

City of Biddeford
Finance Committee Meeting Minutes
June 4, 2019

The meeting was called to order at 5:00 p.m. 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 21, 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

Review of Proposed Increase in Wastewater Rates for FY20

City Manager, James Bennett, explained this is based on the discussion you had at the Budget Committee meeting. We're recommending taking a look at the rate structure over this summer, with the change in personnel, which one of the summer Interns has been helping in that role. Since they looked at this with more detail, they found some of the larger multi-units are treated as commercial and some as residential. The idea is we would adopt a rate this year to deal with the 7½% required to come in from the users, which would be step one. That would make sure everyone is getting a bill that is using the system. Before the budget period, we could come back and look at other approaches to the rates and hopefully that would not require raising the rates.

Cheryl explained they came up with this approach using the 7½% and looking at two different options. One question that was asked is what would happen if we did a 5% increase on residential and what would the other need be to make the 7½% work, which is 12.2% on commercial. That was not the best option because it was over the 10%. Staff ended up with 6.5% for residential vs 9.4% for commercial which they thought would be the best option.

Councilor St. Cyr had questions on monthly vs quarterly. Only have the two classes of customers and they are charged on a set amount. He has concerns with the increase for the different classes and going with the lower rate for residential customers to help the individual on a fixed income. He has other concerns on rates today explaining users should pay for what they use.

The City Manager explained the easiest way for Wastewater to handle is the residential. Compared to volume, the residential will tend to be lower than the other cost.

Councilor St. Cyr questioned if we rely on the Water Company for these breakdowns.

Cheryl explained talking to the Water Company it sounds we must have created these categories back when we started our system.

Jim explained two things, on the water side there are two factors that generate the water rates: size of the service and the actual volume. The other piece is about two years ago we lowered the minimum for residential because they were using less than the minimum.

Councilor Ready noted there are things that need to be cleared up, one being the excess capacity. He supports Option 2. Councilor McCurry will support Option 2 also, he is reluctant only so they can come up with a better plan on what is residential and what is commercial. Mayor Casavant supports Option 2 and feels it is fair.

Councilor McCurry would like to figure out what the Impact Fees should be for a building coming on. He feels they are too low compared to other communities.

Motion by Councilor Ready to recommend Option 2 to the City Council for approval, seconded by Councilor St. Cyr.

Discussion: Jeff Demers, Public Works Director, noted this will be quite a task explaining the last audit was in 2003. This is a very good step for the City. Another issue is the DEP and EPA stuff coming up for us, as Tom and Staff has done a great job on separation work but there may be other issues. They are looking into tenement buildings with flat roofs and how the plumbing is done in older buildings.

Vote: unanimous.
Motion carried 4-0.

Other Business

No other business.

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

Vote: unanimous.

Motion carried 4-0.

Adjourned at 5:23 p.m.