12,501	1,000,000,000	\$ 7.68		\$ 8.26		\$0.58

Table 3 - (Table 2 multiplied by 7.5% for Res and 7.5% for Com

		FY2020 Estimate	FY2018	FY2017	FY2016	FY2015	FY2014
30	Estimated Revenue	\$ 577,198.84	\$ 575,612.74	\$ 579,221.49	\$ 566,824.82	\$ 576,128.29	\$ 593,045.75
	Estimated Units	87,575.00	87,324.00	87,850.00	85,859.00	87,180.00	89,867.00
	Average Cost per unit	6.59	6.59	6.59	6.60	6.61	6.60
40	Estimated Revenue	\$ 1,883,416.01	\$ 1,878,953.59	\$ 1,887,911.12	\$ 1,850,422.66	\$ 1,879,579.07	\$ 1,852,534.05
	Estimated Units	259,003.48	258,009.77	259,997.78	254,475.48	263,632.00	257,445.50
	Average Cost per unit	7.27	7.28	7.26	7.27	7.13	7.20
50	Estimated Revenue	\$ 1,055,326.72	\$ 1,053,099.57	\$ 1,018,667.55	\$ 1,073,096.50	\$ 880,719.03	\$ 832,503.47
	Estimated Units	128,580.00	128,289.67	124,025.23	130,686.07	107,455.29	101,600.06
	Average Cost per unit	8.21	8.21	8.21	8.21	8.20	8.19
60	Estimated Revenue	\$ 242,103.90	\$ 238,994.16	\$ 245,213.65	\$ 244,345.90	\$ 256,565.17	\$ 238,659.84
	Estimated Units	27,101.50	26,866.00	27,337.00	27,414.80	28,989.64	27,043.00
	Average Cost per unit	8.93	8.90	8.97	8.91	8.85	8.83
	Estimated Revenue	\$ 3,758,045.48	\$ 3,746,660.05	\$ 3,731,013.82	\$ 3,734,689.88	\$ 3,592,991.56	\$ 3,516,743.10
	Estimated Units	502,259.98	500,489.44	499,210.01	498,435.35	487,256.93	475,955.56
	Average Cost per unit	7.48	7.49	7.47	7.49	7.37	7.39

Option 1

Data	Increase
Residential	5.0%
Commercial	12.2%
Total	7.5%

\$ (57,223.60)	Difference from Original Budget
\$ 56,724.87	Difference from Original Budget
\$ (498.73)	Difference from Original Budget

Table 1 - Current Rates

Code	Svc	Type	Frequency	MinVolume (100 CF)	MAXVolume (100 CF)	Current Rate	Current Min Charge	Proposed Budgeted Rate	Proposed Budgeted Min Charge	Increase
30ResidentialMon1	30 Residential	Mon	Mon	-	392		\$ 16.92	\$ 6.16	\$ 17.77	\$0.85
30ResidentialMon2	30 Residential	Mon	Mon	393	1,666	\$ 5.87		\$ 6.47		\$0.29
30ResidentialMon3	30 Residential	Mon	Mon	1,667	1,000,000,000	\$ 6.16				\$0.31
40ResidentialQtr1	40 Residential	Qtr	Qtr	-	1,175		\$ 50.69		\$ 53.22	\$2.53
40ResidentialQtr2	40 Residential	Qtr	Qtr	1,176	5,000	\$ 5.87		\$ 6.16		\$0.29
40ResidentialQtr3	40 Residential	Qtr	Qtr	5,001	1,000,000,000	\$ 6.16		\$ 6.47		\$0.31
50CommercialMon1	50 Commercial	Mon	Mon	-	425		\$ 27.32		\$ 30.65	\$3.33
50CommercialMon2	50 Commercial	Mon	Mon	426	1,667	\$ 6.43		\$ 7.21		\$0.78
50CommercialMon3	50 Commercial	Mon	Mon	1,668	4,167	\$ 7.11		\$ 7.97		\$0.87
50CommercialMon4	50 Commercial	Mon	Mon	4,168	1,000,000,000	\$ 7.68		\$ 8.62		\$0.94
60CommercialQtr1	60 Commercial	Qtr	Qtr	-	1,275		\$ 81.95		\$ 91.95	\$10.00
60CommercialQtr2	60 Commercial	Qtr	Qtr	1,276	5,000	\$ 6.43		\$ 7.21		\$0.78
60CommercialQtr3	60 Commercial	Qtr	Qtr	5,001	12,500	\$ 7.11		\$ 7.97		\$0.87
60CommercialQtr4	60 Commercial	Qtr	Qtr	12,501	1,000,000,000	\$ 7.68		\$ 8.62		\$0.94

