BUDGET COMMITTEE MEETING
MARCH 25, 2021

NOTE: Due to COVID-19, this meeting was held virtually (via ZOOM), and was live streamed on the City's website

Mayor Casavant called the Budget Committee to order at 5:30 p.m.

Roll Call: William Emhiser, John McCurry, Jr., Stephen St. Cyr, Amy Clearwater (joined late), Norman Belanger, Michael Ready, Doris Ortiz, Marc Lessard

Robert Quattrone, Jr. was excused.

Presentation of Non-General Funds:
City Manager, Jim Bennett presented the following items:

American Rescue Plan – was signed into law on March 11, 2021 and is a $1.9 trillion aid package, providing financial assistance to families, state and local governments, businesses, schools, non-profit agencies and others that have been impacted by COVID-19. $350 billion will be provided to state and local governments.

Since Biddeford is one of five Community Development Block Grant (CDBG) Entitlement Communities in Maine, we will be receiving a projected $11.7 million direct payment. The details on how those funds can be used is still being worked on by the Department of Treasury; however, we do know that funds cannot be used to lower the tax burden or for pension payments.

What we do know is that the funds can be used in the following ways:

- To supplement reductions in revenue that were caused by COVID-19 in the past fiscal year.
- To make necessary investments in the City's sewer system and broadband infrastructure.
- To respond to the public health emergency or the negative economic impacts, including providing assistance to households, small businesses and non-profits; or to aid impacted industries such as tourism, travel and hospitality.
- To provide premium pay for workers performing essential work during COVID.

What we do not know are the exact rules that will need to be followed to expend the funds; how the audit will be conducted; and if violations occur, will all or just some of the funds need to be paid back.

Wastewater Treatment Plant Billing Issues:
Upon inspection of the sewer billing process and revenues, it has been determined that there have been some bad past practices going back many years. Specifically, it was found that some billings were missed completely, leaving the City in a position of "catching up" on the billing cycle. It has also been found that commercial use is down since the start of COVID, which could qualify the City for use of the ARP funds.

There was some discussion about the current sewer billing process and some of the issues that have been discovered. It was agreed that something definitely needs to be done to refine the process and avoid any more skipped billings. Staff will continue working on this issue and will bring a proposal to rectify the sewer billing issues to the Council.

Later in the budget process, the overall Wastewater Budget will be brought forward, and Jim is confident that ARP funds will be able to be used to make that particular budget whole. Jim has also contact the bank and asked that the closing for the $1.5 million bond, which is to be used to purchase capital equipment at the WWTP, be postponed until the City can determine whether the ARP funds can be used to pay down that bond, and therefore, not incur that loan payment.

Special Revenue Accounts:
Jim talked about the Pool Beach Permits and Airport Funds that are both currently running in the negative – specifically, the expenses are higher than the revenues. As for the Pool Beach Permit Fund, there will need to be a decision on how to bring that Fund back into the positive, whether it be to look at what is being charged to this Fund, prop it up by using General Fund revenues, or some other option.

The Airport Fund is expected to run somewhat in the negative due to the fact that there are FAA funds being used.

Chief Operating Officer Brian Phinney went through the following Funds:

- ✓ Mooring Fund - remains solvent for the time being
- ✓ Recreation Fund also remains solvent; however, will approach going into the negative with the increase in Staff wages due to the increase in the minimum wage, as well as the increase in scholarships that are awarded
- ✓ MDEA Fund (Maine Drug Enforcement Agency) – this is a Grant that is administered by Police Chief Roger Beaupre, with two full-time employees. The difference between the expenses and revenue is primarily due to salary increases, and partially offset by a decrease in overtime. Overall, this Fund remains solvent.
- ✓ Parking Lot Permit Fees – as of July 1, 2021, the City will no longer be involved in collecting the parking lot fees, or maintaining those parking lots. TFIC will take control of the parking lots, including all operations and costs. This will end up eliminating one full-time City employee. The City will continue to enforce on-street parking, beach parking and the City Hall parking lot.

The next steps are:

- ❖ To solve the issue of the wastewater billing and revenue
- ❖ To determine the possible uses of the forthcoming ARP Funds; FY22 Capital and TIF and bond authorization funds
- ❖ Thursday, April 1st, 2021 will be the 1st FY22 Budget Public Hearing

Motion by Councilor McCurry, seconded by Councilor Clearwater to adjourn.
Vote: Unanimous.
Time: 6:51 p.m.