Table 3 - (Table 2 multiplied by 5% for Res and 12.2% for Com

		FY2020 Estimate	FY2018	FY2017	FY2016	FY2015	FY2014
30	Estimated Revenue	\$ 563,775.62	\$ 562,226.39	\$ 565,751.22	\$ 553,642.84	\$ 562,729.95	\$ 579,253.98
	Estimated Units	87,575.00	87,324.00	87,850.00	85,859.00	87,180.00	89,867.00
	Average Cost per unit	6.44	6.44	6.44	6.45	6.45	6.45
40	Estimated Revenue	\$ 1,839,615.63	\$ 1,835,256.99	\$ 1,844,006.21	\$ 1,807,389.57	\$ 1,835,867.93	\$ 1,809,451.86
	Estimated Units	259,003.48	258,009.77	255,997.78	254,475.48	263,632.00	257,445.50
	Average Cost per unit	7.10	7.11	7.09	7.10	6.96	7.03
50	Estimated Revenue	\$ 1,101,466.59	\$ 1,099,142.07	\$ 1,063,204.65	\$ 1,120,013.28	\$ 919,224.88	\$ 868,901.29
	Estimated Units	128,580.00	128,289.67	124,025.23	130,686.07	107,455.29	101,600.06
	Average Cost per unit	8.57	8.57	8.57	8.57	8.55	8.55
60	Estimated Revenue	\$ 252,688.91	\$ 249,443.20	\$ 255,934.62	\$ 255,028.93	\$ 267,782.44	\$ 249,094.27
	Estimated Units	27,101.50	26,866.00	27,337.00	27,414.80	28,989.64	27,043.00
	Average Cost per unit	9.32	9.28	9.36	9.30	9.24	9.21
	Estimated Revenue	\$ 3,757,546.75	\$ 3,746,068.66	\$ 3,728,896.70	\$ 3,736,074.63	\$ 3,585,605.20	\$ 3,506,701.41
	Estimated Units	502,259.98	500,489.44	499,210.01	498,435.35	487,256.93	475,955.56
	Average Cost per unit	7.48	7.48	7.47	7.50	7.36	7.37

		Percentage of the total
7.5% increase	\$ 3,758,045.48	0%
Net Change	\$ (498.73)	6.5%/9.4%
		15.4%
		15.2%
		15.0%
		15.4%
		50.1%
		49.7%
		49.0%
		50.1%
		28.1%
		28.6%
		29.3%
		28.1%
		6.4%
		6.6%
		6.7%
		6.4%
	\$ 3,495,856	\$ 3,758,087
	\$ 3,757,547	\$ 3,758,045

Option 2

Data		Increase
Residential		6.5%
Commercial		9.4%
Total		7.5%

	\$ (22,889.44)	Difference from Original Budget
	\$ 22,931.33	Difference from Original Budget
	\$ 41.89	Difference from Original Budget

Table 1 - Current Rates

Code	Svc	Type	Frequency	MinVolume (100 CF)	MAXVolume (100 CF)	Current Rate	Current Min Charge	Proposed Budgeted Rate	Proposed Budgeted Min Charge
30ResidentialMon1	30 Residential	Mon	Mon	-	392		\$ 16.92	\$ 6.25	\$ 18.02
30ResidentialMon2	30 Residential	Mon	Mon	393	1,666	\$ 5.87		\$ 6.25	
30ResidentialMon3	30 Residential	Mon	Mon	1,667	1,000,000,000	\$ 6.16		\$ 6.56	
40ResidentialQtr1	40 Residential	Qtr	Qtr	-	1,175		\$ 50.69		
40ResidentialQtr2	40 Residential	Qtr	Qtr	1,176	5,000	\$ 5.87		\$ 6.25	\$ 53.98
40ResidentialQtr3	40 Residential	Qtr	Qtr	5,001	1,000,000,000	\$ 6.16		\$ 6.56	
50CommercialMon1	50 Commercial	Mon	Mon	-	425		\$ 27.32		\$ 29.88
50CommercialMon2	50 Commercial	Mon	Mon	426	1,667	\$ 6.43		\$ 7.03	\$ 60.60
50CommercialMon3	50 Commercial	Mon	Mon	1,668	4,167	\$ 7.11		\$ 7.77	\$ 60.67
50CommercialMon4	50 Commercial	Mon	Mon	4,168	1,000,000,000	\$ 7.68		\$ 8.40	\$ 60.72
60CommercialQtr1	60 Commercial	Qtr	Qtr	-	1,275		\$ 81.95		
60CommercialQtr2	60 Commercial	Qtr	Qtr	1,276	5,000	\$ 6.43		\$ 7.03	\$ 70.70
60CommercialQtr3	60 Commercial	Qtr	Qtr	5,001	12,500	\$ 7.11		\$ 7.77	\$ 60.60
60CommercialQtr4	60 Commercial	Qtr	Qtr	12,501	1,000,000,000	\$ 7.68		\$ 8.40	\$ 60.72

Increase

\$1.10	\$0.27
\$0.38	
\$0.40	
\$3.29	\$0.27
\$0.38	
\$0.40	
\$2.57	\$0.64
\$0.60	
\$0.67	
\$0.72	
\$7.70	\$0.64
\$0.60	
\$0.67	
\$0.72	

Table 3 - (Table 2 multiplied by 6.5% for Res and 9.4% for Com

		FY2020 Estimate		FY2018	FY2017	FY2016	FY2015	FY2014
30	Estimated Revenue	\$ 571,829.55		\$ 570,258.20	\$ 573,833.38	\$ 561,552.03	\$ 570,768.95	\$ 587,529.04
	Estimated Units	87,575.00		87,324.00	87,850.00	85,859.00	87,180.00	89,867.00
	Average Cost per unit	6.53		6.53	6.53	6.54	6.55	6.54
40	Estimated Revenue	\$ 1,865,895.86		\$ 1,861,474.95	\$ 1,870,349.16	\$ 1,833,209.42	\$ 1,862,094.61	\$ 1,835,301.17
	Estimated Units	259,003.48		258,009.77	259,997.78	254,475.48	263,632.00	257,445.50
	Average Cost per unit	7.20		7.21	7.19	7.20	7.06	7.13
50	Estimated Revenue	\$ 1,073,979.01		\$ 1,071,712.50	\$ 1,036,671.91	\$ 1,092,062.86	\$ 896,285.22	\$ 847,217.48
	Estimated Units	128,580.00		128,289.67	124,025.23	130,686.07	107,455.29	101,600.06
	Average Cost per unit	8.35		8.35	8.36	8.36	8.34	8.34
60	Estimated Revenue	\$ 246,382.95		\$ 243,218.24	\$ 249,547.66	\$ 248,664.57	\$ 261,099.81	\$ 242,878.01
	Estimated Units	27,101.50		26,866.00	27,337.00	27,414.80	28,989.64	27,043.00
	Average Cost per unit	9.09		9.05	9.13	9.07	9.01	8.98
	Estimated Revenue	\$ 3,758,087.37		\$ 3,746,663.88	\$ 3,730,402.11	\$ 3,735,488.89	\$ 3,590,248.60	\$ 3,512,925.71
	Estimated Units	502,259.98		500,489.44	499,210.01	498,435.35	487,256.93	475,955.56
	Average Cost per unit	7.48		7.49	7.47	7.49	7.37	7.38

		Percentage of the total			
7.5% increase	\$ 3,758,045.48	0%	6.5%/9.4%	5.0%/12.2%	7.5%/7.5%
Net Change	\$ 41.89	30	15.4%	15.2%	15.4%
		40	50.1%	49.7%	49.0%
		50	28.1%	28.6%	29.3%
		60	6.4%	6.6%	6.7%
			\$ 3,495,856	\$ 3,758,087	\$ 3,757,547
					\$ 3,758,045

Data used in the calculation of the new rates

Table 2 - Usage

Current Rate Classes	FY2020 Estimate		FY2018		FY2017		FY2016		FY2015		FY2014	
	Count	Billable Units	Count	Billable Units	Count	Billable Units	Count	Billable Units	Count	Billable Units	Count	Billable Units
30ResidentialMon1	6	73	6	73	8	97	11	133	14	172	8	100
30ResidentialMon2	96	12,329	93	12,085	99	12,572	88	11,373	86	11,057	83	11,226
30ResidentialMon3	141	75,174	143	75,166	140	75,181	143	74,353	143	75,951	152	78,541
40ResidentialQtr1	1,155	4,695	1,155	4,736	1,107	4,654	1,118	4,611	992	3,995	1,064	4,257
40ResidentialQtr2	2,005	181,649	2,004	181,194	2,007	182,105	1,957	178,391	2,029	184,808	2,002	180,365
40ResidentialQtr3	224	72,659	224	72,079	225	73,239	220	71,474	230	74,829	210	72,824
50CommercialMon1	27	323	27	323	31	376	25	311	26	314	26	317
50CommercialMon2	37	4,483	37	4,495	37	4,470	38	4,581	37	4,491	37	4,503
50CommercialMon3	36	11,506	36	11,203	37	11,808	32	10,265	35	11,479	35	11,345
50CommercialMon4	60	112,269	60	112,269	56	107,371	58	115,529	55	91,171	52	85,435
60CommercialQtr1	101	396	98	390	104	402	96	396	90	398	96	380
60CommercialQtr2	71	7,164	72	7,467	69	6,860	76	7,604	77	7,892	82	8,101
60CommercialQtr3	20	5,871	22	6,319	18	5,422	18	5,468	22	6,367	22	6,550
60CommercialQtr4	12	13,672	11	12,690	13	14,653	12	13,947	14	14,333	9	12,012
		502,260		500,489		499,210		498,435		487,257		475,956